

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2021 AND 2020**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Delta Electronics, Inc. and its subsidiaries (the “Group”) as at June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the related consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard (IAS) No. 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these interim financial statements based on our reviews and the review reports of other independent auditors.

Scope of review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, “Review of Financial Statements”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3)B and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$18,127,683 thousand and NT\$16,611,572 thousand, constituting 5.17% and 5.19% of the consolidated total assets, and total liabilities of NT\$5,889,623 thousand and NT\$6,779,152 thousand, constituting 3.35% and 4.39% of the consolidated total liabilities as at June 30, 2021 and 2020, respectively, and total comprehensive loss of (NT\$65,542) thousand and (NT\$71,990) thousand, constituting (1.68%) and (1.09%) of the consolidated total comprehensive income (loss) for the three months then ended, respectively, and total comprehensive loss of (NT\$317,496) thousand and (NT\$205,250) thousand, constituting (2.53%) and (4.11%) of the consolidated total comprehensive income (loss) for the six months then ended, respectively.

Qualified Conclusion

Based on our reviews and the review reports of other independent auditors as described in the Other Matter–Review Reports By Other Independent Auditors section of our report, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021 and 2020, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the “Rules Governing the Preparation of Financial Reports by Securities Issuers” and IAS No. 34, “Interim Financial Reporting” as endorsed by the FSC.

Other Matter – Review Reports By Other Independent Auditors

We did not review the financial statements of certain subsidiaries which were reviewed by other auditors. Total assets of the subsidiaries amounted to NT\$52,950,810 thousand and NT\$50,519,478 thousand, constituting 15.09% and 15.78% of the consolidated total assets as at June 30, 2021 and 2020, respectively, and total operating revenues amounted to NT\$16,319,417 thousand and NT\$12,590,958 thousand, constituting 20.72% and 17.81% of consolidated total operating revenues for the three months then ended, respectively, and total operating revenues amounted to NT\$31,794,537 thousand and NT\$24,537,427 thousand, constituting 21.02% and 19.42% of consolidated total operating revenues for the six months then ended, respectively.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the six months ended June 30, 2021 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$27.86 to US\$1.00 at June 30, 2021. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

July 29, 2021

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 review 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 review report of independent accountants 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 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(THE BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020 ARE UNAUDITED)

Assets	Notes	US Dollars		New Taiwan Dollars	
		June 30, 2021	June 30, 2021	December 31, 2020	June 30, 2020
Current assets					
Cash and cash equivalents	6(1)	\$ 2,063,285	\$ 57,483,109	\$ 58,711,985	\$ 49,289,984
Financial assets at fair value through profit or loss - current	6(2)	37,405	1,042,097	1,061,343	1,015,400
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	-	111,475
Contract assets - current	6(20)	105,258	2,932,483	2,170,634	1,399,771
Notes receivable, net	6(5)	124,355	3,464,533	3,733,595	2,969,244
Accounts receivable, net	6(5)	2,153,174	59,987,429	59,177,433	54,049,793
Accounts receivable - related parties	7	1,056	29,415	42,284	31,700
Other receivables		61,732	1,719,891	1,803,299	1,531,246
Other receivables - related parties	7	9,700	270,242	199	116
Current income tax assets		15,926	443,700	364,666	357,018
Inventories	6(7)	2,015,455	56,150,566	44,889,429	43,909,300
Prepayments		96,660	2,692,937	2,171,217	2,443,527
Non-current assets held for sale	6(8)	25,851	720,196	-	-
Other current assets	8	18,621	518,812	760,771	1,016,858
Total current assets		<u>6,728,478</u>	<u>187,455,410</u>	<u>174,886,855</u>	<u>158,125,432</u>
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	111,623	3,109,829	2,942,196	2,048,271
Financial assets at fair value through other comprehensive income - non-current	6(3)	64,364	1,793,192	1,927,683	1,464,309
Contract assets - non-current	6(20)	14,135	393,792	526,766	251,744
Investments accounted for under the equity method	6(8)	2,340	65,206	785,002	832,608
Property, plant and equipment	6(9) and 8	2,621,149	73,025,221	68,441,975	65,427,828
Right-of-use assets	6(10)	105,503	2,939,311	3,020,746	3,061,471
Investment property, net		505	14,070	14,070	14,070
Intangible assets	6(11)	2,643,268	73,641,438	75,459,630	80,365,000
Deferred income tax assets		224,862	6,264,649	6,471,705	6,564,510
Other non-current assets	6(5)(12) and 8	79,578	2,217,016	1,939,587	2,091,564
Total non-current assets		<u>5,867,327</u>	<u>163,463,724</u>	<u>161,529,360</u>	<u>162,121,375</u>
Total assets		<u>\$ 12,595,805</u>	<u>\$ 350,919,134</u>	<u>\$ 336,416,215</u>	<u>\$ 320,246,807</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(THE BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020 ARE UNAUDITED)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		June 30, 2021	June 30, 2021	December 31, 2020	June 30, 2020
Current liabilities					
Short-term borrowings	6(13)	\$ 56,097	\$ 1,562,853	\$ 2,001,532	\$ 3,986,871
Financial liabilities at fair value through profit or loss - current	6(2)	4,766	132,770	60,060	16,431
Contract liabilities - current	6(20)	204,654	5,701,674	5,012,589	3,289,913
Notes payable		103	2,860	2,770	12,602
Accounts payable		1,882,911	52,457,907	46,687,510	44,878,563
Accounts payable - related parties	7	484	13,471	29,641	8,038
Other payables	6(14)	1,678,331	46,758,294	32,884,221	41,000,559
Current income tax liabilities		102,898	2,866,736	3,085,472	2,569,870
Other current liabilities	6(15)	157,744	4,394,786	4,259,706	4,233,316
Total current liabilities		4,087,988	113,891,351	94,023,501	99,996,163
Non-current liabilities					
Long-term borrowings	6(15)	1,322,813	36,853,575	39,313,990	31,321,204
Deferred income tax liabilities		581,918	16,212,223	15,450,119	14,549,979
Lease liabilities - non-current		48,898	1,362,311	1,411,312	1,399,424
Other non-current liabilities		264,438	7,367,247	7,627,652	7,160,945
Total non-current liabilities		2,218,067	61,795,356	63,803,073	54,431,552
Total liabilities		6,306,055	175,686,707	157,826,574	154,427,715
Equity					
Share capital					
Common stock	6(17)	932,356	25,975,433	25,975,433	25,975,433
Capital surplus					
Capital surplus	6(18)	1,762,244	49,096,130	49,202,505	49,432,580
Retained earnings					
Legal reserve	6(19)	1,065,964	29,697,752	27,342,534	27,342,534
Special reserve		450,223	12,543,208	7,622,034	7,622,034
Unappropriated retained earnings		1,470,608	40,971,132	48,300,040	32,921,747
Other equity interest					
Other equity interest		(514,210)	(14,325,868)	(12,543,208)	(10,245,766)
Equity attributable to owners of the parent		5,167,185	143,957,787	145,899,338	133,048,562
Non-controlling interest	4(3)	1,122,565	31,274,640	32,690,303	32,770,530
Total equity		6,289,750	175,232,427	178,589,641	165,819,092
Significant contingent liabilities and unrecorded contract commitments	9				
Total liabilities and equity		\$ 12,595,805	\$ 350,919,134	\$ 336,416,215	\$ 320,246,807

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	US Dollars	New Taiwan Dollars			
		Six months ended June 30, 2021	Three months ended June 30,		Six months ended June 30,	
			2021	2020	2021	2020
Operating revenue	6(20) and 7	\$ 5,429,116	\$ 78,769,884	\$ 70,694,451	\$ 151,255,167	\$ 126,372,792
Operating costs	6(7)(25)(26) and 7	(3,803,592)	(55,090,019)	(47,460,143)	(105,968,081)	(88,394,757)
Gross profit		<u>1,625,524</u>	<u>23,679,865</u>	<u>23,234,308</u>	<u>45,287,086</u>	<u>37,978,035</u>
Operating expenses	6(25)(26)					
Selling expenses		(346,502)	(4,945,198)	(4,568,602)	(9,653,538)	(8,986,770)
General and administrative expenses		(217,617)	(3,072,047)	(2,913,104)	(6,062,815)	(5,656,565)
Research and development expenses		(482,276)	(6,970,466)	(6,486,658)	(13,436,216)	(12,013,516)
Expected credit impairment gain (loss)	12(2)	<u>5,281</u>	<u>88,281</u>	(<u>540</u>)	<u>147,142</u>	(<u>76,290</u>)
Total operating expenses		(<u>1,041,114</u>)	(<u>14,899,430</u>)	(<u>13,968,904</u>)	(<u>29,005,427</u>)	(<u>26,733,141</u>)
Operating profit		<u>584,410</u>	<u>8,780,435</u>	<u>9,265,404</u>	<u>16,281,659</u>	<u>11,244,894</u>
Non-operating income and expenses						
Interest income	6(21)	8,325	114,538	145,452	231,943	308,497
Other income	6(22)	53,853	776,635	792,029	1,500,355	1,811,878
Other gains and losses	6(23)	36,830	466,580	116,661	1,026,078	(70,365)
Finance costs	6(24)	(5,121)	(73,477)	(98,001)	(142,683)	(210,826)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	6(8)	(<u>77</u>)	<u>16,261</u>	(<u>27,325</u>)	(<u>2,133</u>)	(<u>53,342</u>)
Total non-operating income and expenses		<u>93,810</u>	<u>1,300,537</u>	<u>928,816</u>	<u>2,613,560</u>	<u>1,785,842</u>
Profit before income tax		<u>678,220</u>	<u>10,080,972</u>	<u>10,194,220</u>	<u>18,895,219</u>	<u>13,030,736</u>
Income tax expense	6(27)	(<u>135,981</u>)	(<u>2,017,495</u>)	(<u>2,072,959</u>)	(<u>3,788,447</u>)	(<u>2,681,406</u>)
Profit for the period		<u>\$ 542,239</u>	<u>\$ 8,063,477</u>	<u>\$ 8,121,261</u>	<u>\$ 15,106,772</u>	<u>\$ 10,349,330</u>

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	US Dollars	New Taiwan Dollars			
		Six months ended June 30, 2021	Three months ended June 30,		Six months ended June 30,	
			2021	2020	2021	2020
Other comprehensive income (loss)						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
Gain on remeasurements of defined benefit plans		\$ 2,300	17,567	\$ 6,526	\$ 64,089	\$ 20,370
Unrealised (loss) gain on valuation of equity investment at fair value through other comprehensive income	6(3)	(4,686)	(163,932)	260,359	(130,567)	(202,159)
Other comprehensive (loss) income that will not be reclassified to profit or loss		(2,386)	(146,365)	266,885	(66,478)	(181,789)
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
Financial statements translation differences of foreign operations		(92,406)	(4,214,539)	(2,001,806)	(2,574,438)	(5,474,608)
(Loss) gain on hedging instrument		(28)	(745)	12,279	(782)	(22,074)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		5	187	25	144	(178)
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(27)	3,546	196,945	204,474	98,796	327,885
Other comprehensive loss that will be reclassified to profit or loss		(88,883)	(4,018,152)	(1,785,028)	(2,476,280)	(5,168,975)
Other comprehensive loss for the period		<u>(\$ 91,269)</u>	<u>(\$ 4,164,517)</u>	<u>(\$ 1,518,143)</u>	<u>(\$ 2,542,758)</u>	<u>(\$ 5,350,764)</u>
Total comprehensive income for the period		<u>\$ 450,970</u>	<u>\$ 3,898,960</u>	<u>\$ 6,603,118</u>	<u>\$ 12,564,014</u>	<u>\$ 4,998,566</u>
Profit attributable to:						
Owners of the parent		\$ 508,610	\$ 7,589,583	\$ 7,597,454	\$ 14,169,883	\$ 9,664,753
Non-controlling interest		\$ 33,629	\$ 473,894	\$ 523,807	\$ 936,889	\$ 684,577
Comprehensive income (loss) attributable to:						
Owners of the parent		\$ 446,924	\$ 4,390,832	\$ 6,320,332	\$ 12,451,312	\$ 5,550,153
Non-controlling interest		\$ 4,046	(\$ 491,872)	\$ 282,786	\$ 112,702	(\$ 551,587)
Basic earnings per share (in dollars)	6(28)					
Basic earnings per share		\$ 0.20	\$ 2.92	\$ 2.92	\$ 5.46	\$ 3.72
Diluted earnings per share (in dollars)	6(28)					
Diluted earnings per share		\$ 0.20	\$ 2.92	\$ 2.92	\$ 5.44	\$ 3.71

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

Items	Notes	Equity attributable to owners of the parent										Total	Non-controlling interest	Total equity	
		Retained Earnings					Other Equity Interest								
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments						
2020 New Taiwan Dollars															
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	\$ 34,197,565	\$ 174,354,442			
Profit for the period		-	-	-	-	9,664,753	-	-	-	9,664,753	684,577	10,349,330			
Other comprehensive income (loss) for the period		-	-	-	-	17,390	(3,909,964)	(202,159)	(19,867)	(4,114,600)	(1,236,164)	(5,350,764)			
Total comprehensive income (loss) for the period		-	-	-	-	9,682,143	(3,909,964)	(202,159)	(19,867)	5,550,153	(551,587)	4,998,566			
Distribution of 2019 earnings	6(19)														
Legal reserve appropriated		-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-			
Special reserve appropriated		-	-	-	61,002	(61,002)	-	-	-	-	-	-			
Cash dividends of ordinary share		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)			
Changes in ownership interests in subsidiaries		-	329,249	-	-	-	-	-	-	329,249	-	329,249			
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(875,448)	(875,448)			
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(1,508,258)	-	1,508,258	-	-	-	-			
Balance at June 30, 2020		\$ 25,975,433	\$ 49,432,580	\$ 27,342,534	\$ 7,622,034	\$ 32,921,747	(\$ 9,244,956)	(\$ 1,128,199)	\$ 127,389	\$ 133,048,562	\$ 32,770,530	\$ 165,819,092			
2021 New Taiwan Dollars															
Balance at January 1, 2021		25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 353,844)	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641			
Profit for the period		-	-	-	-	14,169,883	-	-	-	14,169,883	936,889	15,106,772			
Other comprehensive income (loss) for the period		-	-	-	-	64,089	(1,651,389)	(130,567)	(704)	(1,718,571)	(824,187)	(2,542,758)			
Total comprehensive income (loss) for the period		-	-	-	-	14,233,972	(1,651,389)	(130,567)	(704)	12,451,312	112,702	12,564,014			
Distribution of 2020 earnings	6(19)														
Legal reserve appropriated		-	-	2,355,218	-	(2,355,218)	-	-	-	-	-	-			
Special reserve appropriated		-	-	-	4,921,174	(4,921,174)	-	-	-	-	-	-			
Cash dividends of ordinary share		-	-	-	-	(14,286,488)	-	-	-	(14,286,488)	-	(14,286,488)			
Changes in ownership interests in subsidiaries		-	(109,051)	-	-	-	-	-	-	(109,051)	-	(109,051)			
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	2,676	-	-	-	-	-	-	2,676	(63,859)	(61,183)			
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,464,506)	(1,464,506)			
Balance at June 30, 2021		\$ 25,975,433	\$ 49,096,130	\$ 29,697,752	\$ 12,543,208	\$ 40,971,132	(\$ 13,971,369)	(\$ 484,411)	\$ 129,912	\$ 143,957,787	\$ 31,274,640	\$ 175,232,427			

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

Items	Notes	Equity attributable to owners of the parent									Total	Non-controlling interest	Total equity
		Retained Earnings					Other Equity Interest						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments				
<u>2021 US Dollars</u>													
Balance at January 1, 2021		\$ 932,356	\$ 1,766,063	\$ 981,426	\$ 273,583	\$ 1,733,670	(\$ 442,210)	(\$ 12,701)	\$ 4,688	\$ 5,236,875	\$ 1,173,378	\$ 6,410,253	
Profit for the period		-	-	-	-	508,610	-	-	-	508,610	33,629	542,239	
Other comprehensive income (loss) for the period		-	-	-	-	2,301	(59,275)	(4,687)	(25)	(61,686)	(29,583)	(91,269)	
Total comprehensive income (loss) for the period		-	-	-	-	510,911	(59,275)	(4,687)	(25)	446,924	4,046	450,970	
Distribution of 2020 earnings	6(19)												
Legal reserve appropriated		-	-	84,538	-	(84,538)	-	-	-	-	-	-	
Special reserve appropriated		-	-	-	176,640	(176,640)	-	-	-	-	-	-	
Cash dividends of ordinary share		-	-	-	-	(512,795)	-	-	-	(512,795)	-	(512,795)	
Changes in ownership interests in subsidiaries		-	(3,914)	-	-	-	-	-	-	(3,914)	-	(3,914)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	95	-	-	-	-	-	-	95	(2,292)	(2,197)	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(52,567)	(52,567)	
Balance at June 30, 2021		\$ 932,356	\$ 1,762,244	\$ 1,065,964	\$ 450,223	\$ 1,470,608	(\$ 501,485)	(\$ 17,388)	\$ 4,663	\$ 5,167,185	\$ 1,122,565	\$ 6,289,750	

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	Notes	US Dollars	New Taiwan Dollars	
		Six months ended June 30, 2021	Six months ended June 30, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated profit before tax for the period		\$ 678,220	\$ 18,895,219	\$ 13,030,736
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10) (25)	234,810	6,541,803	5,855,357
Amortization	6(11)(25)	65,828	1,833,978	1,942,458
Expected credit impairment (gain) loss	12(2)	(5,281)	(147,142)	76,290
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(7,343)	(204,573)	40,796
Interest expense	6(24)	5,121	142,683	210,826
Interest income	6(21)	(8,325)	(231,943)	(308,497)
Dividend income	6(22)	(4,069)	(113,365)	(32,884)
Share-based payments	6(29)	-	-	9,949
Share of loss of associates accounted for under the equity method	6(8)	77	2,133	53,342
Loss on disposal of property, plant and equipment	6(23)	439	12,236	32,342
(Gain) loss on disposal of investments	6(23)	(3,234)	(90,109)	77,445
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		8,680	241,816	112,123
Contract assets	(	22,573)	(628,875)	(259,688)
Notes receivable		9,658	269,062	847,384
Accounts receivable	(	23,036)	(641,793)	(937,808)
Accounts receivable - related parties		462	12,869	231,944
Other receivables		3,072	85,614	(80,857)
Other receivables - related parties		7	199	416
Inventories	(	408,154)	(11,371,166)	(4,413,041)
Prepayments	(	19,158)	(533,734)	(42,793)
Other current assets		747	20,800	65,375
Other non-current assets		699	19,464	(41,922)
Net changes in liabilities relating to operating activities				
Contract liabilities		24,734	689,085	(62,295)
Notes payable		13	374	(9,067)
Accounts payable		208,466	5,807,868	(4,904,086)
Accounts payable - related parties	(	598)	(16,667)	(24,159)
Other payables	(	15,361)	(427,923)	(931,358)
Other current liabilities		6,096	169,825	(25,190)
Other non-current liabilities	(	11,647)	(324,494)	(641,871)
Cash inflow generated from operations		718,350	20,013,244	19,679,439
Interest received		8,401	234,021	340,337
Dividends received		3,915	109,081	30,280
Interest paid	(	5,082)	(141,577)	(204,077)
Income taxes paid	(	110,140)	(3,068,498)	(1,415,864)
Net cash flows from operating activities		<u>615,444</u>	<u>17,146,271</u>	<u>18,430,115</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	Notes	US Dollars		New Taiwan Dollars	
		Six months ended		Six months ended June 30,	
		June 30, 2021	2021	2020	
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets mandatorily measured at fair value through profit or loss		(\$ 7,076)	(\$ 197,148)	\$ -	
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	335,743	
Proceeds from capital withdrawal from financial asset at fair value through profit or loss		1,135	31,626	12	
Proceeds from disposal of investments accounted for under the equity method		-	-	7,240	
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(30)	(324)	(9,015)	(220,624)	
Proceeds from disposal of subsidiaries (net of cash disposed)	6(31)	(51)	(1,434)	-	
Increase in prepayment of long-term investment		(1,003)	(27,953)	-	
Acquisition of property, plant and equipment	6(9)	(424,135)	(11,816,394)	(8,774,047)	
Proceeds from disposal of property, plant and equipment		7,355	204,921	52,143	
Acquisition of intangible assets	6(11)	(22,173)	(617,732)	(278,088)	
Decrease (increase) in other financial assets		8,436	235,027	(615,336)	
(Increase) decrease in other non-current assets		(11,272)	(314,033)	152,437	
Net cash flows used in investing activities		(449,108)	(12,512,135)	(9,340,520)	
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Decrease in short-term borrowings	6(32)	(15,746)	(438,679)	(3,589,061)	
Proceeds from long-term debt	6(32)	628,091	17,498,608	4,802,270	
Repayment of long-term debt	6(32)	(716,476)	(19,961,005)	(1,237,728)	
Lease principal repayment		(8,575)	(238,902)	(266,583)	
Cash dividends paid to minority share interests		(48,961)	(1,364,066)	(767,376)	
Acquisition of ownership interests in subsidiaries		(2,196)	(61,183)	-	
Net cash flows from financing activities		(163,863)	(4,565,227)	(1,058,478)	
Effects due to changes in exchange rate		(46,582)	(1,297,785)	(2,701,134)	
(Decrease) increase in cash and cash equivalents		(44,109)	(1,228,876)	5,329,983	
Cash and cash equivalents at beginning of period		2,107,394	58,711,985	43,960,001	
Cash and cash equivalents at end of period		\$ 2,063,285	\$ 57,483,109	\$ 49,289,984	

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

Delta Electronics, Inc. (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the Group) are global leaders in power and thermal management solutions and are primarily engaged in the research and development, design, manufacturing and sale of electronic control systems, DC brushless fans, thermal system, and miniaturization key component, industrial automation products, digital display products, communication products, consumer electronics products, energy-saving lighting application, renewable energy applications, EV charging, energy technology services and consulting services of building management and control solutions, etc. The Group’s mission statement, to provide innovative, clean and energy-efficient solutions for a better tomorrow, focuses on addressing key environmental issues such as global climate change. With the concern for the environment, the Group continues to develop innovative energy-efficient products and solutions. In recent years, the Group has transformed from a product provider towards a solution provider and the Group’s business is segregated into power electronics business, automation business, and infrastructure business.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors on July 29, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendments to IFRS 16, ‘Covid-19-related Rent concessions beyond	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, “Interim financial reporting” as endorsed by the FSC.

B. These consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2020.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of

the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
1	Delta Electronics, Inc.	Delta International Holding Limited B.V. (DIH)	Equity investments	100	100	100	Note 31
2	"	Delta Networks Holding Limited (DNH)	"	100	100	100	
3	"	Delta Electronics (Netherlands) B.V. (DEN)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	100	
4	Delta Electronics, Inc. and DIH	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	-	100	100	Note 2 Note 3
5	Delta Electronics, Inc.	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100	100	100	
6	"	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100	100	100	Note 1 Note 2
7	"	Delta Electronics Capital Company (DECC)	Equity investments	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
8	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100	100	100	
9	"	Allied Material Technology Corp. (AMT)	Lease services, etc.	99.97	99.97	99.97	
10	Delta Electronics, Inc. and DEN	Delta America Ltd. (DAL)	Equity investments	100	100	100	
11	DEN	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100	100	100	
12	DIH	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100	100	100	
13	"	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	100	Note 1 Note 2
14	DEN	Drake Investment (HK) Limited (Drake-HK)	Equity investments	100	100	100	
15	DGSG, Drake-HK and Boom	Delta Greentech (China) Co., Ltd. (DGC)	Sales of uninterruptible power systems and others	95.91	95.91	95.91	
16	DIH	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	-	100	100	Note 2 Note 4
17	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	100	
18	DIH	Delta Electronics Europe Ltd. (DEU)	Repair centre and providing support services	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
19	DEN	Boom Treasure Limited (Boom)	Equity investments	100	100	100	
20	DIH	Apex Investment (HK) Limited (Apex-HK)	"	-	100	100	Note 4
21	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	100	100	100	Note 32
22	"	Jade Investment (HK) Limited (Jade-HK)	"	-	100	100	Note 5
23	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	100	Note 28
24	"	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	-	100	100	Note 28
25	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	100	
26	"	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	100	Note 6
27	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	-	100	100	Note 6
28	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	-	100	100	Note 6

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
29	DHK	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	100	100	100	
30	"	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	100	100	100	
31	"	Cyntec Electronics (Wuhu) Co., Ltd. (CEWH)	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique	100	100	-	Note 1 Note 26
32	DHK and DIH	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management system of industrial automation product and telecommunications equipment	100	100	100	Note 1 Note 2
33	DHK	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	100	100	100	Note 1 Note 2
34	"	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	100	100	100	Note 1 Note 2
35	DEJ	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
36	DEJ	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products, electronic components, industrial automation products and their materials	100	100	100	Note 1 Note 2
37	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	100	100	100	
38	DPEC and DGC	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	100	100	100	Note 1 Note 2
39	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	100	
40	DNI Cayman	Delta Networks (HK) Limited (DNHK)	//	100	100	100	
41	DNHK	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	100	100	100	
42	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	100	
43	Fairview	Grandview Holding Ltd. (Grandview)	//	100	100	100	
44	Grandview	Cyntec Holding (HK) Limited. (CHK)	//	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
45	Grandview	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	100	
46	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	100	100	100	
47	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	100	Note 1 Note 2
48	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	100	
49	"	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	100	
50	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	100	Note 1 Note 2
51	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	100	Note 1 Note 2
52	"	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2
53	Delta Energy Systems (Singapore) PTE. LTD. / ELTEK AS	Delta Electronics (Australia) Pty Ltd	"	100	100	100	Note 2 Note 7
54	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	95	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
55	ELTEK AS	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2
56	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	51	Note 1 Note 2
57	Delta Electronics (Poland) Sp. z o. o. / ELTEK AS	Eltek Polska Sp. z o. o. (Eltek Polska)	"	100	100	51.04	Note 2 Note 8 Note 9
58	ELTEK AS	ELTEK POWER FRANCE SAS	"	100	100	100	Note 1 Note 2
59	"	ELTEK LIMITED	Equity investments and trading	100	100	100	Note 1 Note 2
60	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	100	Note 1 Note 2
61	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	100	Note 1 Note 2
62	"	ELTEK WEST AFRICA LIMITED	"	100	100	100	Note 1 Note 2
63	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	100	Note 1 Note 2
64	"	Delta Electronics (Sweden) AB	"	100	100	100	Note 1 Note 2 Note 10
65	"	Eltek Power (UK) Ltd.	"	100	100	100	Note 1 Note 2
66	Delta Solutions (Finland) Oy / ELTEK AS	Eltek Power Oy	"	-	100	100	Note 2 Note 11
67	ELTEK AS	OOO Eltek	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
68	ELTEK AS	ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	Sales of power supplies and others	-	-	100	Note 2 Note 12
69	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	100	Note 1 Note 2
70	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	100	Note 1 Note 2
71	"	ELTEK POWER CO., LTD.	"	100	100	100	Note 1 Note 2 Note 13
72	"	ELTEK POWER (CAMBODIA) LTD.	"	100	100	100	Note 1 Note 2
73	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	100	Note 1 Note 2 Note 14
74	ELTEK LIMITED	ELTEK CVI LIMITED	Equity investments	-	-	100	Note 2 Note 15
75	DHK	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sales of intelligent power equipment for supporting renewable energy	100	100	100	Note 1 Note 2
76	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
77	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	100	Note 1 Note 2
78	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industria e Comercio S.A.	Manufacturing and sales of power supplies	100	100	100	Note 1 Note 2
79	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	100	Note 1 Note 2
80	"	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	100	Note 1 Note 2
81	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenenergy Services, S.A. de C.V.	"	100	100	100	Note 1 Note 2
82	"	Eltekenenergy International de México, S. de R.L. de C.V.	"	100	100	100	Note 1 Note 2
83	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	100	
84	"	Delta Solar Solutions LLC	Equity investments	100	100	100	Note 1 Note 2
85	Delta Electronics (Americas) Ltd.	2009 PPA LLC	Sales of power supplies	-	-	100	Note 2 Note 16
86	Delta Solar Solutions LLC	DSS-CI LLC	Rental of solar power systems	-	100	100	Note 2 Note 29
87	"	DSS-USF LLC	"	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
88	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	100	100	56.4	Note 1 Note 2 Note 17
89	DET-SH	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	100	100	100	Note 1 Note 2
90	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	100	Note 1 Note 2
91	Loy Tec	LOYTEC Americas, Inc.	"	-	-	100	Note 2 Note 15
92	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	100	Note 1 Note 2
93	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	100	Note 1 Note 2
94	Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP. (UNICOM)	Design and sales of computers, peripherals and information system (software and hardware)	-	-	100	Note 2 Note 18
95	UNICOM	Unicom (Nanjing) System Eng. Corp	"	-	-	100	Note 2 Note 19

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
96	DIH/Delta Greentech (Netherlands) B.V. and DIH	Delta Electronics (Switzerland) AG (DECH)	Equity investments, research, development and sales of electronic products	100	100	100	Note 20
97	DEN/DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	100	Note 1 Note 2 Note 21
98	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	100	Note 1 Note 2
99	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	100	
100	"	Delta Electronics (Italy) S.r.l.	"	100	100	100	
101	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	100	
102	"	Delta Solutions (Finland) Oy	"	100	100	100	
103	"	Delta Electronics Solutions (Spain) SL	"	100	100	100	
104	ELTEK POWER FRANCE SAS / DECH	Delta Electronics (France) SA	"	-	100	100	Note 4 Note 22
105	Delta Electronics (Sweden) AB/DECH	Delta Energy Systems (Sweden) AB	"	-	100	100	Note 23
106	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	53.57	52.65	49.87	Note 24

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
107	Vivotek and Realwin	Vatic Inc.	Designing and sales of multimedia integrated circuits	-	54.41	54.41	Note 27
108	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	100	
109	"	Realwin Investment Inc. (Realwin)	Investment in the network communications industry	100	100	100	
110	"	Vivotek Netherlands B.V.	Sales service	100	100	100	
111	"	Vivotek (Japan) Inc.	"	100	100	100	
112	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	100	
113	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	100	
114	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	100	
115	Realwin	Aetek Inc.	"	56.21	56.21	56.21	
116	"	Vivotek Middle East FZCO	"	89.99	89.99	89.99	Note 33
117	"	Lidlight Inc.	Sales of lighting equipment	51	51	51	
118	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
119	Delta Electronics, Inc., DEIL-SG and DIH	Delta Electronics (Thailand) Public Company Limited (DET)	Manufacturing and exporting power supplies, other electronic parts and components	63.78	63.78	63.78	
120	DET	DET International Holding Limited	Equity investments	100	100	100	
121	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	100	
122	"	Delta Green Industrial (Thailand) Co., Ltd.	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	100	100	100	
123	"	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	100	-	Note 26
124	DET and Delta Energy Systems (Singapore) PTE. LTD.	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Manufacturing and sales of electronic products	100	-	-	Note 25
125	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	100	
126	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	100	
127	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
128	DET International Holding Limited and Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Slovakia) s.r.o.	Manufacturing and sales of power supplies, power system and OEM power system	100	100	100	
129	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	100	
130	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	100	
131	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Holdings) Australia Pty Ltd	Marketing and sales of renewable energy products	100	100	100	Note 30
132	"	Delta Electronics India Pvt. Ltd.	Manufacturing and marketing of non-telecom power system and uninterruptible power supply, and sales of uninterruptible power supply	100	100	100	
133	"	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	100	
134	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	100	
135	"	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	51	51	51	Note 34
136	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
137	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	Equity investments	100	100	100	
138	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	100	
139	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	100	
140	"	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	100	
141	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	100	Note 1 Note 2
142	Amerlux	Amerlux Lighting Asia, LLC	Equity investments	100	100	100	Note 1 Note 2
143	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	"	100	100	100	Note 1 Note 2
144	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	100	Note 1 Note 2
145	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	100	100	Note 1 Note 2
146	DPI	Digital Projection Holdings Ltd.	"	100	100	100	Note 1 Note 2
147	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2021	December 31, 2020	June 30, 2020	
148	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	100	100	Note 1 Note 2
149	DEN	Trihedral Engineering Limited (Trihedral)	Software and associated engineering services	100	100	-	Note 1 Note 26
150	Trihedral	Trihedral Inc.	"	100	100	-	Note 1 Note 26
151	Trihedral Inc.	Trihedral UK Limited	"	100	100	-	Note 1 Note 26

Note 1: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2021 were not reviewed by independent auditors.

Note 2: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2020 were not reviewed by independent auditors.

Note 3: In 2020, PHK returned capital amounting to USD 5,250,000 and USD 8,000,000 to Delta Electronics, Inc. and DIH, respectively, due to the liquidation of the subsidiary, which was completed in March 2021.

Note 4: This company had been liquidated in April 2021.

Note 5: This company had been liquidated in March 2021.

Note 6: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. After the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.

Note 7: In October 2020, ELTEK AS sold ELTEK AUSTRALIA PTY LIMITED to Delta Energy Systems (Singapore) Pte. Ltd. and was renamed as Delta Electronics (Australia) Pty Ltd. in April 2021.

Note 8: In July 2020, ELTEK AS acquired 48.96% equity interest in Eltek Polska, and the total shareholding ratio is 100%.

Note 9: In December 2020, ELTEK AS sold Eltek Polska Sp.z o.o. (Eltek Polska) to Delta Electronics (Poland) Sp.z o.o.

Note 10: Formerly named Eltek Power Sweden AB and was renamed as Delta Electronics (Sweden) AB in November 2020.

Note 11: In October 2020, ELTEK AS sold Eltek Power Oy to Delta Solutions (Finland) Oy, and

Eltek Power Oy merged into Delta Solutions (Finland) Oy in February 2021. After the merger, Delta Solutions (Finland) Oy was the surviving company while Eltek Power Oy was the dissolved company.

Note 12: This company had been liquidated in December 2020.

Note 13: 55% of shares are held through others due to local regulations.

Note 14: 71% of shares are held through others due to local regulations.

Note 15: This company had been liquidated in September 2020.

Note 16: This company had been liquidated in November 2020.

Note 17: In July 2020, Cyntec acquired 43.6% equity interest in Power Forest, and the total shareholding ratio is 100%.

Note 18: Merged with the Company in December 2020.

Note 19: This company had been liquidated in October 2020.

Note 20: In October 2020, DIH acquired 49% equity interest in DECH from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.

Note 21: In October 2020, DEN acquired 49% equity interest in Delta Greentech Electronics Industry LLC from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.

Note 22: In November 2020, DECH sold Delta Electronics (France) SA to ELTEK POWER FRANCE SAS. Subsequently, Delta Electronics (France) SA merged with ELTEK POWER FRANCE SAS on April 1, 2021. After the merger, ELTEK POWER FRANCE SAS was the surviving company.

Note 23: In October 2020, DECH sold Delta Energy Systems (Sweden) AB to Eltek Power Sweden AB (renamed in November 2020, please refer to Note 10 for details.). Subsequently, Delta Energy Systems (Sweden) AB merged with Delta Electronics (Sweden) AB in January 2021, with Delta Electronics (Sweden) AB as the surviving company and Delta Energy Systems (Sweden) AB as the dissolved company.

Note 24: Because most of the shares were held by the Company, and other shareholdings are disaggregated on June 30, 2020, it was included in the consolidated financial statements.

Note 25: The company was established during 2021.

Note 26: The company was established or acquired through merger during 2020.

Note 27: The Cayman company, Kneron Holding Corporation (“Kneron”), plans to acquire all of the issued shares of Vatics Inc. in cash from Vatics Inc.’s original shareholders and the shareholders have approved the share conversion at their meeting on March 25, 2021. The share conversion was approved by the Competent Authority and the effective date was set on June 30, 2021. After the share conversion, Vatics became a wholly-owned

subsidiary of Kneron, and the Group lost control over the subsidiary (please refer to Notes 6, (23) and (31)).

Note 28: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

Note 29: This company had been liquidated in June 2021.

Note 30: Formerly named Delta Electronics (Australia) Pty. Ltd. and was renamed as Delta Electronics (Holdings) Australia Pty Ltd in April 2021.

Note 31: Formerly named Delta International Holding Limited and was renamed as Delta International Holding Limited B.V. in June 2021.

Note 32: In December 2019, the company implemented liquidation and dissolution, but has not yet been completed as at June 30, 2021.

Note 33: In 2020, the company implemented liquidation and dissolution, but has not yet been completed as at June 30, 2021.

Note 34: In May 2021, the company implemented liquidation and dissolution, but has not yet been completed as at June 30, 2021.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As at June 30, 2021, December 31, 2020 and June 30, 2020, the non-controlling interest amounted to \$31,274,640, \$32,690,303 and \$32,770,530, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		June 30, 2021		December 31, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,503,813	46.43%	\$ 3,618,610	47.35%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	27,481,933	36.22%	28,697,265	36.22%

Name of subsidiary	Principal place of business	Non-controlling interest	
		June 30, 2020	
		Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,836,355	50.31%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	28,945,081	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 40,082,179	\$ 39,887,645	\$ 33,496,201
Non-current assets	58,279,015	58,101,498	61,809,079
Current liabilities	(19,564,003)	(16,133,275)	(13,208,589)
Non-current liabilities	(2,644,270)	(2,293,690)	(2,182,055)
Total net assets	\$ 76,152,921	\$ 79,562,178	\$ 79,914,636

	Vivotek		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 3,719,908	\$ 3,377,240	\$ 3,158,872
Non-current assets	6,071,957	6,112,662	6,286,511
Current liabilities	(1,880,219)	(1,474,665)	(1,411,850)
Non-current liabilities	(365,204)	(372,977)	(380,721)
Total net assets	\$ 7,546,442	\$ 7,642,260	\$ 7,652,812

Statement of comprehensive income

	DET	
	Three months ended June 30,	
	2021	2020
Revenue	\$ 18,354,961	\$ 13,491,954
Profit before income tax	1,149,740	1,487,209
Income tax (expense) benefit	(38,632)	39,120
Profit for the period from continuing operations	1,111,108	1,526,329
Other comprehensive income (loss), net of tax	339,745	(677,787)
Total comprehensive income for the period	\$ 1,450,853	\$ 848,542
Comprehensive income attributable to non-controlling interest	\$ 525,501	\$ 305,596
Dividends paid to non-controlling interest	\$ 1,364,066	\$ 767,376

	DET	
	Six months ended June 30,	
	2021	2020
Revenue	\$ 35,928,020	\$ 25,677,570
Profit before income tax	2,468,014	1,876,525
Income tax (expense) benefit	(94,059)	77,160
Profit for the period from continuing operations	2,373,955	1,953,685
Other comprehensive income (loss), net of tax	746,028	(51,778)
Total comprehensive income for the period	<u>\$ 3,119,983</u>	<u>\$ 1,901,907</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 1,130,341</u>	<u>\$ 684,835</u>
Dividends paid to non-controlling interest	<u>\$ 1,364,066</u>	<u>\$ 767,376</u>

	Vivotek	
	Three months ended June 30,	
	2021	2020
Revenue	\$ 1,525,000	\$ 1,402,143
Profit before income tax	73,924	1,890
Income tax expense	(20,178)	(13,141)
Profit (loss) for the period from continuing operations	53,746	(11,251)
Other comprehensive loss, net of tax	(9,220)	(7,174)
Total comprehensive income (loss) for the period	<u>\$ 44,526</u>	<u>(\$ 18,425)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 26,990</u>	<u>(\$ 14,208)</u>
Dividends paid to non-controlling interest (unpaid)	<u>\$ 80,387</u>	<u>\$ -</u>

	Vivotek Inc.	
	Six months ended June 30,	
	2021	2020
Revenue	\$ 2,806,272	\$ 2,981,383
Profit before income tax	94,266	59,105
Income tax expense	(38,552)	(38,834)
Profit for the period from continuing operations	55,714	20,271
Other comprehensive loss, net of tax	(10,577)	(4,931)
Total comprehensive income for the period	<u>\$ 45,137</u>	<u>\$ 15,340</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 24,355</u>	<u>\$ 2,807</u>
Dividends paid to non-controlling interest (unpaid)	<u>\$ 80,387</u>	<u>\$ -</u>

Statements of cash flows

	DET	
	Six months ended June 30,	
	2021	2020
Net cash provided by operating activities	\$ 971,927	\$ 2,473,691
Net cash used in investing activities	(2,860,753)	(2,713,385)
Net cash used in financing activities	(3,437,677)	(2,163,452)
Effect of exchange rates on cash and cash equivalents	(220,613)	(677,063)
Decrease in cash and cash equivalents	(5,547,116)	(3,080,209)
Cash and cash equivalents, beginning of period	13,043,385	12,515,101
Cash and cash equivalents, end of period	<u>\$ 7,496,269</u>	<u>\$ 9,434,892</u>

	Vivotek	
	Six months ended June 30,	
	2021	2020
Net cash used in operating activities	(\$ 94,687)	(\$ 25,659)
Net cash used in investing activities	(233,979)	(3,063)
Net cash provided by (used in) financing activities	120,430	(37,011)
Effect of exchange rates on cash and cash equivalents	(9,359)	(4,399)
Decrease in cash and cash equivalents	(217,595)	(70,132)
Cash and cash equivalents, beginning of period	1,425,014	1,023,213
Cash and cash equivalents, end of period	<u>\$ 1,207,419</u>	<u>\$ 953,081</u>

(4) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(5) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pension

Defined benefit plan

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(6) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Cash on hand	\$ 6,439	\$ 5,437	\$ 8,174
Checking accounts and demand deposits	39,873,790	44,121,426	34,537,469
Time deposits	17,569,193	14,446,742	14,657,491
Cash equivalents	33,687	138,380	86,850
	<u>\$ 57,483,109</u>	<u>\$ 58,711,985</u>	<u>\$ 49,289,984</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets at fair value through profit or loss

<u>Asset Items</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 520,752	\$ 446,452	\$ 451,848
Derivatives	94,921	290,505	226,667
Hybrid instrument- Convertible bonds	17,880	47,827	67,595
	<u>633,553</u>	<u>784,784</u>	<u>746,110</u>
Valuation adjustment	408,544	276,559	269,290
	<u>\$ 1,042,097</u>	<u>\$ 1,061,343</u>	<u>\$ 1,015,400</u>

<u>Asset Items</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 199,543	\$ 368,048	\$ 332,294
Emerging stocks	324,000	289,600	81,000
Unlisted stocks	1,513,273	1,572,384	2,254,650
Convertible preferred stocks	197,148	-	-
Hybrid instrument- Convertible bonds	<u>900,000</u>	<u>974,983</u>	<u>74,983</u>
	3,133,964	3,205,015	2,742,927
Valuation adjustment	(24,135)	(262,819)	(694,656)
	<u>\$ 3,109,829</u>	<u>\$ 2,942,196</u>	<u>\$ 2,048,271</u>

Liability Items

Current items:

Financial liabilities held for trading

Derivatives	<u>\$ 132,770</u>	<u>\$ 60,060</u>	<u>\$ 16,431</u>
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- A. The Group has recognised financial assets and liabilities at fair value through profit or loss of \$126,608, \$730,492, \$204,573 and (\$40,796) for the three months and six months ended June 30, 2021 and 2020, respectively.
- B. Details of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

June 30, 2021

Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	9,400	2021.02.09~2021.11.05
- Sell BRL / Buy USD	BRL	12,873	2021.06.03~2021.08.09
- Sell EUR / Buy CAD	EUR	3,252	2021.01.19~2021.07.05
- Sell EUR / Buy NOK	EUR	19,700	2021.03.16~2021.12.17
- Sell EUR / Buy USD	EUR	39,500	2021.02.05~2021.10.05
- Sell GBP / Buy NOK	GBP	2,000	2021.05.05~2021.07.05
- Sell HKD / Buy USD	HKD	29,000	2021.02.25~2021.11.05
- Sell INR / Buy USD	INR	853,318	2021.05.17~2021.08.30
- Sell JPY / Buy USD	JPY	815,155	2021.02.26~2021.09.27
- Sell THB / Buy JPY	THB	28,617	2021.05.05~2021.07.27
- Sell TWD / Buy USD	TWD	3,280,101	2021.01.21~2021.12.24
- Sell USD / Buy CZK	USD	300	2021.06.17~2021.07.20
- Sell USD / Buy JPY	USD	8,100	2021.05.31~2021.08.25
- Sell USD / Buy RMB	USD	199,168	2021.03.25~2021.10.08
- Sell USD / Buy RUB	USD	1,000	2021.06.17~2021.08.09
- Sell USD / Buy SGD	USD	18,362	2021.02.05~2021.12.02
- Sell USD / Buy THB	USD	179,500	2021.03.23~2021.10.19
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	9,500	2021.04.26~2021.12.17
- Sell PLN / Buy NOK	PLN	14,600	2021.06.29~2021.12.30
- Sell SEK / Buy NOK	SEK	30,000	2021.06.29~2021.12.30

December 31, 2020

Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	7,250	2020.08.24~2021.05.04
- Sell BRL / Buy USD	BRL	18,121	2020.12.04~2021.02.04
- Sell EUR / Buy NOK	EUR	9,000	2020.10.28~2021.05.06
- Sell EUR / Buy USD	EUR	39,500	2020.07.15~2021.06.02
- Sell GBP / Buy NOK	GBP	1,500	2020.12.21~2021.02.04
- Sell INR / Buy USD	INR	442,905	2020.12.16~2021.01.28
- Sell JPY / Buy USD	JPY	1,783,610	2020.07.24~2021.05.19
- Sell THB / Buy JPY	THB	26,113	2020.11.17~2021.03.26
- Sell USD / Buy JPY	USD	3,700	2020.11.30~2021.02.25
- Sell USD / Buy NOK	USD	7,000	2020.12.03~2021.04.08
- Sell USD / Buy RMB	USD	309,009	2020.10.12~2021.04.09
- Sell USD / Buy SGD	USD	26,305	2020.07.03~2021.05.03
- Sell USD / Buy THB	USD	170,000	2020.09.22~2021.04.02
- Sell USD / Buy AUD	USD	706	2020.10.29~2021.03.03
- Sell USD / Buy CZK	USD	400	2020.12.21~2021.01.21
- Sell HKD / Buy USD	HKD	90,000	2020.11.02~2021.05.04
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	13,955	2020.09.03~2021.03.04
- Sell RUB / Buy USD	RUB	74,720	2020.12.04~2021.02.04
- Sell SEK / Buy NOK	SEK	30,000	2020.12.23~2021.06.30
- Sell USD / Buy NOK	USD	2,000	2020.12.07~2021.01.06

June 30, 2020			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	1,800	2020.02.14~2020.10.06
- Sell BRL / Buy USD	BRL	79,661	2020.04.30~2020.09.04
- Sell EUR / Buy NOK	EUR	3,000	2019.12.16~2020.10.06
- Sell EUR / Buy USD	EUR	41,900	2020.02.25~2020.12.02
- Sell HKD / Buy USD	HKD	100,000	2020.02.27~2020.08.03
- Sell INR / Buy USD	INR	251,071	2020.04.30~2020.08.27
- Sell JPY / Buy USD	JPY	748,158	2020.05.18~2020.11.27
- Sell THB / Buy JPY	THB	11,680	2020.06.02~2020.07.28
- Sell USD / Buy JPY	USD	5,900	2020.05.20~2020.08.25
- Sell USD / Buy NOK	USD	5,000	2020.04.14~2020.10.06
- Sell USD / Buy RMB	USD	226,683	2020.04.15~2020.09.23
- Sell USD / Buy SGD	USD	19,262	2020.04.06~2020.12.03
- Sell USD / Buy THB	USD	149,900	2020.04.01~2020.10.26
- Sell USD / Buy BRL	USD	5,000	2020.06.30~2020.07.03
Cross currency swap:			
- Sell EUR / Buy GBP	EUR	900	2020.06.09~2020.08.05
- Sell EUR / Buy NOK	EUR	7,955	2020.04.02~2020.09.04
- Sell EUR / Buy RUB	EUR	1,040	2020.06.09~2020.08.05
- Sell USD / Buy NOK	USD	10,000	2020.02.06~2020.09.04

The Group entered into forward exchange contracts and cross currency swap to manage exposures to foreign exchange rate fluctuations of import or export sales, loans between related parties and dividend distribution within the Group. However, the forward exchange transactions did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	June 30, 2021	December 31, 2020	June 30, 2020
Current items:			
Equity instruments			
Listed stocks	\$ -	\$ -	\$ 412,053
Valuation adjustment	-	-	(300,578)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,475</u>

Items	June 30, 2021	December 31, 2020	June 30, 2020
Non-current items:			
Equity instruments			
Listed stocks	\$ 1,608,699	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	<u>668,904</u>	<u>672,828</u>	<u>683,231</u>
	2,277,603	2,281,527	2,291,930
Valuation adjustment	(<u>484,411</u>)	(<u>353,844</u>)	(<u>827,621</u>)
	<u>\$ 1,793,192</u>	<u>\$ 1,927,683</u>	<u>\$ 1,464,309</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,793,192, \$1,927,683 and \$1,575,784 as at June 30, 2021, December 31, 2020 and June 30, 2020, respectively.
- B. For the six months ended June 30, 2021, the Group did not sell stocks. For the six months ended June 30, 2020, the Group sold listed stocks whose fair value was \$335,743, to adjust the stock position, resulting to an accumulated loss on disposal of \$1,508,258.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ <u>163,932</u>)	\$ <u>260,359</u>
Cumulative loss reclassified to retained earnings due to derecognition	\$ <u>-</u>	(\$ <u>992,981</u>)
	Six months ended June 30,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ <u>130,567</u>)	(\$ <u>202,159</u>)
Cumulative loss reclassified to retained earnings due to derecognition	\$ <u>-</u>	(\$ <u>1,508,258</u>)

- D. As at June 30, 2021, December 31, 2020 and June 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,793,192, \$1,927,683 and \$1,575,784, respectively.
- E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Hedging financial assets and liabilities

A. As at June 30, 2021, December 31, 2020 and June 30, 2020, there were no financial assets and liabilities used for hedging.

B. Information on cash flow hedges and hedges of net investments in foreign operations recognised in profit or loss and other comprehensive income:

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2021	\$ -	\$ 130,616
Add: Loss on hedge effectiveness- amount recognised in other comprehensive income	-	(704)
At June 30, 2021	<u>\$ -</u>	<u>\$ 129,912</u>

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2020	\$ -	\$ 147,256
Add: Loss on hedge effectiveness- amount recognised in other comprehensive income	-	(19,867)
At June 30, 2020	<u>\$ -</u>	<u>\$ 127,389</u>

(a) The purpose of hedge accounting is that the hedged highly probable forecast transactions denominated in foreign currency are expected to occur during the next 12 months. Amounts accumulated in other comprehensive income as at June 30, 2021, December 31, 2020 and June 30, 2020 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) Since the hedging instrument for cash flow hedge expired and the hedging relationship ceased to meet the qualifying criteria, the accumulated amount in the cash flow hedge reserve had been reclassified to profit or loss.

(c) Hedges of net investments in foreign operations

In the first quarter of 2018, due to the reorganisation of the Group, the risk of USD exchange rate fluctuating by fair value initially designated as hedged items of hedges of net investments in foreign operations was no longer material. Consequently, the hedge relationship did not meet the conditions of hedge accounting. The effective portion of hedges of net investments in foreign operations was accumulated in other equity previously. Since the foreign operations was not disposed, it was not reclassified from equity to profit or loss.

(5) Notes and accounts receivable

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Notes receivable	<u>\$ 3,464,533</u>	<u>\$ 3,733,595</u>	<u>\$ 2,969,244</u>
Accounts receivable	\$ 60,380,573	\$ 59,684,699	\$ 55,122,471
Less: Allowance for uncollectible accounts	(<u>393,144</u>)	(<u>507,266</u>)	(<u>1,072,678</u>)
	<u>\$ 59,987,429</u>	<u>\$ 59,177,433</u>	<u>\$ 54,049,793</u>
Overdue receivables (shown as other non-current assets)	\$ 304,008	\$ 354,282	\$ 185,615
Less: Allowance for uncollectible accounts	(<u>304,008</u>)	(<u>354,282</u>)	(<u>185,615</u>)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. The aging analysis of accounts receivable is as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Not past due	\$ 55,823,714	\$ 53,883,754	\$ 50,328,392
1 to 90 days	3,870,190	4,956,368	3,279,600
91 to 180 days	287,111	367,326	342,124
181 to 365 days	151,802	139,939	440,515
Over 366 days	<u>247,756</u>	<u>337,312</u>	<u>731,840</u>
	<u>\$ 60,380,573</u>	<u>\$ 59,684,699</u>	<u>\$ 55,122,471</u>

The above aging analysis was based on past due date.

- B. As at June 30, 2021, December 31, 2020 and June 30, 2020, there was no notes receivable past due.
- C. As at June 30, 2021, December 31, 2020 and June 30, 2020, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2020, the balance of receivables from contracts with customers amounted to \$56,771,734.
- D. The Group has no notes receivable and accounts receivable pledged to others as collateral.
- E. As at June 30, 2021, December 31, 2020 and June 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,464,533, \$3,733,595 and \$2,969,244, and accounts receivable were \$59,987,429, \$59,177,433 and \$54,049,793, respectively.
- F. Information relating to credit risk is provided in Note 12(2).

(6) Transfer of financial assets

The Group entered into a factoring agreement with financial institutions to sell its accounts receivable. Under the agreement, the Group is not required to bear the default risk of the accounts receivable and

the percentage of advance payments is zero, but is liable for the losses incurred on any business dispute. As at June 30, 2021, December 31, 2020 and June 30, 2020, the relevant information on unsettled accounts receivable that were sold is set forth below:

June 30, 2021						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 20,594	\$ -	\$ 278,600	\$ -	\$ -	-

December 31, 2020						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 14,300	\$ -	\$ 280,950	\$ -	\$ -	-

June 30, 2020						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 13,958	\$ -	\$ 296,300	\$ -	\$ -	\$ -

(7) Inventories

	June 30, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 25,074,441	(\$ 2,831,290)	\$ 22,243,151
Work in process	5,704,868	(9,618)	5,695,250
Finished goods	30,447,203	(3,602,789)	26,844,414
Inventory in transit	1,367,751	-	1,367,751
	<u>\$ 62,594,263</u>	<u>(\$ 6,443,697)</u>	<u>\$ 56,150,566</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 17,738,335	(\$ 2,591,648)	\$ 15,146,687
Work in process	5,407,195	(8,298)	5,398,897
Finished goods	27,192,237	(3,897,457)	23,294,780
Inventory in transit	1,049,065	-	1,049,065
	<u>\$ 51,386,832</u>	<u>(\$ 6,497,403)</u>	<u>\$ 44,889,429</u>

	June 30, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 15,754,692	(\$ 2,759,710)	\$ 12,994,982
Work in process	4,761,696	(7,686)	4,754,010
Finished goods	28,044,353	(3,945,937)	24,098,416
Inventory in transit	2,061,892	-	2,061,892
	<u>\$ 50,622,633</u>	<u>(\$ 6,713,333)</u>	<u>\$ 43,909,300</u>

The cost of inventories recognised as expense or loss for the period:

	Three months ended June 30,	
	2021	2020
Cost of goods sold	\$ 53,948,754	\$ 46,354,424
Loss on market value decline and obsolete and slow-moving inventories	297,154	17,540
Others	(254,692)	(172,773)
	<u>\$ 53,991,216</u>	<u>\$ 46,199,191</u>
	Six months ended June 30,	
	2021	2020
Cost of goods sold	\$ 103,702,458	\$ 85,863,044
Loss on market value decline and obsolete and slow-moving inventories	424,313	463,559
Others	(443,541)	(248,697)
	<u>\$ 103,683,230</u>	<u>\$ 86,077,906</u>

(8) Investments accounted for under the equity method

A. Details of investments accounted for under the equity method are set forth below:

	June 30, 2021		December 31, 2020		June 30, 2020	
	Ownership %	Book value	Ownership %	Book value	Ownership %	Book value
Associates:						
Optovue, Inc.	29.50	\$ 720,196	29.50	\$ 728,129	29.50	\$ 782,708
Others		<u>65,206</u>		<u>56,873</u>		<u>49,900</u>
		785,402		785,002		832,608
Long-term equity investment classified as held for sale						
-Optovue, Inc.	(Note)	(720,196)		-		-
		<u>\$ 65,206</u>		<u>\$ 785,002</u>		<u>\$ 832,608</u>

(Note) The Board of Directors of the Group resolved to dispose all its held shares in Optovue, Inc. in June 2021, and reclassified investment accounted for using equity method in the amount of \$720,196 (USD 25,851 thousand) to non-current assets classified as held for sale at the lower of its carrying amount or fair value less costs to sell.

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As at June 30, 2021, December 31, 2020 and June 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$65,206, \$785,002 and \$832,608, respectively.

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Income (loss) for the period from continuing operations	\$ 16,261	(\$ 27,325)
Other comprehensive income, net of tax	<u>187</u>	<u>36</u>
Total comprehensive income (loss)	<u>\$ 16,448</u>	<u>(\$ 27,289)</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the period from continuing operations	(\$ 2,133)	(\$ 53,342)
Other comprehensive income, net of tax	<u>144</u>	<u>54,046</u>
Total comprehensive (loss) income	<u>(\$ 1,989)</u>	<u>\$ 704</u>

C. The Group is the single largest shareholder of Optovue, Inc. with a 29.5% equity interest. Given that other top ten shareholders (non-related parties) hold more shares than the Group and there is no agreement among shareholders to consult with each other or to make decisions collectively, which indicates that the Group has no ability to direct the relevant decision of Optovue, Inc., the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2021</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	(11,704)	(21,744,675)	(33,043,800)	(14,919,634)	(16,009,220)	-	(85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>
<u>2021</u>							
Opening net book amount	\$ 14,256,154	\$ 22,459,744	\$ 13,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 68,441,975
Additions	527,071	395,655	3,936,919	924,507	888,036	5,144,206	11,816,394
Effect on decrease in business entities	-	-	-	(378)	(2,830)	-	(3,208)
Disposal	(205)	(4,746)	(157,075)	(26,616)	(28,515)	-	(217,157)
Transfer	-	185,926	1,094,158	258,618	133,403	(1,672,105)	-
Depreciation charge	-	(917,323)	(3,080,600)	(1,074,447)	(1,159,926)	-	(6,232,296)
Net exchange differences	(81,017)	(185,101)	(208,292)	(34,096)	(83,350)	(188,631)	(780,487)
Closing net book amount	<u>\$ 14,702,003</u>	<u>\$ 21,934,155</u>	<u>\$ 15,056,403</u>	<u>\$ 3,883,243</u>	<u>\$ 3,573,799</u>	<u>\$ 13,875,618</u>	<u>\$ 73,025,221</u>
<u>At June 30, 2021</u>							
Cost	\$ 14,712,890	\$ 44,398,794	\$ 49,113,012	\$ 19,234,217	\$ 20,108,561	\$ 13,875,618	\$ 161,443,092
Accumulated depreciation and impairment	(10,887)	(22,464,639)	(34,056,609)	(15,350,974)	(16,534,762)	-	(88,417,871)
	<u>\$ 14,702,003</u>	<u>\$ 21,934,155</u>	<u>\$ 15,056,403</u>	<u>\$ 3,883,243</u>	<u>\$ 3,573,799</u>	<u>\$ 13,875,618</u>	<u>\$ 73,025,221</u>

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>2020</u>							
Opening net book amount	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
Additions	102,384	97,769	2,521,170	1,157,432	1,028,131	3,867,161	8,774,047
Acquired through business combinations	-	-	-	-	47,035	-	47,035
Disposals	(9,079)	(6,007)	(45,478)	(7,172)	(16,749)	-	(84,485)
Transfer	-	158,341	893,906	230,259	92,352	(1,374,858)	-
Depreciation charge	-	(937,249)	(2,330,167)	(1,068,995)	(1,195,917)	-	(5,532,328)
Net exchange differences	(116,959)	(402,236)	(364,189)	(44,529)	(160,760)	(278,749)	(1,367,422)
Closing net book amount	<u>\$ 14,330,202</u>	<u>\$ 22,109,836</u>	<u>\$ 13,141,828</u>	<u>\$ 3,786,566</u>	<u>\$ 4,105,399</u>	<u>\$ 7,953,997</u>	<u>\$ 65,427,828</u>
<u>At June 30, 2020</u>							
Cost	\$ 14,342,082	\$ 42,924,003	\$ 44,656,789	\$ 18,093,124	\$ 19,392,902	\$ 7,953,997	\$ 147,362,897
Accumulated depreciation and impairment	(11,880)	(20,814,167)	(31,514,961)	(14,306,558)	(15,287,503)	-	(81,935,069)
	<u>\$ 14,330,202</u>	<u>\$ 22,109,836</u>	<u>\$ 13,141,828</u>	<u>\$ 3,786,566</u>	<u>\$ 4,105,399</u>	<u>\$ 7,953,997</u>	<u>\$ 65,427,828</u>

- A. The Group's property, plant and equipment are mainly owner-occupied.
- B. No interest expense was capitalised on property, plant and equipment.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 21 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,569,736	\$ 1,602,097	\$ 1,639,402
Buildings and structures	1,255,539	1,323,106	1,324,504
Transportation equipment	87,987	71,012	70,362
Other equipment	26,049	24,531	27,203
	<u>\$ 2,939,311</u>	<u>\$ 3,020,746</u>	<u>\$ 3,061,471</u>

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 11,741	\$ 12,954
Buildings and structures	122,323	133,214
Transportation equipment	17,331	20,534
Other equipment	2,557	2,501
	<u>\$ 153,952</u>	<u>\$ 169,203</u>

	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 23,525	\$ 23,774
Buildings and structures	247,664	253,436
Transportation equipment	33,950	40,536
Other equipment	4,368	5,283
	<u>\$ 309,507</u>	<u>\$ 323,029</u>

C. For the six months ended June 30, 2021 and 2020, the additions to right-of-use assets (excluding those acquired through business combinations) were \$173,048 and \$217,054, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 4,409</u>	<u>\$ 6,264</u>
Expense on short-term lease contracts	<u>\$ 136,528</u>	<u>\$ 120,725</u>

	Six months ended June 30,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 9,969	\$ 12,252
Expense on short-term lease contracts	\$ 250,289	\$ 229,178

E. For the six months ended June 30, 2021 and 2020, the Group's total cash outflow for leases were \$499,160 and \$508,013, respectively.

F. Extension options

- (a) Extension options are included in the Group's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Group to effectively utilise the assets.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(11) Intangible assets

	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Technical Skill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2021</u>							
Cost	\$ 3,943,732	\$ 1,979,798	\$ 54,297,182	\$ 17,495,795	\$ 11,376,981	\$ 4,227,079	\$ 93,320,567
Accumulated amortisation and impairment	(1,180,179)	(1,507,416)	(797,390)	(8,254,610)	(3,063,190)	(3,058,152)	(17,860,937)
	<u>\$ 2,763,553</u>	<u>\$ 472,382</u>	<u>\$ 53,499,792</u>	<u>\$ 9,241,185</u>	<u>\$ 8,313,791</u>	<u>\$ 1,168,927</u>	<u>\$ 75,459,630</u>
<u>2021</u>							
Opening net book amount	\$ 2,763,553	\$ 472,382	\$ 53,499,792	\$ 9,241,185	\$ 8,313,791	\$ 1,168,927	\$ 75,459,630
Additions - acquired separately	-	5,087	-	-	8,742	603,903	617,732
Additions - acquired through business combinations (Note)	-	-	9,015	-	-	-	9,015
Effect on decrease in business entities	-	-	-	-	21,015	(63,160)	(42,145)
Reclassifications (Note)	-	-	137,896	(25,631)	(112,265)	-	-
Amortisation	(119,087)	(80,654)	-	(684,193)	(544,451)	(405,593)	(1,833,978)
Net exchange differences	(13,424)	(5,230)	(407,387)	(67,935)	(63,911)	(10,929)	(568,816)
Closing net book amount	<u>\$ 2,631,042</u>	<u>\$ 391,585</u>	<u>\$ 53,239,316</u>	<u>\$ 8,463,426</u>	<u>\$ 7,622,921</u>	<u>\$ 1,293,148</u>	<u>\$ 73,641,438</u>
<u>At June 30, 2021</u>							
Cost	\$ 3,919,987	\$ 1,978,029	\$ 54,030,103	\$ 17,347,488	\$ 11,230,849	\$ 4,544,342	\$ 93,050,798
Accumulated amortisation and impairment	(1,288,945)	(1,586,444)	(790,787)	(8,884,062)	(3,607,928)	(3,251,194)	(19,409,360)
	<u>\$ 2,631,042</u>	<u>\$ 391,585</u>	<u>\$ 53,239,316</u>	<u>\$ 8,463,426</u>	<u>\$ 7,622,921</u>	<u>\$ 1,293,148</u>	<u>\$ 73,641,438</u>

(Note) The additions - acquired through business combinations and reclassifications resulted from the adjustment of the contingent proceeds and the reallocation of the purchase price relative to the acquisition of Trihedral. The allocation of acquisition price was completed in the first quarter of 2021 and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Technical Skill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2020</u>							
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)
	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>
<u>2020</u>							
Opening net book amount	\$ 2,980,130	\$ 547,823	\$ 56,533,663	\$ 11,224,987	\$ 9,827,800	\$ 1,318,250	\$ 82,432,653
Additions - acquired separately	-	3,830	-	-	-	274,258	278,088
Additions - acquired through business combinations	-	-	219,391	145,429	-	46,091	410,911
Reclassifications (Note)	-	-	(27,626)	-	-	-	(27,626)
Amortisation	(123,659)	(78,981)	-	(845,950)	(578,674)	(315,194)	(1,942,458)
Net exchange differences	(20,644)	24,908	(512,523)	(82,249)	(105,917)	(90,143)	(786,568)
Closing net book amount	<u>\$ 2,835,827</u>	<u>\$ 497,580</u>	<u>\$ 56,212,905</u>	<u>\$ 10,442,217</u>	<u>\$ 9,143,209</u>	<u>\$ 1,233,262</u>	<u>\$ 80,365,000</u>
<u>At June 30, 2020</u>							
Cost	\$ 3,946,286	\$ 1,936,407	\$ 56,220,826	\$ 18,217,310	\$ 11,792,362	\$ 3,972,948	\$ 96,086,139
Accumulated amortisation and impairment	(1,110,459)	(1,438,827)	(7,921)	(7,775,093)	(2,649,153)	(2,739,686)	(15,721,139)
	<u>\$ 2,835,827</u>	<u>\$ 497,580</u>	<u>\$ 56,212,905</u>	<u>\$ 10,442,217</u>	<u>\$ 9,143,209</u>	<u>\$ 1,233,262</u>	<u>\$ 80,365,000</u>

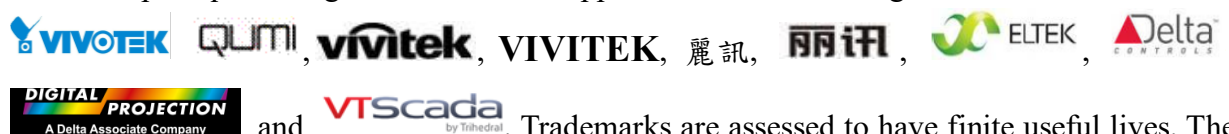
(Note) The reclassifications resulted from the reallocation of the purchase price relative to the acquisition of Amerlux.

A. Details of amortisation on intangible assets are as follows:

	Three months ended June 30,	
	2021	2020
Operating costs	\$ 13,192	\$ 13,229
Selling expenses	404,167	469,059
Administrative expenses	38,946	35,247
Research and development expenses	469,034	436,052
	<u>\$ 925,339</u>	<u>\$ 953,587</u>

	Six months ended June 30,	
	2021	2020
Operating costs	\$ 26,129	\$ 26,052
Selling expenses	805,563	973,339
Administrative expenses	75,806	71,676
Research and development expenses	926,480	871,391
	<u>\$ 1,833,978</u>	<u>\$ 1,942,458</u>

B. The Group acquired registered or under-application trademark rights such as



and . Trademarks are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortised but are tested for impairment annually.

C. Goodwill and trademarks with indefinite useful lives are allocated as follows to the Group's cash-generating units identified according to operating segment:

	June 30, 2021	December 31, 2020	June 30, 2020
Goodwill:			
DET	\$ 33,125,802	\$ 33,405,219	\$ 35,230,349
Cyntec	5,146,053	5,146,053	5,146,053
Eltek	4,800,191	4,840,681	5,105,156
Vivotek	3,232,954	3,232,954	3,232,954
DCI	2,311,398	2,330,895	2,458,246
DGC	1,601,476	1,614,985	1,703,221
Amerlux	1,080,722	1,089,838	1,149,383
Loy Tec	505,760	510,026	1,370,494
Others	1,434,960	1,329,141	817,049
	<u>\$ 53,239,316</u>	<u>\$ 53,499,792</u>	<u>\$ 56,212,905</u>
Trademarks:			
Automation business	\$ 691,811	\$ 691,811	\$ 691,811
Infrastructure business	386,823	386,823	386,823
	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>

Acquisition prices in business combination are calculated based on the price of acquisition and direct costs related to the acquisition. The amount of goodwill recognised is the difference between the acquisition price and the net fair value of identifiable assets acquired. The amortisation duration of acquisition price shall not exceed one year after the acquisition.

- D. The Group's goodwill arose from business combinations in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies. Based on IAS 36, goodwill acquired in a business combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows.

In assessing the impairment of goodwill and trademarks with indefinite useful lives, for the goodwill of DET and Vivotek, as there is an open market quotation, the recoverable amount is the higher of the companies' fair value less costs of disposal and value in use; for the goodwill and trademarks with indefinite useful lives of other companies, the impairment is calculated based on value in use and carrying amount of net assets of each company. The key assumptions used for value in use calculations are operating profit margin, growth rate and discount rate.

Management determined budgeted operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(12) Other non-current assets

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prepayments for business facilities	\$ 1,155,403	\$ 846,839	\$ 838,027
Guarantee deposits paid	242,804	256,693	303,272
Other financial assets	174,728	187,257	45,682
Prepayments for long-term investments	100,212	81,059	240,486
Cash surrender value of life insurance	39,106	43,512	50,084
Others	<u>504,763</u>	<u>524,227</u>	<u>614,013</u>
	<u>\$ 2,217,016</u>	<u>\$ 1,939,587</u>	<u>\$ 2,091,564</u>

(13) Short-term borrowings

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Unsecured bank loans	<u>\$ 1,562,853</u>	<u>\$ 2,001,532</u>	<u>\$ 3,986,871</u>
Credit lines	<u>\$ 60,939,298</u>	<u>\$ 69,185,543</u>	<u>\$ 83,758,084</u>
Interest rate range	<u>0.48%~7.02%</u>	<u>0.39%~4.85%</u>	<u>0.40%~7.51%</u>

(14) Other payables

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Salary and bonus payable	\$ 17,270,803	\$ 17,957,602	\$ 15,309,595
Dividends payable	14,366,875	-	13,095,789
Others	15,120,616	14,926,619	12,595,175
	<u>\$ 46,758,294</u>	<u>\$ 32,884,221</u>	<u>\$ 41,000,559</u>

(15) Long-term borrowings

<u>Type of borrowings</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Credit loans	\$ 36,556,013	\$ 39,008,242	\$ 31,013,952
Collateral loans	343,697	353,865	364,965
	36,899,710	39,362,107	31,378,917
Less: Current portion (shown as other current liabilities)	(46,135)	(48,117)	(57,713)
	<u>\$ 36,853,575</u>	<u>\$ 39,313,990</u>	<u>\$ 31,321,204</u>
Credit lines	<u>\$ 83,881,721</u>	<u>\$ 83,362,621</u>	<u>\$ 76,676,271</u>
Interest rate range	<u>0.31%~6.23%</u>	<u>0.31%~6.23%</u>	<u>0.31%~6.23%</u>

A. As at June 30, 2021, the revolving loans of \$36,207,030 can be drawn down during the period from June 29, 2020 to December 20, 2022 and are payable before the due date under the agreement.

B. Information in relation to the assets pledged to others as collateral for bank borrowings is provided in Note 8.

(16) Pensions

A. Defined benefit plan

(a) The Group has a defined benefit pension plan as follows:

- i. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the

Company and its domestic subsidiaries will make contribution for the deficit by next March.

- ii. Certain subsidiaries located in Mainland China maintain defined benefit retirement (resignation) plans with relative contribution scheme. The employees and the subsidiaries contribute an amount relatively based on a certain percentage of the monthly basic salary depending on the employee's position. When an employee retires or resigns, the total contribution from the employee is reimbursed based on the accumulated contribution (without interest) less withdrawals made by the employee in advance during the service period. The employee is also entitled to receive benefits calculated based on the accumulated contribution (without interest) from the related subsidiary multiplied by the approved benefit percentage for the employee's service years less withdrawals made by the employee in advance during the service period. The scheme mentioned above ceased on August 1, 2004. The amount contributed before was archived, and the payment scheme was not changed.
- iii. The subsidiaries in Thailand, Switzerland and Norway, etc. have an obligation to pay certain retirement benefits when employees retire based on labor regulations.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$31,684, \$36,140, \$67,311 and \$72,922 for the three months and six months ended June 30, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group within one year from June 30, 2021 are \$149,232.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Other overseas companies have defined contribution plans in accordance with the local regulations. Other than the periodic contribution, the overseas companies have no further obligations.

(17) Share capital

- A. In accordance with the Company's Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at June 30, 2021, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.

B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

(a) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(b) Redemption of GDRs

For sales and redemption of the underlying common shares represented by the GDRs when the holders of the GDRs request the Depositary to redeem the GDRs in accordance with the relevant R.O.C. regulations and the provisions in the Depositary Agreement, the Depositary may (i) deliver the underlying common shares represented by the GDRs to the GDR holders, or (ii) sell the underlying common shares represented by the GDRs in the R.O.C. stock market on behalf of the GDR holder. The payment of proceeds from such sale shall be made subject to the relevant R.O.C. laws and regulations and the provisions in the Depositary Agreement.

(c) Distribution of dividends, preemptive rights and other rights

Distribution of dividends, preemptive rights and other rights and interests of GDR units bear the same rights as common shares.

(d) After considering the stock dividend distribution year by year, as at June 30, 2021, there were 777 thousand units outstanding, representing 3,884 thousand common shares of the Company's common stock.

(18) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues.
 - (b) Offset against prior years' operating losses, if any.
 - (c) Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.
 - (d) Setting aside or reversing a special reserve according to relevant regulations when necessary.
 - (e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall not be less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2020 earnings had been resolved after meeting the statutory voting threshold on June 10, 2021 via the electronic voting platform for the shareholders' meeting and the appropriations of 2019 earnings had been approved by the shareholders during their meeting on June 10, 2020. Details are summarised below:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,355,218		\$ 2,311,780	
Special reserve appropriated	4,921,174		61,002	
Cash dividends	14,286,488	\$ 5.5	12,987,717	\$ 5.0

Information about the appropriations of earnings as resolved at the meeting of shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(20) Operating revenue

	Three months ended June 30,	
	2021	2020
Revenue from contracts with customers	\$ 78,769,884	\$ 70,694,451

	Six months ended June 30,	
	2021	2020
Revenue from contracts with customers	\$ 151,255,167	\$ 126,372,792

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major business:

	Three months ended June 30, 2021				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 46,833,452	\$ 12,314,955	\$ 19,551,412	\$ 70,065	\$ 78,769,884
Timing of revenue recognition					
At a point in time	46,833,452	12,008,510	18,755,685	68,878	77,666,525
Over time	-	306,445	795,727	1,187	1,103,359
	\$ 46,833,452	\$ 12,314,955	\$ 19,551,412	\$ 70,065	\$ 78,769,884

	Three months ended June 30, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 40,094,926	\$ 10,519,180	\$ 20,038,857	\$ 41,488	\$ 70,694,451
Timing of revenue recognition					
At a point in time	40,094,064	9,556,185	18,709,374	37,144	68,396,767
Over time	862	962,995	1,329,483	4,344	2,297,684
	\$ 40,094,926	\$ 10,519,180	\$ 20,038,857	\$ 41,488	\$ 70,694,451

		Six months ended June 30, 2021				
		Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts		\$ 90,360,480	\$ 22,932,992	\$ 37,815,521	\$ 146,174	\$ 151,255,167
Timing of revenue recognition						
At a point in time		90,360,480	22,207,539	36,162,828	119,489	148,850,336
Over time		-	725,453	1,652,693	26,685	2,404,831
		<u>\$ 90,360,480</u>	<u>\$ 22,932,992</u>	<u>\$ 37,815,521</u>	<u>\$ 146,174</u>	<u>\$ 151,255,167</u>
		Six months ended June 30, 2020				
		Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts		\$ 70,687,949	\$ 19,015,403	\$ 36,548,546	\$ 120,894	\$ 126,372,792
Timing of revenue recognition						
At a point in time		70,684,044	17,320,617	34,362,612	55,127	122,422,400
Over time		3,905	1,694,786	2,185,934	65,767	3,950,392
		<u>\$ 70,687,949</u>	<u>\$ 19,015,403</u>	<u>\$ 36,548,546</u>	<u>\$ 120,894</u>	<u>\$ 126,372,792</u>

B. Contract assets and liabilities

The Group has recognised the revenue-related contract assets primarily from automation equipment contracts and resolution of communication equipment power resource system; contract liabilities primarily pertain to advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.

Revenue recognised that was included in the contract liability balance at the beginning of the period is as follows:

		Three months ended June 30,	
		2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the period			
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.		\$ 1,970,931	\$ -
		Six months ended June 30,	
		2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the period			
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.		\$ 5,012,589	\$ 3,352,208

(21) Interest income

	Three months ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 114,341	\$ 143,848
Other interest income	197	1,604
	<u>\$ 114,538</u>	<u>\$ 145,452</u>

	Six months ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 231,530	\$ 306,893
Other interest income	413	1,604
	<u>\$ 231,943</u>	<u>\$ 308,497</u>

(22) Other income

	Three months ended June 30,	
	2021	2020
Sample sales income	\$ 99,540	\$ 60,526
Dividend income	55,479	24,758
Testing fee income	28,590	50,994
Mold fee income	29,431	33,234
Rental income	28,331	41,354
Others	535,264	581,163
	<u>\$ 776,635</u>	<u>\$ 792,029</u>

	Six months ended June 30,	
	2021	2020
Sample sales income	\$ 177,738	\$ 137,999
Dividend income	113,365	32,884
Testing fee income	76,220	66,182
Mold fee income	71,876	55,436
Rental income	58,124	72,789
Others	1,003,032	1,446,588
	<u>\$ 1,500,355</u>	<u>\$ 1,811,878</u>

(23) Other gains and losses

	Three months ended June 30,	
	2021	2020
Gain (loss) on disposal of property, plant and equipment	\$ 5,354	(\$ 18,587)
Gain on disposal of investments (Note)	90,109	7,240
Net currency exchange gain (loss)	304,068	(403,598)
Gain on financial assets/liabilities at fair value through profit or loss	126,608	730,492
Miscellaneous disbursements	(59,559)	(198,886)
	<u>\$ 466,580</u>	<u>\$ 116,661</u>

	Six months ended June 30,	
	2021	2020
Loss on disposal of property, plant and equipment	(\$ 12,236)	(\$ 32,342)
Gain (loss) on disposal of investments (Note)	90,109	(77,445)
Net currency exchange gain	839,170	331,933
Gain (loss) on financial assets/liabilities at fair value through profit or loss	204,573	(40,796)
Miscellaneous disbursements	(95,538)	(251,715)
	<u>\$ 1,026,078</u>	<u>(\$ 70,365)</u>

(Note) Information on the Group's gain on disposal of investments in the first half of 2021 is provided in Note 6(31). In the first half of 2020, the Group recognised a gain (loss) as a result of measuring at fair value its 41% equity interest in DPI, held before the business combination. Please refer to Note 6(30) for more information.

(24) Finance costs

	Three months ended June 30,	
	2021	2020
Interest expense	\$ 73,477	\$ 98,001

	Six months ended June 30,	
	2021	2020
Interest expense	\$ 142,683	\$ 210,826

(25) Expenses by nature

	Three months ended June 30,	
	2021	2020
Employee benefit expense	\$ 17,030,347	\$ 15,817,433
Depreciation charges on property, plant and equipment	3,129,784	2,782,071
Depreciation charges on right-of-use assets	153,952	169,203
Amortisation charges on intangible assets	925,339	953,587
	<u>\$ 21,239,422</u>	<u>\$ 19,722,294</u>

	Six months ended June 30,	
	2021	2020
Employee benefit expense	\$ 33,174,886	\$ 28,798,561
Depreciation charges on property, plant and equipment	6,232,296	5,532,328
Depreciation charges on right-of-use assets	309,507	323,029
Amortisation charges on intangible assets	1,833,978	1,942,458
	<u>\$ 41,550,667</u>	<u>\$ 36,596,376</u>

(26) Employee benefit expense

	Three months ended June 30,	
	2021	2020
Post-employment benefits		
Defined contribution plan	\$ 239,875	\$ 250,829
Defined benefit plan	31,684	36,140
	<u>271,559</u>	<u>286,969</u>
Other employee benefits	16,758,788	15,530,464
	<u>\$ 17,030,347</u>	<u>\$ 15,817,433</u>
	Six months ended June 30,	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 476,525	\$ 496,423
Defined benefit plans	67,311	72,922
	<u>543,836</u>	<u>569,345</u>
Other employee benefits	32,631,050	28,229,216
	<u>\$ 33,174,886</u>	<u>\$ 28,798,561</u>

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 1% for directors' remuneration.
- B. For the three months and six months ended June 30, 2021 and 2020, employees' compensation was accrued at \$897,923, \$900,653, \$1,683,049 and \$1,211,368, respectively; while directors' remuneration was accrued at \$24,982, \$10,437, \$35,582 and \$19,886, respectively. The aforementioned amounts were recognised in salary expenses.

For the six months ended June 30, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year as of the end of reporting period distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021. Employees' compensation and directors' remuneration as resolved by the Board of Directors were in agreement with the amount recognised in the 2020 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 1,528,185	\$ 1,025,624
Prior year income tax overestimation	(44,230)	(57,600)
Tax on undistributed surplus earnings	-	141,565
Total current tax	1,483,955	1,109,589
Deferred tax:		
Origination and reversal of temporary differences	533,540	963,370
	<u>\$ 2,017,495</u>	<u>\$ 2,072,959</u>

	Six months ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 2,738,943	\$ 1,616,088
Prior year income tax overestimation	(44,230)	(57,600)
Tax on undistributed surplus earnings	-	156,820
Total current tax	2,694,713	1,715,308
Deferred tax:		
Origination and reversal of temporary differences	1,093,734	966,098
	<u>\$ 3,788,447</u>	<u>\$ 2,681,406</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended June 30,	
	2021	2020
Currency translation differences	(\$ 196,871)	(\$ 205,702)
Gain or loss on hedging instruments	(74)	1,228
	<u>(\$ 196,945)</u>	<u>(\$ 204,474)</u>
	Six months ended June 30,	
	2021	2020
Currency translation differences	(\$ 98,718)	(\$ 325,678)
Gain or loss on hedging instruments	(78)	2,207
	<u>(\$ 98,796)</u>	<u>(\$ 327,885)</u>

B. The status of the Company and its domestic subsidiaries' assessed and approved income tax returns are as follows:

	Latest year assessed by Tax Authority
The Company	2017
Cyntec, Power Forest Technology Corporation and Vivotek	2018
DECC, DelBio, UNICOM, AMT, Lidlight Inc., Realwin., Otus Imaging, Aetek Inc. and Vatics Inc. (Note)	2019

Note: The Group sold all its equity interest in Vatics Inc. on June 30, 2021.

(28) Earnings per share

	Three months ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,589,583	2,597,543	\$ 2.92
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent			
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	4,443	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 7,589,583	2,601,986	\$ 2.92

Three months ended June 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,597,454	2,597,543	\$ 2.92
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,597,454	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	5,482	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 7,597,454	2,603,025	\$ 2.92
Six months ended June 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 14,169,883	2,597,543	\$ 5.46
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 14,169,883	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	6,871	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 14,169,883	2,604,414	\$ 5.44

	Six months ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,664,753	2,597,543	\$ 3.72
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,664,753	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	10,580	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,664,753	2,608,123	\$ 3.71

(29) Share-based payment

A. For the six months ended June 30, 2021 and 2020, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Power Forest - Employee stock options	2017.3.3	1,000,000	6 years (Note)	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
"	2018.3.30	500,000	6 years (Note)	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
Vatics Inc. - Employee stock options	2016.11.8	2,116,000	4 years	1~3 years' service
Vivotek - Plan of restricted stocks to employees	2019.8.19	800,000	2 years	1~2 years' performance

Note: As Power Forest and Cyntec converted shares on July 1, 2020, in accordance with the issuance of employee stock option certificates and exercise methods, the options may be subject to accelerated vesting.

B. Details of the share-based payment arrangements are as follows:

(a) Employee share options

	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding opening balance at January 1	-	\$ -	1,672,000	\$ 15.79
Options forfeited	-	-	(100,000)	15.00
Options exercised	-	-	(690,000)	15.00
Options expired	-	-	(36,000)	16.50
Options outstanding at June 30	-	\$ -	846,000	\$ 16.50
Options exercisable at June 30	-	\$ -	846,000	\$ 16.50

(b) Restricted stocks to employees

	2021	2020
	No. of shares	No. of shares
January 1	374,000	798,000
Expired during the period	(37,500)	(17,000)
June 30	336,500	781,000

C. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

June 30, 2021 and December 31, 2020: None.

Issue date approved	Expiry date	June 30, 2020	
		No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2020	846,000	\$ 16.50

D. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Power Forest- Employee stock options	2017.3.3	\$ 18.38	\$ 15.00	32.08%~ 33.22% (Note)	3.5~4.5	5%	0.79%~ 0.88%	4.0053~ 4.0960
"	2018.3.30	16.42	15.00	32.43%~ 33.08% (Note)	3.5~4.5	5%	0.63%~ 0.68%	3.0262~ 3.0767
Vatics Inc.- Employee stock options	2016.11.8	14.60	16.50	36.37%~ 37.25% (Note)	2.5~3.5	Not applicable	0.57%~ 0.67%	2.7995~ 3.3727
Vivotek - Plan of restricted stocks to employees	2019.8.19	102.50	-	Not applicable	1~2	Not applicable	Not applicable	102.50

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Three months ended June 30,	
	2021	2020
Equity-settled	\$ -	\$ 24
	Six months ended June 30,	
	2021	2020
Equity-settled	\$ -	\$ 9,949

(30) Business combinations

A. The Group has no business combinations during the first half of 2021. Business combinations of the Group for the first half of 2020 are as follows:

- On January 6, 2020, the Group acquired 59% of the share capital of the Group's associate, DPI, for \$250,380 and obtained control over DPI. As a result of the acquisition, the Group is expected to strengthen the product lines in projector market.
- On November 3, 2020, the Group acquired 100% of the share capital of Trihedral, for \$885,725 originally and obtained control over Trihedral. As a result of the acquisition, the Group is expected to strengthen industrial automation and systems integration layout. The

allocation of the acquisition price of Trihedral was completed in the first quarter of 2021, and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

- B. The following table summarises the consideration paid for the abovementioned acquired subsidiaries and the fair values of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

	<u>Trihedral (Note)</u>	<u>DPI</u>
Purchase consideration		
Cash	\$ 885,725	\$ 250,380
Contingent consideration	134,759	-
	<u>1,020,484</u>	<u>250,380</u>
Fair value of DPI's equity interest held before the business combination	-	173,132
	<u>1,020,484</u>	<u>423,512</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	18,234	29,756
Other current assets	72,912	413,005
Property, plant and equipment	6,852	47,035
Intangible assets	236,302	154,346
Other non-current assets	-	23,543
Other current liabilities	(9,666)	(496,015)
Deferred tax liabilities	(1,814)	-
Other non-current liabilities	-	(4,723)
Total identifiable net assets	<u>322,820</u>	<u>166,947</u>
Goodwill	<u>\$ 697,664</u>	<u>\$ 256,565</u>

Note: Represents the amount after the allocation of acquisition price.

- C. The allocation of the acquisition price of Trihedral was completed in the first quarter of 2021 and the fair values of the acquired identifiable intangible assets and goodwill were \$236,302 and \$697,664, respectively.
- D. The allocation of the acquisition price of DPI was completed in the second quarter of 2020 and the fair values of the acquired identifiable intangible assets and goodwill were \$154,346 and \$256,565, respectively.
- E. The Group originally held 41% of share ownership in DPI before the business combination. Loss on remeasurement of fair value for the first quarter of 2020 amounted to \$47,636.

(31) Supplemental cash flow information

A. Financing activities with no cash flow effects

	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash dividends declared but yet to be paid	\$ 14,286,488	\$ 12,987,717
Cash dividends declared but yet to be paid to non-controlling interest	\$ 80,387	\$ 108,072

B. The Group's subsidiary, Vivotek Inc., sold 54.41% of shares in the subsidiary – Vatics Inc. on June 30, 2021 and therefore lost control over the subsidiary (please refer to Note 4(3)B). The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

	<u>Vatics Inc.</u>
Purchase consideration	
Cash	\$ 25,373
Carrying amount of the assets and liabilities of Vatics Inc.	
Cash and cash equivalents	23,939
Other current assets	160,695
Property, plant and equipment	3,208
Intangible assets	42,145
Deferred tax assets	56,894
Other non-current assets	7,018
Other current liabilities	(390,079)
Deferred tax liabilities	(24)
Other non-current liabilities	(2,027)
Total net assets	(\$ 98,231)

(32) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2021	\$ 2,001,532	\$ 39,362,107	\$ 41,363,639
Changes in cash flow from financing activities	(438,679)	(2,462,397)	(2,901,076)
At June 30, 2021	\$ 1,562,853	\$ 36,899,710	\$ 38,462,563

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2020	\$ 7,575,932	\$ 27,814,375	\$ 35,390,307
Changes in cash flow from financing activities	(3,589,061)	3,564,542	(24,519)
At June 30, 2020	<u>\$ 3,986,871</u>	<u>\$ 31,378,917</u>	<u>\$ 35,365,788</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Group
Optovue, Inc.	Initially was an associate of the Group, which was reclassified as non-current assets classified as held for sale in June 2021.
Compower AS	Associate
Fujian Kaixin Construcion Engineering Co., Ltd.	"
Delta Networks (Xiamen) Ltd.	"
Digital Projection Asia Pte Ltd.	"
Vatics Inc.	Substantive related party (Note)

Note: It was a subsidiary of the Group before June 30, 2021. However, the Group sold all its equity interest in the company; nevertheless, the board structure hadn't changed. Therefore, the company remained a substantive related party on June 30, 2021.

(2) Significant transactions and balances with related parties

A. Operating revenue

	Three months ended June 30,	
	2021	2020
Sales of goods:		
Associates	\$ 33,988	\$ 28,726
Sales of services:		
Associates	240	2
	<u>\$ 34,228</u>	<u>\$ 28,728</u>
	Six months ended June 30,	
	2021	2020
Sales of goods:		
Associates	\$ 77,912	\$ 49,628
Sales of services:		
Associates	973	2
	<u>\$ 78,885</u>	<u>\$ 49,630</u>

The Group sells commodities to related parties based on mutually agreed selling prices and terms as there is no similar transaction to be compared with. Sales of services to related parties arise mainly from licensing patent technologies and intellectual property and recognised as revenue on a usage basis.

B. Purchases of goods

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
Associates	<u>\$ 15,804</u>	<u>\$ 8,291</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
Associates	<u>\$ 29,085</u>	<u>\$ 22,934</u>

The purchase terms, including prices and payments, are based on mutual agreement and have no similar transaction to be compared with.

C. Period-end balances arising from sales of goods and services

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Receivables from related parties:			
Associates	\$ 29,290	\$ 42,284	\$ 31,700
Substantial related party	<u>125</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,415</u>	<u>\$ 42,284</u>	<u>\$ 31,700</u>

The receivables from related parties arise mainly from sales transactions. The receivables are due 75 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Period-end balances arising from purchases of goods

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Payables to related parties:			
Associates	\$ 12,974	\$ 29,641	\$ 8,038
Substantial related party	<u>497</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,471</u>	<u>\$ 29,641</u>	<u>\$ 8,038</u>

The payables to related parties arise mainly from purchase transactions and are due 70 days after the date of purchase. The payables bear no interest.

E. Period-end balances arising from other transactions

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Other receivables-related parties			
Associates	\$ -	\$ 199	\$ 116
Substantial related party	<u>270,242</u>	<u>-</u>	<u>-</u>
	<u>\$ 270,242</u>	<u>\$ 199</u>	<u>\$ 116</u>

The above pertain mainly to payments on behalf of others, loans to related parties and uncollected interests. The terms of loans to substantive related party are repayable within 1 year and carry interest at 1.09% per annum for the six months ended June 30, 2021.

(3) Key management compensation

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 85,079	\$ 84,152
Post-employment benefits	<u>162</u>	<u>200</u>
	<u>\$ 85,241</u>	<u>\$ 84,352</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 161,012	\$ 121,464
Post-employment benefits	<u>319</u>	<u>392</u>
	<u>\$ 161,331</u>	<u>\$ 121,856</u>

8. PLEGGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged assets</u>	<u>Book Value</u>			<u>Pledge purpose</u>
	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>	
Demand deposits and time deposits (shown as other current assets)	\$ 445,887	\$ 483,361	\$ 502,456	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	174,728	187,257	45,682	Performance bonds and custom guarantee
Property, plant and equipment	<u>561,787</u>	<u>567,141</u>	<u>573,945</u>	Credit line of long-term borrowings
	<u>\$ 1,182,402</u>	<u>\$ 1,237,759</u>	<u>\$ 1,122,083</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Property, plant and equipment	\$ 4,526,256	\$ 6,213,358	\$ 7,919,101
Costs of computer software	\$ 16,380	\$ 72,804	\$ 198,974

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to maintain an integrity credit rating and good capital structure to support operations and maximize stockholders' equity.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,151,926	\$ 4,003,539	\$ 3,063,671
Financial assets at fair value through other comprehensive income			
Selected designated investments in equity instruments	\$ 1,793,192	\$ 1,927,683	\$ 1,575,784
<u>Financial assets at amortised cost</u>			
Cash and cash equivalents	\$ 57,483,109	\$ 58,711,985	\$ 49,289,984
Notes receivable	3,464,533	3,733,595	2,969,244
Accounts receivable	60,016,844	59,219,717	54,081,493
Other receivables	1,990,133	1,803,498	1,531,362
Guarantee deposits paid	242,804	256,693	303,272
Other financial assets	628,615	863,642	941,847
	<u>\$ 123,826,038</u>	<u>\$ 124,589,130</u>	<u>\$ 109,117,202</u>

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities designated as at fair value through profit or loss	\$ 132,770	\$ 60,060	\$ 16,431
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,562,853	\$ 2,001,532	\$ 3,986,871
Notes payable	2,860	2,770	12,602
Accounts payable	52,471,378	46,717,151	44,886,601
Other payables	46,758,294	32,884,221	41,000,559
Long-term borrowings (including current portion)	36,899,710	39,362,107	31,378,917
Guarantee deposits received	354,178	418,754	413,608
	<u>\$ 138,049,273</u>	<u>\$ 121,386,535</u>	<u>\$ 121,679,158</u>
Lease liabilities (including current portion)	<u>\$ 1,883,844</u>	<u>\$ 1,949,698</u>	<u>\$ 1,957,815</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Note 6(2)).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB, EUR and THB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, foreign exchange swap contracts and options, transacted with Group treasury.
- iii. The Group adopts the derivative financial instruments like forward exchange contracts / forward exchange transactions, etc. to hedge the fair value risk and cash flow risk due to

foreign exchange rate fluctuations. The Group monitors at any time and pre-sets a “stop loss” amount to limit its foreign exchange risk.

- iv. The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: USD, RMB and THB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:RMB (Note)	\$ 611,878	6.4615	\$ 17,046,926
USD:NTD	492,568	27.8600	13,722,944
USD:THB (Note)	306,982	31.8618	8,552,524
RMB:USD (Note)	1,165,608	0.1548	5,025,706
EUR:USD (Note)	108,171	1.1899	3,585,858
<u>Non-monetary items</u>			
USD:NTD	\$ 5,888,662	27.8600	\$ 164,058,111
THB:USD (Note)	52,490,049	0.0314	45,897,299
RMB:USD (Note)	9,849,157	0.1548	42,466,215
USD:THB (Note)	533,303	31.8618	14,857,808
NOK:USD (Note)	3,674,336	0.1166	11,940,085
THB:NTD	5,058,693	0.8744	4,423,321
EUR:USD (Note)	46,649	1.1899	1,546,430
CAD:USD (Note)	46,219	0.8069	1,039,012
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 600,667	27.8600	\$ 16,734,583
USD:RMB (Note)	499,436	6.4615	13,914,284
USD:THB (Note)	389,244	31.8618	10,844,342
RMB:USD (Note)	1,963,863	0.1548	8,467,511
EUR:USD (Note)	55,747	1.1899	1,848,002
SGD:USD (Note)	49,522	0.7441	1,026,600

Note: Certain consolidated entities’ functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

December 31, 2020

(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 563,902	28.0950	\$ 15,842,840
USD:RMB (Note)	409,156	6.5300	11,495,240
USD:THB (Note)	233,393	29.9010	6,557,173
RMB:USD (Note)	1,033,179	0.1531	4,445,203
EUR:USD (Note)	101,021	1.2251	3,477,153
<u>Non-monetary items</u>			
USD:NTD	\$ 5,497,174	28.0950	\$ 154,443,093
THB:USD (Note)	51,035,064	0.0334	47,952,546
RMB:USD (Note)	8,976,208	0.1531	38,619,685
USD:THB (Note)	576,424	29.9010	16,194,634
NOK:USD (Note)	3,688,108	0.1164	12,056,903
THB:NTD	4,864,229	0.9396	4,570,430
EUR:USD (Note)	44,778	1.2251	1,541,250
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 517,975	28.0950	\$ 14,552,505
RMB:USD (Note)	2,039,318	0.1531	8,774,065
USD:THB (Note)	264,943	29.9010	7,443,584
USD:RMB (Note)	241,984	6.5300	6,798,533
EUR:USD (Note)	47,675	1.2251	1,640,967
SGD:USD (Note)	53,296	0.7528	1,127,213

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

	June 30, 2020		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 394,436	29.6300	\$ 11,687,137
USD:RMB (Note)	383,474	7.0757	11,362,334
USD:THB (Note)	201,473	30.7206	5,969,645
RMB:USD (Note)	997,613	0.1413	4,177,603
EUR:USD (Note)	82,735	1.1228	2,752,609
<u>Non-monetary items</u>			
USD:NTD	\$ 5,012,409	29.6300	\$ 148,517,682
THB:USD (Note)	49,997,802	0.3260	48,222,880
RMB:USD (Note)	9,322,733	0.1413	39,039,878
USD:THB (Note)	548,280	30.7206	16,245,544
NOK:USD (Note)	4,033,307	0.1027	12,273,354
THB:NTD	4,582,970	0.9645	4,420,275
EUR:USD (Note)	72,968	1.1228	2,427,640
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 337,196	29.6300	\$ 9,991,130
RMB:USD (Note)	2,002,303	0.1413	8,384,845
USD:RMB (Note)	233,613	7.0757	6,921,950
USD:THB (Note)	199,554	30.7206	5,912,799
SGD:USD (Note)	49,350	0.7168	1,048,191

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

- v. Total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2021 and 2020 amounted to \$304,068, (\$430,598), \$839,170 and \$331,933, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Six months ended June 30, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:RMB (Note)	1%	\$ 170,469	\$ -
USD:NTD	1%	137,229	-
USD:THB (Note)	1%	85,525	-
RMB:USD (Note)	1%	50,257	-
EUR:USD (Note)	1%	35,859	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 167,346	\$ -
USD:RMB (Note)	1%	139,143	-
USD:THB (Note)	1%	108,443	-
RMB:USD (Note)	1%	84,675	-
EUR:USD (Note)	1%	18,480	-
SGD:USD (Note)	1%	10,266	-

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

Six months ended June 30, 2020			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 116,871	\$ -
USD:RMB (Note)	1%	113,623	-
USD:THB (Note)	1%	59,696	-
RMB:USD (Note)	1%	41,776	-
EUR:USD (Note)	1%	27,526	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 99,911	\$ -
RMB:USD (Note)	1%	83,848	-
USD:RMB (Note)	1%	69,220	-
USD:THB (Note)	1%	59,128	-
SGD:USD (Note)	1%	10,482	-

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2021 and 2020 would have increased/decreased by \$17,232 and \$10,869, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$13,897 and \$11,580, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose

the Group to fair value interest rate risk. The Group's borrowings mainly bear fixed and variable interest rate. During the six months ended June 30, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.

- ii. As at June 30, 2021 and 2020, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the six months ended June 30, 2021 and 2020 would have decreased by \$36,888 and \$31,379, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Group adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2021, December 31, 2020 and June 30, 2020, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At June 30, 2021</u>			
Expected loss rate	0.00%	1.11%	18.77%
Total book value	\$ 55,823,714	\$ 3,870,190	\$ 287,111
Loss allowance	<u>\$ 1,274</u>	<u>\$ 42,771</u>	<u>\$ 53,892</u>

	181-365 days past due	Over 366 days past due	Total
Expected loss rate	42.58%	93.06%	
Total book value	\$ 151,802	\$ 247,756	\$ 60,380,573
Loss allowance	<u>\$ 64,639</u>	<u>\$ 230,568</u>	<u>\$ 393,144</u>
	Not past due	1-90 days past due	91-180 days past due
<u>At December 31, 2020</u>			
Expected loss rate	0.00%	0.92%	23.59%
Total book value	\$ 53,883,754	\$ 4,956,368	\$ 367,326
Loss allowance	<u>\$ 1,356</u>	<u>\$ 45,703</u>	<u>\$ 86,651</u>
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	37.46%	95.21%	
Total book value	\$ 139,939	\$ 337,312	\$ 59,684,699
Loss allowance	<u>\$ 52,415</u>	<u>\$ 321,141</u>	<u>\$ 507,266</u>
	Not past due	1-90 days past due	91-180 days past due
<u>At June 30, 2020</u>			
Expected loss rate	0.01%	2.61%	23.10%
Total book value	\$ 50,328,392	\$ 3,279,600	\$ 342,124
Loss allowance	<u>\$ 6,238</u>	<u>\$ 85,688</u>	<u>\$ 79,021</u>
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	39.72%	99.30%	
Total book value	\$ 440,515	\$ 731,840	\$ 55,122,471
Loss allowance	<u>\$ 174,994</u>	<u>\$ 726,737</u>	<u>\$ 1,072,678</u>

- ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable, accounts receivable, contract assets and overdue receivables are as follows:

	2021				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 507,266	\$ -	\$ 354,282	\$ 861,548
Reversal of impairment loss	-	(106,738)	-	(40,404)	(147,142)
Effects on decrease of business entities	-	(320)	-	-	(320)
Write-offs during the period	-	(13)	-	(9,415)	(9,428)
Effect of foreign exchange	-	(7,051)	-	(455)	(7,506)
At June 30	<u>\$ -</u>	<u>\$ 393,144</u>	<u>\$ -</u>	<u>\$ 304,008</u>	<u>\$ 697,152</u>

	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
Provision for (reversal of) impairment loss	-	79,753	-	(3,463)	76,290
Acquired from business combinations	-	26,588	-	-	26,588
Write-offs during the period	-	(15)	-	(6,663)	(6,678)
Effect of foreign exchange	-	(42,841)	-	(17,664)	(60,505)
At June 30	\$ -	\$ 1,072,678	\$ -	\$ 185,615	\$ 1,258,293

For provisioned loss for the six months ended June 30, 2021 and 2020, the reversal of (provision for) impairment loss arising from customers' contracts amounted to \$147,142 and (\$76,290), respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

Non-derivative financial liabilities:

June 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 1,562,853	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	52,474,238	-	-	-
Other payables	46,758,294	-	-	-
Lease liabilities (including current portion)	521,533	372,573	466,336	523,402
Long-term borrowings (including current portion)	46,135	36,354,172	113,119	386,284

Non-derivative financial liabilities:

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,001,532	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	46,719,921	-	-	-
Other payables	32,884,221	-	-	-
Lease liabilities (including current portion)	538,386	361,912	497,277	552,123
Long-term borrowings (including current portion)	48,117	34,521,128	4,371,048	421,814

Non-derivative financial liabilities:

<u>June 30, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,986,871	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	44,899,203	-	-	-
Other payables	41,000,559	-	-	-
Lease liabilities (including current portion)	558,391	388,812	467,097	543,515
Long-term borrowings (including current portion)	57,713	27,235,881	3,638,042	447,281

Derivative financial liabilities:

As at June 30, 2021, December 31, 2020 and June 30, 2020, the Group's derivative financial liabilities are due within 1 year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion) are approximate to their fair values.
- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,723,209	\$ -	\$1,224,731	\$2,947,940
Convertible preferred stocks	-	-	197,148	197,148
Hybrid instruments	11,917	900,000	-	911,917
Derivative instruments	-	94,921	-	94,921
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,124,287</u>	<u>-</u>	<u>668,905</u>	<u>1,793,192</u>
	<u>\$2,859,413</u>	<u>\$ 994,921</u>	<u>\$2,090,784</u>	<u>\$5,945,118</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 132,770</u>	<u>\$ -</u>	<u>\$ 132,770</u>
<u>December 31, 2020</u>				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,414,718	\$ -	\$1,270,756	\$2,685,474
Hybrid instruments	52,577	900,000	74,983	1,027,560
Derivative instruments	-	290,505	-	290,505
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,254,855</u>	<u>-</u>	<u>672,828</u>	<u>1,927,683</u>
	<u>\$2,722,150</u>	<u>\$1,190,505</u>	<u>\$2,018,567</u>	<u>\$5,931,222</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 60,060</u>	<u>\$ -</u>	<u>\$ 60,060</u>

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,086,922	\$ -	\$1,600,280	\$2,687,202
Hybrid instruments	74,819	-	74,983	149,802
Derivative instruments	-	226,667	-	226,667
Financial assets at fair value through other comprehensive income				
Equity instruments	892,553	-	683,231	1,575,784
	<u>\$2,054,294</u>	<u>\$ 226,667</u>	<u>\$2,358,494</u>	<u>\$4,639,455</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 16,431</u>	<u>\$ -</u>	<u>\$ 16,431</u>

D. The methods and assumptions that the Group used to measure fair value are as follows:

- (a) The instruments that the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Convertible (exchangeable)</u>
Market quoted price	Closing price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques that are approved for financial management.
- (c) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and

pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the six months ended June 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2021 and 2020:

	2021			Total
	Hybrid instruments	Debt instruments	Equity instruments	
At January 1	\$ 74,983	\$ -	\$ 1,943,584	\$ 2,018,567
Losses recognised in profit and loss	(5,131)	-	(25,312)	(30,443)
Acquired during the period	-	197,148	46,253	243,401
Disposals during the period	(69,852)	-	(31,626)	(101,478)
Transfers out from Level 3	-	-	(34,400)	(34,400)
Net exchange differences	-	-	(4,863)	(4,863)
At June 30	<u>\$ -</u>	<u>\$ 197,148</u>	<u>\$ 1,893,636</u>	<u>\$ 2,090,784</u>

	2020		Total
	Hybrid instruments	Equity instruments	
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in profit or loss	-	(4,276)	(4,276)
Acquired during the period	74,983	33,300	108,283
Net exchange differences	-	(18,258)	(18,258)
At June 30	<u>\$ 74,983</u>	<u>\$ 2,283,511</u>	<u>\$ 2,358,494</u>

- G. In the first half of 2021, the Group obtained sufficient observable market information for certain financial assets at fair value through profit or loss. These equity securities were transferred from Level 3 into Level 1 at the end of the month in which they were listed.
- H. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical review.

The capital department establishes valuation policies, valuation processes and ensures compliance with the related requirements in IFRS. The related valuation results are reported to the management monthly. The management is responsible for managing and reviewing valuation processes.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2021	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,628,236	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.91~2.78 (1.21)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	1.43~14.77 (2.13)	
			Price to earning ratio multiple	11.30~92.60 (12.30)	
			Discount for lack of marketability	20% (20%)	
Non-derivative debt instruments:					
Convertible preferred stocks	197,148	Option pricing model of VC Method	Value multiple	39.0~49.8 (44.40)	The higher the multiple, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,678,184	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.99~1.77 (1.08)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	1.43~13.65 (1.81)	
			Price to earning ratio multiple	12.20~109.2 (20.4)	
			Discount for lack of marketability	20% (20%)	
Hybrid instruments:					
Convertible bonds	74,983	Most recent non-active market price	Not applicable	-	Not applicable
	Fair value at June 30, 2020	Valuation technique	Significant unobservable input	Range (Average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,018,111	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	1.96~19.97 (3.43)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The discount for lack of marketability, the lower the fair value
Hybrid instruments:					
Convertible bonds	74,983	Most recent non-active market price	Not applicable	-	Not applicable

J. The Group's valuation techniques are based on the most recent non-active market price after carefully assessing the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		June 30, 2021					
				Recognised in		Recognised in other	
				profit or loss		comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets							
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,306	(\$ 3,306)	
Financial assets							
Debt instrument	Value multiple	± 1%	\$ 1,097	(\$ 1,097)	\$ -	\$ -	
		December 31, 2020					
				Recognised in		Recognised in other	
				profit or loss		comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets							
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,476	(\$ 3,476)	
		June 30, 2020					
				Recognised in		Recognised in other	
				profit or loss		comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets							
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,275	(\$ 3,275)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates

and joint ventures): Please refer to table 3.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(4) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 5, 6 and 7 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG), with investee companies in the Mainland China, for the six months ended June 30, 2021.

(4) Major shareholders information

Please refer to table 10.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group's management has determined the reportable segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group considers the business from a product perspective. The Group's business is segregated into power electronics business, automation business and infrastructure business. Breakdown of the revenue from all sources is as follows:

- A. Power electronics: Component, Embedded Power, Fans and Thermal Management, Automotive Electronics and Merchant & Mobile Power.

B. Automation: Industrial Automation and Building Automation.

C. Infrastructure: ICT Infrastructure and Energy Infrastructure.

Because of the change in product classification, the Group's internal business segments were restructured. Accordingly, the prior period information was restated for comparative purposes.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Six months ended June 30, 2021			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	<u>\$ 90,360,480</u>	<u>\$ 22,932,992</u>	<u>\$ 37,815,521</u>	<u>\$ 151,108,993</u>
Segment income (Note)	<u>\$ 10,518,359</u>	<u>\$ 3,021,483</u>	<u>\$ 2,741,817</u>	<u>\$ 16,281,659</u>
	Six months ended June 30, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	<u>\$ 70,687,949</u>	<u>\$ 19,015,403</u>	<u>\$ 36,548,546</u>	<u>\$ 126,251,898</u>
Segment income (Note)	<u>\$ 7,746,903</u>	<u>\$ 1,637,270</u>	<u>\$ 1,860,721</u>	<u>\$ 11,244,894</u>

(Note) Segment income represents income after eliminating inter-segment transactions.

(4) Reconciliation information for segment income (loss)

A. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income.

B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the six months ended June 30, 2021 and 2020 is provided as follows:

	Six months ended June 30,	
	<u>2021</u>	<u>2020</u>
Reportable segments income	\$ 16,281,659	\$ 11,244,894
Non-operating income and expenses	<u>2,613,560</u>	<u>1,785,842</u>
Income before tax from continuing operations	<u>\$ 18,895,219</u>	<u>\$ 13,030,736</u>

Delta Electronics, Inc. and Subsidiaries

Loans to others

Six months ended June 30, 2021

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2021 (Note 2)	Balance at June 30, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	\$ 2,590,980	\$2,590,980	\$ 1,671,600	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,610,973	\$ 28,610,973	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	17,036,390	17,036,390	17,036,390	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	28,610,973	28,610,973	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	807,940	807,940	807,940	0.50%	2	-	Additional operating capital	-	None	-	3,082,177	3,082,177	Note 5
3	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	696,500	696,500	696,500	0.70%	2	-	Additional operating capital	-	None	-	68,102,576	68,102,576	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	2,228,800	-	-	0.70%	2	-	Additional operating capital	-	None	-	68,102,576	68,102,576	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	12,258,400	12,258,400	12,258,400	0.70%	2	-	Additional operating capital	-	None	-	68,102,576	68,102,576	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	18,944,800	17,886,120	17,886,120	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	68,102,576	68,102,576	Note 5
3	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	390,040	390,040	390,040	0.70%	2	-	Additional operating capital	-	None	-	68,102,576	68,102,576	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	33,150	33,150	33,052	1.90%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5
4	Eltek AS	Delta Solutions (Finland) Oy	Other receivables - related parties	Yes	33,150	33,150	33,150	0.60%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5
4	Eltek AS	Eltek Power France SAS	Other receivables - related parties	Yes	82,875	82,875	82,875	0.60%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5
4	Eltek AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	98,400	98,400	98,400	0.60%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5
4	Eltek AS	Delta Electronics (Poland) Sp. z. o.o.	Other receivables - related parties	Yes	107,267	107,267	107,267	0.60%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5
4	Eltek AS	Eltek s.r.o.	Other receivables - related parties	Yes	321,555	321,555	321,555	0.60%	2	-	Additional operating capital	-	None	-	3,169,740	3,169,740	Note 5

Table 1-1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2021 (Note 2)	Balance at June 30, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	\$ 1,509,081	\$1,509,081	\$ 1,509,081	4.65%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 4,359,159	\$ 4,359,159	Note 5
6	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	270,000	270,000	270,000	1.09%	2	-	Additional operating capital	-	None	-	285,493	570,985	Note 6
7	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	397,800	394,485	394,485	0.40%	2	-	Additional operating capital	-	None	-	660,090	660,090	Note 5
8	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,393,000	1,393,000	1,393,000	4.00%	2	-	Additional operating capital	-	None	-	6,386,802	6,386,802	Note 5
9	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	232,050	232,050	198,900	0.40%	2	-	Additional operating capital	-	None	-	1,161,155	1,161,155	Note 5
10	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,655,677	1,655,677	1,224,511	3.85%	2	-	Additional operating capital	-	None	-	2,527,647	2,527,647	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at June 30, 2021, which the Company reported to the Securities and Futures Bureau.

Note 3: Limit on loans granted by the Company to a single party is 20% of the Company's net assets based on the latest audited or reviewed financial statements, and limit on total loans is 40% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 4: Limit on loans granted by subsidiaries to a single party is 40% of the subsidiaries' net assets based on the latest audited or reviewed financial statements, and limit on total loans is 40% of the subsidiaries' net assets based on the latest audited or reviewed financial statements.

Note 5: Limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is the lender's net assets based on the latest audited or reviewed financial statements, and limit on total loans is the lender's net assets based on the latest audited or reviewed financial statements.

Note 6: The calculation and amount on ceiling of loans of Vivotek Inc. are as follows:

(1) The ceiling on total amount of loans to others shall not exceed 20% of the subsidiary's net assets value in the latest financial statements which were audited or reviewed by independent auditors.

(2) For the short-term financing, the limit on loans granted to a single party shall not exceed the subsidiary's paid-in capital and 10% of the subsidiary's net assets value in the latest financial statements which were audited or reviewed by independent auditors.

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Six months ended June 30, 2021

Table 2

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at June 30, 2021	Outstanding endorsement / guarantee amount at June 30, 2021	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 4)											
1	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 2,879,156	\$ 128,408	\$ 125,370	\$125,370	\$ -	0.09%	\$ 7,197,889	N	N	N	Note 2

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with Eltek's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 5% of the Company's net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 2% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 3: The Company's net assets based on the latest audited or reviewed financial statements were \$143,957,787 thousand (2021/6/30).

Note 4: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2021

Table 3

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at June 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	55,308,750	\$ 724,545	2.08%	\$ 724,545	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	399,743	5.73%	399,743	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	0.00%	900,000	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss	-	191,038	0.00%	191,038	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,129,750	240,072	0.63%	240,072	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,061,000	222,280	0.81%	222,280	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	174,928	0.14%	174,928	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	141,008	7.51%	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	229,180	1.45%	229,180	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	165,420	2.99%	165,420	
Delta Electronics Capital Company	Acer E-Enabling Service Business Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	800,000	170,000	2.19%	170,000	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,463,823	0.00%	1,463,823	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at June 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, INC. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,838,235	\$ 139,300	10.46%	\$ 139,300	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through profit or loss - non-current	141,065	111,440	19.90%	111,440	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	51,038	0.00%	51,038	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53%	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	0.00%	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	31,306	19.79%	31,306	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,876	17.52%	4,876	
Delta Electronics (Pingtan) Co., Ltd.	Pingtang Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	32,337	15.00%	32,337	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	197,148	2.45%	197,148	

Table 3-2

Delta Electronics, Inc. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Six months ended June 30, 2021

Table 4

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Delta Controls Inc.	Land and buildings in British Columbia, Canada	April 20, 2021	\$ 640,680	In accordance with the contract terms	Energrated Holdings Ltd.	None	-	-	-	\$ -	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Six months ended June 30, 2021
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 2,152,767	13.61	70 days			\$ 1,340,924	24.56	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,534,515	85.54	70 days			3,985,965	73.00	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	9,735,492	25.12	70 days			5,868,576	50.18	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	318,923	0.81	70 days			178,470	1.53	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	28,466,746	73.44	70 days			5,572,203	47.65	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	152,247	0.89	70 days			72,813	0.69	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	9,744,642	57.80	70 days			6,218,887	58.82	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,410,126	8.37	70 days			954,377	9.03	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	484,980	2.88	70 days			248,855	2.35	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	2,841,175	99.27	70 days			1,288,215	99.21	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	142,669	3.86	70 days			75,073	6.16	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,548,920	96.14	70 days			1,129,374	92.68	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	403,064	16.84	70 days			193,657	16.95	

Table 5-1

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 1,989,636	83.17	70 days			\$ 948,562	83.05	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	893,500	62.00	70 days			241,273	49.58	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	185,282	12.83	70 days			103,821	21.34	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	347,811	24.14	70 days			132,667	27.26	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	975,147	27.61	Note 1	Note 1	Note 1	535,058	39.67	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,489,824	99.44	Note 2	Note 2	Note 2	1,478,050	98.17	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	486,320	97.95	70 days			138,330	93.10	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,199,633	86.40	70 days			19,548	33.90	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	591,576	20.43	70 days			206,467	25.91	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	165,328	6.18	70 days			87,001	6.70	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	209,723	7.84	70 days			49,219	3.79	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	428,354	15.94	180 days			472,672	36.43	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	318,762	13.42	70 days			110,102	8.97	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	110,780	4.66	70 days			74,885	6.09	

Table 5-2

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	\$ 354,786	14.90	70 days			\$ 189,824	15.45	
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	187,238	7.87	70 days			94,695	7.71	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	101,326	4.24	70 days			34,112	1.39	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	223,040	9.37	70 days			187,819	15.29	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	243,814	0.22	70 days			124,141	0.25	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	111,393	0.10	90 days after delivery			87,885	0.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	994,917	0.90	70 days			594,421	1.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	9,148,624	8.49	70 days			4,262,711	8.42	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,711,834	14.60	70 days			2,665,233	5.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	2,672,690	2.48	70 days			754,219	1.49	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	2,863,081	2.67	70 days			839,242	1.66	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	1,570,984	1.43	70 days			896,734	1.78	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	141,359	0.14	70 days			55,907	0.11	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	799,918	0.73	70 days			409,506	0.81	

Table 5-3

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 106,696	0.12	70 days			\$ 13,184	0.03	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	Operating revenue	107,664	0.09	70 days			90,773	0.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	851,721	0.77	90 days after delivery			628,083	1.24	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	1,497,776	1.38	70 days			647,730	1.28	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	115,307	0.10	70 days			69,480	0.14	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	1,214,663	1.12	70 days			676,627	1.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	566,425	0.52	70 days			306,872	0.61	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	210,512	0.20	70 days			92,481	0.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	735,948	0.69	70 days			365,346	0.72	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	10,173,423	9.44	70 days			8,548,834	16.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	6,223,195	5.77	90 days after delivery			3,875,188	7.66	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,231,698	1.14	70 days			781,610	1.55	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	3,021,494	2.79	70 days			1,285,890	2.55	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	241,936	13.60	70 days			128,160	14.50	

Table 5-4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 725,937	40.95	70 days			\$ 371,550	42.06	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	Operating revenue	127,662	7.21	70 days			57,386	6.50	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	646,753	36.50	70 days			320,727	36.30	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	868,147	69.68	70 days			205,825	41.29	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	335,631	26.98	70 days			244,423	49.04	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	196,204	0.64	90 days after delivery			95,539	0.60	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	546,752	1.77	70 days			245,739	1.54	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	10,959,981	35.56	90 days after delivery			7,356,424	46.16	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	851,333	2.79	70 days			540,372	3.39	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	132,666	0.44	70 days			59,877	0.38	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	384,045	1.21	70 days			378,769	3.26	
Delta Electronics, Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	175,468	0.55	70 days			96,878	0.83	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	316,978	1.00	70 days			259	-	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	102,058	0.30	90 days after delivery			81,790	0.71	

Table 5-5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	\$ 117,570	0.36	70 days			\$ 77,760	0.67	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	115,533	0.36	70 days			80,018	0.68	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	282,029	0.89	70 days			1,377,194	11.86	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	1,401,704	4.40	70 days			465,703	4.00	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	3,183,839	10.01	90 days after delivery			1,727,706	14.87	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	665,800	2.12	70 days			338,988	2.92	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	295,909	0.94	70 days			143,715	1.24	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	227,943	5.01	70 days			6,401	0.49	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	170,888	3.81	70 days			60,504	4.70	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	290,775	12.00	90 days	Note 3	Note 3	185,850	25.00	

Note 1: Sales revenue is cost plus handling charges and necessary processing costs. The collection term for related parties is 75 days from next month, and to third parties is 30~120 days after monthly billings.

Note 2: Sales revenue is cost plus necessary profit, and the collection term for related parties is 75 days from next month.

Note 3: Vivotek Inc. determined the prices and terms of goods sold to Vivotek USA, Inc. based on the economic conditions and market competitiveness of the sales area, and there is no comparable prices and terms available for the goods sold to third parties.

Table 5-6

Delta Electronics, Inc. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
June 30, 2021

Table 6

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 1,340,924	4.49	\$ -		\$ 391,136	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,985,965	5.52	-		-	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	5,868,576	3.08	-		1,647,273	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	178,470	4.20	-		51	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,572,203	10.32	2,141		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	6,218,887	3.44	-		1,972,426	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	954,377	3.38	-		287,816	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	248,855	3.55	-		-	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,288,215	4.23	-		-	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,129,374	6.88	362		562,772	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	193,657	4.13	-		60,186	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	948,562	4.84	-		-	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	241,273	6.27	-		-	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	103,821	4.16	-		278	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	132,667	5.06	-		-	

Table 6-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 145,720	-	\$ -		\$ 145,720	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	535,058	3.57	-		196,853	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,478,050	7.61	-		838,238	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	138,330	14.06	-		-	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	206,467	6.33	1,583		111,396	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	472,672	2.18	49,580		-	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	110,102	4.40	-		48,022	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	189,824	4.28	-		-	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	509,438	2.73	90,600		111,326	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	124,141	4.09	-		62,444	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	594,421	3.29	-		303,627	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	4,262,711	4.64	192,902		2,077,148	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	2,665,233	14.28	-		-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	754,219	7.82	-		450,676	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	839,242	7.94	-		-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	896,734	3.93	428,306		278,600	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	409,506	4.42	5,851		-	

Table 6-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd	Affiliated enterprise	\$ 129,891	1.65	\$ 75,293		\$ -	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	628,083	3.09	4,180		4,283	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	647,730	4.39	5,562		148,957	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	676,627	4.88	-		132,326	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	306,872	2.80	-		77,877	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	365,346	3.84	2,724		130,992	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	8,654,529	2.44	86,885		100,081	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	3,875,188	2.64	91,619		511,457	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	781,610	3.82	4,774		191,524	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	1,285,890	5.58	18,417		171,142	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	128,160	3.89	-		14,170	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	371,550	3.57	-		145,243	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	320,727	3.60	3		99,879	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	205,825	10.03	497		205,530	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	244,423	4.46	-		87,877	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	245,739	4.34	8,630		37,031	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	7,356,424	3.31	25,422		283,226	

Table 6-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	\$ 540,372	3.96	\$ 4,365		\$ 175,162	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	378,769	0.97	-		-	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	1,809,631	0.28	93,422		1,722,271	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	465,703	6.98	3,911		2,739	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	1,727,706	3.16	-		10,128	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	338,988	4.03	-		104,699	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	143,715	4.76	10,012		49,493	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	239,987	-	1,915		-	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	204,198	-	272		204,198	
Delta International Holding Limited B.V.	Delta Controls Inc.	Affiliated enterprise	390,472	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	12,280,091	-	-		-	
Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Affiliated enterprise	697,732	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	17,917,492	-	-		-	
Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	808,961	-	-		-	
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	1,393,000	-	-		-	
Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	1,231,154	-	-		-	

Table 6-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	\$ 1,513,369	-	\$ -		\$ -	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,672,297	-	-		-	
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	17,062,711	-	-		-	
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	107,267	-	-		-	
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	198,900	-	-		-	
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	394,485	-	-		-	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	185,850	5.87	-		79,577	
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	270,367	-	-		-	

Note 1: Including other receivables in excess of \$100,000.

Note 2: The amount represents collections subsequent to June 30, 2021 up to July 29, 2021.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Six months ended June 30, 2021

Table 7

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	\$ 3,183,839	(Note 5)	2.10
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	2,152,767	(Note 4)	1.42
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,534,515	(Note 4)	8.95
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	9,735,492	(Note 4)	6.44
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	28,466,746	(Note 4)	18.82
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	9,744,642	(Note 4)	6.44
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	2,841,175	(Note 4)	1.88
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,548,920	(Note 4)	2.35
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,989,636	(Note 4)	1.32
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,489,824	(Note 7)	4.95
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	9,148,624	(Note 4)	6.05
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,711,834	(Note 4)	10.39
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	2,672,690	(Note 4)	1.77
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	2,863,081	(Note 4)	1.89
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	1,570,984	(Note 4)	1.04

Table 7-1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	\$ 10,173,423	(Note 4)	6.73
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	6,223,195	(Note 5)	4.11
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	3,021,494	(Note 4)	2.00
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	10,959,981	(Note 5)	7.25
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,985,965	(Note 4)	1.14
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,868,576	(Note 4)	1.67
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,572,203	(Note 4)	1.59
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	6,218,887	(Note 4)	1.77
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,262,711	(Note 4)	1.21
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Accounts receivable	8,654,529	(Note 4)	2.47
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	3,875,188	(Note 5)	1.10
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	7,356,424	(Note 5)	2.10
10	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	12,280,091	(Note 6)	3.50
10	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	17,917,492	(Note 6)	5.11

Table 7-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
11	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 17,062,711	(Note 6)	4.86

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 70 days.

Note 5: It will follow the agreed price and transaction terms, and all the credit terms are 90 days after delivery.

Note 6: Lending of capital.

Note 7: Sales revenue is cost plus necessary profit, the collection term for related parties is 75 days from next month.

Note 8: The disclosure requirement for the above disclosed amounts is 1% of the consolidated total assets for balance sheet accounts and 1% of the consolidated total revenue for income statement accounts.

Delta Electronics, Inc. and Subsidiaries
Information on investees
Six months ended June 30, 2021

Table 8

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 68,308,649	\$ 806,855	\$ 825,749	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	3,094,436	45,341	8,072	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	20,789,965	3,285,645	3,331,510	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,423,321	3,087,845	161,541	(Notes 6 and 13)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	33,090,812	626,870	570,760	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	220,364	18,714	16,229	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,837,472	365,452	365,452	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	41,944,131	6,691,321	6,683,802	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,628,563	(46,948)	(46,934)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	295,316	204,697	(7,960)	(Notes 6 and 9)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,278,198	4,217,016	46,586,058	53.57	4,110,971	138,580	26,361	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	-	880,000	44.00	8,702	(223)	(98)	(Note 18)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,001,453	12,001,453	191,984,450	15.39	11,763,979	3,087,845	365,196	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	27,860	27,860	1,000,000	100.00	220,853	5,663	5,663	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	79,651	79,651	5,600	100.00	749,448	119,616	119,616	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	393,563	393,563	46,949,667	100.00	261,668	(35,822)	(40,973)	(Note 1)
Delta International Holding Limited B.V.	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	-	41,790	-	-	-	(8,495)	(8,495)	(Notes 1 and 21)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	\$ 566,795	\$ 566,795	10,000	100.00	\$ 866,937	\$ 154,235	\$ 151,347	(Note 1)
Delta International Holding Limited B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,902,557	1,902,557	1,060,624	100.00	2,218,810	230,828	229,762	(Note 1)
Delta International Holding Limited B.V.	Eltek AS	Norway	Research, development and sales of power supplies and others	13,851,086	13,851,086	93,531,101	100.00	11,940,085	207,987	(135,124)	(Note 1)
Delta International Holding Limited B.V.	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,089,500	2,089,500	75,000,000	100.00	2,552,361	37,713	37,713	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	101,968	101,968	500,000	100.00	59,417	341	341	(Note 1)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	168,553	168,553	2,314,592	100.00	155,832	15,035	15,035	(Note 2)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,149,143	9,149,143	2,549,297,600	100.00	23,102,640	2,536,333	2,536,333	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,427,188	2,427,188	1	100.00	1,983,479	131,815	74,180	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,795,161	4,795,161	304,504,306	100.00	5,099,327	329,102	326,976	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,438,452	1,438,452	18,374,182	89.74	2,490,023	204,697	183,284	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,030,820	1,030,820	5,190,330	29.50	720,196	(948)	(1,766)	(Notes 8 and 22)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	156,573	156,573	940,687	100.00	54,339	13,831	15,505	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	198,085	198,085	4,315,657	100.00	200,882	16,664	16,664	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	565,098	565,098	87,000,000	100.00	468,851	(69)	(69)	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,722,451	2,722,451	-	100.00	2,703,139	32,537	(6,851)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	778,148	778,148	12,175,470	100.00	654,251	41,577	24,138	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Software and associated engineering service	993,893	984,954	51,495	100.00	1,039,012	62,107	49,601	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	210,462	210,462	250,000	100.00	1,382,560	113,857	113,857	(Note 15)

Table 8-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	\$ 63,242	\$ 63,242	-	100.00	\$ 43,510	(\$ 20)	(\$ 20)	(Note 15)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	33,333,148	33,333,148	534,479,306	42.85	33,935,628	3,087,845	1,016,807	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	20,987	20,987	11,400,000	100.00	19,843	5,731	5,731	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	197,692	(9,165)	(9,165)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(17,452)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	57,541	57,541	300,000	100.00	(49,557)	6,468	6,468	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Provide solutions to building management and control	2,261,102	2,261,102	-	100.00	1,546,430	59,251	32,985	(Note 7)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	4,955,151	4,955,151	1,196,886,000	100.00	1,973,734	43,962	43,716	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	975,100	975,100	35,000,000	100.00	1,951,917	44,698	44,698	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	165,795	165,795	40,526,221	100.00	(182,765)	(35,822)	(35,822)	(Note 17)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,121,459	438,554	438,554	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	347,387	24,134,934	100.00	279,684	24,357	20,858	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	8,262,818	8,262,818	264,357,330	100.00	6,251,422	83,643	(279,022)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	180,126	180,126	20,600,000	100.00	87,021	(3,861)	(3,861)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	4,873,800	4,873,800	146,586,590	100.00	8,606,386	58,535	58,390	(Note 16)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (VIETNAM) COMPANY LIMITED	Vietnam	Sales of electronic products	2,650	2,650	-	100.00	221	(2,516)	(2,516)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	402	-	110,999	100.00	402	-	-	(Notes 16 and 18)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	305,651	-	-	-	(30,724)	3,319	(Note 19)

Table 8-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	\$ 31,555	\$ 31,555	1,050	100.00	\$ 258,201	\$ 15,282	\$ 29,859	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	126,372	18,051	17,917	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	11,366	457	457	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	48,375	2,449	2,449	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	23,572	299	299	(Note 11)
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	312,832	15,289	15,289	(Note 10)
Realwin Investment Inc.	Skywatch INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(4,211)	-	(Note 14)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	48,806	1,875	1,875	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	53,381	12,897	7,248	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	-	10,451	9,408	(Notes 12 and 20)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	759	(3,868)	(1,973)	(Note 12)
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	31,123	-	-	-	(30,724)	(1,193)	(Note 19)

Note 1: The Company's second-tier subsidiary or subsidiary's investee accounted for under equity method, which was recognised as investment gains/losses through Delta International Holding Limited B.V.

Note 2: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (H.K.) Ltd.

Note 3: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Networks Holding Limited.

Note 4: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Networks, Inc.

Note 5: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Cyntec Co., Ltd.

Note 6: The investment income /loss is net of the elimination of intercompany transactions.

Note 7: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics Int'l (Singapore) Pte. Ltd.

Note 8: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Netherlands) B.V.

Note 9: The Company indirectly acquired 89.74% equity shares of Delta America Ltd. through Delta Electronics (Netherlands) B.V. Considering the 10.26% equity shares held by the Company, the total ownership was 100%.

Note 10: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Vivotek Holdings, Inc.

Note 11: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Vivotek Inc.

Note 12: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Realwin Investment Inc.

Note 13: The Company indirectly acquired 15.39% and 42.85% equity shares of Delta Electronics (Thailand) Public Company Limited through Delta International Holding Limited B.V. and Delta Electronics Int'l (Singapore) Pte. Ltd., respectively, considering 5.54% equity shares held by the Company, the total ownership was 63.78%.

Note 14: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company.

Note 15: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta America Ltd.

Note 16: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Thailand) Public Company Limited.

Note 17: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Digital Projection International Ltd.

Note 18: Established or invested during 2021.

Note 19: The Group disposed 54.41% equity shares of Vatics Inc. to Kneron Holding Corporation on June 30, 2021. As of that date, the Group lost control over the aforementioned entity; thus it was not included as a consolidated entity of the Group since the date.

Note 20: Conducted the dissolution and liquidation during 2020. As of June 30, 2021, the process has not yet been completed.

Note 21: Dissolved and liquidated in April 2021.

Note 22: The Group disposed all of its shares in Optovue in June 2021 as resolved by the Board of Directors, and transferred investments accounted for under the equity method amounting to \$720,196 (USD25,851 thousand) to non-current assets held for sale.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Six months ended June 30, 2021

Table 9

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2021	Net income (loss) of investee for the six months ended June 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2021 (Note 20)	Book value of investments in Mainland China as at June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 3,897,893	Invested by DHK	\$ 4,646,361	\$ -	\$ -	\$ 4,646,361	\$ 244,810	100.00	\$ 243,880	\$ 6,461,322	\$ 269,128	(Notes 3, 15 and 20)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	-	Invested by DHK	-	-	-	-	44,108	-	44,106	-	-	(Notes 15 and 20)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,419,879	Invested by DHK	435,827	-	-	435,827	2,190,527	100.00	2,193,918	9,222,171	-	(Notes 6 and 15)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,733,240	Invested by DHK	476,719	-	-	476,719	47,768	100.00	47,465	4,364,592	-	(Notes 7 and 15)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,755,180	Invested by DHK	119,098	-	-	119,098	54,066	100.00	55,925	1,946,957	-	(Notes 8 and 15)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	5,204,527	Invested by DHK	11,362,140	-	-	11,362,140	587,232	100.00	584,026	11,603,611	-	(Notes 12 and 15)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	126,206	Invested by DHK	921,752	-	-	921,752	(13,150)	100.00	(13,150)	(53,941)	-	(Notes 9 and 15)
Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	206,164	Invested by DHK	1,056,168	-	-	1,056,168	8,380	100.00	8,380	161,738	-	(Note 15)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	129,350	Invested by DHK	144,724	-	-	144,724	43,733	100.00	43,733	234,826	-	(Note 15)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	215,583	Invested by DHK	12,742	-	-	12,742	2,714	100.00	2,714	161,803	-	(Notes 10 and 15)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	237,141	Invested by DHK	235,653	-	-	235,653	(6,608)	100.00	(6,608)	196,644	-	(Note 15)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	5,627,720	Invested by CHK	5,529,162	-	-	5,529,162	432,558	100.00	432,558	8,304,429	-	(Note 17)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	975,100	Invested by DNHK	1,245,519	-	-	1,245,519	48,912	100.00	48,912	1,809,610	612,920	(Notes 5 and 16)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2021	Net income (loss) of investee for the six months ended June 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2021 (Note 20)	Book value of investments in Mainland China as at June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	\$ 63,590	Invested by DNHK	\$ 19,502	\$ -	\$ -	\$ 19,502	(\$ 2,171)	30.00	(\$ 651)	\$ 16,486	\$ -	(Note 16)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	111,440	Invested by DelBio	111,440	-	-	111,440	11,753	100.00	11,753	185,695	-	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,947	Invested by DCZ	-	-	-	-	21,528	100.00	21,349	212,467	-	(Note 13)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,117	Invested by DPEC and DGC	-	-	-	-	694	96.32	694	33,953	-	(Note 13)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	431	Invested by DET-SH	-	-	-	-	508	96.32	508	1,372	-	(Note 13)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,234	Invested by Amerlux Lighting Hong Kong Limited	167,787	-	-	167,787	19,044	100.00	19,044	38,444	-	(Notes 11 and 19)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,449,023	Invested by Drake-HK, Boom and DGSG	8,519,940	-	-	8,519,940	586,678	95.91	562,689	5,983,221	-	(Notes 4 and 14)
Cyntec Electronics (WuHu) Co., Ltd.	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique.	835,800	Invested by DHK	27,860	807,940	-	835,800	(475,443)	100.00	(475,443)	323,678	-	(Note 15)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	107,792	Invested by DPT	-	-	-	-	-	40.00	679	12,749	-	(Note 13)

Table 9-2

- Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.46155 to US\$1 and NTD 4.31166 to RMB\$1.
- Note 2: The accumulated remittance as at January 1, 2021, remitted or collected this period, accumulated remittance as at June 30, 2021 and investment income remitted back as at June 30, 2021 was translated into New Taiwan Dollars at the average exchange rate of NTD 27.86 to US\$1 at the balance sheet date.
- Note 3: Except for the facility of US\$166,775 thousand (the amount include former Delta Electronics Power (Dongguan) Co., Ltd.) permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 4: Except for the facility of US\$305,813 thousand permitted by Investment Commission, the capitalisation of earnings of US\$980 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$11,312 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 6: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 7: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 8: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 9: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 10: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 11: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.
- Note 12: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. Under the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.
- Note 13: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.
- Note 14: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.
- Note 15: Invest through Delta Electronics (H.K.) Ltd.
- Note 16: Invest through Delta Networks (HK) Limited.
- Note 17: Invest through Cyntec Holding (HK) Limited.
- Note 18: Invest through DelBio Inc.
- Note 19: Invest through Amerlux Lighting Hong Kong Limited.
- Note 20: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.
- Note 21: Except for Delta Green (Tianjin) Industries Co., Ltd., Delta Electronics (Pingtan) Co., Ltd., Delta Energy Technology (Shanghai) Co., Ltd., DelBio (Wujiang) Co., Ltd., Eltek Energy Technology (Dongguan) Ltd., Delta Energy Technology Puhuan (shanghai) Co., Ltd., Delta Electronics (Beijing) Co., Ltd., Delta Electronics (Xi'an) Co., Ltd., Amerlux Lighting Co., Ltd., Cyntec Electronics (WuHu) Co., Ltd., Delta Networks (Xiamen) Ltd. and Fujian Kaixin Construction Engineering Co., Ltd. whose investment income (loss) was recognised based on recognised gain or loss on investment based on financial statement prepared by each company, others were recognised.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at June 30, 2021	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,851,799	\$ 28,355,926	\$ -
Cyntec Co., Ltd.	5,529,162	5,529,162	16,273,126
DelBio Inc. (Note 4)	111,440	111,440	134,398

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD27.86 to US\$1 at the balance sheet date.

Note 2: The investment income of US\$22,000 thousand, US\$18,000 thousand, US\$10,509 thousand and US\$14,351 thousand were remitted back on March 11, 2011, June 27, 2012, August 14, 2012, June 24, 2009 and December 29, 2005, respectively, from the investee companies in Mainland China and was permitted by Investment Commission on August 3, 2012, August 28, 2012, July 17, 2009 and January 6, 2006, respectively, which are deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

Note 3: According to "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", the Company obtained the approval of operation headquarters from Industrial Development Bureau of Ministry of Economic Affairs. There is no ceiling of investment amount.

Note 4: The ceiling is calculated based on DelBio Inc.'s 60% of net assets as at June 30, 2021.

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
June 30, 2021

Table 10

Name of major shareholders	Shares	No. of shares held	Ownership (%)
DEICO INTERNATIONAL LTD.		267,556,280	10.30%
DELTRON HOLDING LTD.		218,211,168	8.40%