

**Ticket Number: 2308**



**Delta Electronics, Inc.**

**2024 Annual General Shareholders' Meeting  
Handbook  
(Translation)**

**(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)**

**Date of the Meeting: May 30, 2024 at 10:00 a.m.**

**Type of the Meeting : Physical Shareholders' Meeting**

**Place of the Meeting: Auditorium, 8F., No.16, Tungyuan Road, Chungli District, Taoyuan City**

# Handbook for the 2024 Annual General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2023 Parent Company Only Financial Statements, 2023 Consolidated Financial Statements and 2024 Annual General Shareholders' Meeting Handbook are available on the "Market Observation Post System" website; please visit <https://mops.twse.com.tw> for details.

## **I. MEETING PROCEDURES**

### **Procedures of Delta Electronics, Inc. 2024 Annual General Shareholders' Meeting**

1. Call meeting to order
2. Chairman takes his place
3. All rise
4. Singing of national anthem
5. Three respectful bows to the national flag and portrait of Dr. Sun Yat-Sen
6. Chairman's address
7. Report items
8. Proposal items
9. Discussion items  
Voting and resolution for each of the proposal and discussion items
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11. Other Proposal  
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13. Meeting adjourn

## II. MEETING AGENDA

### 1. Report Items

- (1) The Company's 2023 Operation Results  
See Appendix 1: Business Report
  
- (2) The Company's 2023 Financial Results
  - a) PricewaterhouseCoopers CPA Audit Report (Parent Company Only Financial Statements)  
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  - b) Parent Company Only Balance Sheet as of December 31, 2023  
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  - c) Parent Company Only Comprehensive Income Statement (January 1, 2023~December 31, 2023)  
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  - f) PricewaterhouseCoopers CPA Audit Report (Consolidated Financial Statements)  
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  - h) Consolidated Comprehensive Income Statement (January 1, 2023~December 31, 2023)  
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- (3) The Company's Audit and Risk Committee's Review Opinions on 2023 Annual Final Accounting Books and Statements  
See Appendix 4: Audit and Risk Committee's Review Opinions on 2023 Annual Final Accounting Books and Statements.
  
- (4) The Company's Report on 2023 Employees' and Directors' Compensation  
The Company's annual profit in 2023 is NT\$41,206,378,683, of which 7.7% is allocated as the employees' compensation in cash totaling NT\$3,172,303,206 and 0.15% is allocated as the directors' compensation in cash totaling NT\$61,660,000.

- (5) The Company's 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 22, 2023 and February 29, 2024 respectively. The each aggregate amount does not exceed NT\$50 billion and NT\$30 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 2023 (112-1) with totaling amount NT\$5 billion. It has been effectively registered on January 3, 2023 upon the letter No. 11100135521 issued by the Taipei Exchange.
  - c) The Company issued the 2nd issuance of unsecured ordinary corporate bond in 2023 (112-2) with totaling amount NT\$6.5 billion that are comprised of 2 Tranches, Tranche A and Tranche B, according to different issuance period. It has been effective registration on April 18, 2023 upon the letter No. 11200029341 issued by the Taipei Exchange. The amount issued for Tranche A is NT\$3.0 billion and the amount issued for Tranche B is NT\$3.5 billion.
  - d) The Company issued the 3rd issuance of unsecured ordinary corporate bond in 2023 (112-3) with totaling amount NT\$6 billion. It has been effectively registered on May 26, 2023 upon the letter No. 11200049781 issued by the Taipei Exchange.
  - e) 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 (112-1)	Domestic Unsecured Bond (112-2)		Domestic Unsecured Bond (112-3)
		Tranche A	Tranche B	
Issue Date	2023/01/12	2023/04/27	2023/04/27	2023/06/05
Denomination	1,000	1,000		1,000
Offering Price	At Par	At Par		At Par
Total Amount	5,000,000	3,000,000	3,500,000	6,000,000
Coupon	1.83%	1.43%	1.53%	1.49%
Tenure & Maturity Date	3 years Maturity : 2026/01/12	3 years Maturity : 2026/04/27	5 years Maturity : 2028/04/27	3 years Maturity : 2026/06/05
Guarantor	None	None		None
Trustee	CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.		CTBC Bank Co., Ltd.
Underwriter	KGI Securities Co. Ltd.	Yuanta Securities Co., Ltd.		KGI Securities Co. Ltd.
Legal Counsel	True Honesty International Law Offices	True Honesty International Law Offices		True Honesty International Law Offices
Auditor	PricewaterhouseCoopers, Taiwan	PricewaterhouseCoopers, Taiwan		PricewaterhouseCoopers, Taiwan
Repayment	Bullet Repayment	Bullet Repayment		Bullet Repayment
Outstanding	5,000,000	3,000,000	3,500,000	6,000,000
Redemption or Early Repayment Clause	None	None		None
Covenants	None	None		None
Credit Rating Agency, Rating Date and Rating Result	N/A	N/A		N/A
Other Rights of Bondholders	As of April 9, 2024, amount of converted or exchanged common shares, GDRs or other securities	N/A		N/A
	Conversion Right	None		None
Dilution Effect and Other Adverse Effects on Existing Shareholders	None	None		None
Custodian	None	None		None

## 2. Proposal Items

- (1) Adoption of the Company's 2023 Annual Business Report and Financial Statements  
(Proposed by the Board of Directors)

Explanation:

- a) This Company's 2023 Annual Business Report and Financial Statements including the 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 and Risk Committee, of which the Parent Company Only Financial Statements and the Consolidated Financial Statements had been audited by CPA, Hsiao, Chun-Yuan and CPA, Chou, Chien-Hung from PricewaterhouseCoopers, Taiwan. The Company's Audit and Risk 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 2023 Annual Business Report and Financial Reports to this Annual General Shareholders' Meeting for adoption.
- (2) Adoption of the Company's 2023 Earnings Distribution  
(Proposed by the Board of Directors)

Explanation:

- a) The 2023 Earnings Distribution Table is compiled as follows in accordance with Company Act and the Articles of Incorporation and had been resolved by the Board of Directors and reviewed by the Company's Audit and Risk Committee. The Audit and Risk Committee has found no discrepancies after a thorough review and has made a written review report.
- b) The Board of Directors proposed to set aside NT\$16,702,203,606 for cash dividends. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of NT\$6.43 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 dividends 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 2023 Earnings Distribution to this Annual General Shareholders' Meeting for adoption.



Delta Electronics, Inc.  
2023 Earnings Distribution Table

Item	Description	Unit: NT\$ Amount
Net profit after tax for the year 2023		33,392,665,330
Subtract: Setting aside 10% legal reserve		3,364,650,915
Setting aside special reserve		1,027,059,852
Earnings available for distribution by the end of 2023		29,000,954,563
 Add: Retained earnings in the beginning of 2023		 50,257,279,711
Profit on disposal of financial assets at fair value through other comprehensive income in 2023		 399,302,577
 Subtract: Actuarial profit on defined benefit plan in 2023		 144,951,834
Difference between consideration and carrying amount of subsidiaries acquired or disposed in 2023		 506,928
Earnings available for distribution by the end of the fiscal year (Note 1)		79,512,078,089
 Distribution Items:		
Shareholders' dividends - Cash	NT\$6.43 per share	16,702,203,606
Undistributed earnings by the end of 2023		62,809,874,483

(Note 1) The principle of 2023 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

### 3. Discussion Items

- (1) Discussion of the Amendments to the Company’s “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 2	<p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. A101020 Growing of crops;</li> <li><u>2.</u> C801010 Basic chemical industry business;</li> <li><u>3.</u> C801990 Other chemical material manufacturing business;</li> <li><u>4.</u> C802120 Industrial catalyst manufacturing;</li> <li><u>5.</u> CA02990 Other fabricated metal products manufacturing not elsewhere classified;</li> <li><u>6.</u> CA04010 Metal surface treating;</li> <li><u>7.</u> CB01010 Machinery equipment manufacturing business;</li> <li><u>8.</u> CB01071 Frozen and air-conditioning manufacturing business;</li> <li><u>9.</u> CB01990 Other machinery manufacturing business;</li> <li><u>10.</u> CC01010 Electronic power generating, electric transmission and power distributing machinery manufacturing business;</li> <li><u>11.</u> CC01030 Electric appliance and audiovisual electric</li> </ol>	<p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. A101020 Growing of crops;</li> <li><u>2.</u> <u>A101030 Growing of special crops;</u></li> <li><u>3.</u> <u>A101040 Growing of edible fungi;</u></li> <li><u>4.</u> <u>A102041 Recreational agriculture;</u></li> <li><u>5.</u> C801010 Basic chemical industry business;</li> <li><u>6.</u> C801990 Other chemical material manufacturing business;</li> <li><u>7.</u> C802120 Industrial catalyst manufacturing;</li> <li><u>8.</u> CA02990 Other fabricated metal products manufacturing not elsewhere classified;</li> <li><u>9.</u> CA04010 Metal surface treating;</li> <li><u>10.</u> CB01010 Machinery equipment manufacturing business;</li> <li><u>11.</u> CB01071 Frozen and air-conditioning manufacturing business;</li> <li><u>12.</u> CB01990 Other machinery manufacturing business;</li> <li><u>13.</u> CC01010 Electronic power generating, electric transmission and power distributing machinery</li> </ol>	<p>Amendments are made due to the practical requirement.</p>

Article	Article after revision	Article before revision	Explanation
	<p>products manufacturing business;</p> <p><u>12.</u> CC01040 Lighting equipment manufacturing business;</p> <p><u>13.</u> CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p><u>14.</u> CC01070 Wireless communication devices and equipment manufacturing business;</p> <p><u>15.</u> CC01080 Electronic parts and components manufacturing business;</p> <p><u>16.</u> CC01090 Batteries manufacturing business;</p> <p><u>17.</u> CC01100 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p><u>18.</u> CC01110 Computers and its peripheral equipment manufacturing business;</p> <p><u>19.</u> CC01120 Data storage media manufacturing and duplicating;</p> <p><u>20.</u> CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p><u>21.</u> CD01010 Ship and parts manufacturing business;</p> <p><u>22.</u> CD01020 Tramway cars manufacturing</p>	<p>manufacturing business;</p> <p><u>14.</u> CC01030 Electric appliance and audiovisual electric products manufacturing business;</p> <p><u>15.</u> CC01040 Lighting equipment manufacturing business;</p> <p><u>16.</u> CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p><u>17.</u> CC01070 Wireless communication devices and equipment manufacturing business;</p> <p><u>18.</u> CC01080 Electronic parts and components manufacturing business;</p> <p><u>19.</u> CC01090 Batteries manufacturing business;</p> <p><u>20.</u> CC01100 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p><u>21.</u> CC01110 Computers and its peripheral equipment manufacturing business;</p> <p><u>22.</u> CC01120 Data storage media manufacturing and duplicating;</p> <p><u>23.</u> CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p><u>24.</u> CD01010 Ship and parts</p>	

Article	Article after revision	Article before revision	Explanation
	<p>business;</p> <p><u>23.</u> CD01030 Automobiles and auto-parts manufacturing business;</p> <p><u>24.</u> CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p><u>25.</u> CD01050 Bicycles and bicycle parts manufacturing business;</p> <p><u>26.</u> CD01060 Aircraft and parts manufacturing business;</p> <p><u>27.</u> CD01990 Other transportation equipment and parts manufacturing business;</p> <p><u>28.</u> CE01010 General equipment and instruments manufacturing business;</p> <p><u>29.</u> CE01021 Measuring instruments manufacturing business;</p> <p><u>30.</u> CE01030 Photographic and optical equipment manufacturing business;</p> <p><u>31.</u> CE01040 Clocks and watches manufacturing business;</p> <p><u>32.</u> CE01990 Other photographic and optical equipment manufacturing business;</p> <p><u>33.</u> CF01011 Medical appliances and equipment business;</p> <p><u>34.</u> CQ01010 Die manufacturing;</p> <p><u>35.</u> E599010 Pipe lines construction business;</p> <p><u>36.</u> E601010 Electric appliance installation business;</p>	<p>manufacturing business;</p> <p><u>25.</u> CD01020 Tramway cars manufacturing business;</p> <p><u>26.</u> CD01030 Automobiles and auto-parts manufacturing business;</p> <p><u>27.</u> CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p><u>28.</u> CD01050 Bicycles and bicycle parts manufacturing business;</p> <p><u>29.</u> CD01060 Aircraft and parts manufacturing business;</p> <p><u>30.</u> CD01990 Other transportation equipment and parts manufacturing business;</p> <p><u>31.</u> CE01010 General equipment and instruments manufacturing business;</p> <p><u>32.</u> CE01021 Measuring instruments manufacturing business;</p> <p><u>33.</u> CE01030 Photographic and optical equipment manufacturing business;</p> <p><u>34.</u> CE01040 Clocks and watches manufacturing business;</p> <p><u>35.</u> CE01990 Other photographic and optical equipment manufacturing business;</p> <p><u>36.</u> CF01011 Medical appliances and equipment business;</p> <p><u>37.</u> CQ01010 Die manufacturing;</p>	

Article	Article after revision	Article before revision	Explanation
	<p><u>37.</u> E601020 Electric appliance construction business;</p> <p><u>38.</u> E602011 Frozen and air-conditioning engineering;</p> <p><u>39.</u> E603010 Cables construction;</p> <p><u>40.</u> E603040 Fire safety equipment installation business;</p> <p><u>41.</u> E603050 Automation control equipment manufacturing business;</p> <p><u>42.</u> E603090 Lighting equipment installation business;</p> <p><u>43.</u> E604010 Machinery installation business;</p> <p><u>44.</u> E605010 Computer equipment installation business;</p> <p><u>45.</u> E701010 Telecommunications construction;</p> <p><u>46.</u> E701030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p><u>47.</u> EZ05010 Apparatus installation and construction business;</p> <p><u>48.</u> EZ14010 Sport venue equipment construction;</p> <p><u>49.</u> F101130 Wholesale of vegetable and fruits;</p> <p><u>50.</u> F106030 Wholesale of die;</p> <p><u>51.</u> F106040 Water containers wholesale business;</p> <p><u>52.</u> F108031 Drugs and medical goods wholesale business;</p> <p><u>53.</u> F113010 Machinery wholesale business;</p> <p><u>54.</u> F113020 Electrical appliances wholesale business;</p> <p><u>55.</u> F113030 Wholesale of precision Instruments;</p>	<p><u>38.</u> E599010 Pipe lines construction business;</p> <p><u>39.</u> E601010 Electric appliance installation business;</p> <p><u>40.</u> E601020 Electric appliance construction business;</p> <p><u>41.</u> E602011 Frozen and air-conditioning engineering;</p> <p><u>42.</u> E603010 Cables construction;</p> <p><u>43.</u> E603040 Fire safety equipment installation business;</p> <p><u>44.</u> E603050 Automation control equipment manufacturing business;</p> <p><u>45.</u> E603090 Lighting equipment installation business;</p> <p><u>46.</u> E604010 Machinery installation business;</p> <p><u>47.</u> E605010 Computer equipment installation business;</p> <p><u>48.</u> E701010 Telecommunications construction;</p> <p><u>49.</u> E701030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p><u>50.</u> EZ05010 Apparatus installation and construction business;</p> <p><u>51.</u> EZ14010 Sport venue equipment construction;</p> <p><u>52.</u> F101130 Wholesale of vegetable and fruits;</p> <p><u>53.</u> F106030 Wholesale of die;</p> <p><u>54.</u> F106040 Water containers wholesale business;</p> <p><u>55.</u> F108031 Drugs and medical goods wholesale business;</p> <p><u>56.</u> F113010 Machinery wholesale business;</p>	

Article	Article after revision	Article before revision	Explanation
	<p><u>56.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>57.</u> F113060 Wholesale of metrological Instruments;</p> <p><u>58.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>59.</u> F113110 Wholesale of batteries;</p> <p><u>60.</u> F118010 Computer software wholesale business;</p> <p><u>61.</u> F119010 Electronic components and materials wholesale business;</p> <p><u>62.</u> F199990 Other wholesale business;</p> <p><u>63.</u> F201010 Retail sale of agricultural products;</p> <p><u>64.</u> F206030 Retail sale of die;</p> <p><u>65.</u> F208031 Medical equipment retail business;</p> <p><u>66.</u> F213010 Electrical appliances retail business;</p> <p><u>67.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>68.</u> F213050 Retail sale of metrological Instruments;</p> <p><u>69.</u> F213060 Telecommunication equipment retail business;</p> <p><u>70.</u> F213110 Retail sale of batteries;</p> <p><u>71.</u> F217010 Retail sale of fire safety equipment;</p> <p><u>72.</u> F218010 Computer software retail business;</p> <p><u>73.</u> F219010 Electronic components and materials retail business;</p>	<p><u>57.</u> F113020 Electrical appliances wholesale business;</p> <p><u>58.</u> F113030 Wholesale of precision Instruments;</p> <p><u>59.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>60.</u> F113060 Wholesale of metrological Instruments;</p> <p><u>61.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>62.</u> F113110 Wholesale of batteries;</p> <p><u>63.</u> F118010 Computer software wholesale business;</p> <p><u>64.</u> F119010 Electronic components and materials wholesale business;</p> <p><u>65.</u> F199990 Other wholesale business;</p> <p><u>66.</u> F201010 Retail sale of agricultural products;</p> <p><u>67.</u> F206030 Retail sale of die;</p> <p><u>68.</u> F208031 Medical equipment retail business;</p> <p><u>69.</u> F213010 Electrical appliances retail business;</p> <p><u>70.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>71.</u> F213050 Retail sale of metrological Instruments;</p> <p><u>72.</u> F213060 Telecommunication equipment retail business;</p> <p><u>73.</u> F213110 Retail sale of batteries;</p> <p><u>74.</u> F217010 Retail sale of fire safety equipment;</p> <p><u>75.</u> F218010 Computer software retail</p>	

Article	Article after revision	Article before revision	Explanation
	<p><u>74.</u> F399040 Non-store retail business;</p> <p><u>75.</u> F401010 International trade business;</p> <p><u>76.</u> F401181 Measuring instrument importing business;</p> <p><u>77.</u> F601010 Intellectual property business;</p> <p><u>78.</u> G202010 Parking area operators;</p> <p><u>79.</u> G801010 Warehousing and storage business;</p> <p><u>80.</u> I101061 Professional engineering consulting;</p> <p><u>81.</u> I103060 Management consulting services business;</p> <p><u>82.</u> I199990 Other consulting services;</p> <p><u>83.</u> I301010 Software design and service business;</p> <p><u>84.</u> I301020 Data processing services business;</p> <p><u>85.</u> I301030 Digital information supply services business;</p> <p><u>86.</u> I501010 Product external appearance designing business;</p> <p><u>87.</u> I599990 Other design business;</p> <p><u>88.</u> IG02010 Research development service business;</p> <p><u>89.</u> IG03010 Energy technical services business;</p> <p><u>90.</u> IZ13010 Network authentication service business;</p> <p><u>91.</u> IZ99990 Other industry and commerce services not elsewhere classified;</p> <p><u>92.</u> JE01010 Rental and leasing business;</p> <p><u>93.</u> ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those</p>	<p>business;</p> <p><u>76.</u> F219010 Electronic components and materials retail business;</p> <p><u>77.</u> F399040 Non-store retail business;</p> <p><u>78.</u> F401010 International trade business;</p> <p><u>79.</u> F401181 Measuring instrument importing business;</p> <p><u>80.</u> F601010 Intellectual property business;</p> <p><u>81.</u> G202010 Parking area operators;</p> <p><u>82.</u> G801010 Warehousing and storage business;</p> <p><u>83.</u> I101061 Professional engineering consulting;</p> <p><u>84.</u> I103060 Management consulting services business;</p> <p><u>85.</u> I199990 Other consulting services;</p> <p><u>86.</u> I301010 Software design and service business;</p> <p><u>87.</u> I301020 Data processing services business;</p> <p><u>88.</u> I301030 Digital information supply services business;</p> <p><u>89.</u> I501010 Product external appearance designing business;</p> <p><u>90.</u> I599990 Other design business;</p> <p><u>91.</u> IG02010 Research development service business;</p> <p><u>92.</u> IG03010 Energy technical services business;</p> <p><u>93.</u> IZ13010 Network authentication service business;</p> <p><u>94.</u> IZ99990 Other industry and commerce services not elsewhere classified;</p> <p><u>95.</u> JE01010 Rental and leasing business;</p> <p><u>96.</u> ZZ99999 All businesses that are</p>	

Article	Article after revision	Article before revision	Explanation
	requiring special permits.	not prohibited or restricted by laws and regulations other than those requiring special permits.	
Article 18	(Omitted for the first paragraph to the fourth paragraph) <u>Directors may be entitled to receive remuneration of services rendered of the Company,</u> evaluated by the compensation committee according to their respective value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries. Remuneration for independent directors may be different from non-independent directors. (Omitted for the sixth paragraph)	(Omitted for the first paragraph to the fourth paragraph) Remuneration for <u>directors</u> of the Company <u>shall be</u> evaluated by the compensation committee according to their respective <u>participation in operation and</u> value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries. Remuneration for independent directors may be different from non-independent directors. (Omitted for the sixth paragraph)	Amendments are made due to the practical requirement.
Article 18-1	The Company shall establish an Audit <u>and Risk</u> Committee according to Article 14-4 of the Securities and Exchange Act and the Audit <u>and Risk</u> Committee shall have such powers and duties of supervisors as provided in the Company Law, the Securities and Exchange Act, and other laws and regulations.	The Company shall establish an Audit Committee according to Article 14-4 of the Securities and Exchange Act and the Audit Committee shall have such powers and duties of supervisors as provided in the Company Law, the Securities and Exchange Act, and other laws and regulations.	Amendments are made due to the renaming of the Company's Audit Committee to "Audit and Risk Committee."
Article 29	The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the Audit <u>and Risk</u> Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit <u>and Risk</u> Committee, shall be submitted to the general shareholders' meeting for	The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the Audit Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance:	The reason of revision is the same as the Article 18-1.



Article	Article after revision	Article before revision	Explanation
	acceptance: 1. Business Report; 2. Financial Statements; and 3. Proposal concerning allocation of earnings or making up losses.	1. Business Report; 2. Financial Statements; and 3. Proposal concerning allocation of earnings or making up losses.	
Article 30	(Omitted for the first paragraph) The Company shall allocate the earnings for each fiscal year in the following order: 1. Paying tax; 2. Making up losses for preceding years; 3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total <u>paid-in</u> capital of the Company; 4. Setting aside or reversing a special reserve according to relevant regulations when necessary; 5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends. The proposed of earnings distribution shall be set by the Board of Directors and submitted to shareholders' meetings for resolving. (Omitted for the third paragraph)	(Omitted for the first paragraph) The Company shall allocate the earnings for each fiscal year in the following order: 1. Paying tax; 2. Making up losses for preceding years; 3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total <u>authorized</u> capital of the Company; 4. Setting aside or reversing a special reserve according to relevant regulations when necessary; 5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends. The proposed of earnings distribution shall be set by the Board of Directors and submitted to shareholders' meetings for resolving. (Omitted for the third paragraph)	Amendments are made pursuant to the Article 228-1 of Company Act.
Article 33	These Articles of Incorporation were enacted on July 28, 1975; (the 1 <sup>st</sup> through 51 <sup>st</sup> revision dates have been omitted for simplicity) The fifty-second amendment was made on June 13, 2023; <u>The fifty-third amendment was made on May 30, 2024.</u>	These Articles of Incorporation were enacted on July 28, 1975; (the 1 <sup>st</sup> through 51 <sup>st</sup> revision dates have been omitted for simplicity) The fifty-second amendment was made on June 13, 2023.	Addition of the 53 <sup>rd</sup> revision date.

- (2) Discussion of the Amendments to the Company’s “Operating Procedures of Acquisition or Disposal of Assets”, “Operating Procedures of Fund Lending” and “Operating Procedures of Endorsement and Guarantee”

(Proposed by the Board of Directors)

Explanation:

- a) Due to the combination of the Audit Committee and the Risk Committee into the “Audit and Risk Committee” of the Company, it is proposed to amend certain provisions of the Company’s “Operating Procedures of Acquisition or Disposal of Assets”, “Operating Procedures of Fund Lending” and “Operating Procedures of Endorsement and Guarantee.” Please see the comparison tables 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 2	<p>Promulgation and Amendment of the Operating Procedures</p> <p>The Operating Procedures of Acquisition or Disposal of Assets of the Company shall be approved by one-half or more of all Audit <u>and Risk</u> Committee members and then for discussion and consent by the Board of Directors and be further submitted to the shareholders’ meeting for approval. The same procedure shall apply to any amendment to the Operating Procedures.</p> <p>If the Operating Procedures have not been approved by one-half or more of all Audit <u>and Risk</u> Committee members, the Operating Procedures may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit <u>and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors.</p> <p>“All Audit <u>and Risk</u> Committee members” and “all directors” in the preceding paragraph referred to in these Operating Procedures shall mean the actual number of persons currently holding those positions.</p>	<p>Promulgation and Amendment of the Operating Procedures</p> <p>The Operating Procedures of Acquisition or Disposal of Assets of the Company shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors and be further submitted to the shareholders’ meeting for approval. The same procedure shall apply to any amendment to the Operating Procedures.</p> <p>If the Operating Procedures have not been approved by one-half or more of all Audit Committee members, the Operating Procedures may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</p> <p>“All Audit Committee members” and “all directors” in the preceding paragraph referred to in these Operating Procedures shall mean the actual number of persons currently holding those positions.</p>	<p>Amendments are made due to the renaming of the Company’s Audit Committee to “Audit and Risk Committee.”</p>
Article 9	<p>If any acquisition or disposal of assets should be approved by the Audit <u>and</u></p>	<p>If any acquisition or disposal of assets should be approved by the Audit</p>	<p>The reason of revision is the same</p>

Article	Article after revision	Article before revision	Explanation
	<p><u>Risk</u> Committee, the Board of Directors, or the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority, the Operating Procedures or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance, and then approved by one-half or more of all Audit <u>and Risk</u> Committee members and submit it for approval by the Board of Directors, or approval by the shareholders' meeting.</p> <p>If approval of more than half of all Audit <u>and Risk</u> Committee members is not obtained regarding the acquisition or disposal of assets as set forth in the preceding paragraph, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit <u>and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors.</p>	<p>Committee, the Board of Directors, or the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority, the Operating Procedures or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance, and then approved by one-half or more of all Audit Committee members and submit it for approval by the Board of Directors, or approval by the shareholders' meeting.</p> <p>If approval of more than half of all Audit Committee members is not obtained regarding the acquisition or disposal of assets as set forth in the preceding paragraph, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</p>	as the Article 2.
Article 10-1	Where the transaction amount of a proposed acquisition or disposal in a specific security by a Subsidiary exceeds NT\$1 billion, the proposed acquisition or disposal shall be approved by the Company's Audit <u>and Risk</u> Committee and the Board of Directors by resolution in advance.	Where the transaction amount of a proposed acquisition or disposal in a specific security by a Subsidiary exceeds NT\$1 billion, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.	The reason of revision is the same as the Article 2.
Article 11-1	Where the transaction amount of a proposed acquisition or disposal by a Subsidiary in a specific real property or its right-of-use assets for non-	Where the transaction amount of a proposed acquisition or disposal by a Subsidiary in a specific real property or its right-of-use assets for non-	The reason of revision is the same as the Article 2.

Article	Article after revision	Article before revision	Explanation
	operating use exceeds NT\$300 million, the proposed acquisition or disposal shall be approved by the Company's Audit <u>and Risk</u> Committee and the Board of Directors by resolution in advance.	operating use exceeds NT\$300 million, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.	
Article 12	<p>Procedures governing transactions with a related party are as follows: (Omitted for the first subparagraph)</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property or its right-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 <u>and Risk</u> Committee and obtaining approval by one-half or more of all Audit <u>and Risk</u> 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</p>	<p>Procedures governing transactions with a related party are as follows: (Omitted for the first subparagraph)</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property or its right-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</p>	The reason of revision is the same as the Article 2.

Article	Article after revision	Article before revision	Explanation
	<p>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 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>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction</p>	<p>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 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>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction</p>	

Article	Article after revision	Article before revision	Explanation
	<p>set out in the first paragraph and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of the first paragraph to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between affiliates.</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 <u>Audit and Risk</u> Committee and the Board of Directors as well as the shareholders' meeting 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>(Omitted for (1) to (4) of the third subparagraph)</p> <p>(5) When the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) to (4) and (6) of this subparagraph are both lower than the</p>	<p>set out in the first paragraph and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of the first paragraph to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between affiliates.</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 as well as the shareholders' meeting 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>(Omitted for (1) to (4) of the third subparagraph)</p> <p>(5) When the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) to (4) and (6) of this subparagraph are both lower than the</p>	

Article	Article after revision	Article before revision	Explanation
	<p>transaction price, the Company shall comply with the following provisions. In addition, if the Company have allocated a special reserve in accordance with the following provisions, the Company may not utilize such special reserve until it has recognized loss due to price decline in market value of the assets it purchased or leased at a premium, or such property has been disposed of, or adequate compensation has been made, or the leasing contract has been terminated, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith from the Competent Authority shall have been obtained.</p> <p>a. The Company shall allocate the difference between the real property or its right-of-use assets transaction price and the estimate cost as a special reserve in accordance with paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distribute this reserve or use it for capitalization and issuance of new shares. If an investor that has investment in the Company by using the</p>	<p>transaction price, the Company shall comply with the following provisions. In addition, if the Company have allocated a special reserve in accordance with the following provisions, the Company may not utilize such special reserve until it has recognized loss due to price decline in market value of the assets it purchased or leased at a premium, or such property has been disposed of, or adequate compensation has been made, or the leasing contract has been terminated, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith from the Competent Authority shall have been obtained.</p> <p>a. The Company shall allocate the difference between the real property or its right-of-use assets transaction price and the estimate cost as a special reserve in accordance with paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distribute this reserve or use it for capitalization and issuance of new shares. If an investor that has investment in the Company by using the</p>	

Article	Article after revision	Article before revision	Explanation
	<p>equity method is a public company, it shall also allocate special reserve in an amount in proportion to its shareholding in the Company according to paragraph 1, Article 41 of the Securities and Exchange Act.</p> <p>b. The independent directors in <u>Audit and Risk</u> Committee of the Company shall comply with Article 218 of the Company Law.</p> <p>c. The Company shall report matters handled under the foregoing items (1) and (2) to the shareholders' meeting and shall disclose the details of the transaction in its annual report and prospectus.</p> <p>(The rest is omitted)</p>	<p>equity method is a public company, it shall also allocate special reserve in an amount in proportion to its shareholding in the Company according to paragraph 1, Article 41 of the Securities and Exchange Act.</p> <p>b. The independent directors in Audit Committee of the Company shall comply with Article 218 of the Company Law.</p> <p>c. The Company shall report matters handled under the foregoing items (1) and (2) to the shareholders' meeting and shall disclose the details of the transaction in its annual report and prospectus.</p> <p>(The rest is omitted)</p>	
Article 15	<p>(Omitted for the first subparagraph to the fourth subparagraph of the first paragraph)</p> <p>5. Internal audit system:</p> <p>(1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify the <u>Audit and Risk</u> Committee of the Company in writing if any material violation is</p>	<p>(Omitted for the first subparagraph to the fourth subparagraph of the first paragraph)</p> <p>5. Internal audit system:</p> <p>(1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify the Audit Committee of the Company in writing if any material violation is found.</p>	The reason of revision is the same as the Article 2.



Article	Article after revision	Article before revision	Explanation
	found. (The rest is omitted)	(The rest is omitted)	
Article 20	<p>The Subsidiaries shall comply with the following provisions:</p> <p>1. The Subsidiaries shall promulgate its own “Operating Procedures of the Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”, and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders’ meeting. The same procedure shall apply in the event of any amendment to the said operating procedures. If a Subsidiary has established an Audit and Risk Committee, the aforesaid promulgation shall be subject to the consent of one-half or more of all its Audit and Risk Committee members and be submitted to its board of directors for approval first and then by its shareholders’ meeting. The same procedure shall apply in the event of any amendment to the said operating procedures.</p> <p>(The rest is omitted)</p>	<p>The Subsidiaries shall comply with the following provisions:</p> <p>1. The Subsidiaries shall promulgate its own “Operating Procedures of the Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”, and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders’ meeting. The same procedure shall apply in the event of any amendment to the said operating procedures. If a Subsidiary has established an Audit Committee, the aforesaid promulgation shall be subject to the consent of one-half or more of all its Audit Committee members and be submitted to its board of directors for approval first and then by its shareholders’ meeting. The same procedure shall apply in the event of any amendment to the said operating procedures.</p> <p>(The rest is omitted)</p>	The reason of revision is the same as the Article 2.

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

Article	Article after revision	Article before revision	Explanation
Article 5	<p>Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company’s division in charge shall review and submit the proposal for the Chairman of the Board’s approval, and shall be</p>	<p>Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company’s division in charge shall review and submit the proposal for the Chairman of the Board’s approval, and shall be</p>	Amendments are made due to the renaming of the Company’s Audit Committee to “Audit and Risk Committee.”

Article	Article after revision	Article before revision	Explanation
	<p>approved by one-half or more of all Audit <u>and Risk</u> Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit <u>and Risk</u> Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit <u>and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The aforesaid "certain amount" means that the authorized amount of loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the lending company, provided that such restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p>	<p>approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The aforesaid "certain amount" means that the authorized amount of loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the lending company, provided that such restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>(2) The Finance Division of the</p>	

Article	Article after revision	Article before revision	Explanation
	<p>(2) The Finance Division of the Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the Board of Directors, the Finance Division shall record the details of the entity to which the lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.</p> <p>(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Audit <u>and Risk</u> Committee of the Company in writing.</p> <p>(4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the</p>	<p>Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the Board of Directors, the Finance Division shall record the details of the entity to which the lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.</p> <p>(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Audit Committee of the Company in writing.</p> <p>(4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the Company in the Company's</p>	

Article	Article after revision	Article before revision	Explanation
	<p>Company in the Company's financial statements and shall provide relevant information to the Company's external auditing CPA.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the <u>Audit and Risk</u> Committee of the Company and rectify as scheduled under the corrective plans.</p> <p>(The rest is omitted)</p>	<p>financial statements and shall provide relevant information to the Company's external auditing CPA.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Audit Committee of the Company and rectify as scheduled under the corrective plans.</p> <p>(The rest is omitted)</p>	
Article 7	<p>Additional Guidelines of Lending Funds to Others</p> <p>1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.</p> <p>2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the <u>Audit and Risk</u> Committee of the Company in</p>	<p>Additional Guidelines of Lending Funds to Others</p> <p>1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.</p> <p>2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the Audit Committee of the Company in</p>	The reason of revision is the same as the Article 5.

Article	Article after revision	Article before revision	Explanation
	<p>writing.</p> <p>3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Audit <u>and Risk</u> Committee of the Company and rectify as scheduled under the corrective plans.</p>	<p>writing.</p> <p>3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Audit Committee of the Company and rectify as scheduled under the corrective plans.</p>	
Article 8	<p>Procedures for Controlling Fund Lending Made by Subsidiaries</p> <p>1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.</p> <p>2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending." The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company</p>	<p>Procedures for Controlling Fund Lending Made by Subsidiaries</p> <p>1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.</p> <p>2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending." The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company</p>	The reason of revision is the same as the Article 5.

Article	Article after revision	Article before revision	Explanation
	shall promptly notify the Board of Directors and the Audit <u>and Risk</u> Committee.	shall promptly notify the Board of Directors and the Audit Committee.	
Article 11	After approval by one-half or more of all Audit <u>and Risk</u> Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit <u>and Risk</u> Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit <u>and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.	After approval by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.	The reason of revision is the same as the Article 5.

**Comparison Table of Revised Articles of the Operating Procedures of Endorsement and Guarantee**

Article	Article after revision	Article before revision	Explanation
V	Procedures for Making Endorsement and Guarantee 1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and	Procedures for Making Endorsement and Guarantee 1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and	Amendments are made due to the renaming of the Company's Audit Committee to "Audit and Risk Committee."

Article	Article after revision	Article before revision	Explanation
	<p>guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and for approval by one-half or more of all <u>Audit and Risk</u> Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all <u>Audit and Risk</u> Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the <u>Audit and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.</p> <p>2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. The Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall</p>	<p>guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and for approval by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.</p> <p>2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. The Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall also record the entity for which the</p>	

Article	Article after revision	Article before revision	Explanation
	<p>also record the entity for which the endorsement or guarantee is made, amount, date of approval by the Audit <u>and Risk</u> Committee, date of approval by the Board of Directors, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.</p> <p>3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify the Audit <u>and Risk</u> Committee of the Company in writing.</p> <p>4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees made, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.</p> <p>5. If the qualification of the entity for which an endorsement or guarantee is made no longer</p>	<p>endorsement or guarantee is made, amount, date of approval by the Audit Committee, date of approval by the Board of Directors, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.</p> <p>3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify the Audit Committee of the Company in writing.</p> <p>4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees made, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.</p> <p>5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the</p>	



Article	Article after revision	Article before revision	Explanation
	<p>meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Audit and <u>Risk</u> Committee of the Company and rectify as scheduled under the corrective plans.</p> <p>6. If there are necessary business needs for the Company to exceed the limits of endorsements and guarantees set forth in the Operating Procedures and if the requirements set forth in the Operating Procedures are complied with, it shall be approved by one-half or more of all Audit and <u>Risk</u> Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit and <u>Risk</u> Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit and <u>Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors and half or more of the directors shall act as joint guarantors for any loss of the</p>	<p>amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Audit Committee of the Company and rectify as scheduled under the corrective plans.</p> <p>6. If there are necessary business needs for the Company to exceed the limits of endorsements and guarantees set forth in the Operating Procedures and if the requirements set forth in the Operating Procedures are complied with, it shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors and half or more of the directors shall act as joint guarantors for any loss of the Company that might incur due to the excess amount of endorsements and guarantees.</p>	

Article	Article after revision	Article before revision	Explanation
	<p>Company that might incur due to the excess amount of endorsements and guarantees. The Operating Procedures shall also be amended accordingly and submitted to the shareholders' meeting for approval. If the shareholders' meeting does not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period.</p>	<p>The Operating Procedures shall also be amended accordingly and submitted to the shareholders' meeting for approval. If the shareholders' meeting does not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period.</p>	
VII	<p>Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries</p> <p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rule" and "Operating Procedures of Endorsement and Guarantee." The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of</p>	<p>Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries</p> <p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rule" and "Operating Procedures of Endorsement and Guarantee." The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of</p>	<p>The reason of revision is the same as the Article V.</p>

Article	Article after revision	Article before revision	Explanation
	<p>Directors the Audit <u>and Risk</u> Committee. (The rest is omitted)</p>	<p>Directors the Audit Committee. (The rest is omitted)</p>	
XIII	<p>Other Matters After approval by one-half or more of all <u>Audit and Risk</u> Committee members, and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all <u>Audit and Risk</u> Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the <u>Audit and Risk</u> Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to the shareholders' meeting for discussion. The same procedure shall apply to any amendment to the Operating Procedures.</p>	<p>Other Matters After approval by one-half or more of all Audit Committee members, and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to the shareholders' meeting for discussion. The same procedure shall apply to any amendment to the Operating Procedures.</p>	<p>The reason of revision is the same as the Article V.</p>

Voting and resolution for each of the proposal and discussion items

#### 4. Election Item

Election of the Company's Directors  
(Proposed by the Board of Directors)

Explanation:

- a) The term of office of the directors (including independent directors) will be expired soon. According to the Board's resolution, 12 directors (including 5 independent directors) will be elected at this annual shareholders' meeting. The term of office of the new directors will be three years, starting from May 30, 2024 and will expire on May 29, 2027. The directors will assume office immediately after this annual general shareholders' meeting.
- b) The Company adopted the candidates nomination system for electing the 20<sup>th</sup> term of directors. After the Board of Directors' examination, the Board had approved 12 candidates (including 5 candidates for independent directors). The relevant information is as follows:

List of Candidates for Directors

Name	Gender	Educational Background, Experience and Current Positions	Number of Shares Held
Yancey Hai	Male	<u>Selected Education:</u> Master Degree in International Business Management, the University of Texas at Dallas <u>Selected Past Positions:</u> Former Country Manager, GE Capital Taiwan Former Vice-Chairman, CEO and Chairman in Strategic Steering Committee, Delta Electronics, Inc. <u>Current Positions:</u> Chairman, Delta Electronics, Inc., etc.	984,067
Bruce CH Cheng	Male	<u>Selected Education:</u> Bachelor of Science in Electrical Engineering, National Cheng Kung University <u>Selected Past Positions:</u> Former Chairman, Delta Electronics, Inc. Former Chairman, Epoch Foundation Former Chairman, K.T. Li Foundation for Development of Science and Technology Former Chairman, Sun Yun-suan Foundation Former Chairman, Taipei Minbei Fellowship Scholarship Foundation (translation) <u>Current Positions:</u> Founder and Honorary Chairman of Delta Electronics, Inc., etc.	81,878,039

Name	Gender	Educational Background, Experience and Current Positions	Number of Shares Held
Ping Cheng	Male	<u>Selected Education:</u> Bachelor in Business Administration, California State University, East Bay (Formerly known as California State University, Hayward) <u>Selected Past Positions:</u> Former Senior Vice-President and President in Greater China Area, Delta Electronics, Inc. <u>Current Positions:</u> CEO and Vice-Chairman in Strategic Steering Committee, Delta Electronics, Inc., etc.	55,640,093
Mark Ko	Male	<u>Selected Education:</u> Bachelor in Control Engineering, National Chiao Tung University <u>Selected Past Positions:</u> Former President and COO, Delta Electronics, Inc. <u>Current Positions:</u> Chairman in Strategic Steering Committee, Delta Electronics, Inc., etc.	807,630
Simon Chang	Male	<u>Selected Education:</u> EMBA, Chung Yuan Christian University <u>Selected Past Positions:</u> Former Senior Vice-President and General Manager of the Industrial Automation Business Group, Delta Electronics, Inc. <u>Current Positions:</u> President, COO and Branch Manager, Delta Electronics, Inc., etc.	903,811
Victor Cheng	Male	<u>Selected Education:</u> MS Electrical Engineering, Santa Clara University <u>Selected Past Positions:</u> Former Chairman and President, Delta Networks, Inc. Former Executive Vice-President of Infrastructure Business Category, Delta Electronics, Inc. <u>Current Positions:</u> Director and CEO, Delta Electronics (Thailand) Public Company Limited, etc.	50,344,764
Shan-Shan Guo	Female	<u>Selected Education:</u> Master in Department of Communications, University of Michigan, Ann Arbor Bachelor in Department of Foreign Language and Literature, National Taiwan University <u>Selected Past Positions:</u> Former CEO, Delta Electronics Foundation Former CEO, TSMC Education and Culture Foundation <u>Current Positions:</u> Chief Brand Officer, Delta Electronics, Inc., etc.	20,360

List of Candidates for Independent Directors

Name	Gender	Educational Background, Experience and Current Positions	Number of Shares Held
Audrey Tseng	Female	<p><u>Selected Education:</u>  Master of Business Management, National Taiwan University and Fudan University  Master of Commerce in Department of Accounting, National Chengchi University</p> <p><u>Selected Past Positions:</u>  Former Deputy Chairman, Assurance Leader and Markets Leader, PricewaterhouseCoopers Taiwan  Former Synergies Leader, PricewaterhouseCoopers Greater China (CaTSH)  Former Chairman of Alumni Association for Accounting Department, National Chengchi University</p> <p><u>Current Positions:</u>  Independent Director and Audit Committee Member, ASUSTeK Computer Incorporation  Independent Director, Audit Committee Member, Compensation Committee Member and Nomination Committee Member, Coretronic Corporation  Independent Director, Audit Committee Member and Compensation Committee Member, Bionime Corporation, etc.</p>	0
Shyue-Ching Lu	Male	<p><u>Selected Education:</u>  Ph.D. in Electric Engineering, University of Hawaii</p> <p><u>Selected Past Positions:</u>  Former Chairman &amp; CEO, Chunghwa Telecom Co., Ltd.  Former Director General, Department of Posts and Telecommunications, Ministry of Transportation and Communications Republic of China</p> <p><u>Current Positions:</u>  Independent Director, Chairman and Convener of Audit Committee and Compensation Committee Member, MiTAC Holdings Corporation  Independent Director, Audit Committee Member and Compensation Committee Member, Radium Life Tech Co., Ltd., etc.</p>	0
Jack J.T. Huang	Male	<p><u>Selected Education:</u>  S.J.D., Harvard University</p> <p><u>Selected Past Positions:</u>  Former Attorney-at-Law, Jones Day Taipei Office  Former Chairman, Taiwan M&amp;A and Private Equity Council</p> <p><u>Current Positions:</u>  Founder and Chairman, Taiwan Renaissance Platform  Special Advisor of the CEO, Yulon Group  Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee, WPG Holdings Limited, etc.</p>	0

Name	Gender	Educational Background, Experience and Current Positions	Number of Shares Held
Rose Tsou	Female	<u>Selected Education:</u> MBA of J.L. Kellogg Graduate School of Management, Northwestern University MS in Mass Communication, Boston University <u>Selected Past Positions:</u> Former Head of International, Verizon Media Former Managing Director, Yahoo Asia Pacific Former General Manager, Yahoo Taiwan Former Chairman, World Vision Taiwan <u>Selected Past Positions:</u> Chairman, FNCapital Co., Ltd., etc.	0
Doris Hsu	Female	<u>Selected Education:</u> Master of Computer Science, University of Illinois <u>Selected Past Positions:</u> Former President, Sino-American Silicon Products Inc. <u>Current Positions:</u> Chairman and CEO, Sino-American Silicon Products Inc. Chairman and CEO, GlobalWafers Co., Ltd. Chairman, Taiwan Speciality Chemicals Corporation Chairman, Crystalwise Technology Inc. Chairman, Sunrise PV Three Co., Ltd., etc.	0

c) Please vote.

**Voting for Election Item**

Election Result:

## **5. Other Proposal**

Discussion of the Release from Non-competition Restrictions on the Company's 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 the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.
- b) As certain directors 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 directors, without prejudice to the interests of the Company.
- c) Please refer to Appendix 9 for the concurrent positions of directors elected by the shareholders' meeting. If there is any change in their 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.

**Voting and Resolution for the Proposal**

## **6. Extemporaneous Motions**

**Meeting Adjourn.**



### III. MEETING AGENDA

#### Appendix 1

##### Business Report

Over the past year, Delta has faced a global economic environment filled with both opportunities and challenges. Global inflation, rising interest rates, international conflicts such as the wars in Russia-Ukraine and Israel-Palestine, a slowdown in China's economic growth, and heightened tensions between the U.S. and China have influenced our operations throughout 2023. Amid a volatile environment, Delta adheres to a sound strategy and focus on sustainable development and stable profitability.

In 2023, with the collective efforts of all members of Delta, our consolidated revenue was NT\$401.2 billion, a 4.4% increase from the previous year; gross profit was NT\$117.2 billion with a gross profit margin of 29.2%; net operating profit was NT\$40.9 billion with a net profit margin of 10.2%; net income after tax was NT\$33.4 billion with a net after-tax profit margin of 8.3%; EPS was NT\$12.86 and return on equity (ROE) ratio was 17.3%. Here is a summary of the performance and status of Delta's core business categories in 2023.

##### Power Electronics

With over 50 years of expertise in Power Electronics, Delta relentlessly invests in R&D. Each year, it develops innovative and advanced power management technologies, maintaining its leadership in power management and heat dissipation solutions. Delta's diverse power products and system solutions span a wide range of global applications, including artificial intelligence (AI), cloud computing, edge computing, information and communications technology (ICT), industrial, aerospace, medical, lighting, and home appliances.

In recent years, due to the development of AI technology, there has been a surge in various cloud and edge computing applications and devices such as AI servers, AI computers, smart edge devices, and others. This has resulted in increased AI computing power demand for advanced power supply systems capable of delivering higher instantaneous power, high power density, and superior efficiency. Leveraging our expertise in key technologies, Delta is undeniably a leader in comprehensive power solutions. This includes 18kW power shelves and thermal solutions that comply with the Open Compute Project (OCP) and the latest Open Rack version 3 (ORV3), which boast over 97.5% peak efficiency. Delta provides high efficiency and energy-saving power supply for data center servers, networking equipment and AI servers. In addition, we have developed an innovative DC voltage converter for AI GPUs with a power density of up to 5,300 watts per cubic inch and an ultra-high energy conversion efficiency of 98.3%. This translates to efficient delivery of the high instantaneous DC power required by AI CPUs, GPUs, and xPUs.

Within the automotive industry, Delta supplies a wide range of components, including fans, magnetic components and passive components. In 2023, we further strengthened our product portfolio by acquiring the German TB&C and its subsidiaries for 142 million euros. By integrating our core competence in power electronics technology with TB&C's cutting-edge technology and extensive experience in high-voltage hybrid components, Delta is poised to accelerate our growth in the electric vehicle (EV) market and create long-term value for shareholders.

With the explosive growth of the EV market, the EV Solutions Business Group has become one of the Company's critical drivers in recent years. Delta's power management system has established a clear advantage over competitors in terms of product development schedule, power efficiency, and power density, which have secured numerous orders from top-tier international automakers. This dominance extends beyond power systems, as Delta's built-in drive traction motors have also been adopted by these same leading automakers for their high-level EV models. In addition, Delta's commitment to providing safer and more efficient traction motors has made it

the first company in Taiwan to receive ASPICE CL3 certification for the automotive industry in 2023.

## Automation

In response to the goal of net-zero carbon emissions, Delta made significant strides in industrial and building automation solutions in 2023. A prime example is our supervisory control and data acquisition system, VTScada, which was implemented in a South African metallurgical plant to assist customers in establishing an efficient monitoring and control system.

Within the demanding metallurgical industry, our customers face challenges such as highly energy-consuming, operational risks and capital intensive issues. By introducing Delta's VTScada system, we have helped our customers integrate various plant equipment, which have improved the feed rate tolerance to within 1%. Additionally, the system's robust redundancy and alarm system ensure the safety and stability of equipment operation. Even within the harsh environment of a metallurgical plant, characterized by extreme heat and toxic fumes, VTScada's real-time remote monitoring function empowers managers to continuously monitor equipment status and proactively prevent potential risks. These improvements have increased overall productivity and helped the metallurgical plant reduce natural gas consumption by a third. This translates to a more efficient and sustainable production method for the client, propelling them forward in the metallurgical industry.

In addition, through Delta's building automation solutions, our Wujiang Plant No. 5 secured both "Zero Carbon Factory" and "Carbon Neutral" certifications in 2023, becoming the first "Five-Star Zero Carbon Factory" within Jiangsu Province's electronics manufacturing industry.

A "Zero Carbon Factory" achieves net-zero carbon emissions throughout its production and manufacturing process through a combination of technological innovations that focus on energy conservation, emission reduction and carbon elimination. Delta Wujiang Plant 5 utilizes the energy and carbon management platform, Delta Energy Online, to conduct energy-saving diagnostics and analysis, and effectively reduces the plant's energy consumption and carbon emissions through high-efficiency energy-saving lighting, renewable energy, and energy storage system technologies. Delta has also upgraded its factory equipment by introducing energy-saving air compressors and vacuum pumps, replacing ordinary motors with reluctance motors, and upgrading the energy-consuming SMT reflow furnace to a new type of dual-orbital reflow furnace, which is integrated into the centralized chilled-water system. It has achieved a remarkable 42% reduction in energy consumption.

Delta's Wujiang Plant 5 stands as a shining example of the Company's commitment to low-carbon manufacturing and green building practices. Moving forward, Delta will leverage Wujiang Plant 5 and replicate its successful carbon reduction strategies to continue building low-carbon smart factories worldwide, ultimately infusing more green power into the Company's high-quality manufacturing operations.

## Infrastructure

Delta also offers comprehensive solutions for information and communications technology (ICT) infrastructure, including networking equipment, telecom power systems, and data center solutions. In 2023, Delta provided a fast-growing data center operator in Australia with an energy-efficient pre-positioned data center. The design concept features a pre-installed Power Train Unit (PTU) within a dedicated enclosure. The entire unit can then be transported to the customer's site for seamless integration with other systems, creating a complete data center. Delta deployed 12 PTUs in just 16 weeks, which previously took 30-40 weeks to complete, saving the customer significant capital costs and time.

With the rapid growth of the global EV market, building a sound charging infrastructure has become an important key to supporting the industry's sustainable development. In 2023, Delta's ultra-fast 350kW DC EV

Charger successfully passed voluntary product certification by the Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs (MOEA), making it the first 300kW (or higher class) DC charger in Taiwan to pass the national standard certification. With an output current of up to 540A and a power conversion efficiency of 96%, this charger can replenish an EV with a driving range of 250-300km in 10 minutes. This demonstrates Delta's leadership in EV charging technology and unwavering commitment to low-carbon transportation, even amidst economic uncertainties and market volatility, which have presented new challenges to our business.

However, thanks to the efforts of all Delta employees and our continued investment in innovative R&D, Delta was selected as one of the "2023 Best Taiwan Global Brands" for the 13th consecutive year. In 2023, the Company's brand value soared to a new all-time high of over US\$540 million, marking a significant 28% increase from the previous year. For the third time, Delta was awarded the CDP's prestigious double "A" rating for excellence in climate change and water safety management. This remarkable achievement places Delta among the top 61 companies out of over 21,000 participants worldwide in this year's CDP assessment.

Looking ahead, Delta remains committed to driving innovation across key application areas, including electric vehicles, servers and data centers, energy storage and management, as well as industrial and building automation. Moreover, through its global presence, Delta is well-positioned to thrive in a fast-changing environment given its flexibility and resilience. Considering the Company's wide range of products, spanning single components to comprehensive solutions, with varying price points, sales volume alone is not the most effective metric for gauging operating performance. Nevertheless, we expect an increase in overall sales volume for the current year compared to the previous year.

We sincerely thank our shareholders, customers, employees, and partners for their long-term trust and support. Looking to the future, Delta will continue to adhere to our innovation-driven and quality-oriented development strategy, constantly exploring new market opportunities, and steadily moving towards a broader future.

Chairman	Yancey Hai
Manager	Ping Cheng
Chief Accounting Officer	Beau Yu

## 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, 2023 and 2022, 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 2023 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 2023 parent company only financial statements are stated as follows:

### **Investments accounted for under equity method**

#### Description

Refer to Note 4(37) in the consolidated financial statements for the accounting policy on business combination. Refer to Notes 6(9) and (30) in the consolidated financial statements for the accounting treatment of business combination and the allocation of purchase price.

In July 2022, the subsidiary of the Company, Delta International Holding Limited B.V., acquired 100% of the share capital of UI Acquisition Holding Co. for NT\$2,797,346 thousand. The allocation of the acquisition price was completed in the first quarter of 2023. The acquisition price and the amount of intangible assets arising from the business acquisition are significant and the net fair value of identifiable assets and liabilities and the allocation of intangible assets are based on management's estimation and subjective judgement. Thus, we considered the purchase price allocation for the above business combination a key audit matter.

#### How our audit addressed the matter

We performed the following procedures for the above key audit matter:

- A. Assessed the appropriateness and objectivity of the appraisers appointed by the management.
- B. Reviewed identification of intangible assets, fair value measurement of identifiable intangible assets, discount rates and the reasonableness of goodwill calculation in the purchase price allocation report prepared by external experts.

### **Intangible assets (including subsidiaries) - Impairment assessment of goodwill**

Refer to Note 4(21) for the accounting policies on impairment of non-financial assets. Refer to Notes 5(2) and 6(9) for the impairment assessment of goodwill including critical accounting estimates.

As at December 31, 2023, goodwill arising from both the acquisitions of the Company in Cyntec Co., Ltd. and Atrust Computer Corporation, and the acquisitions through the Company's subsidiaries, Delta International Holding Limited B.V.(DIH) and Delta Electronics (Netherlands) B.V.(DEN), in

DELTA ELECTRONICS (NORWAY) AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., March Network Holdings Ltd., Amerlux LLC, and Trihedral Engineering Limited amounted to NT\$18,324,143 thousand. As the balance of goodwill acquired from the merger is material, the assumptions used in assessing goodwill impairment involves material accounting estimates which are complex and have high uncertainty. Thus, we considered the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

We performed the following procedures for the above key audit matter:

- A. Understood the process of goodwill impairment assessment, obtained the assessment form provided by management, and assessed whether the valuation models adopted by management are reasonable for the industry, environment, and the valued assets of the Company.
- B. Assessed the reasonableness of material assumptions, such as future cash flows, expected growth rates, operating margin, and discount rates, by:
  - (a) Checking the setting of parameters of valuation models and calculation formulas;
  - (b) Confirming whether the expected future cash flows are in agreement with the budget provided by the business units;
  - (c) Comparing the expected growth rate and operating margin with historical data, economic and industrial forecast documents; and
  - (d) Comparing the discount rate with cost of capital assumptions of cash generating units and rates of return of similar assets.
- C. Performed a sensitivity analysis on the value of significant assumptions to assess the risk of impairment of goodwill if there is a change in significant assumptions.

***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. The balance of these investments accounted for under the equity method amounted

to NT\$38,977,447 thousand and NT\$31,866,553 thousand, constituting 12.50% and 11.10% of total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$10,683,648 thousand and NT\$8,588,314 thousand, constituting 32.96% and 18.64% of the total comprehensive income for the years then ended, 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 the 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. 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;
2. 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;
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
4. 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;

5. 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.
6. 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, 2023 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 \$30.705 to US\$1.00 at December 31, 2023. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Hsiao, Chun-Yuan      Chou, Chien-Hung  
for and on behalf of PricewaterhouseCoopers, Taiwan  
February 29, 2024

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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, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2023	December 31, 2023	December 31, 2022
<b>Current assets</b>				
Cash and cash equivalents	6(1)	\$ 71,196	\$ 2,186,076	\$ 1,908,576
Financial assets at fair value through profit or loss - current	6(2)	72,266	2,218,935	-
Financial assets at amortised cost – current	8	6,120	187,900	109,726
Contract assets - current	6(19)	151,361	4,647,541	4,224,981
Notes receivable, net	6(4)	808	24,813	24,120
Accounts receivable, net	6(4)	208,944	6,415,624	9,348,724
Accounts receivable - related parties, net	7	286,926	8,810,050	8,847,460
Other receivables		8,719	267,728	126,404
Other receivables - related parties	7	12,999	399,130	795,114
Inventories	6(5)	260,612	8,002,074	9,278,702
Prepayments		35,367	1,085,955	1,312,705
Other current assets		49	1,510	4,237
<b>Total current assets</b>		<u>1,115,367</u>	<u>34,247,336</u>	<u>35,980,749</u>
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss - non-current	6(2)	1,301	39,957	933,824
Financial assets at fair value through other comprehensive income - non-current	6(3)	44,038	1,352,185	1,343,614
Contract assets - non-current	6(19)	12,216	375,084	315,074
Investments accounted for under the equity method	6(6)	7,893,637	242,374,117	217,804,951
Property, plant and equipment	6(7)	981,538	30,138,122	27,563,418
Right-of-use assets	6(8)	18,556	569,757	562,898
Intangible assets	6(9)	27,898	856,630	1,026,018
Deferred income tax assets	6(26)	40,705	1,249,847	945,264
Other non-current assets	6(4)(10)	18,109	556,044	582,168
<b>Total non-current assets</b>		<u>9,037,998</u>	<u>277,511,743</u>	<u>251,077,229</u>
<b>Total assets</b>		<u>\$ 10,153,365</u>	<u>\$ 311,759,079</u>	<u>\$ 287,057,978</u>

(Continued)

DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2023	December 31, 2023	December 31, 2022
<b>Current liabilities</b>				
Contract liabilities - current	6(19)	\$ 83,298	\$ 2,557,660	\$ 2,562,573
Accounts payable		130,560	4,008,846	6,217,212
Accounts payable - related parties	7	254,731	7,821,531	10,982,225
Other payables	6(12)	627,007	19,252,244	15,901,462
Other payables - related parties	7	6,026	185,029	127,790
Current income tax liabilities		79,918	2,453,879	2,234,481
Long-term liabilities, current portion	6(14)	81,097	2,490,095	-
Other current liabilities		21,492	659,913	484,074
<b>Total current liabilities</b>		<u>1,284,129</u>	<u>39,429,197</u>	<u>38,509,817</u>
<b>Non-current liabilities</b>				
Bonds payable	6(13)	947,728	29,100,000	11,600,000
Long-term borrowings	6(14)	713,153	21,897,353	32,216,656
Deferred income tax liabilities	6(26)	617,091	18,947,786	14,720,638
Lease liabilities - non-current		16,061	493,150	513,313
Other non-current liabilities	6(15)	88,840	2,727,815	2,708,647
<b>Total non-current liabilities</b>		<u>2,382,873</u>	<u>73,166,104</u>	<u>61,759,254</u>
<b>Total liabilities</b>		<u>3,667,002</u>	<u>112,595,301</u>	<u>100,269,071</u>
<b>Equity</b>				
Share capital	6(16)			
Common stock		845,967	25,975,433	25,975,433
Capital surplus	6(17)			
Capital surplus		1,779,417	54,636,991	49,321,767
Retained earnings	6(18)			
Legal reserve		1,161,851	35,674,625	32,386,305
Special reserve		96,684	2,968,678	16,166,722
Unappropriated retained earnings		2,732,577	83,903,789	65,907,358
Other equity interest				
Other equity interest		( 130,133)	( 3,995,738)	( 2,968,678)
<b>Total equity</b>		<u>6,486,363</u>	<u>199,163,778</u>	<u>186,788,907</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant events after the balance sheet date	11			
<b>Total liabilities and equity</b>		<u>\$ 10,153,365</u>	<u>\$ 311,759,079</u>	<u>\$ 287,057,978</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, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2023	2023	2023	2022
Operating revenue	6(19) and 7	\$ 2,829,071	\$ 86,866,626	\$ 82,637,878	
Operating costs	6(5)(24) (25) and 7	( 1,878,428)	( 57,677,145)	( 52,919,921)	
Gross profit		950,643	29,189,481	29,717,957	
Operating expenses	6(24)(25)				
Selling expenses		( 48,022)	( 1,474,529)	( 1,352,580)	
General and administrative expenses		( 106,900)	( 3,282,352)	( 3,298,161)	
Research and development expenses		( 578,741)	( 17,770,231)	( 15,744,908)	
Expected credit impairment (loss) gain	12(2)	155	4,760	36,872	
Total operating expenses		( 733,508)	( 22,522,352)	( 20,432,521)	
Operating profit		217,135	6,667,129	9,285,436	
Non-operating income and expenses					
Interest income	6(20)	1,628	50,002	17,441	
Other income	6(21)	40,404	1,240,608	1,060,832	
Other gains and losses	6(22)	44,263	1,359,097	297,475	
Finance costs	6(23)	( 28,477)	( 874,398)	( 478,732)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	959,569	29,463,562	27,502,684	
Total non-operating income and expenses		1,017,387	31,238,871	27,804,750	
<b>Profit before income tax</b>		1,234,522	37,906,000	37,090,186	
Income tax expense	6(26)	( 146,990)	( 4,513,335)	( 4,424,458)	
<b>Profit for the year</b>		\$ 1,087,532	\$ 33,392,665	\$ 32,665,728	
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
(Loss) gain on remeasurements of defined benefit plans	6(15)	( \$ 406)	( \$ 12,475)	( \$ 10,565)	
Unrealised (loss) gain on valuation of equity investment at fair value through other comprehensive income	6(3)	( 150)	( 4,589)	207,974	
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		( 424)	( 13,015)	209,666	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	81	2,495	( 2,113)	
Other comprehensive income (loss) that will not be reclassified to profit or loss		( 899)	( 27,584)	426,092	
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
Financial statements translation differences of foreign operations		( 15,676)	( 481,330)	16,339,507	
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		( 16,254)	( 499,085)	( 2,538,309)	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(26)	856	26,277	( 811,127)	
Other comprehensive income (loss) that will be reclassified to profit or loss		( 31,074)	( 954,138)	12,990,071	
<b>Other comprehensive income (loss) for the year</b>		( \$ 31,973)	( \$ 981,722)	\$ 13,416,163	
<b>Total comprehensive income for the year</b>		\$ 1,055,559	\$ 32,410,943	\$ 46,081,891	
Earnings per share					
Basic earnings per share	6(27)	\$ 0.42	\$ 12.86	\$ 12.58	
Diluted earnings per share	6(27)	\$ 0.42	\$ 12.80	\$ 12.52	

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, 2023 AND 2022  
(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>2022 New Taiwan Dollars</u>										
Balance at January 1, 2022		\$ 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
Profit for the year		-	-	-	-	32,665,728	-	-	-	32,665,728
Other comprehensive income for the year		-	-	-	-	209,626	12,990,071	216,466	-	13,416,163
Total comprehensive income for the year		-	-	-	-	32,875,354	12,990,071	216,466	-	46,081,891
Distribution of 2021 earnings	6(18)									
Legal reserve		-	-	2,688,553	-	( 2,688,553 )	-	-	-	-
Special reserve		-	-	-	3,623,514	( 3,623,514 )	-	-	-	-
Cash dividends		-	-	-	-	( 14,286,479 )	-	-	-	( 14,286,479 )
Changes in ownership interests in subsidiaries		-	192,294	-	-	-	-	-	-	192,294
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,322	-	-	( 643 )	-	-	-	14,679
Disposal of equity investment at fair value through other comprehensive income by subsidiaries		-	-	-	-	8,492	-	( 8,492 )	-	-
Balance at December 31, 2022		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	(\$ 2,530,216 )	(\$ 568,379 )	\$ 129,917	\$ 186,788,907
<u>2023 New Taiwan Dollars</u>										
Balance at January 1, 2023		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	(\$ 2,530,216 )	(\$ 568,379 )	\$ 129,917	\$ 186,788,907
Profit for the year		-	-	-	-	33,392,665	-	-	-	33,392,665
Other comprehensive income (loss) for the year		-	-	-	-	( 144,952 )	( 954,138 )	287,639	( 170,271 )	( 981,722 )
Total comprehensive income (loss) for the year		-	-	-	-	33,247,713	( 954,138 )	287,639	( 170,271 )	32,410,943
Distribution of 2022 earnings	6(18)									
Legal reserve		-	-	3,288,320	-	( 3,288,320 )	-	-	-	-
Special reserve		-	-	-	( 13,198,044 )	13,198,044	-	-	-	-
Cash dividends		-	-	-	-	( 25,559,802 )	-	-	-	( 25,559,802 )
Changes in ownership interests in subsidiaries		-	31,584	-	-	-	-	-	-	31,584
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	5,283,640	-	-	( 507 )	38,742	-	-	5,321,875
Adjustment of profit and loss basis of hedging instruments		-	-	-	-	-	-	-	170,271	170,271
Disposal of equity investment at fair value through other comprehensive income by subsidiaries		-	-	-	-	399,303	-	( 399,303 )	-	-
Balance at December 31, 2023		\$ 25,975,433	\$ 54,636,991	\$ 35,674,625	\$ 2,968,678	\$ 83,903,789	(\$ 3,445,612 )	(\$ 680,043 )	\$ 129,917	\$ 199,163,778

(Continued)

DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(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>2023 US Dollars</u>										
Balance at January 1, 2023		\$ 845,967	\$ 1,606,310	\$ 1,054,757	\$ 526,518	\$ 2,146,470	(\$ 82,404 )	(\$ 18,511 )	\$ 4,231	\$ 6,083,338
Profit for the year		-	-	-	-	1,087,532	-	-	-	1,087,532
Other comprehensive income (loss) for the year		-	-	-	-	( 4,721 )	( 31,075 )	9,368	( 5,545 )	( 31,973 )
Total comprehensive income (loss) for the year		-	-	-	-	1,082,811	( 31,075 )	9,368	( 5,545 )	1,055,559
Distribution of 2022 earnings	6(18)									
Legal reserve		-	-	107,094	-	( 107,094 )	-	-	-	-
Special reserve		-	-	-	( 429,834 )	429,834	-	-	-	-
Cash dividends		-	-	-	-	( 832,431 )	-	-	-	( 832,431 )
Changes in ownership interests in subsidiaries		-	1,029	-	-	-	-	-	-	1,029
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	172,078	-	-	( 17 )	1,262	-	-	173,323
Adjustment of profit and loss basis of hedging instruments		-	-	-	-	-	-	-	5,545	5,545
Disposal of equity investment at fair value through other comprehensive income by subsidiaries		-	-	-	-	13,004	-	( 13,004 )	-	-
Balance at December 31, 2023		\$ 845,967	\$ 1,779,417	\$ 1,161,851	\$ 96,684	\$ 2,732,577	(\$ 112,217 )	(\$ 22,147 )	\$ 4,231	\$ 6,486,363

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, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2023	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax for the year		\$ 1,234,522	\$ 37,906,000	\$ 37,090,186
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(7)(8)(24)	79,946	2,454,757	2,138,222
Amortization	6(9)(24)	15,674	481,272	579,598
Expected credit impairment (gain) loss	12(2)	( 155 )	( 4,760 )	36,872
Interest expense	6(23)	28,477	874,398	478,732
Interest income	6(20)	( 1,628 )	( 50,002 )	( 17,441 )
Dividend income	6(21)	( 2,149 )	( 65,996 )	( 56,716 )
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	( 959,569 )	( 29,463,562 )	( 27,502,684 )
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(22)	( 43,155 )	( 1,325,069 )	6,645
Gain on disposal of property, plant and equipment	6(22)	( 103 )	( 3,163 )	( 518,296 )
Loss on right-of-use assets surrender in advance		-	-	16
Impairment loss on non-financial assets	6(9)(22)	205	6,287	417,151
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Contract assets		( 15,716 )	( 482,570 )	292,766
Notes receivable		( 23 )	( 693 )	( 3,609 )
Accounts receivable		95,797	2,941,453	( 3,848,312 )
Accounts receivable - related parties		1,218	37,410	32,193
Change in overdue receivables		-	-	7,147
Other receivables		( 4,559 )	( 139,991 )	( 47,153 )
Other receivables - related parties		12,896	395,984	( 368,986 )
Inventories		41,577	1,276,628	( 2,182,983 )
Prepayments		7,385	226,750	124,988
Other current assets		89	2,727	( 1,907 )
Other non-current assets		532	16,327	1,671
Net changes in liabilities relating to operating activities				
Contract liabilities		( 160 )	( 4,913 )	107,047
Accounts payable		( 71,922 )	( 2,208,366 )	1,919,843
Accounts payable - related parties		( 102,937 )	( 3,160,694 )	3,740,199
Other payables		108,658	3,336,341	2,288,318
Other payables - related parties		1,864	57,239	( 94,049 )
Other current liabilities		4,633	142,241	77,763
Other non-current liabilities		3,456	106,130	783,745
Cash inflow generated from operations		434,853	13,352,165	15,480,966
Interest received		1,585	48,669	17,990
Dividends received		397,686	12,210,954	6,853,812
Interest paid		( 28,007 )	( 859,957 )	( 455,831 )
Income taxes paid		( 54,146 )	( 1,662,564 )	( 1,627,508 )
Net cash flows from operating activities		751,971	23,089,267	20,269,429

(Continued)



DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2023	New Taiwan Dollars 2023	New Taiwan Dollars 2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Decrease in financial assets at amortised cost		\$ 1,362	\$ 41,831	\$ 10,608
Proceeds from capital withdrawal liquidation of financial assets at fair value through profit or loss		-	-	2,479
Acquisition of financial assets at fair value through other comprehensive income		( 429 )	( 13,160 )	-
Acquisition of investments accounted for under the equity method		( 41,126 )	( 1,262,759 )	( 790,182 )
Proceeds from capital reduction of investments accounted for under the equity method		1,831	56,216	-
Acquisition of property, plant and equipment	6(7)	( 161,359 )	( 4,954,535 )	( 3,481,711 )
Proceeds from disposal of property, plant and equipment		406	12,451	774,219
Acquisition of intangible assets	6(9)	( 10,362 )	( 318,171 )	( 457,196 )
Cash inflow due to business combinations	6(28)	-	-	417,829
Proceeds from disposal of financial assets at fair value through profit or loss		-	-	4,774
Increase in other non-current assets		( 3,370 )	( 103,477 )	( 24,469 )
Net cash flows used in investing activities		( 213,047 )	( 6,541,604 )	( 3,543,649 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Decrease in short-term borrowings	6(29)	-	-	( 1,400,000 )
Proceeds from long-term debt		2,151,852	66,072,601	61,464,441
Repayment of long-term debt		( 2,406,833 )	( 73,901,809 )	( 72,551,565 )
Lease principal repayment		( 2,529 )	( 77,638 )	( 33,230 )
Cash dividends paid	6(18)	( 832,431 )	( 25,559,802 )	( 14,286,479 )
Issuance of bonds payable	6(13)(29)	569,940	17,500,000	11,600,000
Decrease in refundable deposits		( 9,885 )	( 303,515 )	( 767,461 )
Net cash flows used in financing activities		( 529,886 )	( 16,270,163 )	( 15,974,294 )
Net increase in cash and cash equivalents		9,038	277,500	751,486
Cash and cash equivalents at beginning of year		62,158	1,908,576	1,157,090
Cash and cash equivalents at end of year		\$ 71,196	\$ 2,186,076	\$ 1,908,576

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.

## 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, 2023 and 2022, 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 material accounting policies.

In our opinion, based on our audits and the reports of other auditors (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, 2023 and 2022, 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 that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 2023 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 2023 consolidated financial statements are stated as follows:

### **Assessment of the reasonableness of the purchase price allocation for business combination**

#### **Description**

Refer to Note 4(37) in the consolidated financial statements for the accounting policy on business combination. Refer to Notes 6(9) and (30) in the consolidated financial statements for the accounting treatment of business combination and the allocation of purchase price.

In July 2022, the subsidiary of the Company, Delta International Holding Limited B.V., acquired 100% of the share capital of UI Acquisition Holding Co. for NT\$2,797,346 thousand. The allocation of the acquisition price was completed in the first quarter of 2023. The acquisition price and the amount of intangible assets arising from the business acquisition are significant and the net fair value of identifiable assets and liabilities and the allocation of intangible assets are based on management's estimation and subjective judgement. Thus, we considered the purchase price allocation for the above business combination a key audit matter.

#### **How our audit addressed the matter**

We performed the following procedures for the above key audit matter:

- A. Assessed the appropriateness and objectivity of the appraisers appointed by the management.
- B. Reviewed identification of intangible assets, fair value measurement of identifiable intangible assets, discount rates and the reasonableness of goodwill calculation in the purchase price allocation report prepared by external experts.

## **Intangible Assets - Impairment assessment of goodwill**

### Description

Refer to Note 4(21) for the accounting policies on impairment of non-financial assets. Refer to Notes 5(2) and 6(9) for the impairment assessment of goodwill including critical accounting estimates. As of December 31, 2023, goodwill arising from both the acquisitions of the Company in Cyntec Co., Ltd. and Atrust Computer Corporation, and the acquisitions through the Company's subsidiaries, Delta International Holding Limited B.V.(DIH) and Delta Electronics (Netherlands) B.V.(DEN), in DELTA ELECTRONICS (NORWAY) AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., March Network Holdings Ltd., Amerlux LLC, and Trihedral Engineering Limited amounted to NT\$18,324,143 thousand, constituting 4.00% of the consolidated total assets. As the balance of goodwill acquired from the merger is material, the assumptions used in assessing goodwill impairment involves material accounting estimates which are complex and have high uncertainty. Thus, we considered the impairment assessment of goodwill a key audit matter.

### How our audit addressed the matter

We performed the following procedures for the above key audit matter:

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

C. Performed a sensitivity analysis on the value of significant assumptions to assess the risk of impairment of goodwill if there is a change in significant assumptions.

***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\$80,670,851 thousand and NT\$81,281,054 thousand, constituting 17.62% and 19.09% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue amounted to NT\$86,453,765 thousand and NT\$76,452,947 thousand, constituting 21.55% and 19.89% 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, 2023 and 2022.

***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 that came into effect 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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, 2023 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 \$30.705 to US\$1.00 at December 31, 2023. 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.

Hsiao, Chun-Yuan    Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 29, 2024

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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, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2023	December 31, 2023	December 31, 2022
<b>Current assets</b>				
Cash and cash equivalents	6(1)	\$ 2,848,263	\$ 87,455,916	\$ 61,546,836
Financial assets at fair value through profit or loss - current	6(2)	159,716	4,904,074	1,759,612
Financial assets at amortised cost - current	8	8,454	259,567	265,382
Contract assets - current	6(20)	180,070	5,529,060	4,135,672
Notes receivable, net	6(5)	73,146	2,245,939	3,123,642
Accounts receivable, net	6(5)	2,511,901	77,127,923	84,074,069
Accounts receivable - related parties, net	7	189	5,801	29,551
Other receivables	7	75,760	2,326,227	2,449,171
Current income tax assets		26,229	805,368	379,086
Inventories	6(6)	2,482,546	76,226,562	79,844,364
Prepayments		97,598	2,996,762	2,690,148
Other current assets		2,442	74,985	152,933
<b>Total current assets</b>		<u>8,466,314</u>	<u>259,958,184</u>	<u>240,450,466</u>
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss - non-current	6(2)	44,533	1,367,375	2,771,627
Financial assets at fair value through other comprehensive income - non-current	6(3)	64,974	1,995,030	1,740,553
Contract assets - non-current	6(20)	23,069	708,329	503,403
Investments accounted for under the equity method		3,238	99,423	92,430
Property, plant and equipment	6(7) and 8	3,191,712	98,001,515	86,266,587
Right-of-use assets	6(8)	157,463	4,834,885	5,086,323
Investment property, net		458	14,070	18,128
Intangible assets	6(9)	2,558,033	78,544,404	77,169,854
Deferred income tax assets	6(27)	287,688	8,833,470	8,175,453
Other non-current assets	6(5)(10) and 8	110,402	3,389,893	3,598,982
<b>Total non-current assets</b>		<u>6,441,570</u>	<u>197,788,394</u>	<u>185,423,340</u>
<b>Total assets</b>		<u>\$ 14,907,884</u>	<u>\$ 457,746,578</u>	<u>\$ 425,873,806</u>

(Continued)

**DELTA ELECTRONICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2022
<b>Current liabilities</b>					
Short-term borrowings	6(11)	\$ 108,611	\$ 3,334,888	\$ 2,076,762	
Financial liabilities at fair value through profit or loss - current	6(2)				
Contract liabilities - current	6(20)	1,772	54,410	74,232	
Notes payable		298,222	9,156,906	7,536,826	
Accounts payable		148	4,538	1,406	
Accounts payable - related parties	7	1,742,264	53,496,221	62,685,739	
Other payables	6(12) and 7	1,244	38,185	28,525	
Current income tax liabilities		1,443,935	44,336,025	40,718,682	
Long-term liabilities, current portion	6(14)	185,087	5,683,107	5,547,274	
Other current liabilities		82,712	2,539,678	42,424	
<b>Total current liabilities</b>		<u>242,325</u>	<u>7,440,595</u>	<u>6,301,558</u>	
<b>Total current liabilities</b>		<u>4,106,320</u>	<u>126,084,553</u>	<u>125,013,428</u>	
<b>Non-current liabilities</b>					
Bonds payable	6(13)	947,728	29,100,000	11,600,000	
Long-term borrowings	6(14)	726,931	22,320,422	32,737,342	
Deferred income tax liabilities	6(27)	771,145	23,678,006	19,342,795	
Lease liabilities - non-current		83,220	2,555,275	2,302,735	
Other non-current liabilities	6(15)	367,134	11,272,829	9,510,321	
<b>Total non-current liabilities</b>		<u>2,896,158</u>	<u>88,926,532</u>	<u>75,493,193</u>	
<b>Total liabilities</b>		<u>7,002,478</u>	<u>215,011,085</u>	<u>200,506,621</u>	
<b>Equity</b>					
Share capital	6(16)				
Common stock		845,967	25,975,433	25,975,433	
Capital surplus	6(17)				
Capital surplus		1,779,417	54,636,991	49,321,767	
Retained earnings	6(18)				
Legal reserve		1,161,851	35,674,625	32,386,305	
Special reserve		96,684	2,968,678	16,166,722	
Unappropriated retained earnings		2,732,577	83,903,789	65,907,358	
Other equity interest					
Other equity interest		( 130,133)	( 3,995,738)	( 2,968,678)	
<b>Equity attributable to owners of the parent</b>		<u>6,486,363</u>	<u>199,163,778</u>	<u>186,788,907</u>	
<b>Non-controlling interest</b>	4(3) and 6(19)	<u>1,419,043</u>	<u>43,571,715</u>	<u>38,578,278</u>	
<b>Total equity</b>		<u>7,905,406</u>	<u>242,735,493</u>	<u>225,367,185</u>	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant events after the balance sheet date	11				
<b>Total liabilities and equity</b>		<u>\$ 14,907,884</u>	<u>\$ 457,746,578</u>	<u>\$ 425,873,806</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, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2023	2023	2023	2022
Operating revenue	6(20) and 7	\$ 13,067,139	\$ 401,226,501	\$ 384,443,308	
Operating costs	6(6)(25)				
	(26) and 7	( 9,249,747)	( 284,013,473)	( 273,670,745)	
Gross profit		<u>3,817,392</u>	<u>117,213,028</u>	<u>110,772,563</u>	
Operating expenses	6(25)(26)				
Selling expenses		( 786,062)	( 24,136,041)	( 22,533,664)	
General and administrative expenses		( 519,523)	( 15,951,952)	( 14,896,570)	
Research and development expenses		( 1,174,006)	( 36,047,850)	( 31,769,981)	
Expected credit impairment loss	12(2)	( 4,147)	( 127,348)	( 133,524)	
Total operating expenses		<u>( 2,483,738)</u>	<u>( 76,263,191)</u>	<u>( 69,333,739)</u>	
Operating profit		<u>1,333,654</u>	<u>40,949,837</u>	<u>41,438,824</u>	
Non-operating income and expenses					
Interest income	6(21)	67,420	2,070,115	609,613	
Other income	6(22)	144,631	4,440,902	3,360,096	
Other gains and losses	6(23)	76,329	2,343,695	1,197,074	
Finance costs	6(24)	( 38,128)	( 1,170,718)	( 571,440)	
Share of profit of associates and joint ventures accounted for under the equity method		<u>270</u>	<u>8,280</u>	<u>31,131</u>	
Total non-operating income and expenses		<u>250,522</u>	<u>7,692,274</u>	<u>4,626,474</u>	
<b>Profit before income tax</b>		<u>1,584,176</u>	<u>48,642,111</u>	<u>46,065,298</u>	
Income tax expense	6(27)	( 317,921)	( 9,761,744)	( 9,074,560)	
<b>Profit for the year</b>		<u>\$ 1,266,255</u>	<u>\$ 38,880,367</u>	<u>\$ 36,990,738</u>	

(Continued)

**DELTA ELECTRONICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2023	2023	2023	2022
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
(Loss) gain on remeasurements of defined benefit plans		(\$ 6,907)	(\$ 212,064)	\$ 298,222	
Unrealised gain on valuation of equity investment at fair value through other comprehensive income	6(3)	11,485	352,641	217,848	
Loss on hedging instrument that will not be reclassified to profit or loss	6(4)	( 5,545)	( 170,271)	-	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	( 2,025)	( 62,162)	( 4,296)	
Other comprehensive income (loss) that will not be reclassified to profit or loss		( 2,992)	( 91,856)	511,774	
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
Financial statements translation differences of foreign operations		( 19,628)	( 602,681)	17,720,026	
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		( 75)	( 2,307)	( 1,788)	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(27)	894	27,444	( 1,069,086)	
Other comprehensive income (loss) that will be reclassified to profit or loss		( 18,809)	( 577,544)	16,649,152	
<b>Other comprehensive income (loss) for the year</b>		<b>(\$ 21,801)</b>	<b>(\$ 669,400)</b>	<b>\$ 17,160,926</b>	
<b>Total comprehensive income for the year</b>		<b>\$ 1,244,454</b>	<b>\$ 38,210,967</b>	<b>\$ 54,151,664</b>	
Profit attributable to:					
Owners of the parent		\$ 1,087,532	\$ 33,392,665	\$ 32,665,728	
Non-controlling interest		\$ 178,723	\$ 5,487,702	\$ 4,325,010	
Comprehensive income attributable to:					
Owners of the parent		\$ 1,055,559	\$ 32,410,943	\$ 46,081,891	
Non-controlling interest		\$ 188,895	\$ 5,800,024	\$ 8,069,773	
Earnings per share					
Basic earnings per share	6(28)	\$ 0.42	\$ 12.86	\$ 12.58	
Diluted earnings per share	6(28)	\$ 0.42	\$ 12.80	\$ 12.52	

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, 2023 AND 2022**  
**(EXPRESSED IN THOUSANDS OF DOLLARS)**

Equity attributable to owners of the parent											
	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		
Notes											
<b>2022 New Taiwan Dollars</b>											
Balance at January 1, 2022	\$ 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
Profit for the year	-	-	-	-	32,665,728	-	-	-	32,665,728	4,325,010	36,990,738
Other comprehensive income for the year	-	-	-	-	209,626	12,990,071	216,466	-	13,416,163	3,744,763	17,160,926
Total comprehensive income for the year	-	-	-	-	32,875,354	12,990,071	216,466	-	46,081,891	8,069,773	54,151,664
Distribution of 2021 earnings	6(18)										
Legal reserve		-	2,688,553	-	( 2,688,553)	-	-	-	-	-	-
Special reserve		-	-	3,623,514	( 3,623,514)	-	-	-	-	-	-
Cash dividends		-	-	-	( 14,286,479)	-	-	-	( 14,286,479)	-	( 14,286,479)
Changes in ownership interests in subsidiaries		-	192,294	-	-	-	-	-	192,294	-	192,294
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	-	15,322	-	( 643)	-	-	-	14,679	( 125,911)	( 111,232)
Disposal of equity investments at fair value through other comprehensive income		-	-	-	8,492	-	( 8,492)	-	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	( 703,720)	( 703,720)
Balance at December 31, 2022		<u>\$ 25,975,433</u>	<u>\$ 49,321,767</u>	<u>\$ 32,386,305</u>	<u>\$ 16,166,722</u>	<u>\$ 65,907,358</u>	<u>(\$ 2,530,216)</u>	<u>(\$ 568,379)</u>	<u>\$ 186,788,907</u>	<u>\$ 38,578,278</u>	<u>\$ 225,367,185</u>
<b>2023 New Taiwan Dollars</b>											
Balance at January 1, 2023		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	(\$ 2,530,216)	(\$ 568,379)	\$ 186,788,907	\$ 38,578,278	\$ 225,367,185
Profit for the year		-	-	-	-	33,392,665	-	-	33,392,665	5,487,702	38,880,367
Other comprehensive income (loss) for the year		-	-	-	( 144,952)	( 954,138)	287,639	( 170,271)	( 981,722)	312,322	( 669,400)
Total comprehensive income (loss) for the year		-	-	-	( 33,247,713)	( 954,138)	287,639	( 170,271)	32,410,943	5,800,024	38,210,967
Distribution of 2022 earnings	6(18)										
Legal reserve		-	-	3,288,320	-	( 3,288,320)	-	-	-	-	-
Special reserve		-	-	-	( 13,198,044)	13,198,044	-	-	-	-	-
Cash dividends		-	-	-	-	( 25,559,802)	-	-	( 25,559,802)	-	( 25,559,802)
Change in ownership interests in subsidiaries		-	31,584	-	-	-	-	-	31,584	-	31,584
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	-	5,283,640	-	-	( 507)	38,742	-	5,321,875	451,901	5,773,776
Adjustment of profit and loss basis of hedging instruments	6(4)	-	-	-	-	-	-	170,271	170,271	-	170,271
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	399,303	-	( 399,303)	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	( 1,258,488)	( 1,258,488)
Balance at December 31, 2023		<u>\$ 25,975,433</u>	<u>\$ 54,636,991</u>	<u>\$ 35,674,625</u>	<u>\$ 2,968,678</u>	<u>\$ 83,903,789</u>	<u>(\$ 3,445,612)</u>	<u>(\$ 680,043)</u>	<u>\$ 199,163,778</u>	<u>\$ 43,571,715</u>	<u>\$ 242,735,493</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Equity attributable to owners of the parent											
	Retained earnings					Other equity interest					
Notes	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	Total equity
<u>2023 US Dollars</u>											
Balance at January 1, 2023	\$ 845,967	\$ 1,606,310	\$ 1,054,757	\$ 526,518	\$ 2,146,470	(\$ 82,404)	(\$ 18,511)	\$ 4,231	\$ 6,083,338	\$ 1,256,417	\$ 7,339,755
Profit for the year	-	-	-	-	1,087,532	-	-	-	1,087,532	178,723	1,266,255
Other comprehensive income (loss) for the year	-	-	-	-	( 4,721)	( 31,075)	9,368	( 5,545)	( 31,973)	10,172	( 21,801)
Total comprehensive income (loss) for the year	-	-	-	-	1,082,811	( 31,075)	9,368	( 5,545)	1,055,559	188,895	1,244,454
Distribution of 2022 earnings	6(18)										
Legal reserve		-	107,094	-	( 107,094)	-	-	-	-	-	-
Special reserve		-	-	( 429,834)	429,834	-	-	-	-	-	-
Cash dividends		-	-	-	( 832,431)	-	-	-	( 832,431)	-	( 832,431)
Change in ownership interests in subsidiaries		-	1,029	-	-	-	-	-	1,029	-	1,029
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	-	172,078	-	( 17)	1,262	-	-	173,323	14,718	188,041
Adjustment of profit and loss basis of hedging instruments	6(4)	-	-	-	-	-	-	5,545	5,545	-	5,545
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	13,004	-	( 13,004)	-	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	( 40,987)	( 40,987)
Balance at December 31, 2023	<u>\$ 845,967</u>	<u>\$ 1,779,417</u>	<u>\$ 1,161,851</u>	<u>\$ 96,684</u>	<u>\$ 2,732,577</u>	<u>(\$ 112,217)</u>	<u>(\$ 22,147)</u>	<u>\$ 4,231</u>	<u>\$ 6,486,363</u>	<u>\$ 1,419,043</u>	<u>\$ 7,905,406</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 CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2023	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Consolidated profit before tax for the year		\$ 1,584,176	\$ 48,642,111	\$ 46,065,298
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(7)(8)(25)	572,450	17,577,068	15,020,243
Amortization	6(9)(25)	130,685	4,012,685	3,915,932
Expected credit impairment loss	12(2)	4,147	127,348	133,524
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(23)	( 61,601 )	( 1,891,458 )	( 845,835 )
Interest expense	6(24)	38,128	1,170,718	571,440
Interest income	6(21)	( 67,420 )	( 2,070,115 )	( 609,613 )
Dividend income	6(22)	( 6,965 )	( 213,856 )	( 291,617 )
Share-based payments	6(29)	1,494	45,869	74,885
Share of profit of associates accounted for under the equity method		( 270 )	( 8,280 )	( 31,131 )
Loss (gain) on disposal of property, plant and equipment	6(23)	6,408	196,768	( 426,041 )
Gain on disposal of investments	6(23)	( 6,754 )	( 207,397 )	-
Impairment loss on non-financial assets	6(7)(9)(23)	10,387	318,915	417,151
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		11,035	338,833	381,016
Contract assets		( 29,175 )	( 895,832 )	( 586,821 )
Notes receivable		28,585	877,703	296,991
Accounts receivable		235,969	7,245,438	( 15,664,563 )
Accounts receivable - related parties		774	23,750	( 1,720 )
Other receivables		1,598	49,058	1,386,552
Other receivables - related parties		14,763	453,284	( 1,999,190 )
Inventories		134,574	4,132,104	( 12,320,867 )
Prepayments		( 5,542 )	( 170,154 )	194,678
Other current assets		2,962	90,946	( 55,889 )
Other non-current assets		3,760	115,452	-
Net changes in liabilities relating to operating activities				
Contract liabilities		44,517	1,366,907	1,681,078
Notes payable		102	3,132	966
Accounts payable		( 320,026 )	( 9,826,389 )	7,613,266
Accounts payable - related parties		326	10,006	13,502
Other payables		93,691	2,876,788	4,408,169
Other current liabilities		23,365	717,425	1,669,009
Other non-current liabilities		58,425	1,793,941	1,234,960
Cash inflow generated from operations		2,504,568	76,902,768	52,245,373
Interest received		63,477	1,949,060	588,705
Dividends received		6,965	213,859	291,362
Interest paid		( 31,027 )	( 952,693 )	( 486,748 )
Income taxes paid		( 228,842 )	( 7,026,581 )	( 6,109,584 )
Net cash flows from operating activities		2,315,141	71,086,413	46,529,108

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2023	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		( \$ 15,018 )	( \$ 461,120 )	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income		18,049	554,179	81,320
Decrease in financial assets at amortised cost		3,909	120,039	136,488
Increase in financial assets for hedging		( 147,871 )	( 4,540,389 )	-
Decrease in financial assets for hedging		147,871	4,540,389	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(30)	( 183,352 )	( 5,629,812 )	( 2,625,458 )
Proceeds from disposal of subsidiaries (net of cash disposed)	6(31)	2,899	89,006	-
Acquisition of property, plant and equipment	6(7)	( 906,359 )	( 27,829,767 )	( 21,824,042 )
Proceeds from government grants - property, plant and equipment	6(7)	443	13,611	11,419
Proceeds from disposal of property, plant and equipment		1,691	51,934	843,099
Proceeds from government grants - Right-of-use assets		-	-	637,890
Disposal (acquisition) of investment property		132	4,058	( 4,058 )
Acquisition of intangible assets	6(9)	( 15,303 )	( 469,890 )	( 615,536 )
Decrease (increase) in other non-current assets		1,826	56,069	( 1,360,365 )
Net cash flows used in investing activities		( 1,091,083 )	( 33,501,693 )	( 24,719,243 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase (decrease) in short-term borrowings	6(33)	28,468	874,114	( 2,320,600 )
Issuance of bonds payable	6(13)(33)	569,940	17,500,000	11,600,000
Proceeds from long-term debts		2,154,385	66,150,386	61,464,441
Repayment of long-term debts		( 2,416,477 )	( 74,197,912 )	( 72,643,587 )
Lease principal repayment		( 26,580 )	( 816,154 )	( 1,940,165 )
Increase (decrease) in refundable deposits		2,863	87,910	( 762,527 )
Cash dividends paid	6(18)	( 832,431 )	( 25,559,802 )	( 14,286,479 )
Cash dividends paid to minority share interests	6(19)	( 61,734 )	( 1,895,556 )	( 739,023 )
Acquisition of ownership interests in subsidiaries	6(32)	( 53 )	( 1,619 )	( 111,232 )
Disposal of ownership interests in subsidiaries (without losing control)	6(32)	240,370	7,380,571	-
Net cash flows used in financing activities		( 341,249 )	( 10,478,062 )	( 19,739,172 )
Effects due to changes in exchange rate		( 39,002 )	( 1,197,578 )	9,621,090
Net increase in cash and cash equivalents		843,807	25,909,080	11,691,783
Cash and cash equivalents at beginning of year		2,004,456	61,546,836	49,855,053
Cash and cash equivalents at end of year		\$ 2,848,263	\$ 87,455,916	\$ 61,546,836

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 and Risk Committee's Review Report**

Attention: 2024 Annual General Shareholders' Meeting of Delta Electronics, Inc.

We, the Audit and Risk 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 2023 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 and Risk Committee of Delta Electronics, Inc.

Convenor of the Audit and Risk Committee: Ji-Ren Lee

Date: February 29, 2024

Delta Electronics, Inc. (the “Company”)  
Articles of Incorporation  
(Translation)

**Section I General Provisions**

Article 1 The Company is incorporated as a company limited by shares under the Company Act of the Republic of China, and its name is “台達電子工業股份有限公司” in the Chinese language, and “Delta Electronics, Inc.” in the English language.

Article 2 The Company is engaged in the following businesses:

1. A101020 Growing of crops;
2. A101030 Growing of special crops;
3. A101040 Growing of edible fungi;
4. A102041 Recreational agriculture;
5. C801010 Basic chemical industry business;
6. C801990 Other chemical material manufacturing business;
7. C802120 Industrial catalyst manufacturing;
8. CA02990 Other fabricated metal products manufacturing not elsewhere classified;
9. CA04010 Metal surface treating;
10. CB01010 Machinery equipment manufacturing business;
11. CB01071 Frozen and air-conditioning manufacturing business;
12. CB01990 Other machinery manufacturing business;
13. CC01010 Electronic power generating, electric transmission and power distributing machinery manufacturing business;
14. CC01030 Electric appliance and audiovisual electric products manufacturing business;
15. CC01040 Lighting equipment manufacturing business;
16. CC01060 Wire communication equipment and apparatus manufacturing business;
17. CC01070 Wireless communication devices and equipment manufacturing business;
18. CC01080 Electronic parts and components manufacturing business;
19. CC01090 Batteries manufacturing business;
20. CC01100 Restrained telecommunication radio frequency equipment and materials manufacturing;
21. CC01110 Computers and its peripheral equipment manufacturing business;

22. CC01120 Data storage media manufacturing and duplicating;
23. CC01990 Other electrical and electronic machinery and materials manufacturing business;
24. CD01010 Ship and parts manufacturing business;
25. CD01020 Tramway cars manufacturing business;
26. CD01030 Automobiles and auto-parts manufacturing business;
27. CD01040 Motorcycles and motorcycle parts manufacturing business;
28. CD01050 Bicycles and bicycle parts manufacturing business;
29. CD01060 Aircraft and parts manufacturing business;
30. CD01990 Other transportation equipment and parts manufacturing business;
31. CE01010 General equipment and instruments manufacturing business;
32. CE01021 measuring instruments manufacturing business;
33. CE01030 Photographic and optical equipment manufacturing business;
34. CE01040 Clocks and watches manufacturing business;
35. CE01990 Other photographic and optical equipment manufacturing business;
36. CF01011 Medical appliances and equipment business;
37. CQ01010 Die manufacturing;
38. E599010 Pipe lines construction business;
39. E601010 Electric appliance installation business;
40. E601020 Electric appliance construction business;
41. E602011 Frozen and air-conditioning engineering;
42. E603010 Cables construction;
43. E603040 Fire safety equipment installation business;
44. E603050 Automation control equipment manufacturing business;
45. E603090 Lighting equipment installation business;
46. E604010 Machinery installation business;
47. E605010 Computer equipment installation business;
48. E701010 Telecommunications construction;
49. E701030 Restricted telecommunication radio frequency equipment and materials installation business;
50. EZ05010 Apparatus installation and construction business;
51. EZ14010 Sport venue equipment engineering;
52. F101130 Wholesale of vegetable and fruits;
53. F106030 Wholesale of die;

54. F106040 Water containers wholesale business;
55. F108031 Drugs and medical goods wholesale business;
56. F113010 Machinery wholesale business;
57. F113020 Electrical appliances wholesale business;
58. F113030 Wholesale of precision instruments;
59. F113050 Computer and office appliances and equipment wholesale business;
60. F113060 Wholesale of metrological instruments;
61. F113070 Telecommunication equipment wholesale business;
62. F113110 Wholesale of batteries;
63. F118010 Computer software wholesale business;
64. F119010 Electronic components and materials wholesale business;
65. F199990 Other wholesale business;
66. F201010 Retail sale of agricultural products;
67. F206030 Retail sale of die;
68. F208031 Medical equipment retail business;
69. F213010 Electrical appliances retail business;
70. F213030 Computer and office appliances and equipment retail business;
71. F213050 Retail sale of metrological instruments;
72. F213060 Telecommunication equipment retail business;
73. F213110 Retail sale of batteries;
74. F217010 Retail sale of fire safety equipment;
75. F218010 Computer software retail business;
76. F219010 Electronic components and materials retail business;
77. F399040 Non-store retail business;
78. F401010 International trade business;
79. F401181 Measuring instrument importing business;
80. F601010 Intellectual property business;
81. G202010 Parking area operators;
82. G801010 Warehousing and storage business;
83. I101061 Professional engineering consulting;
84. I103060 Management consulting services business;
85. I199990 Other consulting services;
86. I301010 Software design and service business;
87. I301020 Data processing services business;

88. I301030 Digital information supply services business;
89. I501010 Product external appearance designing business;
90. I599990 Other design business;
91. IG02010 Research development service business;
92. IG03010 Energy technical services business;
93. IZ13010 Network authentication service business;
94. IZ99990 Other industry and commerce services not elsewhere classified;
95. JE01010 Rental and leasing business;
96. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.

Article 3 The Company shall have its head office in Taoyuan City, and may set up branch offices at various locations that the Board of Directors may deem necessary by resolution.

Article 4 The method to make public announcements of the Company shall be subject to Article 28 of the Company Law and regulations stipulated by the competent securities administration authority.

Article 4-1 When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the "Operational Procedures for Providing Endorsement and Guarantee" of the Company.

## **Section II Capital Stock**

Article 5 The total capital stock of the Company shall be in the amount of NT\$40,000,000,000, divided into 4,000,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 5-1 The aggregate amount of the Company's investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.

Article 5-2 Deleted

Article 6 The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with the securities centralized depository institution.

Article 6-1 Deleted

Article 7 Unless otherwise provided for in applicable laws, regulations and rulings stipulated by the competent securities authority, the Company shall handle its stock affairs for shareholders in accordance with the Company Law and the Regulations Governing Handling of Stock Affairs by Public Companies.

Article 8 Deleted

Article 9 Deleted

Article 10 Deleted

Article 11 Registration for stock transfer shall be suspended for sixty days before any general shareholders' meeting, thirty days before any special shareholders' meeting, and five days before a record date on which dividends, bonuses or any other interests are scheduled for distribution by the Company.

### **Section III Stockholders' Meeting**

Article 12 Shareholders' meetings shall be of two types: general meetings and special meetings. General shareholders' meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened according to laws when necessary.

Article 12-1 The shareholders' meeting of the Company may be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 13 In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

Article 13-1 Where the Company convenes the shareholders' meeting, the shareholders could exercise their voting right in writing or by way of electronic transmission. A shareholder who exercises his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by a shareholder shall be handled according to Article 177-2 of the Company Law.

Article 14 A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case of his absence, the Chairman of the Board of Directors shall designate one director to act on his/her behalf. In the absence of such designation, the directors shall elect one from among themselves as the chairman of the meeting.

Article 15 A shareholder shall be entitled to one vote for each share held by him/her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.

Article 16 Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in book of attending shareholders and proxy forms shall be kept in the Company. The distribution of meeting minutes may be affected by means of a public announcement.

The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.

#### **Section IV Directors**

Article 18 The Company shall have at least five but no more than thirteen directors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors shall be three years. All of the directors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent directors) shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.

The aggregate number of the registered shares held by all directors shall be subject to the regulations, if any stipulated by the competent securities authority.

Remuneration for directors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries. Remuneration for independent directors may be different from non-independent directors.

The Company may purchase liability insurance for its directors.

Article 18-1 The Company shall establish an Audit Committee according to Article 14-4 of the Securities and Exchange Act and the Audit Committee shall have such powers and duties of supervisors as provided in the Company Law, the Securities and Exchange Act, and other laws and regulations.

Article 19 When one-third of the directors have vacated their offices, a shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor.



Article 20 Deleted

Article 21 The Board of Directors shall be formed by directors. The directors shall elect from among themselves the Chairman of the Board of Directors by a majority of votes cast by the directors present at the meeting attended by at least two-thirds of the directors, and such method may apply to the election of Vice Chairman. The Chairman and Vice Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and the resolutions adopted by the Board of Directors.

Article 21-1 The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 22 Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Law. In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

Article 22-1 The notice of meeting of Board of Directors shall be made in accordance with Article 204 of the Company Act, and may be made in writing, or by email, facsimile, etc.

Article 23 Unless otherwise provided in the Company Law, a meeting of the Board of Directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend a meeting of Board of Directors, he shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. The power of attorney shall specify the scope and limitation of authority or powers in respect to the business to be transacted at the meeting. The proxy may accept the appointment of one director only. If a meeting of the Board of Directors is held by way of a videoconference, the director who attends the meeting in such manner shall be deemed as present in person.

Article 24 Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The

minutes shall be distributed to each director within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The production and distribution of the meeting minutes may be made in the electronic form.

Article 25 Deleted

### **Section V Officers and Staffers**

Article 26 The Company may appoint officers. The appointment and discharge of the officers shall be approved by a majority in a meeting of the Board of Directors attended by a majority of the directors.

Article 27 Deleted

Article 28 Deleted

### **Section VI Finalization of Accounts**

Article 29 The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the Audit Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. Proposal concerning allocation of earnings or making up losses.

Article 30 If the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors. If the Company has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation and reported in the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive the

abovementioned compensation, may be specified by the authorized Board of Directors or the person authorized by the Board of Directors.

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company;
4. Setting aside or reversing a special reserve according to relevant regulations when necessary;
5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends. The proposed of earnings distribution shall be set by the Board of Directors and submitted to shareholders' meetings for resolving.

The Company is at a stage of stable growth, and the benefits of shareholders, stability of financial condition and business development shall be considered when it comes to dividend distribution. In view of its future capital expenditure and reinvestment plans, the amount of dividends distributed to shareholders should not be less than 50% of its net profit after tax of the year, of which cash should account for more than 15% of the dividends distributed to shareholders.

## **Section VII      Supplementary Provisions**

Article 31 The internal organizational rules and regulations of the Company shall be separately stipulated by the Board of Directors.

Article 32 In regards to all matters not provided for in these Articles of Incorporation, the Company Law and other laws and regulations shall govern.

Article 33 These Articles of Incorporation were enacted on July 28, 1975;  
The first amendment was made on September 25, 1976;  
The second amendment was made on January 10, 1977;  
The third amendment was made on May 31, 1977;  
The fourth amendment was made on May 29, 1978;  
The fifth amendment was made on March 31, 1979;  
The sixth amendment was made on May 28, 1979;  
The seventh amendment was made on September 20, 1980;

The eighth amendment was made on September 9, 1982;  
The ninth amendment was made on April 20, 1983;  
The tenth amendment was made on June 25, 1984;  
The eleventh amendment was made on June 10, 1985;  
The twelfth amendment was made on June 20, 1985;  
The thirteenth amendment was made on July 12, 1985;  
The fourteenth amendment was made on April 18, 1987;  
The fifteenth amendment was made on May 12, 1987;  
The sixteenth amendment was made on November 17, 1987;  
The seventeenth amendment was made on December 11, 1987;  
The eighteenth amendment was made on March 19, 1988;  
The nineteenth amendment was made on May 12, 1988;  
The twentieth amendment was made on July 24, 1988;  
The twenty-first amendment was made on November 25, 1988;  
The twenty-second amendment was made on May 22, 1989;  
The twenty-third amendment was made on May 9, 1990;  
The twenty-fourth amendment was made on May 8, 1991;  
The twenty-fifth amendment was made on May 8, 1992;  
The twenty-sixth amendment was made on May 8, 1993;  
The twenty-seventh amendment was made on May 9, 1994;  
The twenty-eighth amendment was made on May 10, 1995;  
The twenty-ninth amendment was made on June 6, 1996;  
The thirtieth amendment was made on June 3, 1997;  
The thirty-first amendment was made on May 15, 1998;  
The thirty-second amendment was made on May 12, 1999;  
The thirty-third amendment was made on May 18, 2000;  
The thirty-fourth amendment was made on May 16, 2001;  
The thirty-fifth amendment was made on May 16, 2002;  
The thirty-sixth amendment was made on May 6, 2003;  
The thirty-seventh amendment was made on May 18, 2004;  
The thirty-eighth amendment was made on May 19, 2005;  
The thirty-ninth amendment was made on May 18, 2006;  
The fortieth amendment was made on June 8, 2007;  
The forty-first amendment was made on June 13, 2008;

The forty-second amendment was made on June 10, 2009;  
The forty-third amendment was made on June 15, 2010;  
The forty-fourth amendment was made on June 24, 2011;  
The forty-five amendment was made on June 19, 2012;  
The forty-Six amendment was made on June 7, 2013;  
The forty-seventh amendment was made on June 10, 2014;  
The forty-eighth amendment was made on June 10, 2015;  
The forty-night amendment was made on June 8, 2016;  
The fiftieth amendment was made on June 11, 2018;  
The fifty-first amendment was made on June 14, 2022;  
The fifty-second amendment was made on June 13, 2023.

Delta Electronics, Inc. (the “Company”)  
Operating Procedures of Acquisition or Disposal of Assets  
(Translation)

June 23, 1989--passed by the Board of Directors  
September 12, 1991--amendment passed by the Board of Directors  
May 29, 1995--amendment passed by the Board of Directors  
April 16, 1996--amendment passed by the Board of Directors  
November 26, 1999--amendment passed by the Board of Directors  
March 8, 2000--amendment passed by the Board of Directors  
February 13, 2003--amendment passed by the Board of Directors  
April 9, 2003--amendment passed by the Board of Directors  
May 6, 2003--amendment passed by the general shareholders’ meeting  
May 18, 2004--amendment passed by the general shareholders’ meeting  
June 8, 2007 – amendment passed by the general shareholders’ meeting  
June 19, 2012 – amendment passed by the general shareholders’ meeting  
June 10, 2014 – amendment passed by the general shareholders’ meeting  
June 10, 2015 – amendment passed by the general shareholders’ meeting  
June 8, 2016 – amendment passed by the general shareholders’ meeting  
June 13, 2017 – amendment passed by the general shareholders’ meeting  
June 10, 2019 – amendment passed by the general shareholders’ meeting  
June 14, 2022 – amendment passed by the general shareholders’ meeting

**Chapter 1 General Principles**

Article 1: Legal Basis

These operating procedures (“Operating Procedures”) have been promulgated in accordance with Article 36-1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” promulgated by the Financial Supervisory Commission (“Competent Authority”).

Article 2: Promulgation and Amendment of the Operating Procedures

The Operating Procedures of Acquisition or Disposal of Assets of the Company shall be approved by one-half or more of all Audit Committee members and then for discussion

and consent by the Board of Directors and be further submitted to the shareholders' meeting for approval. The same procedure shall apply to any amendment to the Operating Procedures.

If the Operating Procedures have not been approved by one-half or more of all Audit Committee members, the Operating Procedures may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.

"All Audit Committee members" and "all directors" in the preceding paragraph referred to in these Operating Procedures shall mean the actual number of persons currently holding those positions.

### Article 3: Definition of Terms

1. Derivatives: refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: refers to assets acquired or disposed through mergers, splits, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other applicable laws, or issuance of new shares and by use of the share equity so raised as the consideration payable for acquisition of another company's shares (the "assignment of shares") in accordance with Article 156-3 of the Company Law.
3. Related party and subsidiaries: as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: refers to a real estate appraiser or other person authorized by applicable laws to engage in the appraisal of real estate or equipment.
5. Date of occurrence: refers to the date of contract signing, date of payment, date of completion of trading, date of transfer registration, date of board of directors

resolution, or other date confirming the counterpart and amount of the transaction, whichever date is earlier. However, in the case of investments for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: refers to investments in Mainland China area approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China.
7. As used in the Operating Procedures, “within one year” refers to the year preceding the date of occurrence of the acquisition or disposal of assets; however, items duly announced in accordance with the Operating Procedures will be disregarded.
8. As used in the Operating Procedures, “latest financial statement” refers to the financial statement published and audited or reviewed by the Company’s auditing CPA in accordance with applicable laws prior to the acquisition or disposal of assets.
9. As used in the Operating Procedures, “10% of the Company’s total assets” is calculated based on the total assets as stated in the most recent stand-alone or individual financial statement prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## **Chapter 2 Scope of Assets and Investment Limits**

### Article 4: Scope of assets applicable to the Operating Porcedures

1. Securities: including long-term and short-term investments such as stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, deposit receipts, call (put) warrants, beneficiary certificates and asset-backed securities.
2. Real estate (including land, buildings and construction, investment real estate) and equipment.
3. Membership certificates.
4. Intangible assets: including patents, copyrights, trademarks, and franchises, etc.
5. Right-of-use assets.
6. Claims against financial institutions (including receivables, loans and bills purchase discounts, and overdue receivables).



7. Derivatives.
8. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws.
9. Other important assets.

Article 5: The total value of real property, its right-of-use assets or securities acquired by the Company and its subsidiaries ("Subsidiaries") for non-operating use and limit on acquisition of each specific security are as follows:

1. The total value of real property or its right-of-use assets acquired by the Company for non-operating use may not exceed 20% of the Company's net worth as stated in its latest financial statement. The total value of real property or its right-of-use assets acquired by a Subsidiary for non-operating use may not exceed 20% of the Company's net worth as stated in its latest financial statement.
2. The total value of securities acquired by the Company may not exceed 100% of the Company's net worth as stated in its latest financial statement. The total value of securities acquired by a Subsidiary may not exceed 60% of the Company's net worth as stated in its latest financial statement.
3. The specific security acquired by the Company may not exceed 50% of the Company's net worth as stated in its latest financial statement. The specific security acquired by a Subsidiary may not exceed 30% of the Company's net worth as stated in its financial statement.

### **Chapter 3 Evaluation and Operating Process**

Article 6: When assets are acquired or disposed in accordance with the Operating Procedures, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance and then submit it for approval by the authorized person according to the authorized limit table approved by the Board of Directors. If the amount of the assets to be acquired or disposed exceeds the amount as set forth in the authorized limit table, the transaction may be implemented only after approved by the Board of Directors.

The execution departments referred to in the foregoing paragraph are as follows:

1. For securities: the Investment Department and the Finance Department.
2. For real property and equipment: the Department which uses such assets and the

Finance Department.

3. For membership certificate: the Finance Department.
4. For intangible assets: each business unit, Legal and Intellectual Property Department or other competent department concerned.
5. For right-of-use assets: the Department which uses such assets and the Finance Department.
6. For claims against financial institutions: the Finance Department.
7. For derivatives: the Finance Department.
8. For assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: the Investment Department.
9. For other important assets: the Department which uses such assets.

Article 7: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" or the Operating Procedures shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 8: When the Company acquires or disposes of assets through court auction procedures, the relevant evidence documentation issued by the court may be used as substitute for the appraisal report or the accountant opinion.

Article 9: If any acquisition or disposal of assets should be approved by the Audit Committee, the Board of Directors, or the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority, the Operating Procedures or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance, and then approved by one-half or more of all Audit Committee members and submit it for approval by the Board of Directors, or approval by the shareholders' meeting. If approval of more than half of all Audit Committee members is not obtained regarding the acquisition or disposal of assets as set forth in the preceding paragraph, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.

#### **Chapter 4 Guidelines for the Acquisition or Disposal of Assets and Operating Procedures**

Article 10: 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.

Article 10-1: Where the transaction amount of a proposed acquisition or disposal in a specific security by a Subsidiary exceeds NT\$1 billion, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.

Article 11: 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 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:

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:
  - (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 appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. The period from the date of the appraisal report issued by a professional appraiser to the execution date of the relevant sale and purchase agreement should be no more than three months. However, where the publicly announced current land value for the same period is used and not more than six months have elapsed from the original appraisal report, an opinion may still be issued by the same professional appraiser.
5. Items which should be included in an appraisal report are:
  - (1) Items required in accordance with Regulations on Real Estate Appraisal.
  - (2) Matters regarding the professional appraiser and its appraisal personnel:
    - a. The professional appraiser's name, amount of paid-in capital,

organizational structure, and personnel composition.

- b. The names, ages, academic records and curriculum vitae (with relevant evidences), number of years performing appraisal work and employment period, and number of appraisals conducted of the appraisal personnel.
  - c. Relationship between professional appraiser, appraisal personnel, and the client.
  - d. Declaration of no false statement or omission being contained in the appraisal report.
  - e. Date of appraisal report.
- (3) Basic information of the subject property, which shall at least include the name and nature, location, and area of the subject property.
  - (4) Examples of transactions involving other properties that are located within the area as the subject property.
  - (5) When the appraisal type is for a specific price or specified price, the conditions of the specific or specified price and whether said conditions are met under current circumstances, the reason for the difference between the normal prices and such specific or specified price and the reasonableness of such difference, and whether the specific price or specified price is qualified to be used as reference for the transaction price.
  - (6) In terms of a joint development contract, the reasonable allocation percentage between the parties should be provided.
  - (7) An estimate of land value incremental tax.
  - (8) In case that appraised value of the subject property at the same appraisal date among appraisers differs and the difference is twenty percent or more, whether measures provided in Article 41 of the Real Estate Appraiser Act has been taken.
  - (9) Attachments to the appraisal report shall include the appraisal details of the subject property, ownership registration information, photocopy of cadastral map, urban planning sketch, location map of the subject property, certificate of land use zoning, and photographs showing current condition of the subject property.

Article 11-1: Where the transaction amount of a proposed acquisition or disposal by a Subsidiary in a specific real property or its right-of-use assets for non-operating use exceeds NT\$300 million, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.

Article 12: Procedures governing transactions with a related party are as follows:

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.

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.

2. Appraisal and operating procedures:

Where the Company acquires or disposes of real property or its right-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*:

- (1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.

- (2) The reason for choosing the related party as the transaction counterparty.
- (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 subparagraph 3 of this Article 12.
- (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.
- (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.
- (6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.
- (7) Restrictive covenants and other important terms in connection with the transaction.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in the first paragraph and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of the first paragraph to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between affiliates.

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 as well as the shareholders' meeting 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.

3. Assessment of reasonableness of transaction cost:
  - (1) The Company shall use the following methods to assess the reasonableness of the transaction cost when acquiring real property or its right-of-use assets from a related party:

- a. Based upon the related party's transaction price plus necessary interest on funding and the costs payable by the buyer in accordance with applicable law. "Necessary interest on funding" refers to and is calculated by use of the weighted average interest rate on funds borrowed by the Company in the year when the Company plans to purchase the property as the basis. However, such necessary interest on funding may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - b. Based upon the total appraisal value from a financial institution if the related party has previously taken a mortgage on the property as security for a loan; provided that the actual cumulative amount lent by the financial institution shall be 70% or more of the financial institution's appraisal value for the property and the loan shall have been disbursed and outstanding for one year or more. However, this method shall not apply if the financial institution is a related party of one of the transaction counterparties.
- (2) Where the land and the building situated thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the building may be separately appraised in accordance with either of the methods set forth in the preceding paragraph.
- (3) When the Company acquires real property or its right-of-use assets from a related party, it shall appraise the cost of the real property or its right-of-use assets in accordance with the provisions of items (1) and (2) of this subparagraph, and shall also engage an accountant to review the appraisal result and issue a specific opinion regarding appraisal result.
- (4) Where the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2) of this subparagraph are both lower than the transaction price, the transaction shall be handled in accordance with the provisions of item (5) and (7) of this subparagraph. However, if any of the following circumstances occur and where any objective evidence has been provided and specific opinions on reasonableness of the transaction price have been obtained from a professional appraiser and an accountant have been obtained, the preceding paragraph shall not apply:



- a. When the related party has acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - i. The undeveloped land is appraised in accordance with the foregoing methods as set forth in the provisions of item (1) to (3) and (6) of this subparagraph, and the building is appraised according to the related party's construction cost plus reasonable construction profit, and the total appraised value of the land and the building is in excess of the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - ii. Concluded transactions or leasing by unrelated parties within the preceding year involving other floors of the same target property or properties located in the neighboring area, of which the property size and transaction terms are similar to the proposed transaction after taking into consideration of reasonable price differences in floor or area prices in accordance with standard real property market practices or standard real property leasing market practices.
- b. Where the Company provides evidences that the terms of the proposed acquisition of real property or obtaining real property right-of-use assets through leasing with the related party are similar to the terms of transactions concluded for the acquisition of property located in neighboring area of a similar size by unrelated parties within the preceding year. Concluded transactions for the acquisition of property located in neighboring area in the preceding paragraph in principle refers to property located at the same or an adjacent block of the target property and within a distance of no more than 500 meters or the publicly announced current value of the property is close to that of the target property; transaction of similar size refers to transactions concluded by unrelated parties with a land area of no less than 50% of the target property; within one year refers to one year preceding the date of occurrence of the proposed acquisition of the target property or its right-of-use assets.

- (5) When the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) to (4) and (6) of this subparagraph are both lower than the transaction price, the Company shall comply with the following provisions. In addition, if the Company have allocated a special reserve in accordance with the following provisions, the Company may not utilize such special reserve until it has recognized loss due to price decline in market value of the assets it purchased or leased at a premium, or such property has been disposed of, or adequate compensation has been made, or the leasing contract has been terminated, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith from the Competent Authority shall have been obtained.
- a. The Company shall allocate the difference between the real property or its right-of-use assets transaction price and the estimate cost as a special reserve in accordance with paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distribute this reserve or use it for capitalization and issuance of new shares. If an investor that has investment in the Company by using the equity method is a public company, it shall also allocate special reserve in an amount in proportion to its shareholding in the Company according to paragraph 1, Article 41 of the Securities and Exchange Act.
  - b. The independent directors in Audit Committee of the Company shall comply with Article 218 of the Company Law.
  - c. The Company shall report matters handled under the foregoing items (1) and (2) to the shareholders' meeting and shall disclose the details of the transaction in its annual report and prospectus.
- (6) When the Company acquires real property or its right-of-use assets from a related party and any of the following circumstances occur, it shall implement the transaction in accordance with the appraisal and operating procedures in subparagraph 2 of this paragraph, and items (1) to (3) of this subparagraph regarding the assessment of the reasonableness of transaction cost are not applicable:
- a. The related party acquired the real property or its right-of-use assets through inheritance or as a gift.

- b. More than five years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the execution date of the proposed transaction.
  - c. The real property is to be acquired through signing of a joint development contract with the related party or through engaging the related party to build real property, either on the Company's own land or on a leased land.
  - d. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.
- (7) When the Company acquires real property or its right-of-use assets from a related party and there is other evidence indicating that such acquisition does not conform to conventional business practice, the Company shall act in accordance with item (5) of this subparagraph.

Article 13: 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:

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.

Article 13-1: The calculation of the transaction amount referred to in Articles 10, 10-1, 11, 11-1 and 13 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 for which an appraisal report from a professional appraiser or an accountant's opinion is obtained in accordance with these Operating Procedures need not be counted toward the transaction amount.

Article 14: The Company shall comply with the following guidelines with regard to the acquisition or disposal of claims against financial institutions: The Company shall not engage in the acquisition or disposal of claims against financial institutions. If the Company wishes to

acquire or dispose of claims against financial institutions in the future, it shall promulgate assessment and operating procedures after obtaining approval by the Board of Director.

Article 15: Procedures governing derivatives trading activities are as follows:

1. Trading principles and strategies:

(1) Types of trades:

The scope of the Company's derivatives trading shall be limited to forward foreign exchange, options, interest rate or exchange rate swaps, outright bond purchase and sale, and repurchase transactions. Prior approval of the Board of Directors is required for trading of other types of products.

(2) Operating and hedging strategies:

The Company shall engage in derivatives trading for the purpose of mitigating risks. When selecting derivatives products, the Company shall choose from the products with a view to mitigate the risks arising from the Company's business operating. In addition, to avoid creating credit risk, the Company shall choose derivatives trading counterparties from the Company's correspondent banks to the extent possible.

(3) Delegation of powers and duties:

a. Funds management: Funds management is the pivot of the foreign exchange management system; it is necessary to acquire foreign exchange mark information, assess trends and risks, have knowledge of financial products, be familiar with relevant laws and regulations and have relevant skills in order to provide the management, sales, purchasing, accounting, and funds management departments with sufficient and up-to-date information.

b. Accounting Department: Accounting Department is responsible for the control of the Company's overall foreign exchange position and shall accurately calculate realized and future positions for the Company to set account exchange rates and lock in profit and cost, which may avert the performance of the Company's core business from being influenced by exchange rate fluctuations. Accounting Department needs to rely on the information provided by purchasing and sales departments for the prediction and creation of positions, and a high level of accuracy of such information is essential to the holding of positions.

- (4) Trading limits:
- a. Hedging trade limit: The Company shall use the monthly trading-type foreign exchange hedge net position as the hedging limit. Any excess of such limit shall be approved by the Board of Directors in advance.
  - b. Special purpose trade limit: Special purpose trading limit shall be confined to capital expenditures, corporate bonds, and long-term investments and the actual amount of such transactions is used as the maximum hedging amount.
  - c. Others: The trading limit, stop-loss limit, and authorized limit for other trades which does not belong to the two foregoing categories should be approved by the Board of Directors before execution.
- (5) Performance evaluation:
- a. Performance evaluation shall be based on the exchange rate costs on the Company's books and profit/loss from derivatives trading.
  - b. The Company has adopted a monthly profit/loss appraisal approach in order to accurately manage and disclose price risks of derivatives trading.
- (6) Setting of loss limits:
- a. Hedging trade:
    - i. After a trading position has been established, a stop-loss spot must be set to prevent over-limit losses. The stop-loss spot shall not exceed 10% of the trading contract amount. If the loss amount exceeds 10% of the trading amount, such event shall be immediately reported to CEO and the Board of Directors for discussion of necessary counter measures.
    - ii. The loss amount for each trading contract shall not exceed 10% of the contract amount.
    - iii. After a trading position has been established, a clear stop-loss exchange rate and interest rate shall be set based on 10% of the amount shown on the trade approval sheet. The stop-loss exchange rate and interest rate shall be recorded in the trade approval sheet and prior approval for the transaction shall be obtained in accordance with the authorized limit table. Market fluctuations must be monitored constantly so long as a position is held; if the exchange rate or interest rate reached the stop-loss spot, stop loss measures must be

immediately implemented.

b. Special purpose trade:

Special purpose trade is used to hedge risks for definite purpose, and there must be specific corresponding hedge positions. In principle, a special purpose trade will not be early terminated.

2. Operating procedures:

(1) Authorized limit (including hedging trades and special purpose trades):

In accordance with the Company's growth of sales, change of risk positions, and designated purpose, the authorized limits of the Company are set as follows. Any amendment to the authorized limit shall be handled in accordance with these Operating Procedures.

	Upper limit on single trades	Total daily limit
CEO	US\$40 million	US\$100 million
Chief Officer of Finance Department	US\$20 million	US\$50 million
Officer of Funds Management Department	US\$5 million	US\$15 million

To ensure that the Company's authorization cooperate with the corresponding bank's oversight, the foregoing authorized limits and operating and hedging strategies shall be reported to the relevant corresponding bank. The bank shall be notified of any amendment to the authorized limit and make corrections thereof. In addition to compliance with the existing terms between Company and the bank, the bank shall be requested to continue to control the Company's trading and positions in accordance with the foregoing authorized limit table.

(2) Execution department:

As derivatives trading is characterized by rapid fluctuations, large monetary amounts, frequent trading, and complex calculations, it is necessary to appoint well trained professionals to conduct the trading and management. Thus, all derivatives trading shall be executed by authorized funds management personnel designated by the Chief Officer of the Finance Department.

3. Accounting treatment:

Accounting treatment shall be handled in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Internal control system:

- (1) Risk management measures:
- a. Credit risk considerations: In principle, transaction counterparties are limited to the Company's correspondent banks and those who could provide professional information.
  - b. Market risk considerations: The major trading market is to trade in the OTC (over-the-counter) market via banks. The Futures market is not taken into consideration currently.
  - c. Liquidity considerations: To ensure liquidity, the bank which the Company transacts with should have sufficient equipment, information, and trading capabilities, and should be able to trade in any market.
  - d. Operation considerations: To avoid operation risk, the Company shall observe the authorized limit and operating procedures closely.
  - e. Legal risk: To avoid legal risk, all documents to be entered into between the bank and the Company shall be reviewed by the Legal Department and the Finance Department before execution.
  - f. Product risk: Internal trading officers and counterparty banks should possess extensive and correct professional knowledge in connection with the trading of financial products. It is required for the counterparty banks to fully disclose risks to the Company so as to avoid losses from incorrect use of financial products.
  - g. Cashflow risk: In addition to strictly observe the limits as set forth in the authorized limit table, the trading officers shall pay close attention to the Company's foreign currency cash-flow so as to ensure that there is sufficient cash to pay for F/X settlements.
- (2) Internal control:
- a. Trading personnel shall not concurrently serve as confirmation and settlement personnel.
  - b. Trading personnel shall give trading vouchers or contracts to recording personnel for records.
  - c. Recording personnel shall regularly check account balances with correspondent banks or request for bank statements.
  - d. Recording personnel shall check whether the total amount of trades has exceeded the net position of foreign currency assets, liabilities and commitment net positions from time to time.

- e. The Funds Management Department shall assess the profit/loss status based on the final posted daily exchange rates and produce a report thereof at the end of each month. The Funds Management Department shall submit such report to the Chief Officer of the Finance Department and the Company's senior management officers.
  - f. Personnel responsible for the risk assessment, monitoring, and control shall be assigned to different departments from the personnel referred to in the foregoing subparagraphs, and shall report to the Board of Directors or senior management officers not responsible for trading or position decisions.
- (3) Regular evaluation methods:
- a. The Board of Directors shall authorize senior management personnel to regularly monitor and evaluate whether derivative trades are executed under the Company's trading procedures, and determine whether the risk exposure is within the acceptable limits. Whenever a market price evaluation report contains any irregularity (such as the position held exceeding the loss limit), the aforementioned personnel shall immediately report to the Board of Directors and take necessary counter measures.
  - b. Derivative trading positions held shall be evaluated at least once each week. However, hedging trades executed for the Company's business needs shall be evaluated at least twice each month. Evaluation reports shall be submitted to the Chief Officer of the Finance Department.
- (4) Oversight principles for derivative trading by the Board of Directors:
- a. The Board of Directors shall appoint senior management officers to regularly monitor and control the derivatives trading risk. The guidelines for monitoring and control are as follows:
    - i. Periodically evaluate whether the risk management measures currently adopted are appropriate and are conducted under these Operating Procedures and derivative trading operating guidelines promulgated by the Company.
    - ii. Monitoring trading activities and profit/loss status, whenever irregularities are found, the senior management officers shall take appropriate counter measures and shall immediately report to the Board of Directors.



- b. Periodically evaluate whether derivatives trading performance is consistent with the Company's established operational strategy and whether the risk exposure is acceptable to the Company.
  - c. When engaging in derivatives trading, the Company shall report to the next Board of Directors meeting after it authorizes relevant personnel to conduct derivatives trading under with the derivative trading operating guidelines promulgated by the Company.
  - d. The Company shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under items (3).b, (4).a.i and b of subparagraph 4 of this paragraph, shall be recorded in detail in the memorandum book for inspection.
5. Internal audit system:
- (1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify the Audit Committee of the Company in writing if any material violation is found.
  - (2) The Company's internal auditor shall file the audit report together with the annual internal audit review report for the preceding year with the Competent Authority by the end of February each year. The Company's internal auditor shall also report any improvements of irregularities during the preceding year to the Competent Authority by the end of May each year.

Article 16: Procedures governing mergers or consolidations, splits, acquisitions, or assignment of shares are as follows:

1. Appraisal and operating procedures:
- (1) When the Company wishes to conduct a merger or consolidation, split, acquisition, or assignment of shares, it may engage an accountant, lawyer, and underwriter to jointly review statutory procedures and proposed timetable; the Company shall also form a project execution team to implement the transaction in accordance with statutory procedures. The Company should,

prior to convening a meeting of the Board of Directors to decide on the matter, further engage an accountant, lawyer, or underwriter to render opinions regarding the reasonableness of the share swap ratio, acquisition price, or distribution of cash or other property to shareholders, and shall submit the same to the Board of Directors for discussion and approval. In the event the Company merges with its wholly owned subsidiary(ies), or the merger occurs between or among the Company's wholly owned subsidiaries, the above-mentioned appraisal report from a professional appraiser may be exempted.

- (2) When conducting a merger or consolidation, split, or acquisition, the Company shall prepare a public report to its shareholders, specifying important contractual contents and matters relevant to the merger or consolidation, split, or acquisition prior to the shareholders' meeting. The Company shall attach such public report and the expert opinions referred to in item (1) of this subparagraph when sending the notice of shareholders' meeting for shareholders' reference in determining whether to approve the merger or consolidation, split, or acquisition. However, if the convention of shareholders' meeting to approve the merger or consolidation, split, or acquisition is exempted by applicable laws, the notification requirement for sending the notification in the preceding paragraph shall not apply. Moreover, where any one of the companies participating in a merger or consolidation, split, or acquisition fails to convene or obtain a resolution due to lack of a quorum, insufficient votes, or restrictions by applicable laws, or the proposal was vetoed by the shareholders' meeting, such company shall immediately publicly announce an explanation of the reason for such failure, follow-up measures to be taken, and the proposed date of the next shareholders' meeting.

2. Other matters to be noted:

- (1) Date of shareholders' meeting or meeting of the Board of Directors: Companies participating in a merger or consolidation, split, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters relevant to the merger or consolidation, split, or acquisition, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance. Companies participating in an assignment of shares

shall convene their board meetings on the same day, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:

- a. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved prior to disclosure of the information in the planning or implementation of any merger or consolidation, split, acquisition, or assignment of another company's shares.
- b. Dates of material events: including those for signing of any letter of intent or memorandum of understanding, engaging of a financial or legal advisor, execution of a contract, and convening of a board of directors meeting.
- c. Important documents and minutes: including merger or consolidation, split, acquisition, or plan of assignment of share, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall, within two days commencing from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

Where any of the companies participating in a merger or consolidation, split, acquisition, or assignment of another company's shares is neither listed in the securities exchange nor trading over-the-counter, the Company shall sign an agreement with such company in order to prepare a full written record of the information of basic identification data for personnel, dates of material events and important documents and minutes and retain it for five years for reference and to report (in the prescribed format and via the Internet-based information

system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

- (2) Commitment to confidentiality obligations in advance: Each person participating in or being informed of the plan for merger or consolidation, split, acquisition, or assignment of shares shall execute a written undertaking of confidentiality and shall not disclose the contents of the plan prior to public announcement of information in connection with the plan and shall not trade, in their own names or under the name of another person, in any stock or other equity security of any company related to the plan for merger or consolidation, split, acquisition, or assignment of shares.
- (3) Principles for setting and amending share swap ratio or acquisition price: When conducting a merger or consolidation, split, acquisition, or assignment of shares, except for the following circumstances, the share swap ratio or acquisition price shall not be amended arbitrarily and the circumstances in which the share swap ratio or acquisition price could be amended should be provided in the contract for the merger or consolidation, split, acquisition, or assignment of shares:
  - a. Capital increase by cash, issuance of convertible bonds, free distribution of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.
  - b. Any disposal of material assets of the company or other action which may have a material adverse effect on the company's financial condition or business.
  - c. A disaster or major technological shift or other event which may affect shareholder's equity or the share price.
  - d. An adjustment results from the buy-back of treasury stock by any of the companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
  - e. An increase or decrease in the number of entities or companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
  - f. Other terms and conditions allowing amendments which have been provided in the relevant contract and have been publicly disclosed.
- (4) Items to be provided in contract: In addition to those items required under

Article 317-1 of the Company Law and Article 22 of the Business Mergers and Acquisitions Act, the contract for participation in a merger or consolidation, split, acquisition, or assignment of shares shall provide the following provisions:

- a. Remedy for breach of contract.
  - b. Principles for the handling of equity securities previously issued or treasury stock previously bought back by any company that is to be dissolved in a merger or that is spun off.
  - c. The amount of treasury stock that could be bought back by participating companies in accordance with applicable laws after the record date of calculation of the share swap ratio, and the handling principles thereof.
  - d. Methods for handling changes in the number of participating entities or companies.
  - e. Estimated schedule for execution of the plan, and anticipated completion date.
  - f. Scheduled date for convention of shareholders' meeting in accordance with applicable laws in the event that execution of the plan falls behind the estimated schedule and relevant handling procedures.
- (5) Changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares: After relevant information has been publicly announced, if any company participating in the merger or consolidation, split, acquisition, or assignment of shares intends further to carry out a merger or consolidation, split, acquisition, or assignment of shares with another company, all of the participating companies shall repeat the procedures or legal actions that had originally been completed toward the merger or consolidation, split, acquisition, or assignment of shares; except that where the number of participating companies is decreased and the participating company's shareholders' meeting has resolved and authorized the Board of Directors to amend the terms, such participating company could be exempted from convening another shareholders' meeting to resolve the matter again.
- (6) Where a company participating in a merger or consolidation, split, acquisition, or assignment of shares is not a public company, the Company shall sign an agreement with that company, and shall conduct the merger or consolidation, split, acquisition, or assignment of shares in accordance with the Board of

Directors meeting or the general meeting convention date specified in item (1) of this subparagraph, the confidentiality obligation in item (2), and the requirements regarding changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares in item (5), subparagraph 2 of this Article 16.

## **Chapter 5 Disclosure of Information and Public Announcement and Reporting Procedures**

Article 17: Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:

1. Acquisition or disposal of real property or its right-of-use assets 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.
2. Merger or consolidation, split, acquisition, or assignment of shares.
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.
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.
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, and the transaction amount to be invested by the Company is NT\$500 million or more.
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:

- (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
  - (2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
7. The transaction amount shall be calculated as follows; and the term "within one year" refers to the year preceding the date of occurrence of the proposed transaction; and items which has been duly announced in accordance with applicable regulations may be disregarded for the calculation:
- (1) The amount of each transaction.
  - (2) The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within one year.
  - (3) The cumulative transaction amount of acquisitions and disposals of real property or its right-of-use assets in the same development project within one year (the amount for acquisition and the amount for disposal shall be calculated separately).
  - (4) The cumulative transaction amount of acquisitions and disposals of the same security within one year (the amount for acquisition and the amount for disposal shall be calculated separately).

Article 18: Deadline for public announcement and reporting:

When acquiring or disposing of assets, if such acquisition or disposal is one of the items that should be publicly announced and reported, and the transaction amount reaches the requirements for public announcement and reporting, the Company shall make the public announcement and reporting on the website designated by the Competent Authority in the format prescribed by the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority within two days commencing from the date of occurrence of the event.

Article 19: Procedures governing public announcement and reporting are as follows:

1. The Company shall make the public announcement and reporting of relevant information on the website designated by the Competent Authority in accordance

with the preceding Article 18.

2. The Company shall post information regarding derivative trading activities of the Company and its subsidiaries that are not domestic public companies during the preceding month on the reporting website designated by the Competent Authority in the required format by the tenth day of each month.
3. If any required items publicly announced by the Company in accordance with applicable regulations contain errors or omissions and a correction thereof is necessary, the Company shall make a public announcement and report of such items in their entirety again within two days from the date it learns of the occurrence of the given matter.
4. When acquisition or disposal of assets, unless otherwise provided in other applicable laws, the Company shall keep all relevant contracts, resolution minutes, memorandum books, appraisal reports, and opinions of accountants, lawyers, or underwriters for at least five years.
5. After the Company has publicly announced and reported a transaction in accordance with applicable regulations, in case any of the following event occurs, it shall report relevant information on the website designated by the Competent Authority within two days commencing from the date of occurrence of the event:
  - (1) Any amendment, termination or discharge of the contracts originally executed in the transaction.
  - (2) The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled completion date set forth in the relevant contract.
  - (3) Change in publicly announced and reported information.

## **Chapter 6 Supplemental Provisions**

Article 20: The Subsidiaries shall comply with the following provisions:

1. The Subsidiaries shall promulgate its own "Operating Procedures of the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating procedures. If a Subsidiary has established an Audit Committee, the aforesaid promulgation shall be subject to the consent of



one-half or more of all its Audit Committee members and be submitted to its board of directors for approval first and then by its shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating procedures.

2. When a Subsidiary acquires or disposes of assets, the Subsidiary shall act in accordance with these Operating Procedures. The Audit Division of the Company shall include the operating specifics of the acquisition or disposal of assets by the Subsidiaries as one of the internal audit items and shall conduct audits regularly or randomly; and shall review the self-check report prepared by the Subsidiaries.
3. If a Subsidiary is not a public company but its transaction amount of acquisition or disposal of assets meets the requirement of public announcement and reporting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall make the public announcement and reporting on behalf of the Subsidiary.
4. With regard to requirement of public announcement and reporting for subsidiaries, the provisions regarding "exceeding 20% of the Company's paid-in capital" or 10% of the total assets shall refer to the parent company's paid-in capital or total assets.

Article 21: Penalty provision is as follows:

If any of the Company's officers in charge of the acquisition or disposal of assets violates the Operating Procedures and such violation is verified, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

Article 22: Any matters not provided in these Operating Procedures shall be handled in accordance with applicable laws and regulations.

Delta Electronics, Inc. (the “Company”)  
Operating Procedures of Fund Lending  
(Translation)

November 6, 1995--passed by the Board of Directors  
December 5, 1995--amendment passed by the Board of Directors  
April 16, 1996--amendment passed by the Board of Directors  
February 23, 2002--amendment passed by the Board of Directors  
March 22, 2002--amendment passed by the Board of Directors  
February 13, 2003--amendment passed by the Board of Directors  
May 6, 2003--passed by the general shareholders’ meeting  
May 18, 2006-- passed by the general shareholders’ meeting  
June 10, 2009-- passed by the general shareholders’ meeting  
June 15, 2010-- passed by the general shareholders’ meeting  
June 19, 2012-- passed by the general shareholders’ meeting  
June 7, 2013-- passed by the general shareholders’ meeting  
June 10, 2015-- passed by the general shareholders’ meeting  
June 10, 2019-- passed by the general shareholders’ meeting  
June 14, 2022-- passed by the general shareholders’ meeting

**Article 1:**

The Company shall comply with these operating procedures (“Operating Procedures”) when lending funds to others. Any matters which are not provided herein shall be governed by applicable laws and regulations.

**Article 2: Recipients, Reasons and Necessity of Fund Lending**

1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of a related party.
2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:
  - (1) Where more than 50% of the equity shares with voting rights of the funding recipient is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.
  - (2) Where more than 50% of the Company’s equity shares with voting rights are directly and

indirectly owned by another company, and such company is in need of short-term financing in connection with its financial and operational demands.

- (3) Where a related party is in need of short-term financing in connection with its material-purchasing or operational needs.
- (4) Other circumstances where the funding recipient is in need of short-term financing, and the funding is approved by the Board of Directors of the Company.

### **Article 3: Total Amount of Funds Lending and Limit for Each Recipient**

1. When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements, and the total amount lent shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; when providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements, and the total short-term financing amount shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Company has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements.
2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to recipients shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements; when providing short term financing to other companies or enterprises, the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, provided that, the restriction of 40% net worth of lending company and limits of 1 year duration shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund

to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares.

“Related party”, “subsidiary” and “parent company” referred to herein shall be determined according to the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

“Net worth” referred to herein shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Article 4: Term of Fund Lending and Calculation of Interest**

The term of each individual loan or funding offered by the Company shall not exceed one year, and the interest rate for each loan or funding shall be adjusted variably according to the funding cost of the Company.

#### **Article 5: Procedures for Fund Lending**

##### 1. Handling Procedures

- (1) When lending funds or providing short-term financing to others, the Company’s division in charge shall review and submit the proposal for the Chairman of the Board’s approval, and shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The aforesaid “certain amount” means that the authorized amount of loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the lending company, provided that such restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- (2) The Finance Division of the Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the

Board of Directors, the Finance Division shall record the details of the entity to which the lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.

- (3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Audit Committee of the Company in writing.
  - (4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the Company in the Company's financial statements and shall provide relevant information to the Company's external auditing CPA.
  - (5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Audit Committee of the Company and rectify as scheduled under the corrective plans.
2. Review Procedures
- (1) The company or enterprise which applies for funds shall provide its relevant financial information and specify its intended usages of funds in writing for the Company's review.
  - (2) After receiving the application for lending of funds, the Company's division in charge shall investigate and evaluate the necessity and reasonableness of the funding, whether there are direct or indirect business relations between the funding recipient and the Company, the recipient's financial and operational condition, the recipient's ability for repayment of indebtedness and its credit worthiness, profitability, and intended usages of funds. The extents of impact of the Company's aggregate amount of funds lent on the Company's operations, financial conditions and shareholders' equity shall also be taken into consideration, and the division in charge shall then prepare a written report based on its evaluation and submit the report to the Board of Directors for review.
  - (3) When lending funds or providing short-term financing to others, the Company shall require the borrower to provide guarantee notes in the same amount of funds lent and if necessary,

shall require the borrower to provide personal property or real property as collaterals and to perfect the liens on the collaterals, and the Company shall evaluate quarterly whether the value of the collateral provided is comparable to the balance of the amount of funds lent and shall demand additional collaterals if necessary. With regards to the aforementioned collateral, if the borrower provides guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals, the Board of Directors may, referring to the assessment report of the division in charge, consider such guarantee and make a decision ; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

- (4) Fire insurance shall be procured for each collateral except for land and securities; the insurance limits shall be in principle no less than the replacement cost of the collateral; each insurance policy shall designate the Company as the beneficiary and the title, quantity, location and insurance terms of the insured subject on the insurance policy shall be consistent with the original terms and conditions of the lending of funds made by the Company.

#### **Article 6: The Follow-Up Control Measures of Funds Lent**

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.
2. The Company shall not settle the short-term fund lending with others by means of non-actual cash flow or extend the repayment term with the approval of the Board of Directors upon the expiration of the term. However, in the event that the foreign companies, whose voting rights are 100% held directly and indirectly by the Company, or foreign subsidiaries, whose voting rights are 100% directly and indirectly by the Company, fail to repay the funds borrowed from the Company upon maturity and require an extension, the short-term fund lending may be extended. If the extension of the lending period is approved by the Board of Directors prior to the deadline, there is no requirement for actual cash flow repayment. Nevertheless, at expiry of the extended

period, repayment must still be made by means of actual cash flow. The Company reserves the right to dispose of and claim compensation from the collateral or guarantor provided by the borrower in accordance with the law in case of violation.

#### **Article 7: Additional Guidelines of Lending Funds to Others**

1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.
2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the Audit Committee of the Company in writing.
3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Audit Committee of the Company and rectify as scheduled under the corrective plans.

#### **Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries**

1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.
2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending." The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and the Audit Committee.
3. If the Subsidiary is not a public company but in the event its amount of funds lent reaches any of the thresholds of public announcement and reporting as set forth in the second paragraph of Article 9, it shall notify the Company on the date of occurrence of the event. The Company shall

make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

#### **Article 9: Public Announcement and Reporting Procedures**

1. The Finance Division shall report every month the balance of lending of funds made by the Company and its Subsidiaries in the preceding month by the fifth day of the current month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.
2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days commencing from the date of occurrence of such event:
  - (1) The balance of lending of funds lent to others by the Company and its Subsidiaries reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (2) The balance of funds lent by the Company and its Subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (3) Amount of funds newly lent by the Company or its Subsidiaries exceeds NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (4) After the public announcement and reporting has been made pursuant to any of the preceding items (1)-(3), the balance of funds lent increases by more than 2 percent of the Company's net worth as stated in the Company's latest financial statements.
3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

"Date of occurrence" referred to herein shall mean the date of contract signing, date of payment, date of resolution by board of directors, or other date that can determine the counterparty and the amount of the loaning of funds, whichever date is earlier.



**Article 10: Penalty Provisions**

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

**Article 11: Other Matters**

After approval by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.

Delta Electronics, Inc. (the “Company”)  
Operating Procedures of Endorsement and Guarantee  
(Translation)

February 8, 1988--passed by the Board of Directors  
March 19, 1988--passed by the general shareholders’ meeting  
March 8, 1994--amendment passed by the Board of Directors  
April 21, 1994--amendment passed by the Board of Directors  
May 9, 1994-- passed by the general shareholders’ meeting  
November 6, 1995—amendment passed by the Board of Directors  
December 5, 1995--amendment passed by the Board of Directors  
April 16, 1996--amendment passed by the Board of Directors  
June 6, 1996--passed by the general shareholders’ meeting  
April 2, 1997--amendment passed by the Board of Directors  
June 3, 1997--passed by the general shareholders’ meeting  
February 13, 2003--amendment passed by the Board of Directors  
May 6, 2003--passed by the general shareholders’ meeting  
May 18, 2006-- passed by the general shareholders’ meeting  
June 10, 2009-- passed by the general shareholders’ meeting  
June 15, 2010-- passed by the general shareholders’ meeting  
June 19, 2012-- passed by the general shareholders’ meeting  
June 7, 2013-- passed by the general shareholders’ meeting  
June 10, 2019-- passed by the general shareholders’ meeting

**I. Purpose**

These operating procedures (“Operating Procedures”) have been promulgated in order to specify the procedures for making endorsements and guarantees by the Company and to strengthen the internal control of the Company. Any matters which are not provided herein shall be governed by applicable laws and regulations.

**II. Scope**

The term “endorsements and guarantees” referred to herein includes:

1. Endorsements and guarantees in connection with financing:

(1) Made for financing in connection with discounts on customer’s check.

- (2) Endorsements or guarantees made for the financing needs of another company.
- (3) Negotiable instruments issued in favor of a non-financial institution as collaterals for the Company's financing purpose.

2. Customs duty endorsements and guarantees:

Endorsements or guarantees made for the Company itself or other companies relating to the customs duties payable by the Company or other companies.

3. Other endorsements and guarantees: Any endorsements or guarantees provided for the purposes outside the scope as mentioned in the preceding two items.

The creation of a pledge or a mortgage over the Company's personal or real property as collateral for the loans borrowed by other companies shall also be governed by the Operating Procedures.

### **III. Recipients of Endorsements and Guarantees**

The Company may make endorsements and/or guarantees for the following companies:

1. Related parties with which the Company has business relations.
2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares.
3. The company which directly and indirectly owns more than 50% of the Company's voting shares.

A company in which the Company directly and indirectly owns 100% of its voting shares may make endorsements and/or guarantees to another company in which the Company directly and indirectly owns 100% of its voting shares.

The mutual guarantees made by and between the Company and other enterprises of the same trade for the need of contracting for construction work or between joint builders in compliance with the contracts or the endorsements/ guarantees made by the shareholders for joint investment in a company in proportion to their shareholdings shall be exempt from the restrictions prescribed in the preceding two paragraphs.

The aforementioned investment refers to the investment directly made by the Company or indirectly made through a company whose voting shares are 100% owned by the Company.

The terms "related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **IV. Limits of Endorsements and Guarantees**

The total amount of the endorsements and guarantees made by the Company shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements. The total amount of the endorsements and guarantees made by the Company and its subsidiary as a whole shall not exceed 50 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 30 percent of the Company's net worth as stated in the Company's latest financial statements.

"Net worth" referred to herein shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In addition to the limits set forth in the preceding paragraph, the total amount of endorsements and guarantees made by the Company for a single enterprise with which the company has business relations shall be comparable to the purchase amount or sales revenue with that enterprise in the previous year or current year as of the time the endorsements and guarantees are made, whichever amount is higher.

#### **V. Procedures for Making Endorsement and Guarantee**

1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and for approval by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report

to the next meeting of the Board of Directors for recognition.

2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. The Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall also record the entity for which the endorsement or guarantee is made, amount, date of approval by the Audit Committee, date of approval by the Board of Directors, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.
3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify the Audit Committee of the Company in writing.
4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees made, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.
5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Audit Committee of the Company and rectify as scheduled under the corrective plans.
6. If there are necessary business needs for the Company to exceed the limits of endorsements and guarantees set forth in the Operating Procedures and if the requirements set forth in the Operating Procedures are complied with, it shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all

directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors and half or more of the directors shall act as joint guarantors for any loss of the Company that might incur due to the excess amount of endorsements and guarantees. The Operating Procedures shall also be amended accordingly and submitted to the shareholders' meeting for approval. If the shareholders' meeting does not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period.

#### **VI. Detailed Review Procedures**

When making endorsements and guarantees, the Finance Division of the Company shall review and assess the following matters and prepare an assessment report accordingly:

1. To evaluate the necessity and reasonableness based on the understanding of the relations between the entity for which the endorsement or guarantee is to be made and the Company, the purposes and usages of the money borrowed by such entity, the connection of such entity with the Company's business or the importance of such entity's operations to the Company, together with Company's limits of endorsements and guarantees and current balance of the limits.
2. To assess potential risks that might occur by obtaining the annual report, financial statements, and other relevant information of the entity for which the endorsement or guarantee is to be made, and analyzing the operations, financial condition, and credit worthiness of such entity and the source of repayment of its debts.
3. To evaluate the risk on operations, and impact on the financial condition and shareholders' equity of the Company by analyzing the ratio of current balance of endorsements and guarantees to the net worth of the Company, the liquidity and cashflow of the Company, together with the review results under the preceding two paragraphs.
4. To determine whether it is necessary for the entity for which the endorsement or guarantee is to be made to provide collateral based on the assessment results under the preceding three paragraphs, and to evaluate each quarter whether the value of the collateral provided is comparable to the balance of the amount of endorsements and guarantees made and to demand additional collaterals if necessary.

#### **VII. Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries**

1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and

“Operating Procedures of Endorsement and Guarantee”. The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors the Audit Committee.

2. If a subsidiary of the Company is not a public company but its amount of endorsements and guarantees made meets the requirement of public announcement and reporting as set forth in Article X, paragraph 2 of the Operating Procedures, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

#### **VIII. Decision-making and Authorization**

Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article V of the Operating Procedures.

#### **IX. Procedures for Use and Custody of Corporate Seal**

1. According to applicable regulations promulgated by the competent authority in charge of securities matters, the Company shall use the corporate seal registered with the Ministry of Economics Affairs as the dedicated stamp for endorsements and guarantees. The dedicated stamp for endorsements and guarantees shall be kept under the custody of a designated custodian approved by the Board of Directors. If there is any change of the custodian, the Board of Directors shall approve such change, and the dedicated stamp shall be transferred to the custody of the successor custodian.
2. When the Company makes a guarantee for a foreign company, the Company shall have the guarantee letter signed by a person authorized by the Board of Directors.

#### **X. Public Announcement and Reporting Procedures**

1. The Finance Division shall report the balance of endorsements and guarantees made by the Company and its subsidiaries in the previous month by the fifth day of the following month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.
2. In addition to the monthly public announcement and reporting of the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days commencing from the date of occurrence of such event:
  - (1) The balance of endorsements and guarantees made by the Company and its Subsidiaries reaches 50 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (2) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (3) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches NT\$10 million or more and the aggregate amount of endorsements and guarantees for, book value of investment accounted for using equity method in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.
  - (4) The amount of endorsements and guarantees newly made by the Company or its Subsidiaries exceeds NT\$30 million and reaches 5 percent or more of the Company's net worth as stated in the Company's latest financial statements.
3. If any of the matters to be public announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

"Date of occurrence" referred to herein shall mean the date of contract signing, date of payment, date of resolution by board of directors, or other date that can determine the counterparty and the amount of the endorsement and guarantee, whichever date is earlier.



**XI. Penalty Provisions**

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will be submitted for review according to the Company's working rules and will receive penalties commensurate with the severity of such violation.

- XII.** In case of endorsement or guarantee provided for a subsidiary whose net worth is lower than one half of the paid-in capital, the financial unit of the Company shall, on a monthly basis, assess the financial structure of such subsidiary, and upon any major changes, shall immediately notify the Chairman and request the relevant divisions in charge to handle the matters as soon as possible.

**XIII. Other Matters**

After approval by one-half or more of all Audit Committee members, and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to the shareholders' meeting for discussion. The same procedure shall apply to any amendment to the Operating Procedures.

## Appendix 9

### Delta Electronics, Inc.

#### List of Important Positions of Director Candidates in Other Companies

Name	Important Positions in Other Companies (Note)	
Yancey Hai	CTCI Corporation	Director and Commissioner of ESG & Net Zero Committee
	USI Corporation	Independent Director, Audit Committee Member, Chairman and Convener of Remuneration Committee and ESG Committee Member
	Taiwan Semiconductor Manufacturing Company Limited	Independent Director, Audit and Risk Committee Member, Compensation and People Development Committee Member and Nominating, Corporate Governance and Sustainability Committee Member
Bruce CH Cheng	Hua-Chih Investment Co., Ltd. (translation)	Chairman
	Finestar International Limited	Director
Ping Cheng	Delta Greentech (China) Co., Ltd.	Chairman
	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Chairman
Mark Ko	Delta Greentech (China) Co., Ltd.	Director
	Delta Electronics (Thailand) Public Company Limited	Director
	Ancora Semiconductors Inc.	Director
Simon Chang	Delta Greentech (China) Co., Ltd.	Vice-Chairman
	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Director
	Vivotek Inc.	Director
	BETACERA Inc.	Director
Victor Cheng	Delta Electronics (Thailand) Public Company Limited	Director and CEO
	Atrust Computer Corporation	Director
	Lanner Electronics Inc.	Director
	Delta Networks (Xiamen) Ltd.	Vice-Chairman

Note: Excluding subsidiaries that are 100% owned by the Company.

Delta Electronics, Inc.

List of Important Positions of Independent Director Candidates in Other Companies

Name	Important Positions in Other Companies (Note)	
Audrey Tseng	ASUSTeK Computer Incorporation	Independent Director and Audit Committee Member
	Coretronic Corporation	Independent Director, Audit Committee Member, Compensation Committee Member and Nomination Committee Member
	Bionime Corporation	Independent Director, Audit Committee Member and Compensation Committee Member
	BRIM Biotechnology, Inc.	Director
	AP Biosciences Inc.	Director
	Bonraybio Co., Ltd.	Director
	H2U Corporation	Director
	T-E Pharma Holding (Cayman)	Director
	HanchorBio (Cayman)	Director
	Onward Therapeutics SA (Switzerland)	Independent Director
Shyue-Ching Lu	MiTAC Holdings Corporation	Independent Director, Chairman and Convener of Audit Committee and Compensation Committee Member
	Radium Life Tech Co., Ltd.	Independent Director, Audit Committee Member and Compensation Committee Member
	CTCI Advanced Systems Inc.	Director
	XRSPACE Co., Ltd.	Director
	Alpha Ring Asia Inc.	Director
Jack J.T. Huang	WPG Holdings Limited	Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee
	Yulon Motor Co., Ltd.	Director
	Yulon Group	Special Advisor of the CEO
	Taiwania Capital Buffalo Fund Co., Ltd.	Director
	Taiwan Renaissance Platform	Founder and Chairman
Rose Tsou	Sercomm Corp.	Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee

Name	Important Positions in Other Companies (Note)	
Rose Tsou	FNCapital Co., Ltd.	Chairman
	EASYCARD Corporation	Director
	FundRich Securities Co., Ltd.	Director
	HK Television Entertainment Company Limited	Independent Director
Doris Hsu	Sino-American Silicon Products Inc.	Chairman and CEO
	GlobalWafers Co., Ltd.	Chairman and CEO
	Actron Technology Corporation	Director
	Advanced Wireless Semiconductor Company	Director
	Taiwan Speciality Chemicals Corporation	Chairman
	Crystalwise Technology Inc.	Chairman
	Sunrise PV Three Co., Ltd.	Chairman
	Sunrise PV Four Co., Ltd.	Chairman
	SAS Capital Co., Ltd.	Chairman
	GWC Capital Co., Ltd.	Chairman
	Sustainable Energy Solution Co., Ltd.	Chairman
	SAS Sunrise Inc.	Director
	GlobalSemiconductor Inc.	Director
	GlobiTech Incorporated	Chairman and CEO
	GlobalWafers Japan Co., Ltd.	Chairman
	MEMC Japan Ltd.	Chairman
	Kunshan Sino Silicon Technology Co., Ltd.	Vice-Chairman
	Topsil GlobalWafers A/S	Chairman
	GlobalWafers Singapore Pte. Ltd.	Director
	GlobalWafers B.V.	Director
MEMC Korea Company	Director	
GlobalWafers America, LLC	Chairman	
Crystalwise Technology (HK) Limited	Director	

Note: Excluding subsidiaries that are 100% owned by the Company.

Delta Electronics, Inc. (the “Company”)  
Director Election Regulations  
(Translation)

Passed by general shareholders’ meeting on March 19, 1988

Amendment passed by general shareholders’ meeting on May 16, 2002

Amendment passed by general shareholders’ meeting on May 19, 2005

Amendment passed by general shareholders’ meeting on June 13, 2008

Amendment passed by general shareholders’ meeting on June 24, 2011

Amendment passed by general shareholders’ meeting on June 19, 2012

Amendment passed by general shareholders’ meeting on June 13, 2023

**Article 1**

These Regulations have been stipulated in accordance with the “Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies” in achieving fair, neutral, and open election of directors.

**Article 2**

Unless otherwise specified in applicable laws and regulations and the Company’s Articles of Incorporation, the election of the Company’s directors (including independent directors) shall be conducted in accordance with these Regulations.

**Article 3**

When nominating and selecting the Company’s directors, it should take into consideration the overall composition of the Board of Directors. The composition of the board of directors shall be determined by taking diversity into consideration, such as including different genders, ages, races, nationalities, cultures, professional backgrounds and working fields, etc. Meanwhile it is advised that the board members possess the knowledge, skills, and qualities needed to perform their duties in general, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.

The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors.

**Article 4**

The qualifications of the Company's independent directors must comply with the competent authority's determination standards; the election of the independent directors shall be subject to the regulations prescribed by the competent authority.

The directors (including independent directors) shall be elected pursuant to the candidates nomination system in Article 192-1 of the Company Law.

**Article 5**

The Company's directors shall be elected by means of the single open cumulative ballot method. According to relevant laws, each share is entitled to votes equal to the number of directors to be elected, and the number of votes may be used together to elect one person or spread out over several persons. The Board of Directors shall prepare ballots equal to the number of directors to be elected. In addition to affixing the Company's seal on the ballots, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders.

**Article 6**

Candidates for election of the Company's directors shall be elected, with independent directors, non-independent directors elected at the same time but in separately calculated numbers, in sequence starting from those who have received the highest number of votes until the required number of persons specified in the Company's Articles of Incorporation and proposed by the Board of Directors are elected. If two or more persons receive the same number of votes, and resulting in the total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes with others is not present at the meeting, the chairman shall draw a straw on that absent person's behalf.

**Article 7**

Before the start of an election the chairman shall designate several persons to count ballots and two persons (who should be shareholders) to check ballots to perform relevant duties. The Board of Directors shall prepare a ballot box. Persons designated to check ballots shall open and check the box in front of the meeting before voting begins.

**Article 8**

If a candidate is a shareholder, electors must clearly fill in the candidate's shareholder number and name in the candidate column of each ballot. If a candidate is not a shareholder, electors must clearly fill in the candidate's name and ID document number. ID document refers to the original copy of the citizens' ID card for domestic natural persons and the original copy of a passport for foreign natural persons. The ID document number shall serve as the person's ID number for the purpose of

the election. However, if a candidate is a governmental organization or legal entity, the name of the governmental organization or legal entity (or the name of the government organization and its representative or the name of the legal entity and its representative) must be clearly filled out in the candidate column of the ballot. If there are several representatives, each of the representatives' names must be filled in.

#### **Article 9**

A ballot is invalid if any of the following circumstances occur:

1. The elector has failed to use a ballot prepared by the Board of Directors.
2. A blank ballot with no writings has been cast in the ballot box.
3. The writing is unclear and illegible or has been altered.
4. When the candidate is a shareholder, any item of the candidate's name, shareholder's account number, or number of votes allocated has been omitted or altered; or the candidate's name or shareholder's account number does not conform to that in the shareholders register.  
If the candidate is not a shareholder, any item of the candidate's name, ID number, or number of votes allocated has been omitted or altered; or the candidate's name or ID number is found not to conform to that on the original documents.
5. The elector has intermixed other text or figures in addition to the candidate's name, shareholder's account number or ID number, and number of votes allocated.
6. The number of candidates on the ballot exceeds the specified number.

#### **Article 10**

If the number of votes allocated is less than the total number of votes vested to shareholders, the votes which are not cast shall be deemed to have been forfeited by that shareholder.

#### **Article 11**

The ballot box shall be opened in front of the meeting after the completion of voting. The chairman shall announce the names of the elected directors in front of the meeting, or the chairman may appoint a master of ceremonies to do so.

#### **Article 12**

The Company's Board of Directors shall issue election notification to each elected director.

#### **Article 13**

These Regulations shall be effective from the date they are approved by the shareholders' meeting. The same shall apply in the case of amendments.

Delta Electronics, Inc. (the “Company”)  
Shareholders’ Meeting Rules and Procedures  
(Translation)

Passed by general shareholders’ meeting on March 19, 1988  
Amendment passed by general shareholders’ meeting on May 15, 1998  
Amendment passed by general shareholders’ meeting on May 16, 2002  
Amendment passed by general shareholders’ meeting on May 19, 2005  
Amendment passed by general shareholders’ meeting on May 18, 2006  
Amendment passed by general shareholders’ meeting on June 19, 2012  
Amendment passed by general shareholders’ meeting on June 7, 2013  
Amendment passed by general shareholders’ meeting on June 10, 2020  
Amendment passed by general shareholders’ meeting on June 14, 2022  
Amendment passed by general shareholders’ meeting on June 13, 2023

**Article 1**

These Rules and Procedures have been stipulated in accordance with the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in order to establish effective governance of the shareholders’ meeting, implement sound supervisory functions, and strengthen managerial functions.

**Article 2**

Unless otherwise provided for in applicable laws and regulation or this Company’s Articles of Incorporation, the Company’s Shareholders’ Meeting Rules and Procedures shall comply with the following articles.

**Article 3**

The Company’s shareholders’ meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.

The Company shall, pursuant to a resolution adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of all the directors, convene a virtual-only shareholders’ meeting.

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.



The Company shall prepare the electronic files of the notification of the shareholders' meeting, the proxy instrument, agenda and materials relating to proposals for acknowledgment and discussion and election or discharge of directors (including independent directors), and upload the same to the Market Observation Post System Website 30 days in advance of an annual general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall also prepare the electronic files of the shareholders' meeting agenda and supplemental materials and upload the same to the Market Observation Post System Website 21 days in advance of an annual general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall make the shareholders' meeting agenda and supplemental materials available for shareholders to review at any time 15 days in advance of the shareholders' meeting and these documents shall be displayed at the Company and professional stock affairs agency appointed by the Company.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

Notification and announcements shall state the reasons for the meeting. The notification may be given by means of electronic transmission after obtaining prior consent from the recipient(s) thereof. The election or discharge of directors (including independent directors), the amendment of this Company's Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the release from non-competition restrictions on directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law shall be listed among the reasons for the meeting and the essential contents shall be explained in the notice to convene a meeting of shareholders, and may not be proposed as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company , and such website shall be indicated in the said notice.

When a subject of election of directors (including independent directors) and the date on which the elected person assumed office be listed and described in the notice to convene a meeting of shareholder, the date on which the elected person assumed office cannot be changed either by the

way of extemporary motions or by any other method in the said meeting after the election in the meeting of shareholders.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

#### **Article 4**

Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended.

Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy.

Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply.

After the proxy form is served to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his voting right in writing or by way of electronic transmission, such shareholder shall file a written notice of proxy rescission with the Company 2 days in advance of the shareholders' meeting. In the event the shareholder fails to rescind the proxy prior to the aforesaid time limit, the voting right exercised by the authorized proxy at the meeting shall prevail.

#### **Article 4-1**

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder who exercised his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. It is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

#### **Article 4-2**

If a shareholder exercises his voting right in writing or by way of electronic transmission, his declaration of intention shall be served to the Company 2 days in advance of the shareholders' meeting; if two or more declarations of the same intention are served to the Company, the declaration of such intention firstly received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

After a shareholder exercises his voting right in writing or by way of electronic transmission, in case the shareholder decides to attend the shareholders' meeting in person, such shareholder shall, 2 days in advance of the shareholders' meeting, revoke his declaration of intention by the same method which the shareholder had previously used to exercise his voting right. In the event the shareholder fails to revoke such declaration prior to the aforesaid time limit, the voting right exercised in writing or by way of electronic transmission shall prevail.

If a shareholder exercises his voting right in writing or by way of electronic transmission and appoint a proxy to attend a shareholders' meeting on his behalf by issuing a proxy form, the voting right exercised by the proxy shall prevail.

**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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

**Article 6**

The Company shall, in the notification of the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.

The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place. 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.

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.

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.

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.

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 meeting.

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.

**Article 7**

If a shareholders' meeting is convened by the Board of Directors, the chairman of the Board of Directors shall be the chairman presiding at the meeting. If the chairman of the Board of Directors is on leave or cannot perform his duties for some reason, a proxy may be designated in accordance with Article 208 of the Company Act.

In the event that a director presides at a shareholders' meeting on the chairman's behalf pursuant to the above paragraph, such director shall have held office for at least six months and shall be familiar with the financial and business condition of the Company. The same requirements shall apply when a representative of a juristic-person director presides at a shareholders' meeting.

More than one-half of the directors should attend the shareholders' meeting and the chairman of the board should chair the meeting in person and at least one member of each functional committee(s) attend the meeting on behalf of the committee(s) if that meeting has been convened by the Board of Directors. The attendance shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman. If there is more than one such person entitled to convene the meeting, those persons shall nominate amongst themselves to be the meeting's chairman.

This Company may appoint designated legal counsel, CPA, or relevant persons to attend the shareholders' meeting.

**Article 8**

From the moment that the Company accepts check-in for the meeting, the attending shareholders' check-in process, the proceeding of the meeting, and the voting and counting process shall be continuously audio recorded and videotaped in its entirety without any interruption.

These audio and video files shall be preserved for at least one year. However, the said files shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

**Article 9**

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, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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 more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company.

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.

#### **Article 10**

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. For each proposal (including extemporary motions and amendments to original proposals), it should be followed by a poll of the shareholders. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporary motions) listed in the agenda are completed. If the chairman announces the adjournment of the meeting in violation of these Rules and Procedures, other members of the Board of Directors shall promptly assist the attending shareholders to elect,

by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and extemporary motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and the chairman should designate sufficient time for a vote.

#### **Article 11**

When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any attending shareholder at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder.

Shareholders attending the meeting may raise questions in the section of report items in the agenda only after the chairman or the designated personnel has completed the presentation. The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes, when shareholders raise questions in the section of proposal items and discussion items in the agenda and items proposed in the section of extemporary motions.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes when shareholders raise enquiries and opinion expressions in the section of extemporary motions.

The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item or make the meeting out of order.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chairman shall stop such interruption. When a legal-entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for each agenda item.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting 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.

#### **Article 12**

Voting at a shareholders' meeting shall be based on number of shares. The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, that shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

#### **Article 13**

Each shareholder is entitled to one vote for each share held except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the



results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.

If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.

The ballots for voting or election matters shall be publicly counted at the meeting venue and once the counting is done, the result of voting including the number of votes casted shall be announced at the meeting and placed on record.

#### **Article 14**

If the election of directors (including independent directors) is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results including the list of elected directors (including independent directors) and the number of votes casted must be announced at the meeting.

The ballots cast in the election in the foregoing paragraph shall be sealed with the signatures of the monitoring personnel and must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

#### **Article 15**

Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed in the form of an announcement on the Market Observation Post System Website.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of the resolution and voting (including the statistical tallies of the numbers of votes). When there is a proposal of election of directors (including independent directors), the voting results to each candidate shall be disclosed. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

**Article 16**

The Company shall, on the day of the meeting, compile the number of shares obtained by solicitors and the number of shares represented by proxies in statistical tables in the specified format, and shall post such tables in prominent locations within the meeting place.

If any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

**Article 17**

Persons handling affairs of the meeting shall wear identification cards or arm badges. The chairman may order disciplinary officers or security guards to assist in keeping order in the meeting place. Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place.

If the meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman's correction, or disrupt the proceeding of the meeting and fail to desist, to leave the meeting place.

**Article 18**

During the meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set for the shareholders' meeting are completed, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

**Article 19**

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.

**Article 20**

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.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in 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.

**Article 21**

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.

## **Appendix 12**

### **Effect of Issuance of Bonus Shares to be Resolved at this Annual General Shareholders' Meeting on Operating Performance and Earnings per Share**

No bonus share distribution is proposed at this Annual General Shareholders' Meeting, and the Company is not required to disclose 2024 financial forecasts according to relevant laws and regulations. Hence, the Company is not required to disclose yearly forecast information.

## Appendix 13

### Shareholdings of All Directors of the Company

1. In accordance with Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by all directors other than independent directors of the Company shall be 62,341,039.
2. As of the book closure date, the shareholdings of directors recorded in the shareholder register is as follows:

Title	Name	Current shareholdings	
		Shares	Percentage
Chairman	Yancey Hai	984,067	0.04%
Vice-Chairman	Mark Ko	807,630	0.03%
Director	Bruce CH Cheng	81,878,039	3.15%
Director	Ping Cheng	55,640,093	2.14%
Director	Simon Chang	903,811	0.03%
Director	Victor Cheng	50,344,764	1.94%
Director	Shan-Shan Guo	20,360	0.00%
Independent Director	Ji-Ren Lee	0	0.00%
Independent Director	Jack J. T. Huang	0	0.00%
Independent Director	Shyue-Ching Lu	0	0.00%
Independent Director	Rose Tsou	0	0.00%
Independent Director	Audrey Tseng	0	0.00%
Shareholdings of all directors		190,578,764	7.33%

Note 1 : As of the book closure date, the number of issued shares of the Company is 2,597,543,329.

Note 2 : The Company has established an Audit and Risk Committee, so the provisions on the minimum percentage requirements for the shareholdings of supervisors shall not apply.

## **Appendix 14**

### **Relevant Information on Proposals and Nomination Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company**

1. In accordance with Article 172-1 and Article 192-1 of the Company Act, the proposal and nomination accepting period of 2024 Annual General Shareholders' Meeting was from March 18, 2024 to March 28, 2024.
2. Other than the candidates nominated for the Company's 20<sup>th</sup> term of directors (including independent directors) by the board of directors, no proposal or nomination was submitted by shareholders holding 1% or more of the total number of issued shares of the Company in the abovementioned period.

## SBT NET-ZERO

# Delta is committed to climate transition toward an **SBT Net-Zero goal by 2050**

Founded in 1971, Delta Electronics, with "To provide innovative, clean and energy-efficient solutions for a better tomorrow" as our business mission, provides innovative, clean, and efficient products and solutions worldwide. Continuously improving energy-saving technologies for over half a century, Delta is helping the world reduce greenhouse gas emissions and create a better tomorrow.

### Joining international initiatives and implementing a greenhouse gas emissions reduction action plan

Delta Electronics set a science-based target (SBT) of reducing greenhouse gas emissions (GHG) intensity by 56.6% by 2025 with 2014 as the base year aligned with the 2°C pathway, and passed the review by the Science Based Targets initiative (SBTi). We continue to move toward our goal through energy conservation and GHG reduction endeavors and self-generation of renewable electricity or purchase of qualified renewable electricity. By 2021, we had achieved our SBT 2°C target four years ahead of schedule.

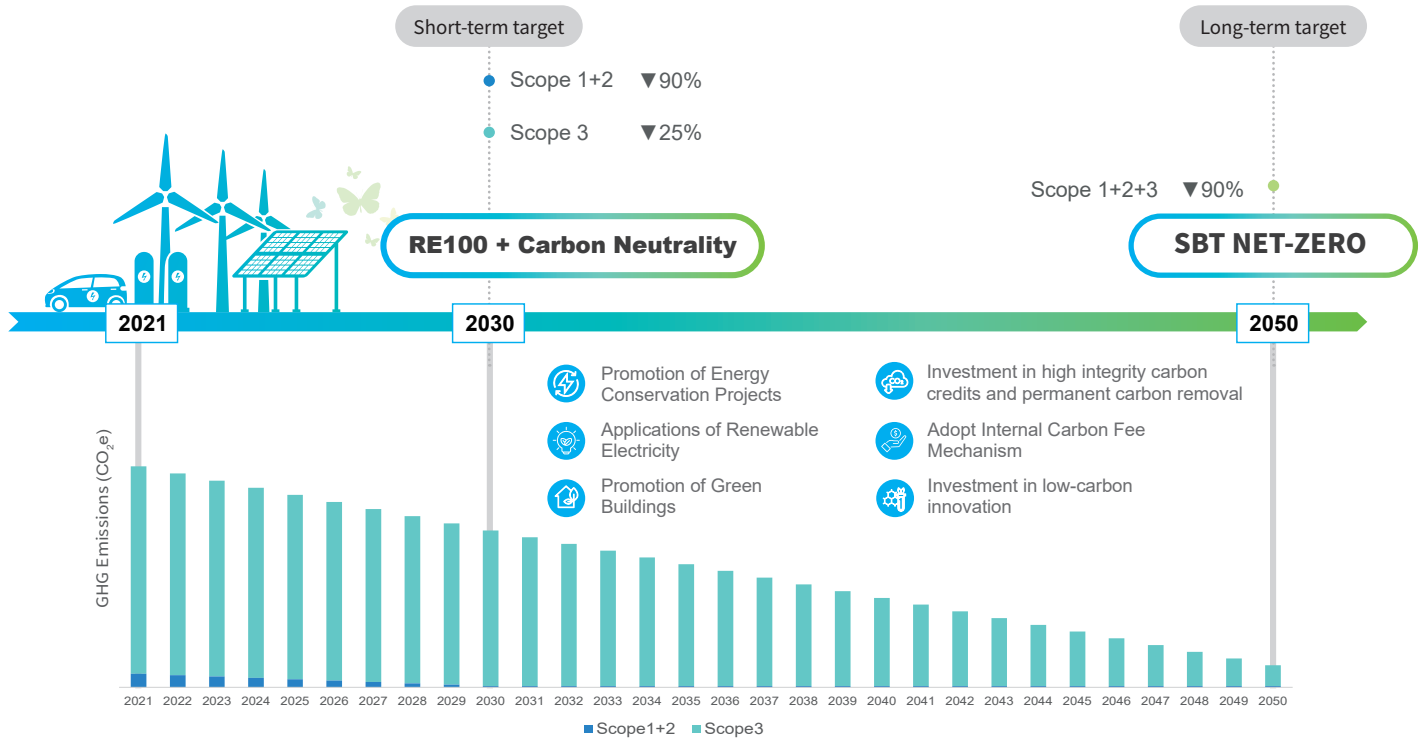
Building on our experience in implementing SBT's 2°C target, Delta is further committed to achieving its RE100 goal and carbon neutrality by 2030. Guided by the global 1.5°C pathway, Delta has set a long-term strategy and target of achieving SBT Net-Zero at all our sites around the world by



Delta's Americas Headquarters has been awarded a LEED Zero Energy green building certificate in 2022.

2050. Delta officially passed the SBTi's Net-Zero validation in November 2022 as the first company in the high-tech hardware and equipment industry in Asia and the 125th company in the world to pass the review.

According to our SBT Net-Zero goal, Delta must reduce scope 1, 2, and 3 GHG emissions by 90% by 2050 from the base year level of 2021. Our new short-term targets based on the 1.5°C pathway are reducing scopes 1 and 2 emissions by 90% and scope 3 emissions by 25% by 2030 from the base year level of 2021.



### Top-down approaches to climate change governance and core energy-saving technologies increase low-carbon business opportunities

Delta's complete climate governance structure and strategies enable the company to operate business stably when facing climate challenges, proactively implement GHG reduction measures to achieve our goals, and seize green business opportunities.

Delta's board of directors oversees climate governance based on a comprehensive knowledge. The Delta ESG Committee, which reports to the board of directors, is Delta's top-level climate risk and opportunity monitoring committee. It has organized climate change-related functional committees, including energy management, water conservation and waste reduction management, as well as RE100, carbon management, product stewardship, and supply chain ESG management. Delta Electronics has also formed different task forces to formulate and implement projects to echo SBT Net-Zero and SDGs with practical actions using our core capabilities.

Delta invests more than 8% of our total revenue annually in innovative R&D to provide eco-friendly products and solutions with our core power electronics technology that saves energy and reduces GHG emissions. From 2010 to 2023, the energy-efficient products we shipped to clients have helped our clients save 45.5 billion kWh of electricity.

### Identifying climate risks and opportunities to develop future business

Planning for low-carbon business opportunities, Delta has adopted the Task Force on Climate-related Financial

Disclosures (TCFD) and an internal carbon pricing (ICP) mechanism. We continue to facilitate low-carbon innovation, explore business opportunities from technologies, and regularly disclose climate-related management results and performance.

Through the implementation of the TCFD, we have identified and assessed Delta's risks and opportunities arising from climate change. Delta is proactively building green business capabilities in advance to align with our transition strategy, taking into consideration different climate-related scenarios.

Since 2021, Delta has adopted the Internal Carbon Fee mechanism at US\$300 per metric ton of carbon dioxide equivalent to achieve the RE100 goal and SBT Net-Zero. Delta allocated a total of 28.5 MUSD through the internal carbon pricing mechanism fund, including 4.6 MUSD for OPEX and 23.9 MUSD for CAPEX in 2023 to promote investment in renewable energy and energy technology development, energy and resource management, and low-carbon innovations and initiatives and also sets the goal of the annual budget implementation rate. Delta established its climate-related product taxonomy based on the EU taxonomy, and quantifies the low carbon-related cost and revenue of the current year.

To enhance the climate transition capabilities of the supply chain, Delta has engaged with first-tier suppliers by providing free training on the ISO 14064-1 GHG inventory standards and courses on energy saving. Delta hopes to bring together all partners in the industry to ensure a high value is placed on climate change issues and to lead the supply chain in reducing GHG emissions with practical actions that keep pace with international trends.