

Delta Electronics, Inc. ("Company")
Minutes of 2022 Annual General Shareholders' Meeting
(Translation)

Time: 10:00 AM, June 14, 2022

Place: Auditorium, 8F., No.16, Tungyuan Road, Chungli District, Taoyuan City

Quorum: 2,330,500,020 shares were represented by the shareholders and proxies present, which amounted to 89.71% of the Company's 2,597,543,329 issued and outstanding shares.

Board Members Present: Yancey Hai, Bruce CH Cheng, Mark Ko, Ping Cheng, Simon Chang, Victor Cheng (via video conference), Ji-Ren Lee (Independent Director), Jack J. T. Huang (Independent Director) (via video conference), Shyue-Ching Lu (Independent Director) (via video conference), Rose Tsou (Independent Director) (via video conference), 10 members of the Board of Directors (including 4 Independent Directors) are present.

Attendance: CPA, Ms. Lin, Yu-Kuan, PricewaterhouseCoopers, Senior Manager, Mr. Roger Wang, PricewaterhouseCoopers, Attorneys-at-Law, Mr. James Chen, Lee and Li, Corporate CFO, Mr. Beau Yu and Chief Legal Officer, Mr. Karl Yeh

Chairman: Yancey Hai, Chairman of the Board of Directors

Recorder: Yichun Chen

Commencement: (The aggregate shareholding of the shareholders and proxies present constituted a quorum. The Chairman called the meeting to order.)

Salute according to the etiquette

Chairman's speech: (omitted)

1. Report Items

- (1) 2021 Operation Results (Please refer to Appendix 1)
- (2) 2021 Financial Results (Please refer to Appendix 2 and 3)
- (3) Audit Committee's Review Opinions on 2021 Annual Final Accounting Books and Statements (Please refer to Appendix 4)
- (4) Report on 2021 Employees' and Directors' Compensation
The Company's annual profit in 2021 is NT\$32,709,989,547, of which 7.8% is allocated as the employees' compensation in cash totaling NT\$2,545,648,687 and 0.14% is allocated as the directors' compensation totaling NT\$44,600,000.
- (5) Report on Short-form Merger between Delta Electronics, Inc. and Allied Material Technology Corp.
To improve the group's management efficiency and simplify the corporate structure, the Company merged with its 99.97% owned subsidiary Allied Material Technology Corp. The resolution passed by both Boards of Directors held on February 24, 2022. The effective date of the merger is May 1, 2022. Upon the merger, the Company is the surviving company, while Allied Material Technology Corp. is the dissolved company.
- (6) Report on Issuance of Unsecured Ordinary Corporate Bond.
 - a) In order to replenish working capital, repay debt and/or support capital expenditures related to business expansion and other medium and long-term funding needs, the Board of Directors of the Company approved the issuance of unsecured ordinary corporate bond and/or sustainable bond on February 24, 2022. The aggregate amount does not exceed NT\$50 billion, which may be issued once or in installments within one year from the date of the resolution of the Board of Directors.
 - b) The Company issued the 1st issuance of unsecured ordinary corporate bond in 2022 (111-1) with totaling amount NT\$6.6 billion that are comprised of 2 Tranches, Tranche A and Tranche B, according to different issuance period. It has been effective registration on March 29, 2022 upon the letter No. 11100019761 issued by the Taipei Exchange. The amount issued for Tranche A is NT\$5.9 billion and the amount issued for Tranche B is NT\$0.7 billion. The status of issuance of the unsecured ordinary corporate bond is as below:

Status of issuance of corporate bonds:

Unit: NT\$1,000

Type of Corporate Bonds		Domestic Unsecured Bond (111-1)	
		Tranche A	Tranche B
Issue Date		2022/04/07	2022/04/07
Denomination		1,000	
Offering Price		At Par	
Total Amount		5,900,000	700,000
Coupon		0.85%	0.90%
Tenure & Maturity Date		5 years Maturity : 2027/04/07	7 years Maturity : 2029/04/07
Guarantor		None	
Trustee		CTBC Bank Co., Ltd.	
Underwriter		CTBC Bank Co., Ltd.	
Legal Counsel		True Honesty International Law Offices	
Auditor		PricewaterhouseCoopers, Taiwan	
Repayment		Bullet Repayment	
Outstanding		5,900,000	700,000
Redemption or Early Repayment Clause		None	
Covenants		None	
Credit Rating Agency, Rating Date and Rating Result		N/A	
Other Rights of Bondholders	As of April 28, 2022, amount of converted or exchanged common shares, GDRs or other securities	N/A	
	Conversion Right	None	
Dilution Effect and Other Adverse Effects on Existing Shareholders		None	
Custodian		None	

(The registered number of shareholder who raised questions was 398956. The questions and answers were omitted. Regarding the questions and relevant suggestions by the shareholder, the Chairman had fully explained in detail in the meeting. The Company has also kept record of the questions and answers for future reference.)

(The registered number of shareholder who raised questions was 110661. The questions and answers were omitted. Regarding the questions and relevant suggestions by the shareholder, the Chairman had fully explained in detail in the meeting. The Company has also kept record of the questions and answers for future reference.)

2. Proposal Items

- (1) Adoption of the 2021 Annual Final Accounting Books and Statements
(Proposed by the Board of Directors)

Explanation:

- a) This Company's 2021 Annual Final Accounting Books and Statements, including the Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements (please refer to Appendix 1~3) had been resolved by the Board and Directors and reviewed by the Company's Audit Committee, of which the Parent Company Only Financial Statements and the Consolidated Financial Statements had been audited by CPA, Lin, Yu-Kuan and CPA, Chou, Chien-Hung from PricewaterhouseCoopers, Taiwan. The Company's Audit Committee has found no discrepancies after a thorough review and has made a written review report.
- b) It is proposed by the Board of Directors to submit the 2021 Annual Final Accounting Books and Statements to this Annual General Shareholders' Meeting for adoption.

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,141,070,768, among which 1,420,178,252 was exercised by electronic transmission, the number of voting rights for rejection is 1,521,118, the number of invalid votes is 0, the number of voting rights for abstention is 187,908,134, and 91.87% of the total voting rights voted for approval when votes were cast).

- (2) Adoption of the 2021 Earnings Distribution
(Proposed by the Board of Directors)

Explanation:

- a) The 2021 Earnings Distribution Table is compiled as follows in accordance with Company Act and the Company's Articles of Incorporation and has been approved by the Audit Committee and the Board of Directors on February 24, 2022.
- b) The Board of Director proposed to set aside NT\$14,286,488,310 for cash dividends. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of NT\$5.5 per share will be distributed. The Board of Directors authorized the Chairman subject to the approval of Annual General Shareholders' Meeting to set a record date on which the proposed cash dividend would be distributed according to

the shareholding ratio of shareholders appeared in the register of shareholders on the designated record date of distribution. In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as, buyback of shares for transfer or cancellation, domestic capital increase by cash, and exercise of employee stock options), it is proposed that the Chairman be authorized to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

- c) It is proposed by the Board of Directors to submit the 2021 Earnings Distribution to this Annual General Shareholders' Meeting for adoption.

Delta Electronics, Inc.
2021 Earnings Distribution Table

Item	Description	Unit: NT\$ Amount
Net profit after tax for the year 2021		26,796,301,966
Subtract: Setting aside 10% legal reserve		2,688,553,299
Setting aside special reserves		3,623,514,359
Earnings available for distribution by the end of 2021		20,484,234,308
Add: Retained earnings in the beginning of 2021		26,737,168,139
Actuarial profit on defined benefit plan in 2021		89,231,022
Earnings available for distribution by the end of the fiscal year (Note 1)		47,310,633,469
Distribution Items:		
Shareholders' dividends - Cash	NT\$5.5 per share	14,286,488,310
Undistributed earnings by the end of 2021		33,024,145,159

(Note 1) The principle of 2021 earnings distribution: earnings available for distribution by the end of the fiscal year shall be distributed first.

(Note 2) Cash dividends distributed are rounded up to NT\$1. The total amount of fractional cash dividends less than NT\$1 shall be reversed to undistributed earnings.

Chairman: Yancey Hai

Manager: Ping Cheng

Chief Accounting Officer: Beau Yu

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,144,594,509, among which 1,423,701,993 was exercised by electronic transmission, the number of voting rights for rejection is 112,676, the number of invalid votes is 0, the number of voting rights for abstention is 185,792,835, and 92.02% of the total voting rights voted for approval when votes were cast).

3. Discussion Items

- (1) Discussion of the Amendments to the Articles of Incorporation
(Proposed by the Board of Directors)

Explanation:

- a) In order to accommodate the Company's business practice, it is proposed to amend certain provisions of the Articles of Incorporation. Please see the comparison table of revised articles of the Articles of Incorporation for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Articles of Incorporation

Article	Article after revision	Article before revision	Explanation
Article 12-1	<u>The shareholders' meeting of the Company may be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	(New)	Addition of the article due to the Company's business needs.
Article 33	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 49 th revision dates have been omitted for simplicity) The fiftieth amendment was made on June 11, 2018; <u>The fifty-first amendment was made on June 14, 2022.</u>	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 49 th revision dates have been omitted for simplicity) The fiftieth amendment was made on June 11, 2018.	Addition of the 51 st revision date.

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,076,557,538, among which 1,355,665,022 was exercised by electronic transmission, the number of voting rights for rejection is 39,263,730, the number of invalid votes is 0, the number of voting rights for abstention is 214,678,752, and 89.10% of the total voting rights voted for approval when votes were cast).

(2) Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures
(Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Shareholders' Meeting Rules and Procedures in order to comply with the amendments to the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders Meetings Regulations Governing Shareholders' Meeting Rules and Procedures" announced by the Taiwan Stock Exchange and take practical operation into consideration. Please see the comparison table of revised articles of the Shareholders' Meeting Rules and Procedures for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Shareholders' Meeting Rules and Procedures

Article	Article after revision	Article before revision	Explanation
Article 3	The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise. <u>Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.</u> (the rest is omitted)	The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise. (the rest is omitted)	1. The previous paragraph of the first, and the third to the tenth are not revised. 2. Addition of the second paragraph in order for shareholders to be informed the changes to how the Company convenes its shareholders' meeting.
Article 5	Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u>	Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.	Addition of the second paragraph in order to stipulate that there is no restriction on the place of the meeting when a company holds a virtual-only shareholders' meeting.
Article 6	The Company shall, in the notification of	The Company shall, in the notification of	1. Revision of the

Article	Article after revision	Article before revision	Explanation
	<p>the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.</p> <p>The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting.</p> <p>There shall be clear signs and sufficient and adequate staffs in the check-in place. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform thirty (30) minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></p> <p>Attending shareholders or their appointed proxies (hereafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (including independent directors) is to be held.</p> <p>When the government or a legal entity is</p>	<p>the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.</p> <p>The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting.</p> <p>There shall be clear signs and sufficient and adequate staffs in the check-in place.</p> <p>Attending shareholders or their appointed proxies (hereafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (including independent directors) is to be held.</p> <p>When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the</p>	<p>second paragraph in order to specify the time and procedure of registration for shareholders who are intended to attend virtual shareholders' meetings.</p> <p>2. Addition of the seventh paragraph in order to enable shareholders attending a virtual shareholders' meeting to read the meeting agenda, annual report and other meeting materials.</p>

Article	Article after revision	Article before revision	Explanation
	<p>a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.</p> <p><u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda, annual report and other meeting materials to the virtual meeting platform at least thirty (30) minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>meeting.</p>	
<p>Article 9</p>	<p>Attendance at shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders, <u>and the shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending</p>	<p>Attendance at shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted</p>	<ol style="list-style-type: none"> 1. Revision of the first paragraph in order to stipulate that when a company holds a virtual shareholders' meetings, the total number of shares checked in on the virtual meeting platform should be counted in. 2. Revision of the second paragraph because of that when a company holds a virtual shareholders' meeting, if the chairman declares the meeting

Article	Article after revision	Article before revision	Explanation
	<p>shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting. <u>In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company.</u></p> <p>If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.</p>	<p>more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting. If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.</p> <p>If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.</p>	<p>adjourned, the chairman shall also declare the meeting adjourned at the virtual meeting platform to notify the shareholders immediately.</p> <p>3. Revision of the third paragraph because of that when a company convenes a separate shareholders' meeting by provisional resolutions, shareholders intending to attend the meeting online shall re-register to the company.</p>
Article 11	<p>(Omitted for the first paragraph to the ninth paragraph)</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting</u></p>	<p>(Omitted for the first paragraph to the ninth paragraph)</p>	<p>Addition of the tenth paragraph in order to specify the way, procedures and restrictions of raising questions for</p>

Article	Article after revision	Article before revision	Explanation
	<p><u>platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 7 do not apply.</u></p>		<p>shareholders who attend the virtual meeting online.</p>
<p>Article 19</p>	<p><u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least fifteen (15) minutes after the chair has announced the meeting adjourned.</u></p>	<p>These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.</p>	<ol style="list-style-type: none"> 1. Addition of this article in order to enable shareholders who attend the virtual meeting online immediately acknowledge real-time results of votes and election of each proposal. 2. The previous paragraph of the nineteenth is adjusted to the twenty first.
<p>Article 20</p>	<p><u>In the event of a virtual shareholders' meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than thirty (30) minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in</u></p>	<p>(New)</p>	<p>Addition of the article in order to stipulate that where the shareholders' meeting is a virtual shareholders' meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman</p>

Article	Article after revision	Article before revision	Explanation
	<u>the first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u>		has announced the meeting adjourned, and the obstruction continues for more than thirty (30) minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
Article 21	<u>These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.</u>	(New)	The previous paragraph of the nineteenth is adjusted to the twenty first.

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,091,705,874, among which 1,370,813,358 was exercised by electronic transmission, the number of voting rights for rejection is 24,202,628, the number of invalid votes is 0, the number of voting rights for abstention is 214,591,518, and 89.75% of the total voting rights voted for approval when votes were cast).

(3) Discussion of the Amendments to the Operation Procedures of Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Operating Procedures of Acquisition or Disposal of Assets in order to comply with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies announced by the Financial Supervisory Commission. Please see the comparison table of revised articles of the Operating Procedures of Acquisition or Disposal of Assets for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Acquisition or Disposal of Assets

Article	Article after revision	Article before revision	Explanation
Article 10	<p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p>	<p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. <u>If the accountant needs to use an expert's report, the accountant shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (the "ARDF").</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p>	<p>Revision of the article in accordance with the revised Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" that has been added to require external experts to issue opinions following the self-discipline of their own trade associations and it has covered the procedures for accountants to issue opinions.</p>
Article 11	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property, equipment or its right-of-use assets: When acquiring or disposing real property, equipment or its right-of-use assets, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring equipment for</p>	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property, equipment or its right-of-use assets: When acquiring or disposing real property, equipment or its right-of-use assets, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring equipment for</p>	<p>The reason of revision is the same as the Article 10.</p>

Article	Article after revision	Article before revision	Explanation
	<p>operating use or its right-of-use assets, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers. 3. If the professional appraiser's appraisal results revealed any of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall appoint an accountant to render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price: <ol style="list-style-type: none"> (1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount. (2) Where the difference between the 	<p>operating use or its right-of-use assets, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers. 3. If the professional appraiser's appraisal results revealed any of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall appoint an accountant to <u>conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and</u> render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price: <ol style="list-style-type: none"> (1) Where the difference between the 	

Article	Article after revision	Article before revision	Explanation
	<p>appraisal results of two or more professional appraisers is 10% or more of the transaction amount. (the rest is omitted)</p>	<p>appraisal result and the transaction amount is 20% or more of the transaction amount. (2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. (the rest is omitted)</p>	
Article 12	<p>Procedures governing transactions with a related party are as follows:</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property or its right-</p>	<p>Procedures governing transactions with a related party are as follows:</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property or its right-</p>	<p>Revision of this article in order to strengthen the management of related party transactions and protect the rights of minority shareholders of public companies to express their opinions on transactions between the Company and related parties pursuant to the addition of paragraph 5 in Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	Article after revision	Article before revision	Explanation
	<p>of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or its right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) to (4) and (6) of</p>	<p>of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or its right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) to (4) and (6) of</p>	

Article	Article after revision	Article before revision	Explanation
	<p>subparagraph 3 of this Article 12.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p><u>If the Company or a subsidiary of a non-domestic public company has the transaction as set forth in the first paragraph and the transaction amount is more than 10% of the Company's total assets, the Company shall submit the materials listed in the first paragraph to the shareholders' meeting for approval before signing contracts and making payment. However, it does not apply to the transaction between the Company and its subsidiaries or between subsidiaries.</u></p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and</p>	<p>subparagraph 3 of this Article 12.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the audit committee and the Board of Directors in accordance with the Operating Procedures need not be counted toward the said transaction amount and shall be subject to mutatis mutandis application of Article 2, paragraphs 2 and 3.</p> <p>(the rest is omitted)</p>	

Article	Article after revision	Article before revision	Explanation
	<p>"within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the audit committee and the Board of Directors <u>as well as the shareholders' meeting</u> in accordance with the Operating Procedures need not be counted toward the said transaction amount and shall be subject to mutatis mutandis application of Article 2, paragraphs 2 and 3.</p> <p>(the rest is omitted)</p>		
Article 13	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of intangible assets or its right-of-use assets or membership certificates:</p> <p>When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price.</p>	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of intangible assets or its right-of-use assets or membership certificates:</p> <p>When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price.</p> <p><u>The accountant so appointed shall act in accordance with Statement of General Auditing Procedures No. 20 published by the ARDF accordingly.</u></p>	The reason of revision is the same as the Article 10.
Article 17	<p>Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or its right-of-use assets 	<p>Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or its right-of-use assets 	Revision of this article in order to relax the trading of foreign government bonds whose credit rating is not lower

Article	Article after revision	Article before revision	Explanation
	<p>from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts under the operating procedures promulgated by the Company.</p> <p>4. Where equipment or its right-of-use assets for operational use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount is NT\$1 billion or more.</p> <p>5. Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party,</p>	<p>from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts under the operating procedures promulgated by the Company.</p> <p>4. Where equipment or its right-of-use assets for operational use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount is NT\$1 billion or more.</p> <p>5. Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party,</p>	<p>than our country's sovereign rating and also exempt from public announcement and reporting regulations pursuant to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	Article after revision	Article before revision	Explanation
	<p>and the transaction amount to be invested by the Company is NT\$500 million or more.</p> <p>6. Other asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds whose credit rating is not lower than our country's sovereign rating.</u></p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>(the rest is omitted)</p>	<p>and the transaction amount to be invested by the Company is NT\$500 million or more.</p> <p>6. Other asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>(the rest is omitted)</p>	

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,122,060,394, among which 1,401,167,878 was exercised by electronic transmission, the number of voting rights for rejection is 111,893, the number of invalid votes is 0, the number of voting rights for abstention is 208,327,733, and 91.05% of the total voting rights voted for approval when votes were cast).

(4) Discussion of the Amendments to the Operating Procedures of Fund Lending
(Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Operating Procedures of Fund Lending in order to comply with the amendments to the Q&A of the Regulations Governing Loaning of

Funds and Making of Endorsements/Guarantees by Public Companies announced by the Financial Supervisory Commission. Please see the comparison table of revised articles of the Operating Procedures of Fund Lending for the detailed revisions.

- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Fund Lending

Article	Article after revision	Article before revision	Explanation
Article 6	<p>1. After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued.</p> <p>2. <u>Due to the short-term financing of the Company and others until the term expires, the borrower shall repay it with actual cash flow or not allow to extend the repayment term upon an approval of the board of directors. However, if the loan between the Company and the foreign company that is directly and indirectly 100% of the voting rights held by the Company, or between the foreign subsidiaries that both are directly and indirectly 100% of the voting rights held by the Company and</u></p>	<p>After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued. <u>If repayment cannot be made on the due date, the borrower shall apply for a deferred repayment in advance and such defer request shall be submitted to the Board of Directors for approval;</u> otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.</p>	<p>Revision of relevant provisions on application for extension of fund lending according to the revised "Q&A Collection of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" in December 2021.</p>

Article	Article after revision	Article before revision	Explanation
	<p><u>the repayment cannot be made on the due date and need to be postponed, the short-term financing may be extended subject to the approval of the Board of directors and the borrower may not repay it with actual cash flow; afterwards, when the extension period expires, it shall be repaid with actual cash flow.</u> Otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.</p>		

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,121,894,187, among which 1,401,001,671 was exercised by electronic transmission, the number of voting rights for rejection is 126,964, the number of invalid votes is 0, the number of voting rights for abstention is 208,478,869, and 91.04% of the total voting rights voted for approval when votes were cast).

4. Election Item

- (1) Election of a Director and an Independent Director of the Company
(Proposed by the Board of Directors)

Explanation:

- a) The 19th term of the Board of Directors of the Company proposed to elect a Director and an Independent Director. The new Director and Independent Director will assume office after being elected in this Annual General Shareholders' Meeting with the term from June 14, 2022 to July 18, 2024.
- b) The Company adopted the candidates nomination system for electing the Directors (including an Independent Director). There are two candidates (including an Independent Director) approved by the Board of Directors. The relevant information is as follows :

List of Candidates for Directors

Name	Educational Background and Experience	Number of Shares Held
SS Guo	<p>Educational Background:</p> <ul style="list-style-type: none"> - Master in Department of Communications of University of Michigan, Ann Arbor - Bachelor in Department of Foreign Language and Literature of National Taiwan University <p>Experience:</p> <ul style="list-style-type: none"> - CEO of TSMC Education and Culture Foundation 	20,360

List of Candidates for Independent Directors

Name	Educational Background and Experience	Number of Shares Held
Audrey Tseng	<p>Educational Background:</p> <ul style="list-style-type: none"> - Master of Business Management of National Taiwan University and Fudan University - Master of Commerce in Department of Accounting of National Chengchi University <p>Experience:</p> <ul style="list-style-type: none"> - Deputy Chairman, Assurance Leader and Markets Leader of PricewaterhouseCoopers Taiwan - Synergies Leader of PricewaterhouseCoopers Greater China (CaTSH) - Chairman of Alumni Association for Accounting Department of National Chengchi University 	0

c) Please Vote

Election Result: a Director and an Independent Director

Title	Name	Votes Received
Director	SS Guo	1,821,298,833
Independent Director	Audrey Tseng	1,882,941,983

5. Other Proposals

- (2) Discussion of the Release from Non-competition Restrictions on Directors
(Proposed by the Board of Directors)

Explanation:

- a) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at this Annual General Shareholders' Meeting the essential contents of such conduct and obtain the shareholders' approval.
- b) As the new Independent Director elected at this Annual General Shareholders' Meeting concurrently work for other companies, which may constitute the act restricted under Article 209 of the Company Act, it is proposed to release the non-competition restrictions on the Independent Director, without prejudice to the interests of the Company.
- c) Please refer to Appendix 5 for the concurrent positions of the Independent Director elected by this Annual General Shareholders' Meeting. If there is any change in her concurrent positions after the nomination, please refer to the detailed list disclosed on the spot during this Annual General Shareholders' Meeting.
- d) The proposal is submitted for discussion.

Resolution:

Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,923,426,050, among which 1,202,533,534 was exercised by electronic transmission, the number of voting rights for rejection is 29,923,325, the number of invalid votes is 0, the number of voting rights for abstention is 377,150,645 , and 82.53% of the total voting rights voted for approval when votes were cast).

- 6. Extemporary Motions:** The registered number of shareholder who raised questions was 476483. The questions and answers were omitted. Regarding the questions and relevant suggestions by the shareholder, the Chairman had fully explained in detail in the meeting. The Company has also kept record of the questions and answers for future reference.)

Meeting Adjourn : 11:10 AM, June 14, 2022

Chairman: Yancey Hai

Recorder: Yichun Chen

Appendix 1

Business Report

Business Overview

In 2021, the continuing recovery of the global economy led to a breakthrough in the economic growth rates of the United States, Europe, and Taiwan for three quarters compared to the previous decade. However, some issues such as imbalanced supply chains, labor shortages and rising inflation pressures in countries with unstable epidemic situations and recovering economies are gradually being addressed to move toward normalization of the world economy. Amid the uncertainties of last year, Delta was fortunate enough to achieve growth in its annual revenue and earnings per share (EPS). The 2021 consolidated revenue reached NT\$314.7 billion, which is an increase by 11%; the gross profit reached NT\$90.2 billion, a gross profit margin of 28.7%; the net operating profit was NT\$31.4 billion, a net profit margin of 10.0%; the net income after tax was NT\$26.8 billion, with a net after-tax profit margin of 8.5%; the earnings per share (EPS) was NT\$10.3, and a return on equity (ROE) of 17.8%.

Business operations in different countries inevitably encountered a variety of challenges over the short-term. However, with its consistent commitment to the environment, society and its shareholders, Delta officially joined the RE100 initiative in 2021, undertaking to achieve 100% renewable energy usage in all of its sites across the globe by 2030, as well as carbon neutrality. Delta is the first company in Taiwan's high-tech manufacturing industry to commit to reaching the RE100 target by 2030.

Below are Delta's performance and vision relevant to the Company's business portfolio in 2021:

Power Electronics

Delta is a world-class leader in the power supply industry. It provides global customers with highly efficient power supply products including, but not limited to, cloud computing, information and communication equipment, industrial, medical, lighting, machine tools, and electric vehicles to global customers using the most state-of-the-art power electronics technology. Given the current smart factory trend, Delta released a wireless charging solution for unmanned trucks and industrial unmanned vehicles ahead of its peers in 2021, achieving fully automated and unmanned operation, which is the final step toward the application of AI manufacturing solutions to manual plugging and unplugging issues.

Delta has done its best to improve its R&D capabilities over the years. It has gained a foothold not only in the global power supply sector, but also in businesses related to brushless DC fans and miniaturization of key components. With its excellent product performance and energy efficiency, Delta was named 2021 Energy Star® Partner of the Year for six consecutive years by the U.S. Environmental Protection Agency (EPA) and carrying the distinguished Sustained Excellence honor for the fourth year in a row, demonstrating its product excellence in terms of environmental sustainability.

In order to stop global warming, many countries have proposed a timetable for the gradual phase-out of fossil fuel vehicles. With policies and car manufacturers supporting such a campaign, fossil fuel-powered vehicles would most likely become obsolete in the near future. In view of this, Delta entered the electric vehicle market with its power converters as part of its first stage of development – Delta Inside. Now in its second stage of development – Powered by Delta – the company provides motor drives and motor control systems for electric vehicles for major international car manufacturers. The next stage – Driven by Delta – aims to launch an all-in-one solution consisting of motor drives, motor controls, decelerators and other components, in collaboration with partners through strategic alliances to create a low-carbon future.

Automation

Delta's years of extensive and solid manufacturing experience as well as automation technology led to a full-scale transformation and upgrade of the Company's Taoyuan Plant 1 in 2021. The transformation began with the design of a production line, followed by an incremental percentage use of intelligent equipment, as technologies such as Augmented Reality (AR), Mixed Reality (MR) and Virtual Reality (VR) were also utilized. Big data analysis also plays a role in optimizing information for the production process, making Delta's Taoyuan Plant 1 a next-generation demo site for smart manufacturing. In addition, Delta has enabled customers to carry out production with customized volume and patterns by enhancing the experience and practice of robust smart manufacturing as a stable solution to the next generation of manufacturing.

In 2021, to strengthen its smart architecture roadmap, Delta acquired a Canadian company March Networks and its 100% owned subsidiaries which specializes in video surveillance and business intelligent. March Networks' Video Surveillance as a Service (VSaaS) is expected to further expand Delta's diversified applications in smart buildings and cities, using the Internet-of-Things (IoT) to provide smart solutions.

Infrastructure

The rapid development of global IoT and cloud computing has dynamically driven the power supply of data centers. To help customers build green data centers with greater efficiency and energy-saving results, Delta introduced a new "Panama power supply solution" that integrates electrical and magnetic circuits, thus converting medium-voltage 10KV AC to 240V DC directly and positioning power transmission by means of a single step. Many large data centers, including Alibaba and three major telecom companies in China, have successfully applied this solution. The total power capacity goes beyond 500MW with up to 98% energy efficiency, which is the estimated power consumption in Taiwan, equivalent to 32,000 households a year.

The pressure to reduce carbon emissions due to climate change is also likely to result in the development of critical policies aimed at transitioning to low-carbon transportation in the next decade. Delta has made significant investments in labor and the R&D of charging piles for more than ten years, with output reaching more than 1 million pieces globally. Its customer base covers international first-tier car manufacturers, major operators, and governments of various countries. In 2021, Delta worked with North-Star International Co., Ltd. in connection with the latter's charging station brand "Tail Power" for the establishment of the first expressway electric vehicle fast charging station at the Xiluo

service area along National Highway No. 1 in Taiwan, which will encourage local traditional gas stations to make changes.

Despite the global importance of an incremental ratio in the use of renewable energy, renewable energy for intermittent power generation has an impact on the dispatching of traditional power grids, thereby increasing the risks of large-scale power outages or power interruptions. In the power supply value chain, Delta has been concerned with changes in the global power industry over the years. In addition to cooperation with companies involved in power generation, transmission, distribution, and sales, Delta also helps end-users such as companies or households. It expects to build a more flexible and resilient power system with renewable energy, energy storage systems and energy management platforms.

For half a century, Delta has taken countermeasures to fight against global warming and climate change. In the 2021 Dow Jones Sustainability Indices (DJSI), a significant indicator of global corporate competitiveness, Delta has been selected for the DJSI World for eleven consecutive years, and the DJSI-Emerging Markets for nine consecutive years. What's more, Delta's 'Climate Change' and 'Water Security' campaigns were also included in the Leadership Level of the 2021 CDP (originally Carbon Disclosure Project) climate change report. CDP recognized the consistency of Delta's business development strategy on low-carbon emissions, in which the Board of Directors is actively involved in sustainability strategies, while the management team leads the sustainability committee to promote various climate action initiatives as part of the company's core business and daily operations. It is worth noting that Delta has been selected as Best Taiwan Global Brand for eleven consecutive years and its brand value climbed once again in 2021, with significant growth over the past nine consecutive years and double-digit growth for the last three years, for an increase of 19% compared to that of 2020, reaching USD395 million.

The year 2021 was Delta's 50th anniversary. Looking back on the past half century, Delta has kept its core values and practices for creating a friendly environment, giving feedback to society, caring for employees and sustainable development, and leading all employees and partners toward a brighter future amid constant challenges. The Company is deeply thankful to all of its employees, customers, shareholders, and partners for their unwavering support. Delta is extending its invitation to more customers to work together, reduce global carbon footprints, strive to relieve the threats of extreme climate change, and plan the next 50 sustainable and low-carbon targets for Delta in the years to come.

Chairman	Yancey Hai
Manager	Ping Cheng
Chief Account Officer	Beau Yu

Appendix 2

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Delta Electronics, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Delta Electronics, Inc. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were

addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Impairment assessment of investments accounted for under equity method

Description

As at December 31, 2021, the recognised goodwill as a result of the investments in Cyntec Co., Ltd., Eltek AS, Delta Controls Inc. and Delta Greentech (China) Co., Ltd. is material. Refer to Note 5 for accounting estimates in the impairment assessment of investments accounted for under the equity method and the uncertainty of assumptions.

As the balance of investments accounted for under the equity method is material, the valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves significant accounting estimates and prediction of future cash flows. Thus, we considered the impairment assessment of investments accounted for under the equity method a key audit matter.

How our audit addressed the matter

We obtained management's impairment assessment of investments accounted for under the equity method, obtained an understanding of the process in determining the expected future cash flows based on each cash generating unit, and performed the following audit procedures:

- A. Assessed whether the valuation models adopted by the Company are reasonable for the industry, environment and the valued assets of the Company;
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the business units; and
- C. Assessed the reasonableness of material assumptions, such as expected growth rates, operating margin and discount rates, by:
 - (a) Checking the setting of parameters of valuation models and calculation formulas;
 - (b) Comparing the expected growth rate and operating margin with historical data, economic and industrial forecast documents; and
 - (c) Comparing the discount rate with cost of capital assumptions of cash generating units and rates

of return of similar assets.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method and information on investees disclosed in Note 13. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. These investments accounted for under the equity method amounted to NT\$24,832,494 thousand and NT\$26,749,245 thousand, constituting 10.15% and 11.87% of total assets as at December 31, 2021 and 2020, respectively, and the comprehensive income recognised from these associates and joint ventures accounted for under the equity method amounted to NT\$2,420,288 thousand and NT\$4,491,467 thousand, constituting 10.40% and 24.03% of the total comprehensive income for the years then ended December 31, 2021 and 2020, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The parent company only financial statements of Delta Electronics, Inc. as at and for the year ended December 31, 2021 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$27.66 to US\$1.00 at December 31, 2021. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2020
Current assets				
Cash and cash equivalents	6(1)	\$ 41,833	\$ 1,157,090	\$ 1,526,220
Financial assets at amortised cost – current	8	4,397	121,608	120,968
Contract assets - current	6(18)	160,024	4,426,275	2,322,301
Notes receivable, net	6(4)	742	20,511	34,132
Accounts receivable, net	6(4)	200,449	5,544,419	6,816,593
Accounts receivable - related parties	7	321,028	8,879,653	7,343,305
Other receivables		3,147	87,055	70,900
Other receivables - related parties	7	15,406	426,128	620,947
Inventories	6(5)	256,534	7,095,719	4,415,599
Prepayments		39,135	1,082,471	830,709
Non-current assets held for sale	6(7)	11,589	320,551	-
Other current assets		84	2,330	4,197
Total current assets		<u>1,054,368</u>	<u>29,163,810</u>	<u>24,105,871</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	34,263	947,722	947,464
Financial assets at fair value through other comprehensive income - non-current	6(3)	41,057	1,135,640	1,404,189
Contract assets - non-current	6(18)	14,698	406,546	669,926
Investments accounted for under the equity method	6(6)	6,667,262	184,416,439	171,823,674
Property, plant and equipment	6(7)	902,958	24,975,829	23,201,266
Right-of-use assets	6(8)	15,795	436,902	487,399
Intangible assets	6(9)	68,944	1,907,000	1,338,725
Deferred income tax assets	6(25)	25,802	713,673	676,203
Other non-current assets	6(4)(10)	20,177	558,096	670,244
Total non-current assets		<u>7,790,956</u>	<u>215,497,847</u>	<u>201,219,090</u>
Total assets		<u>\$ 8,845,324</u>	<u>\$ 244,661,657</u>	<u>\$ 225,324,961</u>

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2020
Current liabilities				
Short-term borrowings	6(11)	\$ 50,615	\$ 1,400,000	\$ -
Contract liabilities - current	6(18)	88,766	2,455,259	2,394,670
Accounts payable		155,345	4,296,842	2,918,923
Accounts payable - related parties	7	261,823	7,242,026	8,671,549
Other payables	6(12)	490,837	13,576,568	11,795,315
Other payables - related parties	7	8,020	221,839	188,041
Current income tax liabilities		48,822	1,350,426	850,053
Other current liabilities		13,642	377,331	446,817
Total current liabilities		<u>1,117,870</u>	<u>30,920,291</u>	<u>27,265,368</u>
Non-current liabilities				
Long-term borrowings	6(13)	1,565,574	43,303,780	38,618,445
Deferred income tax liabilities	6(25)	431,704	11,940,925	10,764,819
Lease liabilities - non-current		14,997	414,829	427,745
Other non-current liabilities	6(14)	119,137	3,295,310	2,349,246
Total non-current liabilities		<u>2,131,412</u>	<u>58,954,844</u>	<u>52,160,255</u>
Total liabilities		<u>3,249,282</u>	<u>89,875,135</u>	<u>79,425,623</u>
Equity				
Share capital				
Common stock	6(15)	939,098	25,975,433	25,975,433
Capital surplus				
Capital surplus	6(16)	1,775,638	49,114,151	49,202,505
Retained earnings				
Legal reserve	6(17)	1,073,671	29,697,752	27,342,534
Special reserve		453,478	12,543,208	7,622,034
Unappropriated retained earnings		1,938,637	53,622,701	48,300,040
Other equity interest				
Other equity interest		(584,480)	(16,166,723)	(12,543,208)
Total equity		<u>5,596,042</u>	<u>154,786,522</u>	<u>145,899,338</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		<u>\$ 8,845,324</u>	<u>\$ 244,661,657</u>	<u>\$ 225,324,961</u>

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2021	2020
Operating revenue	6(18) and 7	\$ 2,419,419	\$ 66,921,116	\$ 58,184,137	
Operating costs	6(5)(23) (24)and 7	(1,484,781)	(41,069,033)	(36,235,864)	
Gross profit		934,638	25,852,083	21,948,273	
Operating expenses	6(23)(24)				
Selling expenses		(40,170)	(1,111,092)	(1,102,518)	
General and administrative expenses		(108,113)	(2,990,395)	(2,737,068)	
Research and development expenses		(479,224)	(13,255,339)	(12,419,620)	
Expected credit impairment gain (loss)	12(2)	2,563	70,884	16,770)	
Total operating expenses		(624,944)	(17,285,942)	(16,275,976)	
Operating profit		309,694	8,566,141	5,672,297	
Non-operating income and expenses					
Interest income	6(19)	116	3,200	6,772	
Other income	6(20)	35,835	991,186	1,008,901	
Other gains and losses	6(21)	(1,254)	(34,675)	(96,221)	
Finance costs	6(22)	(7,618)	(210,706)	(185,695)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	752,169	20,804,995	22,144,854	
Total non-operating income and expenses		779,248	21,554,000	22,878,611	
Profit before income tax		1,088,942	30,120,141	28,550,908	
Income tax expense	6(25)	(120,168)	(3,323,839)	(3,065,677)	
Profit for the year		\$ 968,774	\$ 26,796,302	\$ 25,485,231	
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	6(14)	(\$ 169)	(\$ 4,685)	(\$ 69,191)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	(10,241)	(283,259)	326,268	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		(1,673)	(46,271)	(64,561)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	34	937	13,838	
Other comprehensive income (loss) that will not be reclassified to profit or loss		(12,049)	(333,278)	206,354	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(83,244)	(2,302,537)	(8,289,061)	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		(39,887)	(1,103,262)	811,276	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(25)	7,404	204,793	476,157	
Other comprehensive income (loss) that will be reclassified to profit or loss		(115,727)	(3,201,006)	(7,001,628)	
Other comprehensive income (loss) for the year		(\$ 127,776)	(\$ 3,534,284)	(\$ 6,795,274)	
Total comprehensive income for the year		\$ 840,998	\$ 23,262,018	\$ 18,689,957	
Earnings per share					
Basic earnings per share	6(26)	\$ 0.37	\$ 10.32	\$ 9.81	
Diluted earnings per share	6(26)	\$ 0.37	\$ 10.27	\$ 9.77	

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	Retained earnings				Other equity interest			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments
<u>2020 New Taiwan Dollars</u>										
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	\$ 5,334,992	\$ 2,434,298	\$ 147,256	\$ 140,156,877
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)
Total comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957
Distribution of 2019 earnings										
Legal reserve	6(17)	-	-	2,311,780	-	(2,311,780)	-	-	-	-
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	(96,705)	-	-	(58,953)	-	-	-	(155,658)
Disposal of equity investment at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-
Balance at December 31, 2020		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338
<u>2021 New Taiwan Dollars</u>										
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338
Profit for the year		-	-	-	-	26,796,302	-	-	-	26,796,302
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	(3,262,018)
Distribution of 2020 earnings										
Legal reserve	6(17)	-	-	2,355,218	-	(2,355,218)	-	-	-	-
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-	-
Cash dividends		-	-	-	-	(14,286,480)	-	-	-	(14,286,480)
Changes in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	-	(110,388)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,034	-	-	-	-	-	-	22,034
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,333	\$ 129,917	\$ 154,786,522

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (EXPRESSED IN THOUSANDS OF DOLLARS)

	Retained earnings				Other equity interest				Total equity
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
2021 US Dollars									
Balance at January 1, 2021	\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	(\$ 445,407)	(\$ 12,793)	\$ 4,722	\$ 5,274,741
Profit for the year	-	-	-	-	968,774	-	-	-	968,774
Other comprehensive income (loss) for the year	-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)
Total comprehensive income (loss) for the year	-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998
Distribution of 2020 earnings									
Legal reserve	-	-	85,149	-	(85,149)	-	-	-	-
Special reserve	-	-	-	177,917	(177,917)	-	-	-	-
Cash dividends	-	-	-	-	(516,503)	-	-	-	(516,503)
Changes in ownership interests in subsidiaries	-	(3,991)	-	-	-	-	-	-	(3,991)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	797	-	-	-	-	-	-	797
Balance at December 31, 2021	\$ 939,098	\$ 1,775,638	\$ 1,073,671	\$ 453,478	\$ 1,938,637	(\$ 561,109)	(\$ 28,068)	\$ 4,697	\$ 5,596,042

6(17)

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax for the year		\$ 1,088,942	\$ 30,120,141	\$ 28,550,908	
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(7)(8)(23)	66,591	1,841,913	1,879,266	
Amortisation	6(9)(23)	21,844	604,213	447,457	
Expected credit impairment (gain) loss	12(2)	(2,563)	(70,884)	(16,770)	
Interest expense	6(22)	7,618	210,706	185,695	
Interest income	6(19)	(116)	(3,200)	(6,772)	
Dividend income	6(20)	(2,250)	(62,230)	(44,420)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	(752,169)	(20,804,995)	(22,144,854)	
Net gain on financial assets at fair value through profit or loss	6(2)(21)	(1,153)	(31,884)	(993)	
Gain on disposal of property, plant and equipment	6(21)	(21)	(573)	(1,908)	
Loss on disposal of investments	6(21)	-	-	21,946	
Loss on right-of-use assets surrender in advance		3	74	-	
Changes in assets/liabilities relating to operating activities					
Net changes in assets relating to operating activities					
Contract assets		(66,544)	(1,840,594)	(2,237,232)	
Notes receivable		492	13,621	29,361	
Accounts receivable		(48,916)	(1,353,019)	(2,374,353)	
Accounts receivable - related parties		(55,543)	(1,536,348)	(2,384,000)	
Overdue receivables		(360)	(9,961)	-	
Other receivables		(739)	(20,428)	(5,441)	
Other receivables - related parties		7,044	194,819	164,564	
Inventories		(96,894)	(2,680,120)	(836,728)	
Prepayments		(9,102)	(251,762)	(240,207)	
Other current assets		67	1,867	45,326	
Other non-current assets		2,163	59,831	69,656	
Net changes in liabilities relating to operating activities					
Contract liabilities		2,190	60,589	2,297,050	
Accounts payable		49,816	1,377,919	507,054	
Accounts payable - related parties		(51,682)	(1,429,523)	(945,624)	
Other payables		64,388	1,780,912	1,220,256	
Other payables - related parties		1,222	33,798	(100,753)	
Other current liabilities		(1,227)	(33,926)	(161,461)	
Other non-current liabilities		445	12,322	(292,320)	
Cash inflow generated from operations		321,378	8,889,316	5,711,659	
Interest received		90	2,481	6,624	
Dividends received		173,019	4,785,730	3,686,138	
Interest paid		(7,605)	(210,365)	(175,648)	
Income taxes paid		(52,311)	(1,446,926)	(1,047,904)	
Net cash flows from operating activities		434,571	12,020,236	8,180,869	

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2021	New Taiwan Dollars 2021	New Taiwan Dollars 2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Decrease in financial assets at amortised cost		\$ 989	\$ 27,360	\$ -
Acquisition of financial assets at fair value through profit or loss	6(2)	-	-	(900,000)
Proceeds from capital withdrawal from liquidation of financial assets at fair value through profit or loss		1,143	31,626	-
Acquisition of financial assets at fair value through other comprehensive income		(532)	(14,710)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	501,867
Acquisition of investments accounted for under the equity method		(5,218)	(144,336)	(177,078)
Proceeds from capital reduction of investments accounted for under the equity method		-	-	233,452
Acquisition of property, plant and equipment	6(7)	(140,146)	(3,876,435)	(5,216,193)
Proceeds from disposal of property, plant and equipment		422	11,673	13,364
Acquisition of intangible assets	6(9)	(42,389)	(1,172,488)	(362,139)
Cash inflow due to business combinations	6(27)	-	-	23,384
Decrease in other non-current assets		561	15,517	28,914
Net cash flows used in investing activities		(185,170)	(5,121,793)	(5,854,429)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase in short-term borrowings	6(28)	50,615	1,400,000	-
Proceeds from long-term borrowings	6(28)	1,448,555	40,067,024	65,941,443
Repayment of long-term borrowings	6(28)	(1,279,164)	(35,381,689)	(54,317,998)
Lease principal repayment		(2,522)	(69,745)	(81,084)
Cash dividends paid	6(17)	(516,503)	(14,286,480)	(12,987,717)
Increase in refundable deposit		36,273	1,003,317	-
Net cash flows used in financing activities		(262,746)	(7,267,573)	(1,445,356)
Net (decrease) increase in cash and cash equivalents		(13,345)	(369,130)	881,084
Cash and cash equivalents at beginning of year		55,178	1,526,220	645,136
Cash and cash equivalents at end of year		\$ 41,833	\$ 1,157,090	\$ 1,526,220

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

Appendix 3

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Delta Electronics, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Impairment assessment of goodwill

Description

As at December 31, 2021, the recognised goodwill as a result of the acquisitions of Cyntec Co., Ltd., Eltek AS, Delta Controls Inc. and Delta Greentech (China) Co., Ltd. amounted to NT\$13,796,570 thousand, constituting 3.78% of the consolidated total assets. Refer to Notes 5(2) and 6(11) for details.

As the balance of goodwill acquired from the merger is material, the valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves significant accounting estimates and prediction of future cash flows. Thus, we considered the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

We obtained management's impairment assessment of goodwill, obtained an understanding of the process in determining the expected future cash flows based on each cash generating unit, and performed the following audit procedures:

- A. Assessed whether the valuation models adopted by the Group are reasonable for the industry, environment and the valued assets of the Group;
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the business units; and
- C. Assessed the reasonableness of material assumptions, such as expected growth rates, operating margin and discount rates, by:
 - (a) Checking the setting of parameters of valuation models and calculation formulas;
 - (b) Comparing the expected growth rate and operating margin with historical data, economic and industrial forecast documents; and

- (c) Comparing the discount rate with cost of capital assumptions of cash generating units and rates of return of similar assets.

Other matter – Reference to the audits of other auditors

We did not audit the consolidated financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$64,012,128 thousand and NT\$64,807,490 thousand, constituting 17.53% and 19.26% of the consolidated total assets as at December 31, 2021 and 2020, respectively, and the operating revenue amounted to NT\$72,526,738 thousand and NT\$63,667,883 thousand, constituting 23.05% and 22.53% of the consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Delta Electronics, Inc. as at and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the year ended December 31, 2021 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$27.66 to US\$1.00 at December 31, 2021. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2020
Current assets				
Cash and cash equivalents	6(1)	\$ 1,802,424	\$ 49,855,053	\$ 58,711,985
Financial assets at fair value through profit or loss - current	6(2)	39,253	1,085,729	1,061,343
Financial assets at amortised cost - current	8	11,831	327,238	676,385
Contract assets - current	6(21)	129,765	3,589,313	2,170,634
Notes receivable, net	6(5)	123,667	3,420,633	3,733,595
Accounts receivable, net	6(5)	2,438,047	67,436,377	59,177,433
Accounts receivable - related parties	7	1,006	27,831	42,284
Other receivables	6(6) and 7	65,632	1,815,370	1,803,498
Current income tax assets		12,625	349,207	364,666
Inventories	6(7)	2,389,998	66,107,351	44,889,429
Prepayments		88,585	2,450,269	2,171,217
Non-current assets held for sale	6(9)	11,589	320,551	-
Other current assets		3,372	93,272	84,386
Total current assets		<u>7,117,794</u>	<u>196,878,194</u>	<u>174,886,855</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	121,179	3,351,798	2,942,196
Financial assets at fair value through other comprehensive income - non-current	6(3)	57,406	1,587,843	1,927,683
Contract assets - non-current	6(21)	16,737	462,941	526,766
Investments accounted for under the equity method	6(8)	2,304	63,731	785,002
Property, plant and equipment	6(9) and 8	2,769,605	76,607,285	68,441,975
Right-of-use assets	6(10)	108,711	3,006,960	3,020,746
Investment property, net		509	14,070	14,070
Intangible assets	6(11)	2,661,228	73,609,564	75,459,630
Deferred income tax assets	6(28)	259,488	7,177,447	6,471,705
Other non-current assets	6(5)(12) and 8	85,050	2,352,477	1,939,587
Total non-current assets		<u>6,082,217</u>	<u>168,234,116</u>	<u>161,529,360</u>
Total assets		<u>\$ 13,200,011</u>	<u>\$ 365,112,310</u>	<u>\$ 336,416,215</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2020
Current liabilities					
Short-term borrowings	6(13)	\$ 158,979	\$ 4,397,362	\$ 2,001,532	
Financial liabilities at fair value through profit or loss - current	6(2)	1,496	41,371	60,060	
Contract liabilities - current	6(21)	196,636	5,438,939	5,012,589	
Notes payable		16	440	2,770	
Accounts payable		1,972,323	54,554,462	46,687,510	
Accounts payable - related parties	7	543	15,023	29,641	
Other payables	6(14)	1,288,944	35,652,202	32,884,221	
Current income tax liabilities		126,034	3,486,108	3,085,472	
Other current liabilities	6(15)	165,711	4,583,570	4,259,706	
Total current liabilities		<u>3,910,682</u>	<u>108,169,477</u>	<u>94,023,501</u>	
Non-current liabilities					
Long-term borrowings	6(15)	1,587,628	43,913,787	39,313,990	
Deferred income tax liabilities	6(28)	606,549	16,777,156	15,450,119	
Lease liabilities - non-current		49,400	1,366,401	1,411,312	
Other non-current liabilities		316,733	8,760,831	7,627,652	
Total non-current liabilities		<u>2,560,310</u>	<u>70,818,175</u>	<u>63,803,073</u>	
Total liabilities		<u>6,470,992</u>	<u>178,987,652</u>	<u>157,826,574</u>	
Equity					
Share capital					
Common stock	6(17)	939,098	25,975,433	25,975,433	
Capital surplus	6(18)				
Capital surplus		1,775,638	49,114,151	49,202,505	
Retained earnings	6(19)				
Legal reserve		1,073,671	29,697,752	27,342,534	
Special reserve		453,478	12,543,208	7,622,034	
Unappropriated retained earnings		1,938,637	53,622,701	48,300,040	
Other equity interest					
Other equity interest		(584,480)	(16,166,723)	(12,543,208)	
Equity attributable to owners of the parent		<u>5,596,042</u>	<u>154,786,522</u>	<u>145,899,338</u>	
Non-controlling interest	4(3) and 6(20)	<u>1,132,977</u>	<u>31,338,136</u>	<u>32,690,303</u>	
Total equity		<u>6,729,019</u>	<u>186,124,658</u>	<u>178,589,641</u>	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		<u>\$ 13,200,011</u>	<u>\$ 365,112,310</u>	<u>\$ 336,416,215</u>	

The notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2020	2020
Operating revenue	6(21) and 7	\$ 11,376,385	\$ 314,670,796	\$ 282,605,493	
Operating costs	6(7)(26)				
	(27) and 7	(8,115,017)	(224,461,345)	(195,393,115)	
Gross profit		<u>3,261,368</u>	<u>90,209,451</u>	<u>87,212,378</u>	
Operating expenses	6(26)(27)				
Selling expenses		(702,876)	(19,441,530)	(18,430,010)	
General and administrative expenses		(447,508)	(12,378,064)	(12,020,761)	
Research and development expenses		(983,459)	(27,202,489)	(25,479,870)	
Expected credit impairment gain	12(2)	<u>6,413</u>	<u>177,373</u>	<u>144,067</u>	
Total operating expenses		(<u>2,127,430</u>)	(<u>58,844,710</u>)	(<u>55,786,574</u>)	
Operating profit		<u>1,133,938</u>	<u>31,364,741</u>	<u>31,425,804</u>	
Non-operating income and expenses					
Interest income	6(22)	15,533	429,643	544,147	
Other income	6(23)	111,724	3,090,291	3,939,821	
Other gains and losses	6(11)(24)	37,538	1,038,291	(1,199,056)	
Finance costs	6(25)	(10,671)	(295,157)	(375,837)	
Share of (loss) profit of associates and joint ventures accounted for under the equity method	6(8)	(9)	(262)	(59,596)	
Total non-operating income and expenses		<u>154,115</u>	<u>4,262,806</u>	<u>2,849,479</u>	
Profit before income tax		<u>1,288,053</u>	<u>35,627,547</u>	<u>34,275,283</u>	
Income tax expense	6(28)	(<u>257,712</u>)	(<u>7,128,314</u>)	(<u>6,890,944</u>)	
Profit for the year		<u>\$ 1,030,341</u>	<u>\$ 28,499,233</u>	<u>\$ 27,384,339</u>	

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021		2021	2020
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		\$ 3,163	\$	87,497	(\$ 156,768)
Unrealised gain on valuation of equity investment at fair value through other comprehensive income	6(3)	(15,275)	(	422,509)	326,268
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	63		1,734	13,838
Other comprehensive income (loss) that will not be reclassified to profit or loss		(12,049)	(	333,278)	183,338
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(175,517)	(	4,854,790)	(9,591,864)
Loss on hedging instrument		(28)	(	777)	(18,489)
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		12		329	819
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(28)	8,316		230,010	476,157
Other comprehensive loss that will be reclassified to profit or loss		(167,217)	(	4,625,228)	(9,133,377)
Other comprehensive loss for the year		(\$ 179,266)	(\$	4,958,506)	(\$ 8,950,039)
Total comprehensive income for the year		\$ 851,075	\$	23,540,727	\$ 18,434,300
Profit attributable to:					
Owners of the parent		\$ 968,774	\$	26,796,302	\$ 25,485,231
Non-controlling interest		\$ 61,567	\$	1,702,931	\$ 1,899,108
Comprehensive income (loss) attributable to:					
Owners of the parent		\$ 840,998	\$	23,262,018	\$ 18,689,957
Non-controlling interest		\$ 10,077	\$	278,709	(\$ 255,657)
Earnings per share					
Basic earnings per share	6(29)	\$ 0.37	\$	10.32	\$ 9.81
Diluted earnings per share	6(29)	\$ 0.37	\$	10.27	\$ 9.77

The notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 YEARS ENDED DECEMBER 31, 2021 AND 2020
 (EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	Equity attributable to owners of the parent										Total	Non-controlling interest	Total equity		
		Retained earnings					Other equity interest									
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Total					
2020 New Taiwan Dollars																
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	\$ 5,334,992	\$ 2,434,298	\$ 147,256	\$ 140,156,877	\$ 34,197,565	\$ 174,354,442				
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231	1,899,108	27,384,339				
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)	(2,154,765)	(8,950,039)				
Total comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957	(255,657)	18,434,300				
Distribution of 2019 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-				
Legal reserve		-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-				
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-	-	-				
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)				
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879	-	195,879				
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	(96,705)	-	-	(58,953)	-	-	-	(155,658)	(243,181)	(398,839)				
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,008,424)	(1,008,424)				
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-	-	-				
Balance at December 31, 2020		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641				
2021 New Taiwan Dollars																
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641				
Profit for the year		-	-	-	-	26,796,302	(3,200,307)	(422,509)	(699)	26,796,302	1,702,931	28,499,233				
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)	(1,424,222)	(4,958,506)				
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	23,262,018	278,709	23,540,727				
Distribution of 2020 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-				
Legal reserve		-	-	2,355,218	-	(2,355,218)	-	-	-	-	-	-				
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-	-	-	-				
Cash dividends		-	-	-	-	(14,286,480)	-	-	-	(14,286,480)	-	(14,286,480)				
Change in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	-	(110,388)	-	(110,388)				
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	22,034	-	-	-	-	-	-	22,034	(166,370)	(144,336)				
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,464,506)	(1,464,506)				
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,353	\$ 129,917	\$ 154,786,522	\$ 31,338,136	\$ 186,124,658				

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Notes	Equity attributable to owners of the parent										Total	Non-controlling interest	Total equity
	Retained earnings					Other equity interest							
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Non-controlling interest			
	\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	\$ 445,407	\$ 12,793	\$ 4,722	\$ 5,274,741	\$ 1,181,862	\$ 6,456,603		
	-	-	-	-	968,774	-	-	-	968,774	61,567	1,030,341		
	-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)	(51,490)	(179,266)		
	-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998	10,077	851,075		
6(19)	-	-	-	-	-	-	-	-	-	-	-		
	-	-	85,149	-	(85,149)	-	-	-	-	-	-		
	-	-	-	177,917	(177,917)	-	-	-	-	-	-		
	-	-	-	-	(516,503)	-	-	-	(516,503)	-	(516,503)		
	-	(3,991)	-	-	-	-	-	-	(3,991)	-	(3,991)		
6(33)	-	797	-	-	-	-	-	-	797	(6,015)	(5,218)		
	-	-	-	-	-	-	-	-	-	(52,947)	(52,947)		
	\$ 939,098	\$ 1,775,638	\$ 1,073,671	\$ 453,478	\$ 1,938,637	\$ 561,109	\$ 28,068	\$ 4,697	\$ 5,596,042	\$ 1,132,977	\$ 6,729,019		

The notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Consolidated profit before tax for the year		\$ 1,288,053	\$ 35,627,547	\$ 34,275,283	
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(9)(10)(26)	486,891	13,467,401	12,024,107	
Amortisation	6(11)(26)	133,185	3,683,902	3,846,049	
Expected credit impairment gain	12(2)	(6,413)	(177,373)	(144,067)	
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	(20,721)	(573,145)	(71,489)	
Interest expense	6(25)	10,671	295,157	375,837	
Interest income	6(22)	(15,533)	(429,643)	(544,147)	
Dividend income	6(23)	(10,686)	(295,568)	(190,171)	
Share-based payments	6(30)	-	-	(900)	
Share of loss of associates accounted for under the equity method	6(8)	9	262	59,596	
Loss on disposal of property, plant and equipment	6(24)	2,294	63,452	67,529	
(Gain) loss on disposal of investments	6(24)	(3,258)	(90,109)	(95,654)	
Impairment loss on non-financial assets	6(9)(11)(24)	5,962	164,900	801,712	
Casualty loss	6(24)	11,912	329,493	-	
Changes in assets/liabilities relating to operating activities					
Net changes in assets relating to operating activities					
Financial assets mandatorily measured at fair value through profit or loss		806	22,296	(572,564)	
Contract assets		(48,982)	(1,354,854)	(1,300,311)	
Notes receivable		11,315	312,962	83,033	
Accounts receivable		(277,768)	(7,683,037)	(5,900,888)	
Accounts receivable - related parties		523	14,453	221,360	
Other receivables		8,324	230,248	(314,845)	
Other receivables - related parties		(10)	(286)	-	
Inventories		(754,656)	(20,873,744)	(5,393,170)	
Prepayments		(8,389)	(232,033)	(232,351)	
Other current assets		(224)	(6,206)	(101,682)	
Other non-current assets		4,496	124,347	71,407	
Net changes in liabilities relating to operating activities					
Contract liabilities		12,646	349,781	1,653,725	
Notes payable		(74)	(2,046)	(18,899)	
Accounts payable		279,837	7,740,285	6,710,023	
Accounts payable - related parties		(546)	(15,115)	(2,556)	
Other payables		92,273	2,552,264	4,055,801	
Other current liabilities		10,997	304,176	30,801	
Other non-current liabilities		(8,782)	(242,916)	(1,974)	
Cash inflow generated from operations		1,204,152	33,306,851	50,253,917	
Interest received		17,402	481,315	537,327	
Dividends received		10,687	295,607	188,495	
Interest paid		(10,683)	(295,484)	(376,796)	
Income taxes paid		(197,720)	(5,468,923)	(3,752,891)	
Net cash flows from operating activities		1,023,838	28,319,366	46,850,052	

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2021	New Taiwan Dollars 2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		(\$ 532)	(\$ 14,710)	\$ -
Acquisition of financial assets mandatorily measured at fair value through profit or loss		(7,128)	(197,148)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		489	13,538	501,867
Proceeds from capital withdrawal liquidation of financial assets at fair value through profit or loss		1,143	31,626	4,444
Proceeds from capital reduction		939	25,979	-
Decrease (increase) in financial assets at amortised cost		11,507	318,274	(537,131)
Proceeds from disposal of investments accounted for under the equity method		22,787	630,280	7,240
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	(103,939)	(2,874,959)	(1,088,115)
Proceeds from disposal of subsidiaries (net of cash disposed)	6(32)	52	1,434	-
Increase in prepayment for long-term investment		(1,011)	(27,953)	-
Acquisition of property, plant and equipment	6(9)	(832,512)	(23,027,290)	(17,838,456)
Proceeds from government grants - property, plant and equipment		2,245	62,095	-
Proceeds from disposal of property, plant and equipment		7,681	212,445	197,480
Acquisition of intangible assets	6(11)	(47,035)	(1,300,978)	(684,761)
(Increase) decrease in other non-current assets		(12,071)	(333,892)	332,660
Net cash flows used in investing activities		(957,385)	(26,481,259)	(19,104,772)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase (decrease) in short-term borrowings		86,617	2,395,830	(5,574,400)
Proceeds from long-term borrowings		1,448,555	40,067,024	67,144,183
Repayment of long-term borrowings		(1,282,365)	(35,470,219)	(55,596,451)
Lease principal repayment		(19,587)	(541,768)	(517,080)
Increase in refundable deposits		40,043	1,107,595	-
Cash dividends paid	6(19)	(516,503)	(14,286,480)	(12,987,717)
Cash dividends paid to minority share interests	6(20)	(52,947)	(1,464,506)	(895,326)
Acquisition of ownership interests in subsidiaries	6(33)	(5,218)	(144,336)	(398,839)
Net cash flows used in financing activities		(301,405)	(8,336,860)	(8,825,630)
Effects due to changes in exchange rate		(85,255)	(2,358,179)	(4,167,666)
Net (decrease) increase in cash and cash equivalents		(320,207)	(8,856,932)	14,751,984
Cash and cash equivalents at beginning of year		2,122,631	58,711,985	43,960,001
Cash and cash equivalents at end of year		\$ 1,802,424	\$ 49,855,053	\$ 58,711,985

The notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

Appendix 4

Audit Committee's Review Report

To : The 2022 Annual General Shareholders' Meeting of Delta Electronics, Inc.

We, the Audit Committee of the Company have reviewed the business report, parent company only financial statements, consolidated financial statements and proposal for earnings distribution of the Company for the year 2021 in accordance with applicable laws and regulations and found the same have been complied with. We hereby report to the shareholders as described above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit Committee of Delta Electronics, Inc.

Convenor of the Audit Committee: Ji-Ren Lee

Date: February 24, 2022

Appendix 5

Description of Directors Candidates for Important Positions in Other Companies

Name of Independent Director	Positions in Other Companies	
Audrey Tseng	HanchorBio (Cayman)	Director
	AP Biosciences Inc.	Representative of Corporate Director
	Bonraybio Co., Ltd.	Representative of Corporate Director
	T-E Pharma Holding (Cayman)	Director
	Onward Therapeutics SA (Switzerland)	Independent Director