

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2022 AND 2021**

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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the related consolidated statements of changes in equity and of cash flows for the nine 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 Standards (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 Note 4(3)B, 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\$28,838,209 thousand and NT\$20,886,736 thousand, constituting 6.73% and 5.87% of the consolidated total assets, and total liabilities of NT\$9,092,673 thousand and NT\$6,429,106 thousand, constituting 4.35% and 3.66% of the

consolidated total liabilities as at September 30, 2022 and 2021, respectively, and total comprehensive income (loss) of (NT\$148,217) thousand and NT\$148,367 thousand, constituting (0.67%) and 3.04% of the consolidated total comprehensive income for the three months then ended, respectively, and total comprehensive loss of (NT\$163,446) thousand and (NT\$168,985) thousand, constituting (0.34%) and (0.97%) of the consolidated total comprehensive income for the nine 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 September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months then ended, and its consolidated cash flows for the nine 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 independent auditors. Those statements reflect total assets amounting to NT\$75,784,982 thousand and NT\$53,391,053 thousand, constituting 17.69% and 15.01% of the consolidated total assets as at September 30, 2022 and 2021, respectively, and total operating revenues amounting to NT\$22,311,171 thousand and NT\$20,257,407 thousand, constituting 21.00% and 25.43% of the consolidated total operating revenues for the three months then ended, respectively, and total operating revenues amounting to NT\$61,527,852 thousand and NT\$52,051,944 thousand, constituting 22.07% and 22.54% of the consolidated total operating revenues for the nine months then ended, respectively.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the nine months ended September 30, 2022 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 \$31.75 to US\$1.00 at September 30, 2022. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Hsiao, Chun-Yuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

October 27, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the 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 auditors 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
SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)
(THE BALANCE SHEETS AS OF SEPTEMBER 30, 2022 AND 2021 ARE UNAUDITED)

| Assets | Notes | US Dollars | | New Taiwan Dollars | |
|---|----------------|----------------------|-----------------------|-----------------------|-----------------------|
| | | September 30, 2022 | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Current assets | | | | | |
| Cash and cash equivalents | 6(1) | \$ 2,045,397 | \$ 64,941,352 | \$ 49,855,053 | \$ 54,393,270 |
| Financial assets at fair value through profit or loss - current | 6(2) | 43,862 | 1,392,627 | 1,085,729 | 1,033,252 |
| Financial assets at amortised cost - current | 8 | 8,121 | 257,856 | 327,238 | 256,214 |
| Contract assets - current | 6(20) | 124,072 | 3,939,280 | 3,589,313 | 3,239,155 |
| Notes receivable, net | 6(5) | 113,064 | 3,589,788 | 3,420,633 | 3,486,909 |
| Accounts receivable, net | 6(5) | 2,675,087 | 84,934,013 | 67,436,377 | 61,436,227 |
| Accounts receivable - related parties | 7 | 1,694 | 53,784 | 27,831 | 9,753 |
| Other receivables | 6(6) and 7 | 70,379 | 2,234,537 | 1,815,370 | 2,107,973 |
| Current income tax assets | | 14,564 | 462,391 | 349,207 | 480,142 |
| Inventories | 6(7) | 2,480,354 | 78,751,233 | 66,107,351 | 61,935,059 |
| Prepayments | | 84,071 | 2,669,269 | 2,450,269 | 2,417,670 |
| Non-current assets held for sale | 6(8) | 7,388 | 234,578 | 320,551 | - |
| Other current assets | | 3,374 | 107,109 | 93,272 | 76,879 |
| Total current assets | | 7,671,427 | 243,567,817 | 196,878,194 | 190,872,503 |
| Non-current assets | | | | | |
| Financial assets at fair value through profit or loss - non-current | 6(2) | 83,965 | 2,665,895 | 3,351,798 | 2,991,627 |
| Financial assets at fair value through other comprehensive income - non-current | 6(3) | 48,731 | 1,547,199 | 1,587,843 | 1,509,748 |
| Contract assets - non-current | 6(20) | 14,498 | 460,296 | 462,941 | 548,812 |
| Investments accounted for under the equity method | | 2,769 | 87,928 | 63,731 | 64,661 |
| Property, plant and equipment | 6(8) and 8 | 2,662,960 | 84,548,986 | 76,607,285 | 75,393,641 |
| Right-of-use assets | 6(9) | 140,940 | 4,474,833 | 3,006,960 | 2,899,034 |
| Investment property, net | | 443 | 14,070 | 14,070 | 14,070 |
| Intangible assets | 6(10) | 2,541,521 | 80,693,294 | 73,609,564 | 72,674,814 |
| Deferred income tax assets | | 247,242 | 7,849,918 | 7,177,447 | 6,318,607 |
| Other non-current assets | 6(5)(11) and 8 | 75,361 | 2,392,717 | 2,352,477 | 2,336,140 |
| Total non-current assets | | 5,818,430 | 184,735,136 | 168,234,116 | 164,751,154 |
| Total assets | | \$ 13,489,857 | \$ 428,302,953 | \$ 365,112,310 | \$ 355,623,657 |

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021
 (EXPRESSED IN THOUSANDS OF DOLLARS)
 (THE BALANCE SHEETS AS OF SEPTEMBER 30, 2022 AND 2021 ARE UNAUDITED)

| Liabilities and Equity | Notes | US Dollars | | New Taiwan Dollars | |
|--|-------|----------------------|-----------------------|-----------------------|-----------------------|
| | | September 30, 2022 | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Current liabilities | | | | | |
| Short-term borrowings | 6(12) | \$ 64,269 | \$ 2,040,552 | \$ 4,397,362 | \$ 2,885,046 |
| Financial liabilities at fair value through profit or loss - current | 6(2) | 17,146 | 544,395 | 41,371 | 169,465 |
| Contract liabilities - current | 6(20) | 212,310 | 6,740,837 | 5,438,939 | 5,699,419 |
| Notes payable | | 51 | 1,613 | 440 | 2,337 |
| Accounts payable | | 2,106,133 | 66,869,725 | 54,554,462 | 54,722,192 |
| Accounts payable - related parties | 7 | 1,261 | 40,029 | 15,023 | 11,619 |
| Other payables | 6(13) | 1,163,566 | 36,943,215 | 35,652,202 | 31,928,093 |
| Current income tax liabilities | | 145,986 | 4,635,045 | 3,486,108 | 3,016,810 |
| Other current liabilities | 6(15) | 157,130 | 4,988,882 | 4,583,570 | 4,446,506 |
| Total current liabilities | | <u>3,867,852</u> | <u>122,804,293</u> | <u>108,169,477</u> | <u>102,881,487</u> |
| Non-current liabilities | | | | | |
| Bonds payable | 6(14) | 207,874 | 6,600,000 | - | - |
| Long-term borrowings | 6(15) | 1,556,131 | 49,407,140 | 43,913,787 | 47,674,204 |
| Deferred income tax liabilities | | 613,391 | 19,475,168 | 16,777,156 | 16,409,385 |
| Lease liabilities - non-current | | 70,565 | 2,240,444 | 1,366,401 | 1,272,499 |
| Other non-current liabilities | | 269,009 | 8,541,042 | 8,760,831 | 7,307,789 |
| Total non-current liabilities | | <u>2,716,970</u> | <u>86,263,794</u> | <u>70,818,175</u> | <u>72,663,877</u> |
| Total liabilities | | <u>6,584,822</u> | <u>209,068,087</u> | <u>178,987,652</u> | <u>175,545,364</u> |
| Equity | | | | | |
| Share capital | 6(17) | | | | |
| Common stock | | 818,124 | 25,975,433 | 25,975,433 | 25,975,433 |
| Capital surplus | 6(18) | | | | |
| Capital surplus | | 1,546,830 | 49,111,839 | 49,114,151 | 49,089,538 |
| Retained earnings | 6(19) | | | | |
| Legal reserve | | 1,020,041 | 32,386,305 | 29,697,752 | 29,697,752 |
| Special reserve | | 509,188 | 16,166,722 | 12,543,208 | 12,543,208 |
| Unappropriated retained earnings | | 1,828,000 | 58,039,010 | 53,622,701 | 47,341,773 |
| Other equity interest | | | | | |
| Other equity interest | | 9,503 | 301,714 | (16,166,723) | (15,738,077) |
| Equity attributable to owners of the parent | | <u>5,731,686</u> | <u>181,981,023</u> | <u>154,786,522</u> | <u>148,909,627</u> |
| Non-controlling interest | 4(3) | <u>1,173,349</u> | <u>37,253,843</u> | <u>31,338,136</u> | <u>31,168,666</u> |
| Total equity | | <u>6,905,035</u> | <u>219,234,866</u> | <u>186,124,658</u> | <u>180,078,293</u> |
| Significant contingent liabilities and unrecorded contract commitments | 9 | | | | |
| Significant events after the balance sheet date | 11 | | | | |
| Total liabilities and equity | | <u>\$ 13,489,857</u> | <u>\$ 428,302,953</u> | <u>\$ 365,112,310</u> | <u>\$ 355,623,657</u> |

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

| Items | Notes | US Dollars | New Taiwan Dollars | | | |
|--|--------------------|---|----------------------------------|----------------------|---------------------------------|----------------------|
| | | Nine months ended September 30, 2022 | Three months ended September 30, | | Nine months ended September 30, | |
| | | | 2022 | 2021 | 2022 | 2021 |
| Operating revenue | 6(20) and 7 | \$ 8,780,568 | \$ 106,248,153 | \$ 79,646,172 | \$ 278,783,021 | \$ 230,901,339 |
| Operating costs | 6(7)(25)(26) and 7 | (6,224,346) | (74,070,823) | (57,102,574) | (197,622,962) | (163,070,655) |
| Gross profit | | <u>2,556,222</u> | <u>32,177,330</u> | <u>22,543,598</u> | <u>81,160,059</u> | <u>67,830,684</u> |
| Operating expenses | 6(25)(26) | | | | | |
| Selling expenses | | (519,311) | (6,121,842) | (4,771,215) | (16,488,127) | (14,424,753) |
| General and administrative expenses | | (340,329) | (4,030,312) | (3,100,668) | (10,805,452) | (9,163,483) |
| Research and development expenses | | (725,836) | (8,487,504) | (6,887,397) | (23,045,308) | (20,323,613) |
| Expected credit impairment gain (loss) | 12(2) | (5,027) | 9 | (6,377) | (159,600) | 140,765 |
| Total operating expenses | | <u>(1,590,503)</u> | <u>(18,639,649)</u> | <u>(14,765,657)</u> | <u>(50,498,487)</u> | <u>(43,771,084)</u> |
| Operating profit | | <u>965,719</u> | <u>13,537,681</u> | <u>7,777,941</u> | <u>30,661,572</u> | <u>24,059,600</u> |
| Non-operating income and expenses | | | | | | |
| Interest income | 6(21) | 11,077 | 164,632 | 118,670 | 351,681 | 350,613 |
| Other income | 6(22) | 80,142 | 885,855 | 738,682 | 2,544,508 | 2,239,037 |
| Other gains and losses | 6(23) | 41,355 | 744,197 | (272,794) | 1,313,027 | 753,284 |
| Finance costs | 6(24) | (11,130) | (174,815) | (75,423) | (353,372) | (218,106) |
| Share of profit (loss) of associates and joint ventures accounted for under the equity method | | <u>767</u> | <u>13,789</u> | <u>133</u> | <u>24,365</u> | <u>(2,000)</u> |
| Total non-operating income and expenses | | <u>122,211</u> | <u>1,633,658</u> | <u>509,268</u> | <u>3,880,209</u> | <u>3,122,828</u> |
| Profit before income tax | | <u>1,087,930</u> | <u>15,171,339</u> | <u>8,287,209</u> | <u>34,541,781</u> | <u>27,182,428</u> |
| Income tax expense | 6(27) | (209,376) | (2,949,569) | (1,689,389) | (6,647,699) | (5,477,836) |
| Profit for the period | | <u>\$ 878,554</u> | <u>\$ 12,221,770</u> | <u>\$ 6,597,820</u> | <u>\$ 27,894,082</u> | <u>\$ 21,704,592</u> |

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

| Items | Notes | US Dollars | New Taiwan Dollars | | | |
|---|-------|---|----------------------------------|----------------|---------------------------------|----------------|
| | | Nine months ended September 30, 2022 | Three months ended September 30, | | Nine months ended September 30, | |
| | | | 2022 | 2021 | 2022 | 2021 |
| 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 | | \$ 8,528 | \$ 61,786 | \$ 1,765 | \$ 270,774 | \$ 65,854 |
| Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income | 6(3) | 633 | (103,203) | (394,387) | 20,101 | (524,954) |
| Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(27) | (43) | - | - | (1,382) | - |
| Other comprehensive income (loss) that will not be reclassified to profit or loss | | 9,118 | (41,417) | (392,622) | 289,493 | (459,100) |
| Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | | |
| Financial statements translation differences of foreign operations | | 665,255 | 10,481,388 | (1,395,021) | 21,121,862 | (3,969,459) |
| Loss on hedging instrument | | - | - | - | - | (782) |
| Share of other comprehensive (loss) income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss | | (83) | (1,866) | 4 | (2,633) | 148 |
| Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss | 6(27) | (33,674) | (519,654) | 78,151 | (1,069,167) | 176,947 |
| Other comprehensive income (loss) that will be reclassified to profit or loss | | 631,498 | 9,959,868 | (1,316,866) | 20,050,062 | (3,793,146) |
| Other comprehensive income (loss) for the period | | \$ 640,616 | \$ 9,918,451 | (\$ 1,709,488) | \$ 20,339,555 | (\$ 4,252,246) |
| Total comprehensive income for the period | | \$ 1,519,170 | \$ 22,140,221 | \$ 4,888,332 | \$ 48,233,637 | \$ 17,452,346 |
| Profit attributable to: | | | | | | |
| Owners of the parent | | \$ 779,700 | \$ 11,068,908 | \$ 6,368,868 | \$ 24,755,470 | \$ 20,538,751 |
| Non-controlling interest | | \$ 98,854 | \$ 1,152,862 | \$ 228,952 | \$ 3,138,612 | \$ 1,165,841 |
| Comprehensive income (loss) attributable to: | | | | | | |
| Owners of the parent | | \$ 1,306,581 | \$ 19,239,371 | \$ 4,958,424 | \$ 41,483,935 | \$ 17,409,736 |
| Non-controlling interest | | \$ 212,589 | \$ 2,900,850 | (\$ 70,092) | \$ 6,749,702 | \$ 42,610 |
| Basic earnings per share (in dollars) | 6(28) | | | | | |
| Basic earnings per share | | \$ 0.30 | \$ 4.26 | \$ 2.45 | \$ 9.53 | \$ 7.91 |
| Diluted earnings per share (in dollars) | 6(28) | | | | | |
| Diluted earnings per share | | \$ 0.30 | \$ 4.25 | \$ 2.44 | \$ 9.49 | \$ 7.88 |

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

| Equity attributable to owners of the parent | | | | | | | | | | | | | |
|---|-------|------------------------------|-----------------|---------------|-----------------|----------------------------------|--|--|------------------------------------|----------------|---------------|--------------------------|--------------|
| Items | Notes | Retained Earnings | | | | | Other Equity Interest | | | | Total | Non-controlling interest | Total equity |
| | | 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 New Taiwan Dollars</u> | | | | | | | | | | | | | |
| Balance at January 1, 2021 | | \$ 25,975,433 | \$ 49,202,505 | \$ 27,342,534 | \$ 7,622,034 | \$ 48,300,040 | (\$ 12,319,980) | (\$ 353,844) | \$ 130,616 | \$ 145,899,338 | \$ 32,690,303 | \$ 178,589,641 | |
| Profit for the period | | - | - | - | - | 20,538,751 | - | - | - | 20,538,751 | 1,165,841 | 21,704,592 | |
| Other comprehensive income (loss) for the period | | - | - | - | - | 65,854 | (2,669,211) | (524,954) | (704) | (3,129,015) | (1,123,231) | (4,252,246) | |
| Total comprehensive income (loss) for the period | | - | - | - | - | 20,604,605 | (2,669,211) | (524,954) | (704) | 17,409,736 | 42,610 | 17,452,346 | |
| 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 | | - | - | - | - | (14,286,480) | - | - | (14,286,480) | - | (14,286,480) | - | |
| Changes in ownership interests in subsidiaries | | (116,449) | - | - | - | - | - | - | (116,449) | - | (116,449) | - | |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 6(32) | - | 3,482 | - | - | - | - | - | - | 3,482 | (99,741) | (96,259) | |
| Changes in non-controlling interests | | - | - | - | - | - | - | - | - | - | (1,464,506) | (1,464,506) | |
| Balance at September 30, 2021 | | \$ 25,975,433 | \$ 49,089,538 | \$ 29,697,752 | \$ 12,543,208 | \$ 47,341,773 | (\$ 14,989,191) | (\$ 878,798) | \$ 129,912 | \$ 148,909,627 | \$ 31,168,666 | \$ 180,078,293 | |
| <u>2022 New Taiwan Dollars</u> | | | | | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 25,975,433 | \$ 49,114,151 | \$ 29,697,752 | \$ 12,543,208 | \$ 53,622,701 | (\$ 15,520,287) | (\$ 776,353) | \$ 129,917 | \$ 154,786,522 | \$ 31,338,136 | \$ 186,124,658 | |
| Profit for the period | | - | - | - | - | 24,755,470 | - | - | - | 24,755,470 | 3,138,612 | 27,894,082 | |
| Other comprehensive income for the period | | - | - | - | - | 251,536 | 16,458,210 | 18,719 | - | 16,728,465 | 3,611,090 | 20,339,555 | |
| Total comprehensive income for the period | | - | - | - | - | 25,007,006 | 16,458,210 | 18,719 | - | 41,483,935 | 6,749,702 | 48,233,637 | |
| Distribution of 2021 earnings | 6(19) | | | | | | | | | | | | |
| Legal reserve appropriated | | - | - | 2,688,553 | - | (2,688,553) | - | - | - | - | - | - | |
| Special reserve appropriated | | - | - | - | 3,623,514 | (3,623,514) | - | - | - | - | - | - | |
| Cash dividends of ordinary share | | - | - | - | - | (14,286,479) | - | - | (14,286,479) | - | (14,286,479) | - | |
| Changes in ownership interests in subsidiaries | | (17,634) | - | - | - | (643) | - | - | (18,277) | - | (18,277) | - | |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 6(32) | - | 15,322 | - | - | - | - | - | - | 15,322 | (125,504) | (110,182) | |
| Disposal of financial assets at fair value through other comprehensive income | | - | - | - | - | 8,492 | (8,492) | - | - | - | - | - | |
| Changes in non-controlling interests | | - | - | - | - | - | - | - | - | - | (708,491) | (708,491) | |
| Balance at September 30, 2022 | | \$ 25,975,433 | \$ 49,111,839 | \$ 32,386,305 | \$ 16,166,722 | \$ 58,039,010 | \$ 937,923 | (\$ 766,126) | \$ 129,917 | \$ 181,981,023 | \$ 37,253,843 | \$ 219,234,866 | |

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(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>2022 US Dollars</u> | | | | | | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 818,124 | \$ 1,546,902 | \$ 935,362 | \$ 395,062 | \$ 1,688,904 | (\$ 488,828) | (\$ 24,453) | \$ 4,092 | \$ 4,875,165 | \$ 987,028 | \$ 5,862,193 | | |
| Profit for the period | | - | - | - | - | 779,700 | - | - | - | 779,700 | 98,854 | 878,554 | | |
| Other comprehensive income for the period | | - | - | - | - | 7,922 | 518,369 | 590 | - | 526,881 | 113,735 | 640,616 | | |
| Total comprehensive income for the period | | - | - | - | - | 787,622 | 518,369 | 590 | - | 1,306,581 | 212,589 | 1,519,170 | | |
| Distribution of 2021 earnings | 6(19) | | | | | | | | | | | | | |
| Legal reserve appropriated | | - | - | 84,679 | - | (84,679) | - | - | - | - | - | - | | |
| Special reserve appropriated | | - | - | - | 114,126 | (114,126) | - | - | - | - | - | - | | |
| Cash dividends of ordinary share | | - | - | - | - | (449,968) | - | - | (449,968) | - | (449,968) | - | | |
| Changes in ownership interests in subsidiaries | | - | (555) | - | - | (20) | - | - | (575) | - | (575) | - | | |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 6(32) | - | 483 | - | - | - | - | - | - | 483 | (3,953) | (3,470) | | |
| Disposal of financial assets at fair value through other comprehensive income | | - | - | - | - | 267 | (267) | - | - | - | - | - | | |
| Changes in non-controlling interests | | - | - | - | - | - | - | - | - | - | (22,315) | (22,315) | | |
| Balance at September 30, 2022 | | \$ 818,124 | \$ 1,546,830 | \$ 1,020,041 | \$ 509,188 | \$ 1,828,000 | \$ 29,541 | (\$ 24,130) | \$ 4,092 | \$ 5,731,686 | \$ 1,173,349 | \$ 6,905,035 | | |

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

| | Notes | US Dollars | New Taiwan Dollars | |
|---|-----------------|---|---------------------------|-----------------------|
| | | Nine months ended September 30, 2022 | Nine months ended 2022 | September 30, 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Consolidated profit before tax for the period | | \$ 1,087,930 | \$ 34,541,781 | \$ 27,182,428 |
| Adjustments | | | | |
| Income and expenses having no effect on cash flows | | | | |
| Depreciation | 6(8)(9) (25) | 347,687 | 11,039,067 | 9,964,816 |
| Amortization | 6(10)(25) | 91,764 | 2,913,501 | 2,736,446 |
| Expected credit impairment loss (gain) | 12(2) | 5,027 | 159,600 (| 140,765) |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | 6(2)(23) | 8,701 | 276,251 (| 106,148) |
| Interest expense | 6(24) | 11,130 | 353,372 | 218,106 |
| Interest income | 6(21) | (11,077) (| 351,681) (| 350,613) |
| Dividend income | 6(22) | (8,451) (| 268,329) (| 262,826) |
| Share of (profit) loss of associates accounted for under the equity method | | (767) (| 24,365) | 2,000 |
| Loss on disposal of property, plant and equipment | 6(23) | 2,452 | 77,873 | 30,839 |
| Gain on disposal of investments | 6(23) | - | - | (90,109) |
| Impairment loss on financial assets | | - | - | 164,900 |
| Casualty loss | 6(23) | - | - | 329,493 |
| Changes in assets/liabilities relating to operating activities | | | | |
| Net changes in assets relating to operating activities | | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | 9,047 | 287,256 | 186,941 |
| Contract assets | | (10,939) (| 347,322) (| 1,090,567) |
| Notes receivable | | (5,328) (| 169,155) | 246,686 |
| Accounts receivable | | (521,284) (| 16,550,779) (| 2,107,525) |
| Accounts receivable - related parties | | (818) (| 25,953) | 32,531 |
| Other receivables | | (12,692) (| 402,984) (| 82,260) |
| Other receivables - related parties | | 15 | 485 | 199 |
| Inventories | | (353,630) (| 11,227,736) (| 17,432,968) |
| Prepayments | | 6,789 | 215,557 (| 258,467) |
| Other current assets | | (317) (| 10,065) | 8,846 |
| Other non-current assets | | (31) (| 995) | 152,426 |
| Net changes in liabilities relating to operating activities | | | | |
| Contract liabilities | | 27,877 | 885,089 | 686,830 |
| Notes payable | | 37 | 1,173 (| 149) |
| Accounts payable | | 371,567 | 11,797,252 | 8,035,514 |
| Accounts payable - related parties | | 788 | 25,006 (| 18,519) |
| Other payables | | 19,577 | 621,566 (| 897,990) |
| Other current liabilities | | 13,457 | 427,267 | 250,238 |
| Other non-current liabilities | | (2,912) | (92,450) | (385,715) |
| Cash inflow generated from operations | | 1,075,599 | 34,150,282 | 27,004,618 |
| Interest received | | 10,563 | 335,360 | 399,495 |
| Dividends received | | 8,440 | 267,982 | 261,772 |
| Interest paid | | (8,112) (| 257,544) (| 210,259) |
| Income taxes paid | | (136,164) | (4,323,219) | (4,405,276) |
| Net cash flows from operating activities | | 950,326 | 30,172,861 | 23,050,350 |

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

| | Notes | US Dollars | New Taiwan Dollars | |
|---|-------|--|---|----------------------|
| | | Nine months ended September 30, 2022 | Nine months ended September 30, 2022 2021 | |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | |
| Acquisition of financial assets mandatorily measured at fair value through profit or loss | | \$ - | \$ - | (\$ 197,148) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 2,561 | 81,320 | - |
| Proceeds from capital withdrawal from financial assets at fair value through profit or loss | | - | - | 31,626 |
| Decrease in other financial assets | | 4,470 | 141,915 | 433,491 |
| Proceeds from disposal of investments accounted for under the equity method | | - | - | 617,664 |
| Net cash flow from acquisition of subsidiaries (net of cash acquired) | 6(30) | (81,719) | (2,594,568) | (9,015) |
| Proceeds from disposal of subsidiaries (net of cash disposed) | 6(31) | - | - | 1,434 |
| Increase in prepayment for long-term investment | | - | - | (27,953) |
| Acquisition of property, plant and equipment | 6(8) | (507,614) | (16,116,761) | (18,119,299) |
| Proceeds from government grants - property, plant and equipment | 6(8) | 95 | 2,996 | - |
| Proceeds from disposal of property, plant and equipment | | 1,483 | 47,081 | 369,352 |
| Proceeds from government grants -Right-of-use assets | | 20,091 | 637,890 | - |
| Acquisition of intangible assets | 6(10) | (15,306) | (485,960) | (741,408) |
| Increase in other non-current assets | | (3,359) | (106,639) | (582,455) |
| Net cash flows used in investing activities | | (579,298) | (18,392,726) | (18,223,711) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | | |
| (Decrease) increase in short-term borrowings | 6(33) | (74,230) | (2,356,810) | 883,514 |
| Issuance of bonds payable | 6(33) | 207,874 | 6,600,000 | - |
| Proceeds from long-term debt | 6(33) | 1,537,385 | 48,811,972 | 37,979,863 |
| Repayment of long-term debt | 6(33) | (1,361,691) | (43,233,674) | (29,621,800) |
| Lease principal repayment | | (56,178) | (1,783,631) | (399,512) |
| Decrease in refundable deposits | | (13,728) | (435,867) | - |
| Cash dividends paid | 6(19) | (449,968) | (14,286,479) | (14,286,480) |
| Cash dividends paid to minority share interests | | (23,276) | (739,023) | (1,464,506) |
| Acquisition of ownership interests in subsidiaries | 6(32) | (3,470) | (110,182) | (96,259) |
| Net cash flows used in financing activities | | (237,282) | (7,533,694) | (7,005,180) |
| Effects due to changes in exchange rate | | 341,413 | 10,839,858 | (2,140,174) |
| Increase (decrease) in cash and cash equivalents | | 475,159 | 15,086,299 | (4,318,715) |
| Cash and cash equivalents at beginning of period | | 1,570,238 | 49,855,053 | 58,711,985 |
| Cash and cash equivalents at end of period | | <u>\$ 2,045,397</u> | <u>\$ 64,941,352</u> | <u>\$ 54,393,270</u> |

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(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 sales 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 authorized for issuance by the Board of Directors on October 27, 2022.

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 2022 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 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.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|--|---|
| 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 |

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

(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 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 |
| Amendments to IFRS 16, 'Lease liability in a sale and leaseback' | January 1, 2024 |
| IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendments to IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information' | January 1, 2023 |
| Amendments to IAS 1, 'Classification of liabilities as current or non-current' | January 1, 2023 |

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, 2021, 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 Standard 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, 2021.

(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 |
|-----|-------------------------|--|---|--------------------|-------------------|--------------------|------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 1 | Delta Electronics, Inc. | Delta International Holding Limited B.V. (DIH) | Equity investments | 100 | 100 | 100 | |
| 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 | " | Cyntec Co., Ltd. (Cyntec) | Research, development, manufacturing and sales of film optic-electronics devices | 100 | 100 | 100 | |
| 5 | " | DelBio Inc. (DelBio) | Manufacturing, wholesale and retail of medical equipment | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|---------------------------------|---|---|--------------------|-------------------|--------------------|------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 6 | Delta Electronics, Inc. | Delta Electronics Capital Company (DECC) | Equity investments | 100 | 100 | 100 | |
| 7 | " | Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) | Research, development and sales of electronic products | 100 | 100 | 100 | |
| 8 | " | Allied Material Technology Corp. (AMT) | Lease services, etc. | - | 99.97 | 99.97 | Note 17 |
| 9 | Delta Electronics, Inc. and DEN | Delta America Ltd. (DAL) | Equity investments | 100 | 100 | 100 | |
| 10 | DEN | Delta Electronics (H.K.) Ltd. (DHK) | Equity investments, operations management and engineering services | 100 | 100 | 100 | |
| 11 | DIH | DEI Logistics (USA) Corp. (ALI) | Warehousing and logistics services | 100 | 100 | 100 | |
| 12 | " | 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 |
| 13 | DEN | Drake Investment (HK) Limited (Drake-HK) | Equity investments | 100 | 100 | 100 | |
| 14 | DGSG, Drake-HK and Boom | Delta Greentech (China) Co., Ltd. (DGC) | Sales of uninterruptible power systems and others | 95.91 | 95.91 | 95.91 | |
| 15 | DEN | Delta Greentech SGP Pte. Ltd. (DGSG) | Equity investments | 100 | 100 | 100 | |
| 16 | DIH | Delta Electronics Europe Ltd. (DEU) | Repair centre and providing support services | 100 | 100 | 100 | Note 1 Note 2 |
| 17 | DEN | Boom Treasure Limited (Boom) | Equity investments | 100 | 100 | 100 | |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|------------------|---|--|--------------------|-------------------|--------------------|----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 18 | DHK | Delta Electronics (Dongguan) Co., Ltd. (DDG) | Manufacturing and sales of transformer and thermal products | 100 | 100 | 100 | |
| 19 | " | Delta Electronics (Shanghai) Co., Ltd. (DPEC) | Product design, management consulting service and distribution of electronic products | 100 | 100 | 100 | |
| 20 | " | Delta Electronics (Jiangsu) Ltd. (DWJ) | Manufacturing and sales of power supplies and transformers | 100 | 100 | 100 | |
| 21 | " | Delta Electronics (Wuhu) Co., Ltd. (DWH) | Manufacturing and sales of LED light source, power supplies and others | 100 | 100 | 100 | |
| 22 | " | Delta Electronics (Chenzhou) Co., Ltd. (DCZ) | Manufacturing and sales of transformers | 100 | 100 | 100 | |
| 23 | " | Cyntec Electronics (Wuhu) Co., Ltd. (CEWH) | Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique | 100 | 100 | 100 | Note 2 |
| 24 | DHK 、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 Note 8 |
| 25 | DHK | Delta Green (Tianjin) Industries Co., Ltd. (DGT) | Manufacturing and sales of transformers | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|-------------------|---|--|--------------------|-------------------|--------------------|-------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 26 | DHK | Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan) | Wholesale and retail of electronic products and energy-saving equipment | 100 | 100 | 100 | Note 1 Note 2 |
| 27 | DEJ | Addtron Technology (Japan), Inc. (AT Japan) | Trading of networking system and peripherals | 100 | 100 | 100 | Note 1 Note 2 |
| 28 | " | 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 |
| 29 | DCZ | Chenzhou Delta Technology Co., Ltd. (CDT) | Manufacturing and sales of transformers | 100 | 100 | 100 | |
| 30 | 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 | Note 2 Note 18 |
| 31 | DNH | Delta Networks, Inc. (DNI Cayman) | Equity investments | 100 | 100 | 100 | |
| 32 | DNI Cayman | Delta Networks (HK) Limited (DNHK) | " | 100 | 100 | 100 | |
| 33 | DHK and DNHK/DNHC | 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 | Note 10 |
| 34 | Cyntec | Fairview Assets Ltd. (Fairview) | Equity investments | 100 | 100 | 100 | |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|------------------|---|--|--------------------|-------------------|--------------------|------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 35 | Fairview | Grandview Holding Ltd. (Grandview) | Equity investments | 100 | 100 | 100 | |
| 36 | Grandview | CYNTEC HOLDING (HK) LIMITED (CHK) | " | 100 | 100 | 100 | |
| 37 | " | Cyntec International Ltd. (CIL-Labuan) | Trading | 100 | 100 | 100 | |
| 38 | CHK | Cyntec Electronics (Suzhou) Co., Ltd. (CES) | Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; electronic components manufacturing, electronic components wholesale, electronic components retail, mold manufacturing, mold sales, forgings and powder metallurgy products sales | 100 | 100 | 100 | |
| 39 | DelBio | DelBio (Wujiang) Co., Ltd. | Manufacturing, wholesale and retail of medical equipment | 100 | 100 | 100 | Note 1 Note 2 |
| 40 | DIH | ELTEK AS | Research, development and sales of power supplies and others | 100 | 100 | 100 | |
| 41 | " | Delta Controls Inc. (DCI) | Provide solutions to building management and control | 100 | 100 | 100 | |
| 42 | " | DELTA ELECTRONICS HOLDING (USA) INC. | Equity investments | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--|---------------------------------------|--|--------------------|-------------------|--------------------|-----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 43 | ELTEK AS | ELTEK PAKISTAN (PRIVATE) LIMITED | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |
| 44 | " | DELTA Electronics (Germany) GmbH | Sales of power supplies and others and system installation | 100 | 100 | 100 | Note 1 Note 2 Note 20 |
| 45 | Delta Energy Systems (Singapore) PTE. LTD. | Delta Electronics (Australia) Pty Ltd | " | 100 | 100 | 100 | |
| 46 | ELTEK AS | Eltek Egypt for Power Supply S.A.E. | Sales of power supplies and others | 95 | 95 | 95 | Note 1 Note 2 |
| 47 | ELTEK AS and DELTA ELECTRONICS (USA) INC. | Eltek SGS Pvt Ltd. | Sales of power supplies and others and system installation | 100 | 100 | 100 | Note 1 Note 2 |
| 48 | 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 |
| 49 | ELTEK AS | ELTEK POWER FRANCE SAS | Sales of power supplies and others and system installation | 100 | 100 | 100 | Note 1 Note 2 |
| 50 | " | ELTEK LIMITED | Equity investments and trading | - | - | 100 | Note 2 Note 6 |
| 51 | " | ELTEK MEA DMCC | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |
| 52 | ELTEK MEA DMCC and ELTEK AS | ELTEK KENYA LIMITED | Sales of power supplies | - | 100 | 100 | Note 2 Note 12 |
| 53 | " | ELTEK WEST AFRICA LIMITED | " | 100 | 100 | 100 | Note 1 Note 2 |
| 54 | ELTEK AS | Eltek Italia S.r.l. | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |
| 55 | " | Delta Electronics (Sweden) AB | " | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|---|---|--|--------------------|-------------------|--------------------|-----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 56 | ELTEK AS | DELTA ELECTRONICS (UK) LTD | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 Note 19 |
| 57 | " | OOO Eltek | Sales of power supplies and others and system installation | 100 | 100 | 100 | Note 1 Note 2 |
| 58 | DELTA Electronics (Germany) GmbH | DELTA Montage GmbH | Installation and maintenance of power supplies | 100 | 100 | 100 | Note 1 Note 2 Note 21 |
| 59 | DEIL-SG | ELTEK POWER INCORPORATED | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |
| 60 | " | ELTEK POWER CO., LTD. | " | 100 | 100 | 100 | Note 1 Note 2 Note 3 |
| 61 | " | ELTEK POWER (CAMBODIA) LTD. | " | 100 | 100 | 100 | Note 1 Note 2 |
| 62 | " | ELTEK POWER (MALAYSIA) SDN. BHD. | " | 100 | 100 | 100 | Note 1 Note 2 Note 4 |
| 63 | 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 | Note 2 Note 7 |
| 64 | DELTA ELECTRONICS HOLDING (USA) INC. | DELTA ELECTRONICS (USA) INC. | Manufacturing and sales of power supplies | 100 | 100 | 100 | |
| 65 | DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC. | DELTA ELECTRONICS (ARGENTINA) S.R.L. | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|---|--|---|--------------------|-------------------|--------------------|-----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 66 | DEN and DELTA ELECTRONICS (USA) INC. | ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA. | Manufacturing and sales of power supplies | 100 | 100 | 100 | Note 1 Note 2 Note 13 |
| 67 | DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC. | DELTA ELECTRONICS (PERU) INC. S.R.L. | Sales of power supplies and others | 100 | 100 | 100 | Note 1 Note 2 |
| 68 | DELTA ELECTRONICS (USA) INC. | DELTA ELECTRONICS (COLOMBIA) S.A.S. | // | 100 | 100 | 100 | Note 1 Note 2 |
| 69 | DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC. | Eltekenegy Services, S.A. de C.V. | // | 100 | 100 | 100 | Note 1 Note 2 |
| 70 | DHK and DIH/DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC. | Eltekenegy International de México, S. de R.L. de C.V. | // | 100 | 100 | 100 | Note 1 Note 2 Note 8 |
| 71 | DAL | Delta Electronics (Americas) Ltd. | Sales of electronic components | 100 | 100 | 100 | |
| 72 | // | Delta Solar Solutions LLC | Equity investments | - | 100 | 100 | Note 2 Note 14 |
| 73 | Delta Solar Solutions LLC | DSS-USF LLC | Rental of solar power systems | - | 100 | 100 | Note 2 Note 14 |
| 74 | Cyntec | Power Forest Technology Corporation (Power Forest) | IC design of power management | 100 | 100 | 100 | Note 1 Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--------------------------------------|---|--|--------------------|-------------------|--------------------|-----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 75 | DPEC and DGC / 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 Note 18 |
| 76 | DEIL-SG | Loy Tec electronics GmbH (Loy Tec) | Consulting service of building management and control solutions | 100 | 100 | 100 | Note 1 Note 2 |
| 77 | DHK | Delta Electronics (Beijing) Co., Ltd. | Installation of mechanic, electronic, telecommunication and circuit equipment | 100 | 100 | 100 | Note 1 Note 2 |
| 78 | " | Delta Electronics (Xi'an) Co., Ltd. | Sales of computers, peripherals and software | 100 | 100 | 100 | Note 1 Note 2 |
| 79 | DIH | Delta Electronics (Switzerland) AG (DECH) | Equity investments, research, development and sales of electronic products | 100 | 100 | 100 | Note 2 |
| 80 | DEN | Delta Greentech Electronics Industry LLC | Marketing and sales of electronic products | 100 | 100 | 100 | Note 1 Note 2 |
| 81 | DEN and Delta Electronics (USA) INC. | DELTA GREENTECH (BRASIL) LTDA. (DGB) | Manufacturing and sales of electronic products | 100 | 100 | 100 | Note 1 Note 2 Note 15 |
| 82 | DECH | Delta Electronics (Czech Republic), spol. s.r.o. | Sales of electronic products | 100 | 100 | 100 | Note 2 |
| 83 | " | Delta Electronics (Italy) S.r.l. | " | 100 | 100 | 100 | Note 2 |
| 84 | " | Delta Electronics (Poland) Sp. z o.o. | " | 100 | 100 | 100 | Note 2 |
| 85 | " | Delta Solutions (Finland) Oy | " | 100 | 100 | 100 | Note 2 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--|---|---|--------------------|-------------------|--------------------|------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 86 | DECH | Delta Electronics Solutions (Spain) SL | Sales of electronic products | 100 | 100 | 100 | Note 2 |
| 87 | Delta Electronics, Inc. | Vivotek Inc. (Vivotek) | Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components | 56.75 | 55.09 | 54.1 | |
| 88 | Vivotek | Vivotek Holdings, Inc. | Holding company | 100 | 100 | 100 | |
| 89 | " | Realwin Investment Inc. (Realwin) | A venture capital company | 100 | 100 | 100 | |
| 90 | " | Vivotek Netherlands B.V. | Sales service | 100 | 100 | 100 | |
| 91 | " | Vivotek (Japan) Inc. | " | 100 | 100 | 100 | |
| 92 | Vivotek Holdings, Inc. | Vivotek USA, Inc. | Sales of webcams and related components | 100 | 100 | 100 | |
| 93 | Realwin | Wellstates Investment, LLC | Investment and commercial lease of real estate | 100 | 100 | 100 | |
| 94 | Vivotek | Otus Imaging, Inc. | Sales of webcams and related components | 100 | 100 | 100 | |
| 95 | Realwin | Aetek Inc. | " | 56.21 | 56.21 | 56.21 | |
| 96 | " | Lidlight Inc. | Sales of lighting equipment | 51 | 51 | 51 | |
| 97 | DEN | DELTA ELECTRONICS BRASIL LTDA. | Manufacturing and sales of electronic products | 100 | 100 | 100 | Note 1 Note 2 |
| 98 | 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 | |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--|---|--|--------------------|-------------------|--------------------|-------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 99 | DET | DET International Holding Limited | Equity investments | 100 | 100 | 100 | |
| 100 | " | Delta Energy Systems (Singapore) PTE. LTD. | Equity investments, trading, management and consultancy | 100 | 100 | 100 | |
| 101 | " | 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 | |
| 102 | " | Delta Electronics (Vietnam) Company Limited | Sales of electronic products | 100 | 100 | 100 | |
| 103 | DET and Delta Energy Systems (Singapore) PTE. LTD. | DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED | Manufacturing and sales of electronic products | 100 | 100 | 100 | Note 5 |
| 104 | DET International Holding Limited | DET Logistics (USA) Corporation | Providing logistics services in USA | 100 | 100 | 100 | |
| 105 | " | Delta Energy Systems (Germany) GmbH | Development, marketing and sales of electronic products | 100 | 100 | 100 | |
| 106 | " | Delta Energy Systems (India) Private Ltd. | Marketing and sales of electronic products | 100 | 100 | 100 | |
| 107 | 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 | |
| 108 | DET International Holding Limited | Delta Energy Systems (Romania) S.R.L. | Research and development | 100 | 100 | 100 | |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--|--|---|--------------------|-------------------|--------------------|-------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 109 | Delta Energy Systems (Germany) GmbH | Delta Energy Systems Property (Germany) GmbH | Property rights business | 100 | 100 | 100 | |
| 110 | Delta Energy Systems (Singapore) PTE. LTD. | Delta Electronics (Holdings) Australia Pty Ltd | Marketing and sales of renewable energy products | 100 | 100 | 100 | |
| 111 | " | 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 | |
| 112 | " | Delta Electronics (Myanmar) Co., Ltd. | Manufacturing of electronic products used in CMP manufacturing process and machinery | 100 | 100 | 100 | |
| 113 | " | Delta Energy Systems (UK) Ltd. | Research and development of electronic products | 100 | 100 | 100 | |
| 114 | " | Delta Greentech (Netherlands) Cooperatie U.A. | Equity investments | - | 100 | 100 | Note 12 |
| 115 | Delta Energy Systems (Singapore) PTE. LTD. / Delta Greentech (Netherlands) Cooperatie U.A. | Delta Greentech (Netherlands) B.V. | " | 100 | 100 | 100 | Note 16 |
| 116 | Delta Greentech (Netherlands) B.V. | Delta Energy Systems LLC | Marketing and sales of power systems | 100 | 100 | 100 | |
| 117 | " | Eltek s.r.o. | Manufacturing of telecom power system | 100 | 100 | 100 | |
| 118 | " | Delta Electronics (Automotive) Americas Inc. | Research and development of automotive power and traction inverter | 100 | 100 | 100 | |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|------------------------------------|---|--|--------------------|-------------------|--------------------|----------------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 119 | DEN | Amerlux, LLC (Amerlux) | Design and production of dedicated lighting system and facilities | 100 | 100 | 100 | Note 1 Note 2 |
| 120 | Amerlux | Amerlux Lighting Asia, LLC | Equity investments | 100 | 100 | 100 | Note 1 Note 2 |
| 121 | Amerlux Lighting Asia, LLC | Amerlux Lighting Hong Kong Limited | " | 100 | 100 | 100 | Note 1 Note 2 |
| 122 | Amerlux Lighting Hong Kong Limited | Guangzhou Amerlux Lighting Co., Ltd. | Wholesale of lighting fixture and decorative objects | 100 | 100 | 100 | Note 1 Note 2 |
| 123 | DIH | Digital Projection International Ltd. (DPI) | Equity investments | 100 | 100 | 100 | Note 1 Note 2 |
| 124 | DPI | Digital Projection Holdings Ltd. | " | 100 | 100 | 100 | Note 1 Note 2 |
| 125 | Digital Projection Holdings Ltd. | Digital Projection Ltd. | Research, development and sales of projector products | 100 | 100 | 100 | Note 1 Note 2 |
| 126 | Digital Projection Ltd. | Digital Projection Inc. | Sales of projector products | 100 | 100 | 100 | Note 1 Note 2 |
| 127 | DEN | Trihedral Engineering Limited (Trihedral) | Graphic control software and related engineering services | 100 | 100 | 100 | Note 1 Note 2 |
| 128 | Trihedral | Trihedral Inc. | " | 100 | 100 | 100 | Note 1 Note 2 |
| 129 | " | Trihedral UK Limited | " | 100 | 100 | 100 | Note 1 Note 2 |
| 130 | DIH | March Networks Holdings Ltd. | Equity investments | 100 | 100 | - | Note 1 Note 5 Note 9 |
| 131 | March Networks Holdings Ltd. | March Networks Corporation | Security surveillance software and hardware and related engineering services | 100 | 100 | - | Note 1 Note 5 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|----------------------------------|---|---|--------------------|-------------------|--------------------|-------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 132 | March Networks Corporation | March Networks, Inc. | Security surveillance software and hardware and related engineering services | 100 | 100 | - | Note 1 Note 5 |
| 133 | " | March Networks de Mexico, S.A.de C.V. | " | 100 | 100 | - | Note 1 Note 5 |
| 134 | " | March Networks (Australia) Pty Limited | " | 100 | 100 | - | Note 1 Note 5 |
| 135 | " | March Networks Limited | " | 100 | 100 | - | Note 1 Note 5 |
| 136 | " | March Networks (Singapore) Pte. Limited | " | 100 | 100 | - | Note 1 Note 5 |
| 137 | " | March Networks B.V. | " | 100 | 100 | - | Note 1 Note 5 |
| 138 | March Networks B.V. | March Networks S.r.l. | " | 100 | 100 | - | Note 1 Note 5 |
| 139 | " | March Networks (France) SAS | " | 100 | 100 | - | Note 1 Note 5 |
| 140 | DHK | Delta Electronics (Chongqing) Ltd. | Manufacturing electronic parts of new energy vehicles and parts for power of electronic equipment | 100 | - | - | Note 1 Note 11 |
| 141 | Delta Electronics, Inc. | Delmind Inc. | Provide vertical add-on value solution | 70 | - | - | Note 1 Note 11 |
| 142 | Delta Electronics, Inc. and DECC | Ancora Semiconductors Inc. | Gallium Nitride (GaN) technologies and solutions | 79.15 | - | - | Note 1 Note 11 |
| 143 | DIH | UI Acquisition Holding Co. | Equity investments | 100 | - | - | Note 1 Note 11 |
| 144 | UI Acquisition Holding Co. | UI Holding Co. | " | 100 | - | - | Note 1 Note 11 |
| 145 | UI Holding Co. | Universal Instruments Corporation | Precision automation solutions | 100 | - | - | Note 1 Note 11 |
| 146 | " | Hover-Davis, Inc. | " | 100 | - | - | Note 1 Note 11 |

| No. | Name of Investor | Name of Subsidiary | Main Business Activities | Ownership (%) | | | Description |
|-----|--|--|--|--------------------|-------------------|--------------------|-------------------|
| | | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| 147 | UI Acquisition Holding Co., UI Holding Co. | UI European Holdco. Cooperatief U.A. | Equity investments | 100 | - | - | Note 1 Note 11 |
| 148 | UI European Holdco. Cooperatief U.A. | Universal Instruments (Hong Kong) Limited | Precision automation solutions | 100 | - | - | Note 1 Note 11 |
| 149 | " | Universal Instruments s.r.o. | " | 100 | - | - | Note 1 Note 11 |
| 150 | " | Universal Instruments Mfg. (Shenzhen) Co. Ltd. | " | 100 | - | - | Note 1 Note 11 |
| 151 | UI Holding Co., UI European Holdco. Cooperatief U.A. | Universal Instrument de Mexico S.A. de C.V | " | 100 | - | - | Note 1 Note 11 |
| 152 | ELTEK AS | Graterudveien 8 AS | Property rights business | 100 | - | - | Note 1 Note 11 |
| 153 | March Networks S.r.l. | Samtartess Investments sp. z o.o. | Research and development on business intelligence applications | 100 | - | - | Note 1 Note 11 |

Note 1: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at September 30, 2022 were not reviewed by independent auditors.

Note 2: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at September 30, 2021 were not reviewed by independent auditors.

Note 3: 55% of shares are held through others due to local regulations.

Note 4: 71% of shares are held through others due to local regulations.

Note 5: The company was established or acquired through merger during 2021.

Note 6: This company had been liquidated in October 2021.

Note 7: This company had been liquidated in December 2021.

Note 8: In December 2021, DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDINGS (USA) INC. sold Eltekenergy International de Mexico, S. de R.L. de C.V. to DHK and DIH. Eltekenergy International de Mexico, S. de R.L. de C.V. and DEIL-MX resolved to set the effective date of the merger on February 1, 2022. DEIL-MX was the surviving company. However, the procedures related to the merger were still in process as of September 30, 2022.

Note 9: Formerly named Infinova (Canada) Limited and was renamed as March Networks Holdings Ltd. in December 2021.

Note 10: In December 2021, Delta Electronics (H.K.) Ltd. acquired 51% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited.

Note 11: The company was established or acquired through merger during 2022.

Note 12: This company had been liquidated in February 2022.

Note 13: Formerly named Eltek Sistemas de Energia Industria e Comercio S.A. and was renamed as ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA. in February 2022.

Note 14: This company had been liquidated in March 2022.

Note 15: Formerly named Delta Greentech (Brasil) S.A. and was renamed as DELTA GREENTECH (BRASIL) LTDA. in February 2022.

Note 16: As the liquidation stated in Note 12, the investor was changed to Delta Energy Systems (Singapore) PTE. LTD.

Note 17: The Company merged with AMT in May 2022. After the merger, the Company was the surviving company with AMT as the dissolved company.

Note 18: The deregistration of DET-SH has been completed in June 2022. Delta Energy Technology Puhuan (Shanghai) Co., Ltd. was originally held by DET-SH but was changed to be jointly held by DPEC and DGC. DET-SH was merged with Delta Energy Technology Puhuan (Shanghai) Co., Ltd. after its deregistration. The merger was completed in July 2022.

Note 19: Formerly named Eltek Power (UK) Ltd. and was renamed as DELTA ELECTRONICS (UK) LTD in June 2022.

Note 20: Formerly named Eltek Deutschland GmbH and was renamed as DELTA Electronics (Germany) GmbH in September 2022.

Note 21: Formerly named Eltek Montage GmbH and was renamed as DELTA Montage GmbH in September 2022.

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 September 30, 2022, December 31, 2021, and September 30, 2021, the non-controlling interest amounted to \$37,253,843, \$31,338,136 and \$31,168,666, respectively. The information on non-controlling interest and respective subsidiary is as follows:

| Name of subsidiary | Principal place of business | Non-controlling interest | | | |
|---|-----------------------------|--------------------------|---------------|-------------------|---------------|
| | | September 30, 2022 | | December 31, 2021 | |
| | | Amount | Ownership (%) | Amount | Ownership (%) |
| Vivotek Inc. (Vivotek) | Taiwan | \$ 3,398,976 | 43.25% | \$ 3,375,410 | 44.91% |
| Delta Electronics (Thailand) Public Company limited (DET) | Thailand | 32,735,296 | 36.22% | 27,727,893 | 36.22% |

| Name of subsidiary | Principal place of business | Non-controlling interest | |
|---|-----------------------------|--------------------------|---------------|
| | | September 30, 2021 | |
| | | Amount | Ownership (%) |
| Vivotek Inc. (Vivotek) | Taiwan | \$ 3,434,434 | 45.90% |
| Delta Electronics (Thailand) Public Company limited (DET) | Thailand | 27,425,742 | 36.22% |

Summarised financial information of the subsidiary:

Balance sheets

| | DET | | |
|-------------------------|----------------------|----------------------|----------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Current assets | \$ 52,843,304 | \$ 40,474,496 | \$ 38,795,123 |
| Non-current assets | 67,463,533 | 59,264,879 | 58,901,393 |
| Current liabilities | (26,732,498) | (20,530,658) | (19,379,588) |
| Non-current liabilities | (2,924,745) | (2,654,621) | (2,648,477) |
| Total net assets | <u>\$ 90,649,594</u> | <u>\$ 76,554,096</u> | <u>\$ 75,668,451</u> |

| | Vivotek | | |
|-------------------------|---------------------|---------------------|---------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Current assets | \$ 4,699,587 | \$ 3,919,997 | \$ 3,465,684 |
| Non-current assets | 5,784,829 | 5,987,406 | 6,013,172 |
| Current liabilities | (2,362,149) | (2,050,183) | (1,641,435) |
| Non-current liabilities | (339,743) | (341,276) | (354,995) |
| Total net assets | <u>\$ 7,782,524</u> | <u>\$ 7,515,944</u> | <u>\$ 7,482,426</u> |

Statements of comprehensive income

| | DET | |
|---|----------------------------------|---------------------|
| | Three months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 26,119,648 | \$ 17,992,446 |
| Profit before income tax | 3,093,590 | 590,366 |
| Income tax (expense) benefit | (54,720) | 41,578 |
| Profit for the period from continuing operations | 3,038,870 | 631,944 |
| Other comprehensive income, net of tax | 850,460 | 635,226 |
| Total comprehensive income for the period | <u>\$ 3,889,330</u> | <u>\$ 1,267,170</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 1,413,400</u> | <u>\$ 457,294</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ -</u> |

| | DET | |
|---|---------------------------------|---------------------|
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 70,752,919 | \$ 53,920,466 |
| Profit before income tax | 8,408,909 | 3,058,380 |
| Income tax expense | (128,778) | (52,481) |
| Profit for the period from continuing operations | 8,280,131 | 3,005,899 |
| Other comprehensive income, net of tax | 873,472 | 1,381,254 |
| Total comprehensive income for the period | <u>\$ 9,153,603</u> | <u>\$ 4,387,153</u> |
| Comprehensive income attributable to non-controlling interest | <u>\$ 3,315,433</u> | <u>\$ 1,587,635</u> |
| Dividends paid to non-controlling interest | <u>\$ 665,450</u> | <u>\$ 1,364,066</u> |

| | Vivotek | |
|--|----------------------------------|--------------------|
| | Three months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 2,567,302 | \$ 1,233,511 |
| Profit (loss) before income tax | 224,630 | (63,934) |
| Income tax (expense) benefit | (41,054) | 623 |
| Profit (loss) for the period from continuing operations | 183,576 | (63,311) |
| Other comprehensive income (loss), net of tax | 28,992 | (705) |
| Total comprehensive income (loss) for the period | <u>\$ 212,568</u> | <u>(\$ 64,016)</u> |
| Comprehensive income (loss) attributable to non-controlling interest | <u>\$ 95,656</u> | <u>(\$ 27,800)</u> |
| Dividends paid to non-controlling interest | <u>\$ -</u> | <u>\$ 80,387</u> |

| | Vivotek | |
|--|---------------------------------|--------------|
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Revenue | \$ 6,551,852 | \$ 4,039,783 |
| Profit before income tax | 406,241 | 30,332 |
| Income tax expense | (63,018) | (37,929) |
| Profit (loss) for the period from continuing operations | 343,223 | (7,597) |
| Other comprehensive income (loss), net of tax | 55,062 | (11,282) |
| Total comprehensive income (loss) for the period | \$ 398,285 | (\$ 18,879) |
| Comprehensive income (loss) attributable to non-controlling interest | \$ 185,178 | (\$ 3,445) |
| Dividends paid to non-controlling interest | \$ 52,962 | \$ 80,387 |

Statements of cash flows

| | DET | |
|---|---------------------------------|--------------|
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Net cash provided by operating activities | \$ 10,496,717 | \$ 1,735,006 |
| Net cash used in investing activities | (4,333,747) | (5,047,051) |
| Net cash used in financing activities | (2,724,659) | (3,359,585) |
| Effect of exchange rates on cash and cash equivalents | 668,595 | (273,033) |
| Increase (decrease) in cash and cash equivalents | 4,106,906 | (6,944,663) |
| Cash and cash equivalents, beginning of period | 5,454,401 | 13,043,385 |
| Cash and cash equivalents, end of period | \$ 9,561,307 | \$ 6,098,722 |

| | Vivotek | |
|---|---------------------------------|--------------|
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Net cash provided by (used in) operating activities | \$ 15,053 | (\$ 13,079) |
| Net cash used in investing activities | (38,063) | (263,710) |
| Net cash used in financing activities | (226,245) | (118,616) |
| Effect of exchange rates on cash and cash equivalents | 48,755 | (10,057) |
| Decrease in cash and cash equivalents | (200,500) | (405,462) |
| Cash and cash equivalents, beginning of period | 994,898 | 1,425,014 |
| Cash and cash equivalents, end of period | \$ 794,398 | \$ 1,019,552 |

(4) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over

the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(5) Employee benefits

Pensions - 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. Also, 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. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2021.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------------------------|---------------------------|--------------------------|---------------------------|
| Cash on hand | \$ 5,983 | \$ 4,840 | \$ 5,682 |
| Checking accounts and demand deposits | 49,977,940 | 39,392,615 | 42,427,686 |
| Time deposits | 14,831,954 | 10,422,695 | 11,921,507 |
| Cash equivalents | 125,475 | 34,903 | 38,395 |
| | <u>\$ 64,941,352</u> | <u>\$ 49,855,053</u> | <u>\$ 54,393,270</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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed stocks | \$ 554,960 | \$ 506,938 | \$ 541,032 |
| Emerging stocks | 71,748 | - | - |
| Derivatives | 342,974 | 125,070 | 96,445 |
| Hybrid instrument- Convertible bonds | <u>48,316</u> | <u>28,015</u> | <u>40,661</u> |
| | 1,017,998 | 660,023 | 678,138 |
| Valuation adjustment | <u>374,629</u> | <u>425,706</u> | <u>355,114</u> |
| | <u>\$ 1,392,627</u> | <u>\$ 1,085,729</u> | <u>\$ 1,033,252</u> |
| Non-current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed stocks | \$ 352,276 | \$ 314,543 | \$ 199,543 |
| Emerging stocks | 259,668 | 308,300 | 324,000 |
| Unlisted stocks | 1,314,366 | 1,568,229 | 1,429,533 |
| Hybrid instrument- Convertible preferred stocks | 197,148 | 197,148 | 197,148 |
| Hybrid instrument- Convertible bonds | <u>913,517</u> | <u>900,000</u> | <u>900,000</u> |
| | 3,036,975 | 3,288,220 | 3,050,224 |
| Valuation adjustment | <u>(371,080)</u> | <u>63,578</u> | <u>(58,597)</u> |
| | <u>\$ 2,665,895</u> | <u>\$ 3,351,798</u> | <u>\$ 2,991,627</u> |
| <u>Liability Items</u> | | | |

Current items:

Financial liabilities held for trading

| | | | |
|-------------|-------------------|------------------|-------------------|
| Derivatives | <u>\$ 544,395</u> | <u>\$ 41,371</u> | <u>\$ 169,465</u> |
|-------------|-------------------|------------------|-------------------|

A. The Group has recognised the (loss) gain from financial assets and liabilities at fair value of (\$117,403), (\$98,425), (\$276,251) and \$106,148 for the three months and nine months ended September 30, 2022 and 2021, respectively.

B. Details of the transactions and contract information in respect of derivative financial assets and liabilities for which the Group did not adopt hedge accounting are as follows:

September 30, 2022

| Financial instruments | Contract amount (nominal principal) (in thousands) | Contract period |
|-----------------------------|--|-----------------------|
| Forward exchange contracts: | | |
| - Sell AUD / Buy USD | AUD 5,600 | 2022.06.24~2023.01.05 |
| - Sell BRL / Buy USD | BRL 15,994 | 2022.08.02~2022.10.05 |
| - Sell COP / Buy USD | COP 13,334,060 | 2022.08.15~2022.11.04 |
| - Sell EUR / Buy NOK | EUR 17,200 | 2022.05.04~2023.01.06 |
| - Sell EUR / Buy USD | EUR 57,000 | 2022.05.05~2023.01.05 |
| - Sell GBP / Buy NOK | GBP 3,800 | 2022.07.05~2022.12.06 |
| - Sell HKD / Buy USD | HKD 26,000 | 2022.07.22~2023.01.05 |
| - Sell INR / Buy USD | INR 1,078,877 | 2022.07.29~2022.12.29 |
| - Sell JPY / Buy USD | JPY 470,120 | 2022.07.19~2023.01.18 |
| - Sell SEK / Buy NOK | SEK 20,000 | 2022.09.28~2022.12.30 |
| - Sell THB / Buy JPY | THB 76,954 | 2022.07.26~2022.12.27 |
| - Sell TRY / Buy USD | TRY 104,950 | 2022.08.26~2022.11.29 |
| - Sell TWD / Buy USD | TWD 1,894,614 | 2022.04.21~2023.01.18 |
| - Sell USD / Buy CAD | USD 1,927 | 2022.06.23~2022.10.27 |
| - Sell USD / Buy CHF | USD 1,000 | 2022.04.22~2022.10.05 |
| - Sell USD / Buy CZK | USD 400 | 2022.09.14~2022.10.21 |
| - Sell USD / Buy PEN | USD 500 | 2022.09.07~2022.10.05 |
| - Sell USD / Buy RMB | USD 54,000 | 2022.09.15~2022.11.10 |
| - Sell USD / Buy SGD | USD 30,536 | 2022.07.15~2023.03.03 |
| - Sell USD / Buy THB | USD 309,000 | 2022.06.07~2023.01.12 |
| - Sell USD / Buy TWD | USD 8,000 | 2022.09.07~2022.11.15 |
| - Sell USD / Buy BRL | USD 18,498 | 2022.09.07~2022.11.04 |
| - Sell NOK / Buy USD | NOK 19,640 | 2022.09.12~2022.10.05 |
| Cross currency swap: | | |
| - Sell EUR / Buy NOK | EUR 5,000 | 2022.09.28~2022.12.30 |
| - Sell PLN / Buy NOK | PLN 14,600 | 2022.09.29~2022.12.30 |
| - Sell USD / Buy CHF | USD 3,000 | 2022.09.27~2022.12.23 |

December 31, 2021

| Financial instruments | Contract amount (nominal principal) (in thousands) | | Contract period |
|-----------------------------|--|-----------|-----------------------|
| Forward exchange contracts: | | | |
| - Sell AUD / Buy USD | AUD | 3,150 | 2021.08.25~2022.06.02 |
| - Sell BRL / Buy USD | BRL | 17,161 | 2021.12.02~2022.02.07 |
| - Sell EUR / Buy CAD | EUR | 1,716 | 2021.12.17~2022.06.21 |
| - Sell EUR / Buy NOK | EUR | 26,200 | 2021.08.16~2022.06.30 |
| - Sell EUR / Buy USD | EUR | 46,000 | 2021.07.28~2022.07.05 |
| - Sell GBP / Buy EUR | GBP | 852 | 2021.12.15~2022.03.07 |
| - Sell GBP / Buy NOK | GBP | 2,500 | 2021.10.22~2022.02.07 |
| - Sell HKD / Buy USD | HKD | 60,000 | 2021.07.28~2022.06.02 |
| - Sell INR / Buy USD | INR | 753,465 | 2021.11.09~2022.02.28 |
| - Sell JPY / Buy USD | JPY | 1,367,566 | 2021.08.17~2022.04.21 |
| - Sell THB / Buy JPY | THB | 26,446 | 2021.11.22~2022.02.25 |
| - Sell TWD / Buy USD | TWD | 3,310,410 | 2021.07.21~2022.06.21 |
| - Sell USD / Buy CHF | USD | 2,000 | 2021.11.15~2022.02.25 |
| - Sell USD / Buy CZK | USD | 400 | 2021.12.17~2022.01.20 |
| - Sell USD / Buy JPY | USD | 3,800 | 2021.11.17~2022.01.25 |
| - Sell USD / Buy NOK | USD | 3,000 | 2021.11.29~2022.02.28 |
| - Sell USD / Buy PEN | USD | 1,500 | 2021.12.08~2022.02.07 |
| - Sell USD / Buy RMB | USD | 294,278 | 2021.09.22~2022.04.08 |
| - Sell USD / Buy SGD | USD | 23,264 | 2021.08.04~2022.07.05 |
| - Sell USD / Buy THB | USD | 173,500 | 2021.09.16~2022.04.20 |
| - Sell USD / Buy TWD | USD | 5,100 | 2021.11.04~2022.01.17 |
| Cross currency swap: | | | |
| - Sell EUR / Buy NOK | EUR | 4,000 | 2021.12.17~2022.06.30 |
| - Sell PLN / Buy NOK | PLN | 14,600 | 2021.12.21~2022.06.30 |
| - Sell SEK / Buy NOK | SEK | 20,000 | 2021.12.21~2022.06.30 |

September 30, 2021

| Financial instruments | Contract amount (nominal principal) (in thousands) | | Contract period |
|-----------------------------|--|-----------|-----------------------|
| Forward exchange contracts: | | | |
| - Sell AUD / Buy USD | AUD | 4,050 | 2021.05.14~2022.03.03 |
| - Sell BRL / Buy USD | BRL | 13,261 | 2021.08.11~2021.10.05 |
| - Sell EUR / Buy NOK | EUR | 20,700 | 2021.06.15~2022.01.06 |
| - Sell EUR / Buy USD | EUR | 36,500 | 2021.06.15~2022.02.09 |
| - Sell GBP / Buy NOK | GBP | 1,000 | 2021.07.13~2021.10.05 |
| - Sell HKD / Buy USD | HKD | 63,000 | 2021.06.15~2022.02.09 |
| - Sell INR / Buy USD | INR | 1,228,064 | 2021.07.29~2021.12.30 |
| - Sell JPY / Buy USD | JPY | 510,101 | 2021.08.17~2022.03.22 |
| - Sell THB / Buy JPY | THB | 23,914 | 2021.09.02~2021.11.26 |
| - Sell TWD / Buy USD | TWD | 3,302,211 | 2021.03.26~2022.04.25 |
| - Sell USD / Buy CZK | USD | 300 | 2021.09.13~2021.10.21 |
| - Sell USD / Buy JPY | USD | 3,700 | 2021.09.24~2021.11.24 |
| - Sell USD / Buy NOK | USD | 1,000 | 2021.07.13~2021.10.05 |
| - Sell USD / Buy RMB | USD | 257,895 | 2021.06.30~2022.01.10 |
| - Sell USD / Buy SGD | USD | 14,926 | 2021.06.01~2022.05.04 |
| - Sell USD / Buy THB | USD | 172,000 | 2021.06.17~2022.01.20 |
| - Sell USD / Buy TWD | USD | 13,400 | 2021.08.27~2021.12.15 |
| Cross currency swap: | | | |
| - Sell EUR / Buy NOK | EUR | 4,000 | 2021.06.16~2021.12.17 |
| - 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 |

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 | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------|---------------------|---------------------|---------------------|
| Non-current items: | | | |
| Equity instruments | | | |
| Listed stocks | \$ 1,608,699 | \$ 1,608,699 | \$ 1,608,699 |
| Unlisted stocks | 724,126 | 754,546 | 891,247 |
| | 2,332,825 | 2,363,245 | 2,499,946 |
| Valuation adjustment | (785,626) | (775,402) | (990,198) |
| | <u>\$ 1,547,199</u> | <u>\$ 1,587,843</u> | <u>\$ 1,509,748</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 \$1,547,199, \$1,587,843 and \$1,509,748 as at September 30, 2022, December 31, 2021, and September 30, 2021, respectively.
- B. During the first three quarters of 2022, the Group disposed certain investments that no longer have strategic purposes. Stocks totaling \$81,320 were sold at fair value, resulting to a cumulative gain on disposal of \$9,874. As there were no stocks disposed during the first three quarters of 2021, no gain or loss on disposal was recognised.
- 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:

| | <u>Three months ended September 30,</u> | |
|--|---|--------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | (\$ 103,203) | (\$ 394,387) |
| Cumulative gain reclassified to retained earnings due to derecognition | \$ - | \$ - |
| | <u>Nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | \$ 20,101 | (\$ 524,954) |
| Cumulative gain reclassified to retained earnings due to derecognition | \$ 9,874 | \$ - |

- D. As at September 30, 2022, December 31, 2021, and September 30, 2021, 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 \$1,547,199, \$1,587,843 and \$1,509,748, 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 September 30, 2022, December 31, 2021, and September 30, 2021, 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>Nine months ended September 30,</u> | |
|---|--|-------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Other equity</u> | | |
| At January 1 | \$ 129,917 | \$ 130,616 |
| Add: Loss on hedge effectiveness-amount recognised in other comprehensive income | - | (704) |
| At September 30 | <u>\$ 129,917</u> | <u>\$ 129,912</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 September 30, 2022, December 31, 2021, and September 30, 2021 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) 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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Notes receivable | <u>\$ 3,589,788</u> | <u>\$ 3,420,633</u> | <u>\$ 3,486,909</u> |
| Accounts receivable | \$ 85,489,881 | \$ 67,786,921 | \$ 61,821,447 |
| Less: Allowance for uncollectible accounts | (555,868) | (350,544) | (385,220) |
| | <u>\$ 84,934,013</u> | <u>\$ 67,436,377</u> | <u>\$ 61,436,227</u> |
| Overdue receivables (shown as other non-current assets) | \$ 318,908 | \$ 313,298 | \$ 309,258 |
| Less: Allowance for uncollectible accounts | (318,908) | (313,298) | (309,258) |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------|---------------------------|--------------------------|---------------------------|
| Not past due | \$ 76,869,307 | \$ 60,175,037 | \$ 56,093,438 |
| 1 to 90 days | 7,431,173 | 7,029,700 | 5,100,455 |
| 91 to 180 days | 684,882 | 268,016 | 238,789 |
| 181 to 365 days | 311,922 | 151,223 | 169,634 |
| Over 366 days | 192,597 | 162,945 | 219,131 |
| | <u>\$ 85,489,881</u> | <u>\$ 67,786,921</u> | <u>\$ 61,821,447</u> |

The above aging analysis was based on past due date.

- B. As at September 30, 2022, December 31, 2021, and September 30, 2021, there were no notes receivable past due.
- C. As at September 30, 2022, December 31, 2021, and September 30, 2021, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2021, the balance of receivables from contracts with customers amounted to \$62,911,028.
- D. The Group has no notes receivable and accounts receivable pledged to others as collateral.
- E. As at September 30, 2022, December 31, 2021, and September 30, 2021, 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 Group's notes receivable were \$3,589,788, \$3,420,633 and \$3,486,909, and accounts receivable were \$84,934,013, \$67,436,377 and \$61,436,227, 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 September 30, 2022, December 31, 2021, and September 30, 2021, the relevant information on unsettled accounts receivable that were sold is set forth below:

| September 30, 2022 | | | | | | |
|---|--|----------------------------|-------------------|------------------------|-------------------------------------|---|
| <u>Purchaser of accounts receivable</u> | <u>Accounts receivable transferred</u> | <u>Amount derecognised</u> | <u>Facilities</u> | <u>Amount advanced</u> | <u>Amount available for advance</u> | <u>Interest rate of amount advanced</u> |
| Taishin International Bank | \$ 41,655 | \$ 41,655 | \$ 317,500 | \$ - | \$ - | - |

| December 31, 2021 | | | | | | |
|---|--|----------------------------|-------------------|------------------------|-------------------------------------|---|
| <u>Purchaser of accounts receivable</u> | <u>Accounts receivable transferred</u> | <u>Amount derecognised</u> | <u>Facilities</u> | <u>Amount advanced</u> | <u>Amount available for advance</u> | <u>Interest rate of amount advanced</u> |
| Taishin International Bank | \$ 42,219 | \$ 42,219 | \$ 276,600 | \$ - | \$ - | - |

| September 30, 2021 | | | | | | |
|---|--|----------------------------|-------------------|------------------------|-------------------------------------|---|
| <u>Purchaser of accounts receivable</u> | <u>Accounts receivable transferred</u> | <u>Amount derecognised</u> | <u>Facilities</u> | <u>Amount advanced</u> | <u>Amount available for advance</u> | <u>Interest rate of amount advanced</u> |
| Taishin International Bank | \$ 30,069 | \$ 30,069 | \$ 278,500 | \$ - | \$ - | - |

(7) Inventories

| | September 30, 2022 | | |
|----------------------|----------------------|------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 38,873,888 | (\$ 6,690,735) | \$ 32,183,153 |
| Work in process | 8,079,331 | (15,556) | 8,063,775 |
| Finished goods | 42,757,703 | (4,982,551) | 37,775,152 |
| Inventory in transit | 729,153 | - | 729,153 |
| | <u>\$ 90,440,075</u> | <u>(\$ 11,688,842)</u> | <u>\$ 78,751,233</u> |

| | December 31, 2021 | | |
|----------------------|----------------------|------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 31,146,737 | (\$ 4,257,316) | \$ 26,889,421 |
| Work in process | 6,874,478 | (10,754) | 6,863,724 |
| Finished goods | 35,428,828 | (3,864,244) | 31,564,584 |
| Inventory in transit | 789,622 | - | 789,622 |
| | <u>\$ 74,239,665</u> | <u>(\$ 8,132,314)</u> | <u>\$ 66,107,351</u> |

| | September 30, 2021 | | |
|----------------------|----------------------|------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 30,027,627 | (\$ 3,601,945) | \$ 26,425,682 |
| Work in process | 5,892,430 | (9,608) | 5,882,822 |
| Finished goods | 32,649,565 | (3,606,845) | 29,042,720 |
| Inventory in transit | 583,835 | - | 583,835 |
| | <u>\$ 69,153,457</u> | <u>(\$ 7,218,398)</u> | <u>\$ 61,935,059</u> |

A. On August 30, 2021, inventories of the Group's subsidiaries were damaged due to the flooding in the Thailand plants. The carrying amount of the damaged inventories amounted to \$277,309, and the Group has recognised the related losses which was presented as other gains and losses - disaster loss. Refer to Note 6(23) for details.

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

| | Three months ended September 30, | |
|---|----------------------------------|----------------------|
| | 2022 | 2021 |
| Cost of goods sold | \$ 71,245,663 | \$ 55,448,520 |
| Loss on market value decline and obsolete and slow-moving inventories | 1,362,576 | 712,350 |
| Others | (256,402) | (227,956) |
| | <u>\$ 72,351,837</u> | <u>\$ 55,932,914</u> |

| | <u>Nine months ended September 30,</u> | |
|--|--|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| Cost of goods sold | \$ 190,385,319 | \$ 159,150,978 |
| Loss on market value decline and obsolete and slow-moving inventories | 3,769,592 | 1,136,663 |
| Others | (688,488) | (671,497) |
| | <u>\$ 193,466,423</u> | <u>\$ 159,616,144</u> |

(8) Property, plant and equipment

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Machinery and equipment</u> | <u>Testing equipment</u> | <u>Others</u> | <u>Unfinished construction and equipment under acceptance</u> | <u>Total</u> |
|---|----------------------|---------------------------------|--------------------------------|--------------------------|---------------------|---|----------------------|
| <u>At January 1, 2022</u> | | | | | | | |
| Cost | \$ 15,139,283 | \$ 51,485,311 | \$ 52,261,356 | \$ 19,872,926 | \$ 21,356,997 | \$ 8,264,905 | \$ 168,380,778 |
| Accumulated depreciation and impairment | (10,395) | (23,378,205) | (35,386,205) | (15,840,483) | (17,158,205) | - | (91,773,493) |
| | <u>\$ 15,128,888</u> | <u>\$ 28,107,106</u> | <u>\$ 16,875,151</u> | <u>\$ 4,032,443</u> | <u>\$ 4,198,792</u> | <u>\$ 8,264,905</u> | <u>\$ 76,607,285</u> |
| <u>2022</u> | | | | | | | |
| Opening net book amount | \$ 15,128,888 | \$ 28,107,106 | \$ 16,875,151 | \$ 4,032,443 | \$ 4,198,792 | \$ 8,264,905 | \$ 76,607,285 |
| Additions | 684,087 | 2,340,156 | 5,442,855 | 1,999,033 | 1,677,618 | 3,970,016 | 16,113,765 |
| Acquired through business combinations | 14,227 | 79,127 | 47,243 | - | 2,763 | - | 143,360 |
| Disposals | - | (285) | (80,870) | (15,470) | (28,329) | - | (124,954) |
| Transfers (Note) | 22,466 | 561,070 | 1,917,902 | 294,183 | 410,478 | (3,120,126) | 85,973 |
| Depreciation charge | - | (1,605,696) | (5,241,614) | (1,815,017) | (1,884,122) | - | (10,546,449) |
| Net exchange differences | 363,548 | 851,081 | 552,105 | 99,853 | 133,107 | 270,312 | 2,270,006 |
| Closing net book amount | <u>\$ 16,213,216</u> | <u>\$ 30,332,559</u> | <u>\$ 19,512,772</u> | <u>\$ 4,595,025</u> | <u>\$ 4,510,307</u> | <u>\$ 9,385,107</u> | <u>\$ 84,548,986</u> |
| <u>At September 30, 2022</u> | | | | | | | |
| Cost | \$ 16,222,721 | \$ 56,128,202 | \$ 60,112,598 | \$ 22,331,745 | \$ 23,768,548 | \$ 9,385,107 | \$ 187,948,921 |
| Accumulated depreciation and impairment | (9,505) | (25,795,643) | (40,599,826) | (17,736,720) | (19,258,241) | - | (103,399,935) |
| | <u>\$ 16,213,216</u> | <u>\$ 30,332,559</u> | <u>\$ 19,512,772</u> | <u>\$ 4,595,025</u> | <u>\$ 4,510,307</u> | <u>\$ 9,385,107</u> | <u>\$ 84,548,986</u> |

Note: A. The additions were net of obtained government grants.

- B. On October 1, 2021, the Board of Directors resolved to dispose a number of battery cell assembly equipment and transferred the equipment amounting to \$320,551 to non-current assets held for sale at the lower of carrying amount and fair value less costs to sell. However, the equipment was transferred back from assets held for sale as the Company and the buyer both agreed to terminate the contract for the disposal of the equipment on March 31, 2022.
- C. On July 28, 2022, the Board of Directors resolved to dispose land and buildings of Chungli Plant 2 and transferred the related assets of \$234,578 to assets held for sale at the lower of carrying amount and fair value less costs to sell.

| | 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 | 809,948 | 1,006,301 | 6,636,167 | 1,437,199 | 2,005,472 | 6,224,212 | 18,119,299 |
| Effect on decrease in business entities | - | - | - | (378) | (2,830) | - | (3,208) |
| Disposals | (203) | (4,967) | (315,167) | (38,641) | (41,213) | - | (400,191) |
| Transfers | - | 3,264,074 | 1,395,664 | 306,810 | 210,729 | (5,177,277) | - |
| Depreciation charge | - | (1,401,352) | (4,705,590) | (1,644,898) | (1,752,678) | - | (9,504,518) |
| Impairment loss | - | - | - | - | (11,407) | - | (11,407) |
| Net exchange differences | (130,666) | (314,856) | (370,236) | (53,729) | (169,969) | (208,853) | (1,248,309) |
| Closing net book amount | <u>\$ 14,935,233</u> | <u>\$ 25,008,944</u> | <u>\$ 16,112,131</u> | <u>\$ 3,842,018</u> | <u>\$ 4,065,085</u> | <u>\$ 11,430,230</u> | <u>\$ 75,393,641</u> |
| <u>At September 30, 2021</u> | | | | | | | |
| Cost | \$ 14,945,986 | \$ 47,889,238 | \$ 50,437,932 | \$ 19,334,256 | \$ 20,844,684 | \$ 11,430,230 | \$ 164,882,326 |
| Accumulated depreciation and impairment | (10,753) | (22,880,294) | (34,325,801) | (15,492,238) | (16,779,599) | - | (89,488,685) |
| | <u>\$ 14,935,233</u> | <u>\$ 25,008,944</u> | <u>\$ 16,112,131</u> | <u>\$ 3,842,018</u> | <u>\$ 4,065,085</u> | <u>\$ 11,430,230</u> | <u>\$ 75,393,641</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.

(9) 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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>Book value</u> | <u>Book value</u> | <u>Book value</u> |
| Land | \$ 2,167,230 | \$ 1,635,431 | \$ 1,654,403 |
| Buildings and structures | 2,193,923 | 1,256,400 | 1,133,515 |
| Transportation equipment | 85,921 | 90,036 | 91,673 |
| Other equipment | 27,759 | 25,093 | 19,443 |
| | <u>\$ 4,474,833</u> | <u>\$ 3,006,960</u> | <u>\$ 2,899,034</u> |

| | <u>Three months ended September 30,</u> | |
|--------------------------|---|----------------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 13,240 | \$ 12,335 |
| Buildings and structures | 153,318 | 119,928 |
| Transportation equipment | 14,690 | 17,551 |
| Other equipment | 3,556 | 977 |
| | <u>\$ 184,804</u> | <u>\$ 150,791</u> |

| | <u>Nine months ended September 30,</u> | |
|--------------------------|--|----------------------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 38,932 | \$ 35,860 |
| Buildings and structures | 396,333 | 367,592 |
| Transportation equipment | 47,848 | 51,501 |
| Other equipment | 9,505 | 5,345 |
| | <u>\$ 492,618</u> | <u>\$ 460,298</u> |

- C. For the nine months ended September 30, 2022 and 2021, the additions to right-of-use assets (excluding those acquired through business combinations) were \$2,069,046 (net of obtained government grants of \$637,890) and \$215,323, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

| | <u>Three months ended September 30,</u> | |
|---------------------------------------|---|-------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 6,377 | \$ 4,927 |
| Expense on short-term lease contracts | \$ 165,744 | \$ 138,741 |

| | Nine months ended September 30, | |
|---------------------------------------|---------------------------------|-------------------|
| | 2022 | 2021 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 15,350 | \$ 14,896 |
| Expense on short-term lease contracts | <u>\$ 468,887</u> | <u>\$ 389,030</u> |

E. For the nine months ended September 30, 2022 and 2021, the Group's total cash outflow for leases were \$2,267,868 and \$803,438, 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.

(10) 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, 2022</u> | | | | | | | |
| Cost | \$ 4,072,330 | \$ 1,590,408 | \$ 54,420,933 | \$ 18,089,972 | \$ 11,152,791 | \$ 5,241,533 | \$ 94,567,967 |
| Accumulated amortisation and impairment | (1,397,642) | (1,403,201) | (785,167) | (9,517,533) | (4,128,341) | (3,726,519) | (20,958,403) |
| | <u>\$ 2,674,688</u> | <u>\$ 187,207</u> | <u>\$ 53,635,766</u> | <u>\$ 8,572,439</u> | <u>\$ 7,024,450</u> | <u>\$ 1,515,014</u> | <u>\$ 73,609,564</u> |
| <u>2022</u> | | | | | | | |
| Opening net book amount | \$ 2,674,688 | \$ 187,207 | \$ 53,635,766 | \$ 8,572,439 | \$ 7,024,450 | \$ 1,515,014 | \$ 73,609,564 |
| Additions - acquired separately | 710 | 12,327 | - | - | - | 472,923 | 485,960 |
| Additions - acquired through business combinations (Note 1) | - | - | 413,714 | (10,556) | 413,714 | - | 816,872 |
| Reclassifications (Note 1) | (171,804) | - | 199,800 | (376,636) | 348,640 | (355,222) | (355,222) |
| Amortisation | (186,687) | (75,000) | - | (1,090,672) | (922,257) | (638,885) | (2,913,501) |
| Net exchange differences | <u>195,765</u> | <u>(3,214)</u> | <u>6,682,763</u> | <u>1,051,400</u> | <u>1,016,986</u> | <u>105,921</u> | <u>9,049,621</u> |
| Closing net book amount | <u>\$ 2,512,672</u> | <u>\$ 121,320</u> | <u>\$ 60,932,043</u> | <u>\$ 8,145,975</u> | <u>\$ 7,881,533</u> | <u>\$ 1,099,751</u> | <u>\$ 80,693,294</u> |
| <u>At September 30, 2022</u> | | | | | | | |
| Cost | \$ 4,415,614 | \$ 1,832,218 | \$ 61,832,139 | \$ 19,993,319 | \$ 13,496,677 | \$ 5,513,785 | \$ 107,083,752 |
| Accumulated amortisation and impairment | (1,902,942) | (1,710,898) | (900,096) | (11,847,344) | (5,615,144) | (4,414,034) | (26,390,458) |
| | <u>\$ 2,512,672</u> | <u>\$ 121,320</u> | <u>\$ 60,932,043</u> | <u>\$ 8,145,975</u> | <u>\$ 7,881,533</u> | <u>\$ 1,099,751</u> | <u>\$ 80,693,294</u> |

(Note 1) 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 March and UI. The allocation of the acquisition price for March was completed in the second quarter of 2022 and the contingent consideration decreased by \$10,556 based on the adjustment to the estimated purchase price. The allocation of the acquisition price for UI will be completed within one year.

| | Trademarks | Patents | Goodwill | Customer Relationship | Technical Skill | Others | Total |
|---|---------------------|-------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|
| <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 | 788 | 8,125 | - | - | 8,742 | 723,753 | 741,408 |
| Additions - acquired through business combinations (Note 2) | - | - | 9,015 | - | - | - | 9,015 |
| Effect on decrease in business entities | - | - | - | - | 21,015 | (63,160) | (42,145) |
| Reclassifications (Note 2) | - | - | 137,896 | (25,631) | (112,265) | - | - |
| Amortisation | (178,309) | (110,585) | - | (1,018,281) | (818,591) | (610,680) | (2,736,446) |
| Impairment loss (Note 3) | - | (153,493) | - | - | - | - | (153,493) |
| Net exchange differences | (13,977) | (8,809) | (423,337) | (77,645) | (66,569) | (12,818) | (603,155) |
| Closing net book amount | <u>\$ 2,572,055</u> | <u>\$ 207,620</u> | <u>\$ 53,223,366</u> | <u>\$ 8,119,628</u> | <u>\$ 7,346,123</u> | <u>\$ 1,206,022</u> | <u>\$ 72,674,814</u> |
| <u>At September 30, 2021</u> | | | | | | | |
| Cost | \$ 3,919,882 | \$ 1,979,226 | \$ 54,013,872 | \$ 17,339,819 | \$ 11,226,946 | \$ 4,653,911 | \$ 93,133,656 |
| Accumulated amortisation and impairment | (1,347,827) | (1,771,606) | (790,506) | (9,220,191) | (3,880,823) | (3,447,889) | (20,458,842) |
| | <u>\$ 2,572,055</u> | <u>\$ 207,620</u> | <u>\$ 53,223,366</u> | <u>\$ 8,119,628</u> | <u>\$ 7,346,123</u> | <u>\$ 1,206,022</u> | <u>\$ 72,674,814</u> |

(Note 2) 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.

(Note 3) As the Group replaced the prior years' patent rights by the newly acquired patent rights, the Group recognised impairment loss on the prior years' patent rights as these were assessed to be worthless.

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

| | Three months ended September 30, | |
|-----------------------------------|----------------------------------|---------------------|
| | 2022 | 2021 |
| Operating costs | \$ 17,845 | \$ 15,181 |
| Selling expenses | 480,577 | 394,093 |
| Administrative expenses | 38,895 | 37,573 |
| Research and development expenses | 478,013 | 455,621 |
| | <u>\$ 1,015,330</u> | <u>\$ 902,468</u> |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Operating costs | \$ 51,611 | \$ 41,310 |
| Selling expenses | 1,281,983 | 1,199,656 |
| Administrative expenses | 167,741 | 113,379 |
| Research and development expenses | 1,412,166 | 1,382,101 |
| | <u>\$ 2,913,501</u> | <u>\$ 2,736,446</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:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------------------|----------------------|----------------------|----------------------|
| Goodwill: | | | |
| DET | \$ 37,751,049 | \$ 32,888,000 | \$ 33,113,912 |
| Eltek | 5,470,426 | 4,765,731 | 4,798,468 |
| Cyntec | 5,146,053 | 5,146,053 | 5,146,053 |
| Vivotek | 3,232,954 | 3,232,954 | 3,232,954 |
| DCI | 2,634,131 | 2,294,806 | 2,310,569 |
| DGC | 1,825,085 | 1,589,980 | 1,600,901 |
| Others | 4,872,345 | 3,718,242 | 3,020,509 |
| | <u>\$ 60,932,043</u> | <u>\$ 53,635,766</u> | <u>\$ 53,223,366</u> |
| Trademarks: | | | |
| Automation business | \$ 691,811 | \$ 862,750 | \$ 691,811 |
| Infrastructure business | 386,823 | 386,823 | 386,823 |
| | <u>\$ 1,078,634</u> | <u>\$ 1,249,573</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.

(11) Other non-current assets

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|---------------------------|--------------------------|---------------------------|
| Prepayments for business facilities | \$ 1,037,491 | \$ 1,240,243 | \$ 1,456,686 |
| Guarantee deposits paid | 521,746 | 204,759 | 210,831 |
| Financial assets at amortised cost | 145,597 | 218,130 | 173,937 |
| Cash surrender value of life insurance | 28,338 | 35,934 | 38,218 |
| Prepayments for long-term investments | 16,772 | 27,953 | 27,953 |
| Others | 642,773 | 625,458 | 428,515 |
| | <u>\$ 2,392,717</u> | <u>\$ 2,352,477</u> | <u>\$ 2,336,140</u> |

(12) Short-term borrowings

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|----------------------|---------------------------|--------------------------|---------------------------|
| Unsecured bank loans | \$ 2,040,552 | \$ 4,397,362 | \$ 2,885,046 |
| Credit lines | \$ 76,560,869 | \$ 69,465,481 | \$ 60,230,778 |
| Interest rate range | <u>0.49%~17.82%</u> | <u>0.40%~10.86%</u> | <u>0.46%~9.74%</u> |

(13) Other payables

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--------------------------|---------------------------|--------------------------|---------------------------|
| Salary and bonus payable | \$ 20,566,182 | \$ 19,698,972 | \$ 16,929,544 |
| Others | 16,377,033 | 15,953,230 | 14,998,549 |
| | <u>\$ 36,943,215</u> | <u>\$ 35,652,202</u> | <u>\$ 31,928,093</u> |

(14) Bonds payable

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------------------------|---------------------------|--------------------------|---------------------------|
| Domestic unsecured corporate bonds | \$ 6,600,000 | \$ - | \$ - |

The Company issued the domestic unsecured ordinary corporate bonds for the nine months ended September 30, 2022. The main conditions are as follows:

| <u>Issuance</u> | <u>Type of bonds</u> | <u>Issuance period</u> | <u>Total issuance amount</u> | <u>Coupon rate</u> | <u>Repayment term</u> |
|------------------------|----------------------|-------------------------|------------------------------|--------------------|---|
| First issuance in 2022 | Tranche A | April 2022 - April 2027 | \$ 5,900,000 | 0.85% | Principal is repayable at maturity and interest is repayable annually |
| First issuance in 2022 | Tranche B | April 2022 - April 2029 | 700,000 | 0.90% | " |

(15) Long-term borrowings

| <u>Type of borrowings</u> | <u>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---|---------------------------|--------------------------|---------------------------|
| Credit loans | \$ 49,211,357 | \$ 43,624,897 | \$ 47,381,177 |
| Collateral loans | 325,853 | 334,015 | 338,993 |
| | <u>49,537,210</u> | <u>43,958,912</u> | <u>47,720,170</u> |
| Less: Current portion (shown as other current liabilities) | (130,070) | (45,125) | (45,966) |
| | <u>\$ 49,407,140</u> | <u>\$ 43,913,787</u> | <u>\$ 47,674,204</u> |
| Credit lines | <u>\$ 101,343,799</u> | <u>\$ 83,302,210</u> | <u>\$ 83,653,413</u> |
| Interest rate range | <u>0.44%~6.23%</u> | <u>0.31%~6.23%</u> | <u>0.31%~6.23%</u> |

- A. As at September 30, 2022, the revolving loans of \$41,862,500 can be drawn down during the period from October 1, 2021 to September 11, 2024 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 \$43,771, \$33,445, \$116,642 and \$100,756 for the three months and nine months ended September 30, 2022 and 2021, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group within one year from September 30, 2022 are \$156,870.

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 September 30, 2022, 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 September 30, 2022, there were 619 thousand units outstanding, representing 3,096 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 2021 and 2020 earnings had been approved by the shareholders during their meeting on June 14, 2022 and July 19, 2021, respectively. Details are summarised below:

| | Years ended December 31, | | | |
|------------------------------|--------------------------|--|--------------|--|
| | 2021 | | 2020 | |
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (in dollars) |
| Legal reserve appropriated | \$ 2,688,553 | | \$ 2,355,218 | |
| Special reserve appropriated | 3,623,514 | | 4,921,174 | |
| Cash dividends (Note) | 14,286,488 | \$ 5.5 | 14,286,488 | \$ 5.5 |

(Note) The fractional amount less than one dollar shall be returned to unappropriated retained earnings as resolved by the stockholders.

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 September 30, | |
|---------------------------------------|----------------------------------|---------------|
| | 2022 | 2021 |
| Revenue from contracts with customers | \$ 106,248,153 | \$ 79,646,172 |

| | Nine months ended September 30, | |
|---------------------------------------|---------------------------------|----------------|
| | 2022 | 2021 |
| Revenue from contracts with customers | \$ 278,783,021 | \$ 230,901,339 |

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 September 30, 2022 | | | | |
|--|---------------------------------------|----------------------|----------------------|-------------------|-----------------------|
| | Power electronics | Automation | Infrastructure | Others | Total |
| Revenue from external customer contracts | \$ 63,538,928 | \$ 14,343,396 | \$ 28,321,092 | \$ 44,737 | \$ 106,248,153 |
| Timing of revenue recognition | | | | | |
| At a point in time | 63,524,796 | 13,913,951 | 27,304,697 | 23,332 | 104,766,776 |
| Over time | 14,132 | 429,445 | 1,016,395 | 21,405 | 1,481,377 |
| | <u>\$ 63,538,928</u> | <u>\$ 14,343,396</u> | <u>\$ 28,321,092</u> | <u>\$ 44,737</u> | <u>\$ 106,248,153</u> |
| | Three months ended September 30, 2021 | | | | |
| | Power electronics | Automation | Infrastructure | Others | Total |
| Revenue from external customer contracts | \$ 47,730,099 | \$ 11,283,423 | \$ 20,565,649 | \$ 67,001 | \$ 79,646,172 |
| Timing of revenue recognition | | | | | |
| At a point in time | 47,723,874 | 10,863,055 | 19,649,319 | 37,842 | 78,274,090 |
| Over time | 6,225 | 420,368 | 916,330 | 29,159 | 1,372,082 |
| | <u>\$ 47,730,099</u> | <u>\$ 11,283,423</u> | <u>\$ 20,565,649</u> | <u>\$ 67,001</u> | <u>\$ 79,646,172</u> |
| | Nine months ended September 30, 2022 | | | | |
| | Power electronics | Automation | Infrastructure | Others | Total |
| Revenue from external customer contracts | \$ 165,729,713 | \$ 39,256,011 | \$ 73,366,660 | \$ 430,637 | \$ 278,783,021 |
| Timing of revenue recognition | | | | | |
| At a point in time | 165,686,916 | 37,953,215 | 70,969,243 | 114,405 | 274,723,779 |
| Over time | 42,797 | 1,302,796 | 2,397,417 | 316,232 | 4,059,242 |
| | <u>\$ 165,729,713</u> | <u>\$ 39,256,011</u> | <u>\$ 73,366,660</u> | <u>\$ 430,637</u> | <u>\$ 278,783,021</u> |
| | Nine months ended September 30, 2021 | | | | |
| | Power electronics | Automation | Infrastructure | Others | Total |
| Revenue from external customer contracts | \$ 138,090,579 | \$ 34,216,415 | \$ 58,392,497 | \$ 201,848 | \$ 230,901,339 |
| Timing of revenue recognition | | | | | |
| At a point in time | 138,084,354 | 33,070,594 | 55,823,474 | 146,004 | 227,124,426 |
| Over time | 6,225 | 1,145,821 | 2,569,023 | 55,844 | 3,776,913 |
| | <u>\$ 138,090,579</u> | <u>\$ 34,216,415</u> | <u>\$ 58,392,497</u> | <u>\$ 201,848</u> | <u>\$ 230,901,339</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:

| | <u>Three months ended September 30,</u> | |
|--|---|--------------|
| | <u>2022</u> | <u>2021</u> |
| 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. | \$ 756,665 | \$ - |
| | | |
| | <u>Nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| 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. | \$ 5,438,939 | \$ 5,012,589 |

(21) Interest income

| | <u>Three months ended September 30,</u> | |
|------------------------------------|---|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Interest income from bank deposits | \$ 163,195 | \$ 118,198 |
| Other interest income | 1,437 | 472 |
| | <u>\$ 164,632</u> | <u>\$ 118,670</u> |
| | | |
| | <u>Nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| Interest income from bank deposits | \$ 341,070 | \$ 349,728 |
| Other interest income | 10,611 | 885 |
| | <u>\$ 351,681</u> | <u>\$ 350,613</u> |

(22) Other income

| | Three months ended September 30, | |
|-------------------------|----------------------------------|-------------------|
| | 2022 | 2021 |
| Government grant income | \$ 49,285 | \$ 37,850 |
| Dividend income | 185,406 | 149,461 |
| Mold fee income | 125,059 | 26,104 |
| Sample sales income | 60,654 | 47,486 |
| Testing fee income | 53,772 | 22,383 |
| Rental income | 25,876 | 26,510 |
| Others | 385,803 | 428,888 |
| | <u>\$ 885,855</u> | <u>\$ 738,682</u> |

| | Nine months ended September 30, | |
|-------------------------|---------------------------------|---------------------|
| | 2022 | 2021 |
| Government grant income | \$ 347,010 | \$ 160,037 |
| Dividend income | 268,329 | 262,826 |
| Mold fee income | 213,923 | 97,980 |
| Sample sales income | 213,638 | 225,224 |
| Testing fee income | 113,977 | 98,603 |
| Rental income | 76,156 | 84,634 |
| Others | 1,311,475 | 1,309,733 |
| | <u>\$ 2,544,508</u> | <u>\$ 2,239,037</u> |

(23) Other gains and losses

| | Three months ended September 30, | |
|---|----------------------------------|---------------------|
| | 2022 | 2021 |
| Loss on disposal of property, plant and equipment | (\$ 22,976) | (\$ 18,603) |
| Net currency exchange gain | 919,624 | 438,920 |
| Loss on financial assets/liabilities at fair value through profit or loss | (117,403) | (98,425) |
| Impairment loss | - | (164,900) |
| Casualty loss (Note 2) | - | (329,493) |
| Miscellaneous disbursements | (35,048) | (100,293) |
| | <u>\$ 744,197</u> | <u>(\$ 272,794)</u> |

| | Nine months ended September 30, | |
|--|---------------------------------|-------------------|
| | 2022 | 2021 |
| Loss on disposal of property, plant and equipment | (\$ 77,873) | (\$ 30,839) |
| Gain on disposal of investments (Note 1) | - | 90,109 |
| Net currency exchange gain | 1,742,688 | 1,278,090 |
| (Loss) gain on financial assets/liabilities at fair value through profit or loss | (276,251) | 106,148 |
| Impairment loss | - | (164,900) |
| Casualty loss (Note 2) | - | (329,493) |
| Miscellaneous disbursements | (75,537) | (195,831) |
| | <u>\$ 1,313,027</u> | <u>\$ 753,284</u> |

(Note 1) Information on the Group's gain on disposal of investments in the first three quarters of 2021 is provided in Note 6(31).

(Note 2) On August 30, 2021, the inventories and equipment of a subsidiary of the Group were partially damaged due to the flooding in the Thailand plants. The carrying amounts of the related assets amounted to \$329,493, and the Group had already recognised related losses in the third quarter of 2021. As these assets were covered with insurance, the Group has received the insurance claims in 2022.

(24) Finance costs

| | Three months ended September 30, | |
|------------------|----------------------------------|------------|
| | 2022 | 2021 |
| Interest expense | \$ 174,815 | \$ 75,423 |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Interest expense | \$ 353,372 | \$ 218,106 |

(25) Expenses by nature

| | Three months ended September 30, | |
|---|----------------------------------|----------------------|
| | 2022 | 2021 |
| Employee benefit expense | \$ 19,613,506 | \$ 16,834,171 |
| Depreciation charges on property, plant and equipment | 3,598,530 | 3,272,222 |
| Depreciation charges on right-of-use assets | 184,804 | 150,791 |
| Amortisation charges on intangible assets | 1,015,330 | 902,468 |
| | <u>\$ 24,412,170</u> | <u>\$ 21,159,652</u> |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Employee benefit expense | \$ 54,744,237 | \$ 50,009,057 |
| Depreciation charges on property, plant and equipment | 10,546,449 | 9,504,518 |
| Depreciation charges on right-of-use assets | 492,618 | 460,298 |
| Amortisation charges on intangible assets | 2,913,501 | 2,736,446 |
| | <u>\$ 68,696,805</u> | <u>\$ 62,710,319</u> |

(26) Employee benefit expense

| | Three months ended September 30, | |
|----------------------------|----------------------------------|----------------------|
| | 2022 | 2021 |
| Post-employment benefits | | |
| Defined contribution plans | \$ 282,776 | \$ 245,484 |
| Defined benefit plans | 43,771 | 33,445 |
| | 326,547 | 278,929 |
| Other employee benefits | 19,286,959 | 16,555,242 |
| | <u>\$ 19,613,506</u> | <u>\$ 16,834,171</u> |

| | Nine months ended September 30, | |
|----------------------------|---------------------------------|----------------------|
| | 2022 | 2021 |
| Post-employment benefits | | |
| Defined contribution plans | \$ 801,698 | \$ 722,009 |
| Defined benefit plans | 116,642 | 100,756 |
| | 918,340 | 822,765 |
| Other employee benefits | 53,825,897 | 49,186,292 |
| | <u>\$ 54,744,237</u> | <u>\$ 50,009,057</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 nine months ended September 30, 2022 and 2021, employees' compensation was accrued at \$1,316,777, \$790,398, \$2,964,557 and \$2,473,447, respectively; while directors' remuneration was accrued at \$18,228, \$9,682, \$53,755 and \$45,264, respectively. The aforementioned amounts were recognised in salary expenses.

For the nine months ended September 30, 2022, 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 \$2,545,649 and directors' remuneration of \$44,600 for 2021 were resolved by the Board of Directors on February 24, 2022. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2021 financial statements. For directors' remuneration, the difference between the amounts resolved at the meeting of Board of Directors and the amounts recognised in the 2021 financial statements is accounted for as changes in estimates and recognised in profit or loss for 2022.

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 September 30, | |
|---|----------------------------------|---------------------|
| | 2022 | 2021 |
| Current tax: | | |
| Current tax on profits for the period | \$ 2,572,869 | \$ 1,492,996 |
| Prior year income tax overestimation | (521) | (26,282) |
| Total current tax | 2,572,348 | 1,466,714 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 377,221 | 222,675 |
| | <u>\$ 2,949,569</u> | <u>\$ 1,689,389</u> |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Current tax: | | |
| Current tax on profits for the period | \$ 5,804,699 | \$ 4,231,939 |
| Prior year income tax overestimation | (519,467) | (70,512) |
| Tax on undistributed surplus earnings | 172,579 | - |
| Total current tax | 5,457,811 | 4,161,427 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 1,189,888 | 1,316,409 |
| | <u>\$ 6,647,699</u> | <u>\$ 5,477,836</u> |

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

| | Three months ended September 30, | |
|--|----------------------------------|---------------------|
| | 2022 | 2021 |
| Currency translation differences | <u>\$ 519,654</u> | <u>(\$ 78,151)</u> |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Currency translation differences | \$ 1,069,167 | (\$ 176,869) |
| Gain or loss on hedging instruments | - | (78) |
| Unrealised gains from financial assets measured at fair value through other comprehensive income | 1,382 | - |
| | <u>\$ 1,070,549</u> | <u>(\$ 176,947)</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 |
|--|---|
| Cyntec, Power Forest Technology Corporation, Vivotek and DECC | 2019 |
| The Company, DelBio, AMT, Lidlight Inc., Realwin., Otus Imaging and Aetek Inc. | 2020 |

(28) Earnings per share

| | <u>Three months ended September 30, 2022</u> | | |
|--|--|---|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (shares in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 11,068,908 | 2,597,543 | \$ 4.26 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | | | |
| Assumed conversion of all dilutive potential ordinary shares: | | | |
| Employees' compensation | - | 9,296 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 11,068,908 | 2,606,839 | \$ 4.25 |

Three months ended September 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 | \$ 6,368,868 | 2,597,543 | \$ 2.45 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 6,368,868 | 2,597,543 | |
| Assumed conversion of all dilutive potential ordinary shares: | | | |
| Employees' compensation | - | 7,793 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 6,368,868 | 2,605,336 | \$ 2.44 |

Nine months ended September 30, 2022

| | 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 | \$ 24,755,470 | 2,597,543 | \$ 9.53 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 24,755,470 | 2,597,543 | |
| Assumed conversion of all dilutive potential ordinary shares: | | | |
| Employees' compensation | - | 11,276 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 24,755,470 | 2,608,819 | \$ 9.49 |

Nine months ended September 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 | \$ 20,538,751 | 2,597,543 | \$ 7.91 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | | | |
| Assumed conversion of all dilutive potential ordinary shares: | | | |
| Employees' compensation | - | 9,403 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 20,538,751 | 2,606,946 | \$ 7.88 |

(29) Share-based payment

A. For the nine months ended September 30, 2022 and 2021, the Group's share-based payment arrangements were as follows:

| <u>Type of arrangement</u> | <u>Grant date</u> | Quantity granted (shares in thousands) | Contract period | <u>Vesting conditions</u> |
|--|-------------------|---|--------------------|---------------------------|
| Vivotek - Plan of restricted stocks to employees | 2019.08.19 | 800 | 2 years | 1~2 years' performance |
| Power Forest - Employee stock options | 2022.01.10 | 2,436 | 7 years | Vested immediately |
| Power Forest - Employee stock options | 2022.04.01 | 174 | 7 years | Vested immediately |

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

(a) Employee share options

| | 2022 | | 2021 | |
|--|--------------------------------------|--|--------------------------------------|--|
| | No. of options (shares in thousands) | Weighted-average exercise price (in dollars) | No. of options (shares in thousands) | Weighted-average exercise price (in dollars) |
| Options outstanding opening balance at January 1 | - | | - | |
| Options granted | 2,610 | | - | |
| Options expired | (570) | | - | |
| Options outstanding at September 30 | <u>2,040</u> | <u>\$ 22.50</u> | <u>-</u> | <u>\$ -</u> |
| Options exercisable at September 30 | <u>2,040</u> | <u>\$ 22.50</u> | <u>-</u> | <u>\$ -</u> |

(b) Restricted stocks to employees

| | 2022 | 2021 |
|---------------------------|-------------------------------------|-------------------------------------|
| | No. of shares (shares in thousands) | No. of shares (shares in thousands) |
| January 1 | - | 374 |
| Expired during the period | - | (44) |
| September 30 | <u>-</u> | <u>330</u> |

C. 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) |
|--|------------|--------------------------|-----------------------------|---------------------------|------------------------------|--------------------|-------------------------|----------------------------------|
| Vivotek - Plan of restricted stocks to employees | 2019.08.19 | 102.50 | - | Not applicable | 1~2 | Not applicable | Not applicable | 102.50 |
| Power Forest- Employee stock options | 2022.01.10 | 44.17 | 22.50 | 55.89% | 1.5 | 0% | 0.42% | 23.5559 |
| Power Forest- Employee stock options | 2022.04.01 | 44.17 | 22.50 | 55.89% | 1.5 | 0% | 0.42% | 23.5559 |

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 year.

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

| | Three months ended September 30, | |
|----------------|----------------------------------|------|
| | 2022 | 2021 |
| Equity-settled | \$ - | \$ - |

| | Nine months ended September 30, | |
|----------------|---------------------------------|------|
| | 2022 | 2021 |
| Equity-settled | \$ 61,481 | \$ - |

(30) Business combinations

A. Business combinations of the Group for the second, third quarter of 2022 and the first quarter of 2021 are as follows:

- (a) On July 18, 2022, the Group acquired 100% of the share capital of UI Acquisition Holding Co. (UI) for \$2,766,456 and obtained control over UI. As a result of the acquisition, the Group is expected to strengthen industrial automation. The allocation of the acquisition price of UI will be completed within a year.
- (b) On December 1, 2021, the Group acquired 100% of the share capital of March Networks Holdings Ltd. (March) for \$3,472,680 and obtained control over March. As a result of the acquisition, the Group is expected to improve the security and building automation. The allocation of the acquisition price of March was completed in the second quarter of 2022, and the contingent consideration decreased by \$10,556 based on the adjustment to the estimated purchase price.
- (c) On November 3, 2020, the Group acquired 100% of the share capital of Trihedral for \$885,725 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:

| | UI | March | Trihedral |
|--|-------------------|-------------------|-------------------|
| Purchase consideration | | | |
| Cash | \$ 2,766,456 | \$ 3,376,535 | \$ 885,725 |
| Contingent consideration | - | 85,589 | 134,759 |
| | <u>2,766,456</u> | <u>3,462,124</u> | <u>1,020,484</u> |
| Fair value of the identifiable assets acquired and liabilities assumed | | | |
| Cash and cash equivalents | 171,888 | 510,591 | 18,234 |
| Other current assets | 2,960,846 | 1,218,552 | 72,912 |
| Property, plant and equipment | 143,360 | 44,809 | 6,852 |
| Intangible assets | 413,714 | 821,850 | 236,302 |
| Deferred tax assets | 231,130 | 403,881 | - |
| Other non-current assets | 16,320 | 242,838 | - |
| Other current liabilities | (1,538,276) | (475,624) | (9,666) |
| Deferred tax liabilities | - | - | (1,814) |
| Other non-current liabilities | (46,240) | (236,879) | - |
| Total identifiable net assets | <u>2,352,742</u> | <u>2,530,018</u> | <u>322,820</u> |
| Goodwill | <u>\$ 413,714</u> | <u>\$ 932,106</u> | <u>\$ 697,664</u> |

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 March was completed in the second quarter of 2022 and the fair values of the acquired identifiable intangible assets and goodwill were \$821,850 and \$932,106, respectively.

E. The operating revenue included in the consolidated statement of comprehensive income since July 18, 2022 contributed by UI was \$913,444. UI also contributed loss before income tax of \$5,278 over the same period. Had UI been consolidated from January 1, 2022, the consolidated statement of comprehensive income for the first three quarters of 2022 would show operating revenue of \$280,658,313 and profit before income tax of \$34,414,714.

(31) Supplemental cash flow information

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. 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 | <u>(\$ 98,231)</u> |

(32) Transactions with non-controlling interest - Acquisition of additional equity interest in a subsidiary

In the first three quarters of 2022 and 2021, the Group acquired additional equity interests of 1.66% and 1.45% in Vivotek for total cash considerations of \$110,182 and \$96,259, respectively. The effect of changes in interest attributable to owners of the parent for the first three quarters of 2022 and 2021 is shown below:

| | <u>Nine months ended September 30,</u> | |
|---|--|-----------------|
| | <u>2022</u> | <u>2021</u> |
| | <u>Vivotek</u> | <u>Vivotek</u> |
| Carrying amount of non-controlling interest acquired | \$ 125,504 | \$ 99,741 |
| Consideration paid to non-controlling interest | (110,182) | (96,259) |
| | <u>\$ 15,322</u> | <u>\$ 3,482</u> |
| Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount: | | |
| Capital surplus | <u>\$ 15,322</u> | <u>\$ 3,482</u> |

(33) Changes in liabilities from financing activities

| | <u>Short-term borrowings</u> | <u>Bonds payable</u> | <u>Long-term borrowings (including current portion)</u> | <u>Liabilities from financing activities-gross</u> |
|--|------------------------------|----------------------|---|--|
| At January 1, 2022 | \$ 4,397,362 | \$ - | \$ 43,958,912 | \$ 48,356,274 |
| Changes in cash flow from financing activities | (2,356,810) | 6,600,000 | 5,578,298 | 9,821,488 |
| At September 30, 2022 | <u>\$ 2,040,552</u> | <u>\$ 6,600,000</u> | <u>\$ 49,537,210</u> | <u>\$ 58,177,762</u> |

| | Short-term borrowings | Bonds payable | Long-term borrowings (including current portion) | Liabilities from financing activities-gross |
|---|--------------------------|---------------|---|---|
| At January 1, 2021 | \$ 2,001,532 | \$ - | \$ 39,362,107 | \$ 41,363,639 |
| Changes in cash flow from financing activities | 883,514 | - | 8,358,063 | 9,241,577 |
| At September 30, 2021 | <u>\$ 2,885,046</u> | <u>\$ -</u> | <u>\$ 47,720,170</u> | <u>\$ 50,605,216</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

| Names of related parties | Relationship with the Group |
|---|-----------------------------|
| Compower AS | Associate |
| Fujian Kaixin Constructon Engineering Co., Ltd. | " |
| Delta Networks (Xiamen) Ltd. | " |
| Digital Projection Asia Pte Ltd. | " |
| Optovue, Inc. | " (Note) |

Note: The Group disposed all its shares in Optovue, Inc. in July, 2021. Accordingly, Optovue, Inc. is no longer a related party.

(2) Significant transactions and balances with related parties

A. Operating revenue

| | Three months ended September 30, | |
|--------------------|----------------------------------|------------------|
| | 2022 | 2021 |
| Sales of goods: | | |
| Associates | \$ 42,840 | \$ 6,754 |
| Sales of services: | | |
| Associates | 1 | 836 |
| | <u>\$ 42,841</u> | <u>\$ 7,590</u> |
| | | |
| | Nine months ended September 30, | |
| | 2022 | 2021 |
| Sales of goods: | | |
| Associates | \$ 70,673 | \$ 84,666 |
| Sales of services: | | |
| Associates | 27 | 1,809 |
| | <u>\$ 70,700</u> | <u>\$ 86,475</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 service to related parties arise mainly from sales and services of construction system.

B. Purchases of goods

| | <u>Three months ended September 30,</u> | |
|---------------------|---|-----------------------------|
| | <u>2022</u> | <u>2021</u> |
| Purchases of goods: | | |
| Associates | \$ 94,790 | \$ 11,362 |
| | <u> </u> | <u> </u> |
| | <u>Nine months ended September 30,</u> | |
| | <u>2022</u> | <u>2021</u> |
| Purchases of goods: | | |
| Associates | \$ 136,156 | \$ 40,447 |
| | <u> </u> | <u> </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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Receivables from related parties: | | | |
| Associates | \$ 53,784 | \$ 27,831 | \$ 9,753 |
| | <u> </u> | <u> </u> | <u> </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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Payables to related parties: | | | |
| Associates | \$ 40,029 | \$ 15,023 | \$ 11,619 |
| | <u> </u> | <u> </u> | <u> </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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Other receivables-related parties | | | |
| Associates | \$ - | \$ 485 | \$ - |
| | <u> </u> | <u> </u> | <u> </u> |

The above pertain mainly to payments on behalf of others.

(3) Key management compensation

| | <u>Three months ended September 30,</u> | |
|------------------------------|---|-----------------------------|
| | <u>2022</u> | <u>2021</u> |
| Short-term employee benefits | \$ 91,480 | \$ 21,075 |
| Post-employment benefits | 169 | 157 |
| | <u> </u> | <u> </u> |
| | <u>\$ 91,649</u> | <u>\$ 21,232</u> |

| | Nine months ended September 30, | |
|------------------------------|---------------------------------|-------------------|
| | 2022 | 2021 |
| Short-term employee benefits | \$ 213,315 | \$ 182,087 |
| Post-employment benefits | 442 | 476 |
| | <u>\$ 213,757</u> | <u>\$ 182,563</u> |

8. PLEDGED ASSETS

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

| Pledged assets | Book Value | | | Pledge purpose |
|---|-----------------------|----------------------|-----------------------|---|
| | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| Demand deposits and time deposits (shown as current financial assets at amortised cost) | \$ 257,856 | \$ 319,238 | \$ 248,214 | Performance bonds, custom guarantee, court attachments and other guarantee deposits |
| Demand deposits and time deposits (shown as other non-current assets) | 145,597 | 218,130 | 173,937 | Performance bonds and custom guarantee |
| Property, plant and equipment | | | | Long-term borrowings and credit line of long-term borrowings |
| | <u>562,853</u> | <u>557,568</u> | <u>559,917</u> | |
| | <u>\$ 966,306</u> | <u>\$ 1,094,936</u> | <u>\$ 982,068</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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|-------------------------------|---------------------------|--------------------------|---------------------------|
| Property, plant and equipment | \$ 10,066,428 | \$ 3,538,625 | \$ 3,492,928 |
| Costs of computer software | \$ 711,277 | \$ 99,770 | \$ 91,197 |

10. SIGNIFICANT CASUALTY LOSS

Please refer to Note 2 of Note 6(23).

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On October 5, 2022, the Company issued the 2022 second unsecured ordinary corporate bond in the amount of \$5,000,000.

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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</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 | <u>\$ 4,058,522</u> | <u>\$ 4,437,527</u> | <u>\$ 4,024,879</u> |
| Financial assets at fair value through other comprehensive income | | | |
| Selected designated investments in equity instruments | <u>\$ 1,547,199</u> | <u>\$ 1,587,843</u> | <u>\$ 1,509,748</u> |
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | \$ 64,941,352 | \$ 49,855,053 | \$ 54,393,270 |
| Notes receivable | 3,589,788 | 3,420,633 | 3,486,909 |
| Accounts receivable | 84,987,797 | 67,464,208 | 61,445,980 |
| Other receivables | 2,234,537 | 1,815,370 | 2,107,973 |
| Guarantee deposits paid | 521,746 | 204,759 | 210,831 |
| Financial assets at amortised cost | <u>403,453</u> | <u>545,368</u> | <u>430,151</u> |
| | <u>\$ 156,678,673</u> | <u>\$ 123,305,391</u> | <u>\$ 122,075,114</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 | <u>\$ 544,395</u> | <u>\$ 41,371</u> | <u>\$ 169,465</u> |
| Financial liabilities at amortised cost | | | |
| Short-term borrowings | \$ 2,040,552 | \$ 4,397,362 | \$ 2,885,046 |
| Notes payable | 1,613 | 440 | 2,337 |
| Accounts payable | 66,909,754 | 54,569,485 | 54,733,811 |
| Other payables | 36,943,215 | 35,652,202 | 31,928,093 |
| Bonds payable | 6,600,000 | - | - |
| Long-term borrowings (including current portion) | 49,537,210 | 43,958,912 | 47,720,170 |
| Guarantee deposits received | <u>1,090,482</u> | <u>1,526,349</u> | <u>397,552</u> |
| | <u>\$ 163,122,826</u> | <u>\$ 140,104,750</u> | <u>\$ 137,667,009</u> |
| Lease liabilities (including current portion) | <u>\$ 2,818,945</u> | <u>\$ 1,895,640</u> | <u>\$ 1,765,509</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:

September 30, 2022

| (Foreign currency: functional currency) | Foreign currency amount (in thousands) | Exchange rate | Book value (NTD) |
|--|--|------------------|---------------------|
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 596,770 | 31.7500 | \$ 18,947,446 |
| USD:THB (Note) | 487,267 | 37.5651 | 15,470,740 |
| USD:RMB (Note) | 329,639 | 7.0957 | 10,466,024 |
| RMB:USD (Note) | 1,230,073 | 0.1409 | 5,504,013 |
| EUR:USD (Note) | 109,752 | 0.9846 | 3,430,836 |
| <u>Non-monetary items</u> | | | |
| USD:NTD | \$ 6,429,660 | 31.7500 | \$ 204,141,692 |
| THB:USD (Note) | 64,345,082 | 0.0266 | 54,384,463 |
| RMB:USD (Note) | 10,145,790 | 0.1409 | 45,397,744 |
| USD:THB (Note) | 425,692 | 37.5651 | 13,515,707 |
| NOK:USD (Note) | 4,027,578 | 0.0939 | 12,006,251 |
| THB:NTD | 5,713,146 | 0.8452 | 4,828,751 |
| EUR:USD (Note) | 53,786 | 0.9846 | 1,681,352 |
| CHF:USD (Note) | 38,558 | 1.0241 | 1,253,719 |
| CAD:USD (Note) | 53,361 | 0.7320 | 1,240,116 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 613,644 | 31.7500 | \$ 19,483,213 |
| USD:THB (Note) | 415,494 | 37.5651 | 13,191,924 |
| USD:RMB (Note) | 262,398 | 7.0957 | 8,331,139 |
| RMB:USD (Note) | 1,855,403 | 0.1409 | 8,302,076 |
| EUR:USD (Note) | 65,728 | 0.9846 | 2,054,665 |
| SGD:USD (Note) | 84,773 | 0.6995 | 1,882,806 |

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

December 31, 2021

| (Foreign currency: functional currency) | Foreign currency amount (in thousands) | Exchange rate | Book value (NTD) |
|--|--|------------------|---------------------|
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 572,212 | 27.6600 | \$ 15,827,372 |
| USD:RMB (Note) | 486,442 | 6.3720 | 13,454,978 |
| USD:THB (Note) | 326,474 | 33.3253 | 9,030,279 |
| RMB:USD (Note) | 878,872 | 0.1569 | 3,815,069 |
| EUR:USD (Note) | 97,120 | 1.1298 | 3,034,985 |
| <u>Non-monetary items</u> | | | |
| USD:NTD | \$ 6,029,541 | 27.6600 | \$ 166,777,109 |
| THB:USD (Note) | 55,524,751 | 0.0300 | 46,085,543 |
| RMB:USD (Note) | 9,969,549 | 0.1569 | 43,276,518 |
| USD:THB (Note) | 509,991 | 33.3253 | 14,106,364 |
| NOK:USD (Note) | 3,685,558 | 0.1134 | 11,556,213 |
| THB:NTD | 5,389,233 | 0.8300 | 4,473,063 |
| EUR:USD (Note) | 46,764 | 1.1298 | 1,461,366 |
| CAD:USD (Note) | 47,519 | 0.7802 | 1,025,452 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| RMB:USD (Note) | \$ 4,199,001 | 0.1569 | \$ 18,227,317 |
| USD:NTD | 644,440 | 27.6600 | 17,825,220 |
| USD:THB (Note) | 418,056 | 33.3253 | 11,563,430 |
| USD:RMB (Note) | 304,686 | 6.3720 | 8,427,610 |
| EUR:USD (Note) | 52,354 | 1.1298 | 1,636,056 |

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

September 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) | \$ 751,901 | 6.4595 | \$ 20,940,441 |
| USD:NTD | 476,610 | 27.8500 | 13,273,588 |
| USD:THB (Note) | 270,813 | 33.6190 | 7,542,147 |
| RMB:USD (Note) | 1,362,431 | 0.1548 | 5,874,051 |
| EUR:USD (Note) | 104,312 | 1.1605 | 3,371,353 |
| <u>Non-monetary items</u> | | | |
| USD:NTD | \$ 5,995,355 | 27.8500 | \$ 166,970,645 |
| THB:USD (Note) | 55,030,136 | 0.0297 | 45,586,965 |
| RMB:USD (Note) | 10,232,401 | 0.1548 | 44,116,485 |
| USD:THB (Note) | 497,988 | 33.6190 | 13,868,964 |
| NOK:USD (Note) | 3,695,936 | 0.1138 | 11,710,573 |
| THB:NTD | 5,309,250 | 0.8284 | 4,398,183 |
| EUR:USD (Note) | 46,349 | 1.1605 | 1,498,004 |
| CAD:USD (Note) | 46,896 | 0.7867 | 1,027,485 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:RMB (Note) | \$ 638,576 | 6.4595 | \$ 17,784,351 |
| USD:NTD | 591,310 | 27.8500 | 16,467,986 |
| RMB:USD (Note) | 2,418,715 | 0.1548 | 10,428,167 |
| USD:THB (Note) | 319,749 | 33.6190 | 8,905,004 |
| EUR:USD (Note) | 64,862 | 1.1605 | 2,096,337 |

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, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2022 and 2021 amounted to \$919,624, \$438,920, \$1,742,688 and \$1,278,090, respectively.

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

| Nine months ended September 30, 2022 | | | |
|--|------------------------|-----------------------------|--|
| 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% | \$ 189,474 | \$ - |
| USD:THB (Note) | 1% | 154,707 | - |
| USD:RMB (Note) | 1% | 104,660 | - |
| RMB:USD (Note) | 1% | 55,040 | - |
| EUR:USD (Note) | 1% | 34,308 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | \$ 194,832 | \$ - |
| USD:THB (Note) | 1% | 131,919 | - |
| USD:RMB (Note) | 1% | 83,311 | - |
| RMB:USD (Note) | 1% | 83,021 | - |
| EUR:USD (Note) | 1% | 20,547 | - |
| SGD:USD (Note) | 1% | 18,828 | - |

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

| Nine months ended September 30, 2021 | | | |
|--|------------------------|-----------------------------|--|
| 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:RMB (Note) | 1% | \$ 209,404 | \$ - |
| USD:NTD | 1% | 132,736 | - |
| USD:THB (Note) | 1% | 75,421 | - |
| RMB:USD (Note) | 1% | 58,741 | - |
| EUR:USD (Note) | 1% | 33,714 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:RMB (Note) | 1% | 177,844 | - |
| USD:NTD | 1% | 164,680 | - |
| RMB:USD (Note) | 1% | 104,282 | - |
| USD:THB (Note) | 1% | 89,050 | - |
| EUR:USD (Note) | 1% | 20,963 | - |

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 nine months ended September 30, 2022 and 2021 would have increased/decreased by \$16,975 and \$16,563, 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 \$12,647 and \$12,235, 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 variable interest rate. During the nine months ended September 30, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.
- ii. As at September 30, 2022 and 2021, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the nine months ended September 30, 2022 and 2021 would have decreased by \$74,288 and \$71,563, 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 and contract assets. There were no contract assets past due as at September 30, 2022 and 2021. On September 30, 2022, December 31, 2021, and September 30, 2021, the provision matrix of accounts receivable is as follows:

| | <u>Not past due</u> | <u>1-90 days past due</u> | <u>91-180 days past due</u> |
|------------------------------|----------------------------------|-----------------------------------|-----------------------------|
| <u>At September 30, 2022</u> | | | |
| Expected loss rate | 0.00% | 1.47% | 15.18% |
| Total book value | \$ 76,869,307 | \$ 7,431,173 | \$ 684,882 |
| Loss allowance | \$ 505 | \$ 109,440 | \$ 103,989 |
| | <u>181-365 days past due</u> | <u>Over 366 days past due</u> | <u>Total</u> |
| Expected loss rate | 51.87% | 93.52% | |
| Total book value | \$ 311,922 | \$ 192,597 | \$ 85,489,881 |
| Loss allowance | \$ 161,809 | \$ 180,125 | \$ 555,868 |
| | <u>Not past due</u> | <u>1-90 days past due</u> | <u>91-180 days past due</u> |
| <u>At December 31, 2021</u> | | | |
| Expected loss rate | 0.00% | 0.97% | 20.85% |
| Total book value | \$ 60,175,037 | \$ 7,029,700 | \$ 268,016 |
| Loss allowance | \$ 432 | \$ 67,970 | \$ 55,884 |
| | <u>181-365 days past due</u> | <u>Over 366 days past due</u> | <u>Total</u> |
| Expected loss rate | 47.87% | 94.43% | |
| Total book value | \$ 151,223 | \$ 162,945 | \$ 67,786,921 |
| Loss allowance | \$ 72,388 | \$ 153,870 | \$ 350,544 |

| | <u>Not past due</u> | <u>1-90 days past due</u> | <u>91-180 days past due</u> |
|------------------------------|---------------------|---------------------------|-----------------------------|
| <u>At September 30, 2021</u> | | | |
| Expected loss rate | 0.00% | 0.90% | 21.65% |
| Total book value | \$ 56,093,438 | \$ 5,100,455 | \$ 238,789 |
| Loss allowance | \$ 1,027 | \$ 46,111 | \$ 51,687 |
| | <u>181-365 days</u> | <u>Over 366 days</u> | |
| | <u>past due</u> | <u>past due</u> | <u>Total</u> |
| Expected loss rate | 44.53% | 96.22% | |
| Total book value | \$ 169,634 | \$ 219,131 | \$ 61,821,447 |
| Loss allowance | \$ 75,537 | \$ 210,858 | \$ 385,220 |

- 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:

| | <u>2022</u> | | | | |
|---|-------------------------|----------------------------|------------------------|----------------------------|--------------|
| | <u>Notes receivable</u> | <u>Accounts receivable</u> | <u>Contract assets</u> | <u>Overdue receivables</u> | <u>Total</u> |
| At January 1 | \$ - | \$ 350,544 | \$ - | \$ 313,298 | \$ 663,842 |
| Provision for impairment loss | - | 159,514 | - | 86 | 159,600 |
| Write-offs during the period | - | (182) | - | (9,878) | (10,060) |
| Effect of foreign exchange | - | 45,992 | - | 15,402 | 61,394 |
| At September 30 | \$ - | \$ 555,868 | \$ - | \$ 318,908 | \$ 874,776 |
| | <u>2021</u> | | | | |
| | <u>Notes receivable</u> | <u>Accounts receivable</u> | <u>Contract assets</u> | <u>Overdue receivables</u> | <u>Total</u> |
| At January 1 | \$ - | \$ 507,266 | \$ - | \$ 354,282 | \$ 861,548 |
| Reversal of impairment loss | - | (110,918) | - | (29,847) | (140,765) |
| Effect on decrease of business entities | - | (320) | - | - | (320) |
| Write-offs during the period | - | (13) | - | (11,188) | (11,201) |
| Effect of foreign exchange | - | (10,795) | - | (3,989) | (14,784) |
| At September 30 | \$ - | \$ 385,220 | \$ - | \$ 309,258 | \$ 694,478 |

For provisioned loss for the nine months ended September 30, 2022 and 2021, the (provision for) reversal of impairment loss arising from customers' contracts amounted to (\$159,600) and \$140,765, 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:

| <u>September 30, 2022</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 | \$ 2,040,552 | \$ - | \$ - | \$ - |
| Notes and accounts payable (including related parties) | 66,911,367 | - | - | - |
| Other payables | 36,943,215 | - | - | - |
| Lease liabilities (including current portion) | 578,501 | 422,036 | 807,927 | 1,010,481 |
| Bonds payable | - | - | 5,900,000 | 700,000 |
| Long-term borrowings (including current portion) | 130,070 | 41,904,710 | 7,175,545 | 326,885 |

Non-derivative financial liabilities:

| <u>December 31, 2021</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 | \$ 4,397,362 | \$ - | \$ - | \$ - |
| Notes and accounts payable (including related parties) | 54,569,925 | - | - | - |
| Other payables | 35,652,202 | - | - | - |
| Lease liabilities (including current portion) | 529,239 | 374,463 | 446,160 | 545,778 |
| Long-term borrowings (including current portion) | 45,125 | 37,495,523 | 6,060,631 | 357,633 |

Non-derivative financial liabilities:

| <u>September 30, 2021</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 | \$ 2,885,046 | \$ - | \$ - | \$ - |
| Notes and accounts payable (including related parties) | 54,736,148 | - | - | - |
| Other payables | 31,928,093 | - | - | - |
| Lease liabilities (including current portion) | 493,010 | 348,426 | 422,314 | 501,759 |
| Long-term borrowings (including current portion) | 45,966 | 41,238,889 | 6,062,293 | 373,022 |

Derivative financial liabilities:

As at September 30, 2022, December 31, 2021, and September 30, 2021, 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, bonds payable 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>September 30, 2022</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| <u>Assets</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity instruments | \$1,697,500 | \$ - | \$ 876,112 | \$2,573,612 |
| Hybrid instruments | 50,116 | 900,000 | 191,820 | 1,141,936 |
| Derivative instruments | - | 342,974 | - | 342,974 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity instruments | 1,070,755 | - | 476,444 | 1,547,199 |
| | <u>\$2,818,371</u> | <u>\$1,242,974</u> | <u>\$1,544,376</u> | <u>\$5,605,721</u> |
| <u>Liabilities</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | \$ - | \$ 544,395 | \$ - | \$ 544,395 |

| <u>December 31, 2021</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| <u>Assets</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity instruments | \$2,059,827 | \$ - | \$1,135,347 | \$3,195,174 |
| Hybrid instruments | 20,135 | 900,000 | 197,148 | 1,117,283 |
| Derivative instruments | - | 125,070 | - | 125,070 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity instruments | <u>1,060,528</u> | <u>-</u> | <u>527,315</u> | <u>1,587,843</u> |
| | <u>\$3,140,490</u> | <u>\$1,025,070</u> | <u>\$1,859,810</u> | <u>\$6,025,370</u> |
| <u>Liabilities</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | <u>\$ -</u> | <u>\$ 41,371</u> | <u>\$ -</u> | <u>\$ 41,371</u> |
| <u>September 30, 2021</u> | | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| <u>Assets</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity instruments | \$1,656,305 | \$ - | \$1,140,991 | \$2,797,296 |
| Convertible preferred stocks | - | - | 197,148 | 197,148 |
| Hybrid instruments | 33,990 | 900,000 | - | 933,990 |
| Derivative instruments | - | 96,445 | - | 96,445 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity instruments | <u>958,083</u> | <u>-</u> | <u>551,665</u> | <u>1,509,748</u> |
| | <u>\$2,648,378</u> | <u>\$ 996,445</u> | <u>\$1,889,804</u> | <u>\$5,534,627</u> |
| <u>Liabilities</u> | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivative instruments | <u>\$ -</u> | <u>\$ 169,465</u> | <u>\$ -</u> | <u>\$ 169,465</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 | <u>Closing price</u> | <u>Closing price</u> |

- (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 nine months ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine months ended September 30, 2022 and 2021:

| | 2022 | | |
|---|-----------------------|-----------------------|---------------------|
| | Hybrid instruments | Equity instruments | Total |
| At January 1 | \$ 197,148 | \$ 1,662,662 | \$ 1,859,810 |
| Gains and losses recognised in profit or loss | (5,328) | (10,216) | (15,544) |
| Gains recognised in other comprehensive income | - | 9,874 | 9,874 |
| Acquired during the period | - | 138,365 | 138,365 |
| Disposals during the period | - | (217,408) | (217,408) |
| Transfers out from Level 3 | - | (234,985) | (234,985) |
| Others | - | (16,312) | (16,312) |
| Net exchange differences | - | 20,576 | 20,576 |
| At September 30 | <u>\$ 191,820</u> | <u>\$ 1,352,556</u> | <u>\$ 1,544,376</u> |

| | 2021 | | |
|--|-----------------------|-----------------------|---------------------|
| | Hybrid instruments | Equity instruments | Total |
| At January 1 | \$ 74,983 | \$ 1,943,584 | \$ 2,018,567 |
| Losses recognised in profit or loss | (5,131) | (25,312) | (30,443) |
| Losses recognised in other comprehensive income | - | (228,746) | (228,746) |
| Acquired during the period | 197,148 | 73,953 | 271,101 |
| Disposals during the period | (69,852) | (31,626) | (101,478) |
| Transfers out from Level 3 | - | (34,400) | (34,400) |
| Net exchange differences | - | (4,797) | (4,797) |
| At September 30 | <u>\$ 197,148</u> | <u>\$ 1,692,656</u> | <u>\$ 1,889,804</u> |

- G. For the nine months ended September 30, 2022 and 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 September 30, 2022 | Valuation technique | Significant unobservable input | Range (median) | Relationship of inputs to fair value |
|------------------------------------|--|--|--------------------------------------|---------------------|---|
| Non-derivative equity instruments: | | | | | |
| Unlisted shares | \$ 1,158,601 | Most recent non-active market price | Not applicable | - | Not applicable |
| " | 193,955 | Market comparable companies | Price to book ratio multiple | 0.42~2.00 (0.97) | The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value |
| | | | Price to book ratio multiple | 0.64~2.69 (2.2) | |
| | | | Discount for lack of marketability | 20% (20%) | |
| Hybrid instrument: | | | | | |
| Convertible bonds | 191,820 | Equity value of complex capital structures | Discount for lack of marketability | 8% | The higher the discount for lack of marketability, the lower the fair value; the higher the stock price volatility, the higher the fair value |
| | | | Stock price volatility | (55%) | |

| | Fair value at December 31, 2021 | Valuation technique | Significant unobservable input | Range (median) | Relationship of inputs to fair value |
|---------------------------------------|---------------------------------------|---|--|------------------------|---|
| Non-derivative equity instruments: | | | | | |
| Unlisted shares | \$ 1,397,262 | 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 (2.26) | |
| | | | Price to book ratio multiple | 1.56~17.00 (2.35) | |
| | | | Discount for lack of marketability | 20% (20%) | |
| Hybrid instruments: | | | | | |
| Convertible preferred stocks | 197,148 | Option pricing model of VC Method | Market value multiple | 10.20~28.99 (28.17) | The higher the multiple, the higher the fair value |

| | Fair value at September 30, 2021 | Valuation technique | Significant unobservable input | Range (Average) | Relationship of inputs to fair value |
|------------------------------------|--|-------------------------------------|--------------------------------------|------------------------|---|
| Non-derivative equity instruments: | | | | | |
| Unlisted shares | \$ 1,427,256 | 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 earnings ratio multiple | 11.30~92.60 (12.30) | |
| | | | Discount for lack of marketability | 20% (20%) | |
| Hybrid instruments: | | | | | |
| Convertible preferred stocks | 197,148 | Option pricing model of VC Method | Market value multiple | 39.0~49.8 (47.96) | The higher the multiple, the higher the fair value |

- 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:

| | | September 30, 2022 | | | | | |
|--------------------|------------------------------------|--------------------|---------------------|---------------------------------|---------------------|--|--|
| | | | | Recognised in profit or loss | | Recognised in other comprehensive income (loss) | |
| | Input | Change | Favorable change | Unfavorable change | Favorable change | Unfavorable change | |
| Financial assets | | | | | | | |
| Equity instruments | Discount for lack of marketability | ± 1% | \$ - | \$ - | \$ 2,970 | (\$ 2,970) | |
| Financial assets | | | | | | | |
| Hybrid instrument | Discount for marketability | ± 1% | \$ 2,225 | (\$ 2,229) | \$ - | \$ - | |

| | | | | December 31, 2021 | | | |
|--------------------|------------------------------------|-------|--------|---------------------------------|-----------------------|--|-----------------------|
| | | | | Recognised in profit or loss | | Recognised in other comprehensive income (loss) | |
| | | Input | Change | Favorable change | Unfavorable change | Favorable change | Unfavorable change |
| Financial assets | | | | | | | |
| Equity instruments | Discount for lack of marketability | | ± 1% | \$ - | \$ - | \$ 2,881 | (\$ 2,881) |
| Financial assets | | | | | | | |
| Hybrid instrument | Market value multiple | | ± 1% | \$ 1,920 | (\$ 1,920) | \$ - | \$ - |
| | | | | September 30, 2021 | | | |
| | | | | Recognised in profit or loss | | Recognised in other comprehensive income (loss) | |
| | | Input | Change | Favorable change | Unfavorable change | Favorable change | Unfavorable change |
| Financial assets | | | | | | | |
| Equity instruments | Discount for lack of marketability | | ± 1% | \$ - | \$ - | \$ 3,155 | (\$ 3,155) |
| Financial assets | | | | | | | |
| Hybrid instrument | Market value multiple | | ± 1% | \$ 1,097 | (\$ 1,097) | \$ - | \$ - |

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: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- 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 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please

refer to table 8.

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 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to tables 7, 8 and 9 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 nine months ended September 30, 2022.

(4) Major shareholders information

Please refer to table 12.

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:

| | Nine months ended September 30, 2022 | | | |
|---------------------------------|--------------------------------------|------------------------|----------------------------|-----------------------|
| | Power electronics business | Automation business | Infrastructure business | Total |
| Revenue from external customers | <u>\$ 165,729,713</u> | <u>\$ 39,256,011</u> | <u>\$ 73,366,660</u> | <u>\$ 278,352,384</u> |
| Segment income (Note 1) | <u>\$ 22,676,985</u> | <u>\$ 2,647,679</u> | <u>\$ 5,336,908</u> | <u>\$ 30,661,572</u> |
| Segment total assets (Note 2) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| | Nine months ended September 30, 2021 | | | |
|---------------------------------|--------------------------------------|------------------------|----------------------------|-----------------------|
| | Power electronics business | Automation business | Infrastructure business | Total |
| Revenue from external customers | <u>\$ 138,090,579</u> | <u>\$ 34,216,415</u> | <u>\$ 58,392,497</u> | <u>\$ 230,699,491</u> |
| Segment income (Note 1) | <u>\$ 16,265,175</u> | <u>\$ 3,944,804</u> | <u>\$ 3,849,621</u> | <u>\$ 24,059,600</u> |
| Segment total assets (Note 2) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(Note 1) Segment income represents income after eliminating inter-segment transactions.

(Note 2) In accordance with the 99-151 'Questions on the disclosure of operating segments' issued by the Accounting Research and Development Foundation on June 28, 2010, entities shall disclose the measured amount of assets of reportable segment according to the Statements of Financial Accounting Standards No. 41, 'Operating Segments'. As the measured amount of the Company's assets was not provided to the operating decision maker, there was no measured amount of the disclosed assets.

(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 nine months ended September 30, 2022 and 2021 is provided as follows:

| | Nine months ended September 30, | |
|--|---------------------------------|----------------------|
| | 2022 | 2021 |
| Reportable segments income | <u>\$ 30,661,572</u> | <u>\$ 24,059,600</u> |
| Non-operating income and expenses | <u>3,880,209</u> | <u>3,122,828</u> |
| Income before tax from continuing operations | <u>\$ 34,541,781</u> | <u>\$ 27,182,428</u> |

Delta Electronics, Inc. and Subsidiaries

Loans to others

Nine months ended September 30, 2022

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 nine months ended September 30, 2022 (Note 2) | Balance at September 30, 2022 | Actual amount drawn down | Interest rate | Nature of loan (Note 6) | 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 | \$ 2,952,750 | \$2,952,750 | \$ 1,905,000 | 0.50% | 2 | \$ - | Additional operating capital | \$ - | None | \$ - | \$ 31,129,204 | \$ 31,129,204 | Note 5 |
| 1 | Fairview Assets Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Other receivables - related parties | Yes | 19,415,125 | 19,415,125 | 19,415,125 | 0.5%- 0.7% | 2 | - | Additional operating capital | - | None | - | 31,129,204 | 31,129,204 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Delta Electronics (Netherlands) B.V. | Other receivables - related parties | Yes | 17,367,250 | 17,367,250 | 17,367,250 | 0.70% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Drake Investment (HK) Limited | Other receivables - related parties | Yes | 793,750 | 793,750 | 793,750 | 0.70% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Delta Electronics (H.K.) Ltd. | Other receivables - related parties | Yes | 13,970,000 | 13,970,000 | 13,970,000 | 0.70% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Delta Controls Inc. | Other receivables - related parties | Yes | 444,500 | 444,500 | 444,500 | 0.70% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Digital Projection Inc. | Other receivables - related parties | Yes | 73,025 | 73,025 | 73,025 | 0.70% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 2 | Delta International Holding Limited B.V. | Amerlux, LLC | Other receivables - related parties | Yes | 1,047,750 | 1,047,750 | 1,047,750 | 2.50% | 2 | - | Additional operating capital | - | None | - | 77,931,257 | 77,931,257 | Note 5 |
| 3 | Eltek AS | Eltek Italia S.r.l. | Other receivables - related parties | Yes | 31,260 | - | - | 1.90% | 2 | - | Additional operating capital | - | None | - | 3,073,797 | 3,073,797 | Note 5 |
| 3 | Eltek AS | Delta Electronics (Sweden) AB | Other receivables - related parties | Yes | 57,400 | 57,400 | 57,400 | 0.60% | 2 | - | Additional operating capital | - | None | - | 3,073,797 | 3,073,797 | Note 5 |
| 3 | Eltek AS | Delta Electronics (Poland) Sp. z. o.o. | Other receivables - related parties | Yes | 92,091 | 92,091 | 92,091 | 0.60% | 2 | - | Additional operating capital | - | None | - | 3,073,797 | 3,073,797 | Note 5 |
| 3 | Eltek AS | Eltek s.r.o. | Other receivables - related parties | Yes | 303,222 | 303,222 | 303,222 | 0.60% | 2 | - | Additional operating capital | - | None | - | 3,073,797 | 3,073,797 | Note 5 |
| 3 | Eltek AS | Delta Electronics (Slovakia) s.r.o. | Other receivables - related parties | Yes | 375,120 | 375,120 | - | Note 7 | 2 | - | Additional operating capital | - | None | - | 3,073,797 | 3,073,797 | Note 5 |
| 4 | Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Other receivables - related parties | Yes | 1,566,089 | 1,566,089 | 1,566,089 | 4.65% | 2 | - | Additional operating capital | - | None | - | 4,468,024 | 4,468,024 | Note 5 |

Table 1-1

| No. (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the nine months ended September 30, 2022 (Note 2) | Balance at September 30, 2022 | Actual amount drawn down | Interest rate | Nature of loan (Note 6) | 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 Energy Systems (Germany) GmbH | Delta Energy Systems Property (Germany) GmbH | Other receivables - related parties | Yes | \$ 359,490 | \$ 353,238 | \$ 353,238 | 0.40% | 2 | \$ - | Additional operating capital | \$ - | None | \$ - | \$ 797,112 | \$ 797,112 | Note 5 |
| 6 | DET International Holding Limited | Delta Electronics India Pvt. Ltd. | Other receivables - related parties | Yes | 2,476,500 | 2,476,500 | 2,476,500 | 1.7%- 4% | 2 | - | Additional operating capital | - | None | - | 7,122,741 | 7,122,741 | Note 5 |
| 7 | Delta Greentech (Netherlands) B.V. | Eltek s.r.o. | Other receivables - related parties | Yes | 218,820 | 218,820 | 187,560 | 0.40% | 2 | - | Additional operating capital | - | None | - | 1,095,624 | 1,095,624 | Note 5 |
| 8 | Delta Greentech (China) Co., Ltd. | Cyntec Electronics (WuHu) Co., Ltd. | Other receivables - related parties | Yes | 1,660,054 | - | - | 3.85% | 2 | - | Additional operating capital | - | None | - | 2,876,962 | 2,876,962 | Note 4 |
| 9 | Delta Electronics (Shanghai) Co., Ltd. | Cyntec Electronics (WuHu) Co., Ltd. | Other receivables - related parties | Yes | 2,033,231 | 2,033,231 | 2,033,231 | 3.7%- 3.85% | 2 | - | Additional operating capital | - | None | - | 9,639,030 | 9,639,030 | Note 5 |
| 9 | Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Chongqing) Ltd. | Other receivables - related parties | Yes | 1,968,798 | 1,968,798 | 626,436 | 4.45% | 2 | - | Additional operating capital | - | None | - | 9,639,030 | 9,639,030 | Note 5 |
| 9 | Delta Electronics (Shanghai) Co., Ltd. | Cyntec Electronics (Suzhou) Co., Ltd. | Other receivables - related parties | Yes | 894,908 | 894,908 | 894,908 | 3.70% | 2 | - | Additional operating capital | - | None | - | 9,639,030 | 9,639,030 | Note 5 |

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 September 30, 2022, 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: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Note 7: The future actual lending interest rate is cost of capital of creditors plus 0.2%.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Nine months ended September 30, 2022

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 September 30, 2022 | Outstanding endorsement / guarantee amount at September 30, 2022 | 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 5) | | | | | | | | | | | |
| 1 | ELTEK AS | Delta Electronics (Australia) Pty Ltd | 4 | \$ 922,139 | \$ 142,875 | \$ 142,875 | \$142,875 | \$ - | 0.08% | \$ 922,139 | N | N | N | Note 2 |
| 2 | March Networks Holdings Ltd. | March Networks, Inc. | 2 | 132,727 | 15,240 | 15,240 | 15,240 | - | 0.01% | 265,453 | N | N | N | Note 3 |

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 AS's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 30% of Eltek AS's net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 30% of Eltek AS's net assets based on the latest audited or reviewed financial statements.

Note 3: In accordance with March Networks Holdings Ltd.'s "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 10% of March Networks Holdings Ltd.'s net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 5% of March Networks Holdings Ltd.'s net assets based on the latest audited or reviewed financial statements.

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$181,981,023 thousand (2022/9/30).

Note 5: 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)
September 30, 2022

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 September 30, 2022 | | | | 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 | 31,294,379 | \$ 674,394 | 1.92% | \$ 674,394 | |
| Delta Electronics, Inc. | Lanner Electronics Inc. common stock | None | Financial assets at fair value through other comprehensive income - non-current | 6,763,845 | 396,361 | 5.73% | 396,361 | |
| Delta Electronics, Inc. | Lanner Electronics Inc. convertible bonds | None | Financial assets at fair value through profit or loss - non-current | - | 900,000 | - | 900,000 | |
| Delta Electronics, Inc. | Betacera Inc. common stock, etc. | None | Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss | - | 108,879 | - | 108,879 | |
| Delta Electronics Capital Company | Allied Supreme Corp. common stock | None | Financial assets at fair value through profit or loss - current | 608,000 | 202,160 | 0.77% | 202,160 | |
| Delta Electronics Capital Company | Tong Hsing Electronic Industries, Ltd. common stock | None | Financial assets at fair value through profit or loss - current | 839,750 | 139,399 | 0.47% | 139,399 | |
| Delta Electronics Capital Company | Fusheng Precision Co., Ltd. common stock | None | Financial assets at fair value through profit or loss - current | 923,000 | 168,448 | 0.70% | 168,448 | |
| Delta Electronics Capital Company | Nien Made Enterprise Co., Ltd. common stock | None | Financial assets at fair value through profit or loss - current | 423,043 | 106,395 | 0.14% | 106,395 | |
| Delta Electronics Capital Company | Ampak Technology Inc. common stock | None | Financial assets at fair value through profit or loss | 1,255,000 | 131,775 | 1.89% | 131,775 | |
| Delta Electronics Capital Company | Evergreen Aviation Technologies Corporation common stock | None | Financial assets at fair value through profit or loss - non-current | 3,000,000 | 229,710 | 0.85% | 229,710 | |
| 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 | 105,600 | 1.93% | 105,600 | |
| Delta Electronics Capital Company | TaskEasy, Inc. preferred stock | None | Financial assets at fair value through profit or loss - non-current | 2,633,872 | \$ 141,008 | 7.50% | \$ 141,008 | |

| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | As at September 30, 2022 | | | | Footnote |
|---------------------------------------|--|---|---|--------------------------|--------------|---------------|--------------|----------|
| | | | | Number of shares | Book value | Ownership (%) | Fair value | |
| Delta Electronics Capital Company | UBIQCONN TECHNOLOGY, INC. common stock, etc. | None | Financial assets at fair value through profit or loss | - | \$ 1,365,466 | - | \$ 1,365,466 | |
| Delta Electronics (Netherlands) B.V. | Grace Connection Microelectronics Limited common stock | None | Financial assets at fair value through other comprehensive income - non-current | 141,065 | 127,000 | 19.90% | 127,000 | |
| 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 | - | 45,464 | - | 45,464 | |
| 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 | None | Financial assets at fair value through other comprehensive income - non-current | 1,454,193 | 89,874 | 2.11% | 89,874 | |
| Delta Electronics (Japan), Inc. | Macy Inc. common stock | None | Financial assets at fair value through other comprehensive income - non-current | 74,000,000 | 27,332 | 19.79% | 27,332 | |
| Delta America, Ltd. | VPT Inc. common stock | None | Financial assets at fair value through other comprehensive income - non-current | 860,000 | 5,556 | 17.52% | 5,556 | |
| 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 | - | 6,712 | 15.00% | 6,712 | |
| Vivotek Inc. | Kneron Holding Corporation preferred stock | None | Financial assets at fair value through profit or loss - non-current | 1,310,003 | 191,820 | 2.14% | 191,820 | |

Table 3-2

Delta Electronics, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Nine months ended September 30, 2022

Table 4

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

| Investor | Marketable securities | General ledger account | Counterparty | Relationship with the investee | Balance as at January 1, 2022 | | Addition | | Disposal | | | Balance as at September 30, 2022 | | Footnote | |
|--|------------------------------------|---|------------------------------------|--------------------------------|-------------------------------|--------|------------------|------------------------|------------------|---------------|------------|----------------------------------|------------------|------------|--------|
| | | | | | Number of shares | Amount | Number of shares | Amount | Number of shares | Selling price | Book value | Gain (loss) on disposal | Number of shares | | Amount |
| Delta Electronics (H.K.) Ltd. | Delta Electronics (Chongqing) Ltd. | Investments accounted for under equity method | Delta Electronics (Chongqing) Ltd. | Affiliated enterprise | - | \$ - | - | \$ 942,294 (Note 1) | - | - | - | - | - | \$ 942,294 | |
| Delta Electronics, Inc. | Ancora Semiconductors Inc. | Investments accounted for under equity method | Ancora Semiconductors Inc. | Affiliated enterprise | - | - | 37,000,000 | 380,529 (Note 2) | - | - | - | - | 37,000,000 | 380,529 | |
| Delta International Holding Limited B.V. | UI Acquisition Holding Co. | Investments accounted for under equity method | (Note 3) | None | - | - | 334 | 2,970,722 (Note 4) | - | - | - | - | 334 | 2,970,722 | |
| ELTEK AS | Gråterudveien 8 AS | Investments accounted for under equity method | Graterudveien Eiendomsinvest AS | None | - | - | - | 314,108 (Note 5) | - | - | - | - | - | 314,108 | |

Note 1: Delta Electronics (H.K.) Ltd. increased its investment in Delta Electronics (Chongqing) Ltd. in the amount of \$1,001,875 in 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 2: Delta Electronics, Inc. increased its investment in Ancora Semiconductors Inc. in the amount of \$470,000 in 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 3: Zohar CDO 2003-1, Limited, Zohar II 2005-1, Limited, Zohar III, Ltd, Francisco Partners II, LP, Francisco Partners Parallel Fund II, LP, Eight Bar Financial Partners I, L.P., Collier Partners 602 LP Inc., Fair Oaks Founder LP and FOLF II LP.

Note 4: Delta International Holding Limited B.V. increased its investment in UI Acquisition Holding Co. in the amount of \$2,766,456 in July 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 5: ELTEK AS increased its investment in Gråterudveien 8 AS in the amount of \$322,396 in September 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Delta Electronics, Inc. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Nine months ended September 30, 2022

Table 5 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 | | | |
| Amerlux, LLC | Land and buildings in New Jersey, U.S.A | April 20, 2022 | \$ 1,105,313 | In accordance with the contract terms | Unicorn Real Estate Investment, LLC. | None | - | - | - | \$ - | By reference to the price quoted by the professional appraisal agency and market value | For future business development | None |
| DELTA ELECTRONICS (USA) INC. | Land and buildings in Texas, U.S.A | July 5, 2022 | 1,036,972 | " | CREFIII-CCI DATA DRIVE OWNER, LLC | " | - | - | - | - | " | " | " |
| Delta Electronics (Wuhu) Co., Ltd. | The construction of WUHU Plant 3 and WUHU logistics center | September 20, 2022 | 606,971 | " | Suzhou Tongli Architecture Co., Ltd. | " | - | - | - | - | Price comparison and negotiation | " | " |

Delta Electronics, Inc. and Subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Nine months ended September 30, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 6

| Real estate disposed by | Real estate | Transaction date or date of the event | Date of acquisition | Book value | Disposal amount | Status of payment | Gains (losses) on disposal | Relationship with the seller | Reason for disposal | Counterparty | Basis or reference used in setting the price | Other commitments |
|-------------------------|---------------------------------------|---------------------------------------|---------------------|------------|-----------------|--|----------------------------|------------------------------|-------------------------|---|--|--|
| Delta Electronics, Inc. | Land and buildings of Chungli Plant 2 | July 28, 2022 | December 15, 1999 | \$ 234,578 | \$ 756,600 | In accordance with the agreements entered into by mutual parties | Note | None | Disposal of idle assets | Mu Tian Asset Management Consulting Co., Ltd. | By reference to the price quoted by the professional appraisal agency and market value | Fulfilled in accordance with the agreements entered into by mutual parties |

Note: As the disposed target still needs to be repaired before delivery, gains (losses) on disposal were estimated to be \$491,246 after deducting estimated related taxes.

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
Nine months ended September 30, 2022

Table 7

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

| 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 (Jiangsu) Ltd. | Subsidiary | Operating revenue | \$ 480,734 | 0.84 | 70 days after issuing invoice | | | \$ 517,076 | 3.14 | |
| Delta Electronics, Inc. | Delta Electronics (Shanghai) Co., Ltd. | Subsidiary | Operating revenue | 308,654 | 0.52 | 70 days after issuing invoice | | | 328,921 | 1.99 | |
| Delta Electronics, Inc. | Delta Greentech (China) Co., Ltd. | Subsidiary | Operating revenue | 119,316 | 0.22 | 70 days | | | 54,246 | 0.33 | |
| Delta Electronics, Inc. | Cyntec Electronics (Suzhou) Co., Ltd. | Subsidiary | Operating revenue | 148,314 | 0.25 | 70 days | | | 96 | 0.01 | |
| Delta Electronics, Inc. | Cyntec Electronics (WuHu) Co., Ltd. | Subsidiary | Operating revenue | 486,803 | 0.84 | 70 days | | | - | - | |
| Delta Electronics, Inc. | Delta Electronics India Pvt. Ltd. | Subsidiary | Operating revenue | 192,972 | 0.32 | 90 days after delivery | | | 143,888 | 0.43 | |
| Delta Electronics, Inc. | Delta Electronics (Japan), Inc. | Subsidiary | Operating revenue | 120,312 | 0.21 | 70 days | | | 40,503 | 0.25 | |
| Delta Electronics, Inc. | Delta Electronics (Netherlands) B.V. | Subsidiary | Operating revenue | 324,704 | 0.55 | 70 days | | | 109,215 | 0.66 | |
| Delta Electronics, Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Subsidiary | Operating revenue | 15,707,993 | 27.17 | 70 days | | | 3,282,118 | 14.23 | |
| Delta Electronics, Inc. | Delta Electronics (Thailand) Public Company Limited | Subsidiary | Operating revenue | 2,406,603 | 4.12 | 70 days | | | 591,958 | 3.60 | |
| Delta Electronics, Inc. | DEI Logistics (USA) Corp. | Subsidiary | Operating revenue | 6,822,108 | 11.77 | 90 days after delivery | | | 2,622,446 | 15.90 | |
| Delta Electronics, Inc. | Delta Electronics (Americas) Ltd. | Subsidiary | Operating revenue | 3,211,096 | 5.55 | 70 days | | | 1,054,940 | 6.40 | |
| Delta Electronics, Inc. | Digital Projection Inc | Subsidiary | Operating revenue | 105,098 | 0.17 | 75 days after delivery | | | 49,910 | 0.30 | |
| Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | Operating revenue | 124,326 | 0.39 | 70 days | | | 107,727 | 1.06 | |

Table 7-1

| 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 (Dongguan) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | \$ 4,153,146 | 13.04 | 70 days | | | \$ 1,589,076 | 33.14 | |
| Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 27,504,275 | 85.88 | 70 days | | | 3,045,571 | 63.52 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | Operating revenue | 118,247 | 0.16 | 70 days | | | 48,579 | 0.22 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | 15,078,229 | 23.18 | 70 days | | | 6,267,108 | 54.71 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | Operating revenue | 578,086 | 0.89 | 70 days | | | 249,751 | 2.32 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 49,066,743 | 75.53 | 70 days | | | 4,830,216 | 42.16 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | Operating revenue | 396,417 | 1.56 | 70 days | | | 186,279 | 0.62 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Greentech (China) Co., Ltd. | Affiliated enterprise | Operating revenue | 11,922,736 | 47.26 | 70 days | | | 4,144,453 | 20.69 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Pingtan) Co., Ltd. | Affiliated enterprise | Operating revenue | 1,874,312 | 7.43 | 70 days | | | 766,818 | 7.66 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 693,235 | 2.74 | 70 days | | | 64,797 | 0.65 | |
| Delta Networks (Dongguan) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 5,574,079 | 98.54 | 70 days | | | 813,146 | 94.04 | |
| Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | 219,025 | 3.57 | 70 days | | | 71,848 | 3.69 | |
| Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 5,882,255 | 96.41 | 70 days | | | 1,850,604 | 95.05 | |
| Delta Electronics (Chenzhou) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | 580,381 | 13.04 | 70 days | | | 188,715 | 20.82 | |
| Delta Electronics (Chenzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 3,870,061 | 86.96 | 70 days | | | 717,800 | 79.18 | |

Table 7-2

| 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) | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | Operating revenue | \$ 1,475,485 | 55.15 | 70 days | | | \$ 230,723 | 38.38 | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics (Chenzhou) Co., Ltd. | Affiliated enterprise | Operating revenue | 381,134 | 14.20 | 70 days | | | 132,927 | 22.11 | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 800,854 | 29.90 | 70 days | | | 232,152 | 38.61 | |
| Cyntec Co., Ltd. | Delta Electronics, Inc. | Ultimate parent company | Operating revenue | 1,775,303 | 28.07 | 70 days | | | 709,649 | 40.40 | |
| Cyntec Co., Ltd. | DEI Logistics (USA) Corp. | Affiliated enterprise | Operating revenue | 126,047 | 2.01 | 90 days after delivery | | | 45,813 | 2.61 | |
| Cyntec Electronics (Suzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 10,402,428 | 100.00 | 70 days | | | 766,031 | 99.99 | |
| Cyntec Electronics (WuHu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 3,052,559 | 99.99 | 70 days | | | 681,245 | 100.00 | |
| Delta Energy Systems (Germany) GmbH | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | Operating revenue | 1,528,962 | 83.73 | 70 days | | | 154,534 | 42.26 | |
| Delta Electronics India Pvt. Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 231,888 | 4.55 | 70 days | | | 105,853 | 3.67 | |
| Delta Electronics (Japan), Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 782,121 | 23.35 | 70 days | | | 177,685 | 21.91 | |
| Delta Electronics (Netherlands) B.V. | Delta Electronics (Italy) S.r.l. | Affiliated enterprise | Operating revenue | 470,724 | 8.17 | 70 days | | | 105,663 | 6.53 | |
| Delta Electronics (Netherlands) B.V. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 445,973 | 7.74 | 70 days | | | - | - | |
| Delta Electronics (Netherlands) B.V. | Delta Greentech Electronics Industry LLC | Affiliated enterprise | Operating revenue | 578,252 | 9.90 | 180 days | | | 461,081 | 28.49 | |
| ELTEK AS | Eltek Deutschland GmbH | Affiliated enterprise | Operating revenue | 437,353 | 12.20 | 70 days | | | 88,536 | 8.94 | |
| ELTEK AS | Delta Solutions (Finland) Oy | Affiliated enterprise | Operating revenue | 112,517 | 3.11 | 70 days | | | 37,801 | 3.82 | |

Table 7-3

| 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) | |
| ELTEK AS | ELTEK POWER FRANCE SAS | Affiliated enterprise | Operating revenue | \$ 508,661 | 14.12 | 70 days | | | \$ 161,117 | 16.26 | |
| ELTEK AS | DELTA ELECTRONICS (UK) LTD | Affiliated enterprise | Operating revenue | 410,958 | 11.45 | 70 days | | | 127,981 | 12.92 | |
| ELTEK AS | Delta Electronics (Sweden) AB | Affiliated enterprise | Operating revenue | 251,503 | 7.00 | 70 days | | | 71,916 | 7.26 | |
| ELTEK AS | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 108,791 | 3.03 | 70 days | | | 6,852 | 0.34 | |
| ELTEK AS | Eltek s.r.o. | Affiliated enterprise | Operating revenue | 377,515 | 10.53 | 70 days | | | 121,100 | 12.23 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Australia) Pty Ltd | Affiliated enterprise | Operating revenue | 332,545 | 0.17 | 70 days | | | 172,755 | 0.31 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELECTRONICS BRASIL LTDA | Affiliated enterprise | Operating revenue | 218,085 | 0.11 | 90 days after delivery | | | 232,246 | 0.40 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA. | Affiliated enterprise | Operating revenue | 100,326 | 0.06 | 90 days after delivery | | | 100,308 | 0.18 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Switzerland) AG | Affiliated enterprise | Operating revenue | 1,384,614 | 0.71 | 70 days | | | 515,421 | 60.64 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | Operating revenue | 19,082,781 | 9.99 | 70 days | | | 6,987,517 | 12.99 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | Operating revenue | 22,770,910 | 11.94 | 70 days | | | 3,746,991 | 4.28 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Networks (Dongguan) Ltd. | Affiliated enterprise | Operating revenue | 4,922,144 | 2.59 | 70 days | | | 1,277,531 | 4.76 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | Operating revenue | 4,450,670 | 2.34 | 70 days | | | 1,139,942 | 31.83 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Chenzhou) Co., Ltd. | Affiliated enterprise | Operating revenue | 2,747,260 | 1.45 | 70 days | | | 1,151,510 | 38.34 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Chenzhou Delta Technology Co., Ltd. | Affiliated enterprise | Operating revenue | 238,022 | 0.11 | 70 days | | | 132,582 | 4.43 | |

Table 7-4

| 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 Int'l (Singapore) Pte. Ltd. | Cyntec Co., Ltd. | Affiliated enterprise | Operating revenue | \$ 1,592,086 | 0.84 | 70 days | | | \$ 592,465 | 7.44 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Cyntec Electronics (Suzhou) Co., Ltd. | Affiliated enterprise | Operating revenue | 566,742 | 0.27 | 70 days | | | 199,152 | 2.38 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Cyntec Electronics (WuHu) Co., Ltd. | Affiliated enterprise | Operating revenue | 106,344 | 0.04 | 70 days | | | 47,352 | 0.59 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELECTRONICS SOLUTIONS (SPAIN) SL | Affiliated enterprise | Operating revenue | 175,772 | 0.07 | 150 days | | | 82,713 | 10.14 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Solutions (Finland) Oy | Affiliated enterprise | Operating revenue | 141,469 | 0.07 | 70 days | | | 41,882 | 5.17 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Digital Projection Ltd. | Affiliated enterprise | Operating revenue | 134,908 | 0.07 | 75 days after delivery | | | 153,131 | 10.20 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics India Pvt. Ltd. | Affiliated enterprise | Operating revenue | 1,349,789 | 0.71 | 90 days after delivery | | | 676,902 | 0.55 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Japan) Inc. | Affiliated enterprise | Operating revenue | 1,638,428 | 0.86 | 70 days | | | 567,667 | 0.92 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Korea), Inc. | Affiliated enterprise | Operating revenue | 314,764 | 0.17 | 70 days | | | 162,085 | 0.29 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics International Mexico SA de CV | Affiliated enterprise | Operating revenue | 160,871 | 0.08 | 70 days | | | 138,878 | 0.25 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | Operating revenue | 3,031,140 | 1.58 | 70 days | | | 1,067,380 | 15.25 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK AS | Affiliated enterprise | Operating revenue | 1,056,206 | 0.54 | 70 days | | | 476,349 | 1.90 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Slovakia) s.r.o. | Affiliated enterprise | Operating revenue | 560,586 | 0.29 | 70 days | | | 254,926 | 0.43 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | Operating revenue | 1,596,463 | 0.78 | 70 days | | | 566,569 | 1.12 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Green Industrial (Thailand) Co., Ltd. | Affiliated enterprise | Operating revenue | 120,141 | 0.05 | 70 days | | | 34,971 | 0.06 | |

Table 7-5

| 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 Int'l (Singapore) Pte. Ltd. | Delta Electronics, Inc. | Ultimate parent company | Operating revenue | \$ 15,250,424 | 8.00 | 70 days | | | \$ 9,310,111 | 14.83 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DEI Logistics (USA) Corp. | Affiliated enterprise | Operating revenue | 10,776,144 | 5.66 | 90 days after delivery | | | 5,564,252 | 9.18 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Americas) Ltd. | Affiliated enterprise | Operating revenue | 3,205,356 | 1.66 | 70 days | | | 1,699,224 | 14.49 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELECTRONICS (USA) INC. | Affiliated enterprise | Operating revenue | 7,115,586 | 3.74 | 70 days | | | 3,599,876 | 111.97 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Vietnam) Company Limited | Affiliated enterprise | Operating revenue | 159,170 | 0.06 | 70 days | | | 100,891 | 0.18 | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | Operating revenue | 855,259 | 25.56 | 70 days | | | 345,478 | 31.22 | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 1,426,574 | 42.53 | 70 days | | | 381,373 | 17.23 | |
| Delta Electronics (Slovakia) s.r.o. | Eltek s.r.o. | Affiliated enterprise | Operating revenue | 142,582 | 4.27 | 70 days | | | 79,017 | 7.14 | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | Operating revenue | 842,990 | 25.20 | 70 days | | | 290,411 | 26.24 | |
| Eltek s.r.o. | ELTEK AS | Affiliated enterprise | Operating revenue | 1,559,496 | 84.71 | 70 days | | | 190,166 | 54.55 | |
| Eltek s.r.o. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 216,162 | 11.79 | 70 days | | | 130,383 | 18.70 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Energy Systems (Germany) GmbH | Affiliated enterprise | Operating revenue | 152,351 | 0.24 | 70 days | | | 24,807 | 0.11 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics India Pvt. Ltd. | Affiliated enterprise | Operating revenue | 145,090 | 0.21 | 90 days after delivery | | | 87,180 | 0.19 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics (Japan), Inc. | Affiliated enterprise | Operating revenue | 204,500 | 0.34 | 70 days | | | 99,368 | 0.44 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 712,964 | 1.15 | 70 days | | | 309,921 | 0.64 | |

Table 7-6

| 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 (Thailand) Public Company Limited | Delta Electronics (Slovakia) s.r.o. | Affiliated enterprise | Operating revenue | \$ 188,803 | 0.30 | 70 days | | | \$ 55,570 | 0.24 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics, Inc. | Ultimate parent company | Operating revenue | 101,365 | 0.16 | 70 days | | | 53,056 | 0.23 | |
| Delta Electronics (Thailand) Public Company Limited | DET Logistics (USA) Corporation | Affiliated enterprise | Operating revenue | 19,512,913 | 31.80 | 90 days after delivery | | | 9,920,388 | 43.30 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics (Americas) Ltd. | Affiliated enterprise | Operating revenue | 1,175,680 | 1.94 | 70 days | | | 87,158 | 0.39 | |
| Delta Electronics (Thailand) Public Company Limited | DELTA ELECTRONICS (USA) INC. | Affiliated enterprise | Operating revenue | 283,809 | 0.45 | 70 days | | | 68,704 | 0.30 | |
| Delta Electronics (Americas) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 495,220 | 4.69 | 70 days | | | 16,551 | 0.83 | |
| Delta Electronics (Americas) Ltd. | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | Operating revenue | 323,570 | 3.14 | 70 days | | | 65,137 | 3.27 | |
| March Networks Corporation | March Networks, Inc. | Affiliated enterprise | Operating revenue | 1,010,587 | 78.78 | 30 days | Note 1 | Note 1 | 308,256 | 63.40 | |
| March Networks S.r.l. | March Networks Corporation | Affiliated enterprise | Operating revenue | 211,357 | 88.93 | 30 days | Note 2 | Note 2 | 67,606 | 65.07 | |
| Vivotek Inc. | Vivotek USA, Inc. | Affiliated enterprise | Operating revenue | 599,791 | 9.00 | 90 days | Note 3 | Note 3 | 160,080 | 12.00 | |

Note 1: March Networks Corporation determined the prices and terms of goods sold to March Networks, Inc. based on the economic conditions and market competitiveness of the sales area, and there are no comparable prices and terms available for the goods sold to third parties.

Note 2: March Networks S.r.l. determined the prices and terms of goods sold to March Networks Corporation based on the economic conditions and market competitiveness of the sales area, and there are no comparable prices and terms available for the goods sold to third parties.

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 are no comparable prices and terms available for the goods sold to third parties.

Delta Electronics, Inc. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
September 30, 2022

Table 8

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

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 2022 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance date (Note 2) | Allowance for doubtful accounts |
|--|---|------------------------------------|---|---------------|---------------------|--------------|--|---------------------------------|
| | | | | | Amount | Action taken | | |
| Delta Electronics, Inc. | Delta Electronics (Jiangsu) Ltd. | Subsidiary | \$ 517,076 | 1.02 | \$ - | | \$ - | |
| Delta Electronics, Inc. | Delta Electronics (Shanghai) Co., Ltd. | Subsidiary | 328,921 | 1.19 | - | | - | |
| Delta Electronics, Inc. | Delta Electronics India Pvt. Ltd. | Subsidiary | 143,888 | 2.95 | 520 | | 139 | |
| Delta Electronics, Inc. | Delta Electronics (Netherlands) B.V. | Subsidiary | 109,215 | 3.59 | - | | 14,620 | |
| Delta Electronics, Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Subsidiary | 3,282,118 | 0.34 | 91,312 | | 2,680,313 | |
| Delta Electronics, Inc. | Delta Electronics (Thailand) Public Company Limited | Subsidiary | 591,958 | 6.13 | 103,034 | | 89,459 | |
| Delta Electronics, Inc. | DEI Logistics (USA) Corp. | Subsidiary | 2,622,446 | 3.16 | - | | 399,787 | |
| Delta Electronics, Inc. | Delta Electronics (Americas) Ltd. | Subsidiary | 1,054,940 | 6.40 | 6,530 | | 159,437 | |
| Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | 107,727 | 2.65 | - | | 107,727 | |
| Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | 1,589,076 | 3.61 | - | | 533,740 | |
| Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 3,045,571 | 9.18 | - | | 1,633,006 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | 6,267,108 | 3.25 | - | | 2,131,148 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | 249,751 | 3.72 | - | | 272 | |
| Delta Electronics (Jiangsu) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 4,830,216 | 11.47 | - | | 156,898 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | 186,279 | 3.53 | - | | 45,900 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Greentech (China) Co., Ltd. | Affiliated enterprise | 4,144,453 | 3.68 | - | | 1,529,307 | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Pingtan) Co., Ltd. | Affiliated enterprise | 766,818 | 2.98 | - | | 253,510 | |
| Delta Networks (Dongguan) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 813,146 | 6.41 | - | | 165,804 | |
| Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 1,850,604 | 4.77 | - | | 695,325 | |

Table 8-1

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 2022 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance date (Note 2) | Allowance for doubtful accounts |
|---|--|------------------------------------|---|---------------|---------------------|--------------|--|---------------------------------|
| | | | | | Amount | Action taken | | |
| Delta Electronics (Chenzhou) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | \$ 188,715 | 3.80 | \$ - | | \$ 65,641 | |
| Delta Electronics (Chenzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 717,800 | 5.80 | - | | - | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | 230,723 | 8.99 | - | | 230,689 | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics (Chenzhou) Co., Ltd. | Affiliated enterprise | 132,927 | 4.26 | - | | - | |
| Chenzhou Delta Technology Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 232,152 | 5.01 | - | | 112,142 | |
| Cyntec Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 170,939 | 10.84 | - | | 170,939 | |
| Cyntec Co., Ltd. | Delta Electronics, Inc. | Ultimate parent company | 709,649 | 3.75 | - | | 197,046 | |
| Cyntec Electronics (Suzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 766,031 | 9.04 | - | | - | |
| Cyntec Electronics (Wuhu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 681,245 | 5.38 | - | | 285,750 | |
| Delta Electronics India Pvt. Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 105,853 | 4.03 | 1,495 | | 50,053 | |
| Delta Electronics (Japan), Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 177,685 | 5.34 | 642 | | 111,689 | |
| Delta Electronics (Netherlands) B.V. | Delta Electronics (Italy) S.r.l. | Affiliated enterprise | 105,663 | 7.16 | - | | 10,651 | |
| Delta Electronics (Netherlands) B.V. | Delta Greentech Electronics Industry LLC | Affiliated enterprise | 461,081 | 1.47 | 40,853 | | - | |
| ELTEK AS | ELTEK POWER FRANCE SAS | Affiliated enterprise | 161,117 | 4.76 | - | | 36,932 | |
| ELTEK AS | DELTA ELECTRONICS (UK) LTD | Affiliated enterprise | 127,981 | 5.07 | - | | 13,771 | |
| ELTEK AS | Eltek s.r.o. | Affiliated enterprise | 424,322 | 4.35 | - | | 32,495 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Australia) Pty Ltd | Affiliated enterprise | 172,755 | 3.18 | 701 | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELETRONICS BRASIL LTDA | Affiliated enterprise | 232,246 | 1.47 | 92,586 | | 28,148 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA. | Affiliated enterprise | 100,308 | 2.00 | 33,427 | | 7,182 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Switzerland) AG | Affiliated enterprise | 515,421 | 3.10 | - | | 72,046 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | 6,987,517 | 4.15 | 1,713,152 | | 1,770,986 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | 3,746,991 | 8.52 | - | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Networks (Dongguan) Ltd. | Affiliated enterprise | 1,277,531 | 5.86 | 120,736 | | 165,804 | |

Table 8-2

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 2022 (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. | Delta Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | \$ 1,139,942 | 5.81 | \$ - | | \$ 16,496 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Chenzhou) Co., Ltd. | Affiliated enterprise | 1,151,510 | 3.33 | 497,698 | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Chenzhou Delta Technology Co., Ltd. | Affiliated enterprise | 132,582 | 3.45 | 29,421 | | 47,625 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Cyntec Co., Ltd. | Affiliated enterprise | 592,465 | 3.78 | - | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Cyntec Electronics (Suzhou) Co., Ltd. | Affiliated enterprise | 199,152 | 3.88 | - | | 2,705 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Digital Projection Ltd. | Affiliated enterprise | 153,131 | 1.29 | 100,421 | | 13,825 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics India Pvt. Ltd. | Affiliated enterprise | 676,902 | 2.96 | 4,655 | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Japan), Inc. | Affiliated enterprise | 567,667 | 3.65 | - | | 237,910 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Korea), Inc. | Affiliated enterprise | 162,085 | 3.52 | - | | 71,492 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics International Mexico SA de CV | Affiliated enterprise | 138,878 | 2.50 | - | | 3,960 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | 1,067,380 | 4.06 | - | | 81,785 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK AS | Affiliated enterprise | 476,349 | 3.82 | - | | 129,274 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Slovakia) s.r.o. | Affiliated enterprise | 254,926 | 3.54 | 7,050 | | - | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | 566,569 | 3.65 | 1,214 | | 159,219 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics, Inc. | Ultimate parent company | 9,310,111 | 2.57 | 1,863 | | 13,389 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DEI Logistics (USA) Corp. | Affiliated enterprise | 5,564,252 | 2.71 | 15,443 | | 457,606 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Americas) Ltd. | Affiliated enterprise | 1,699,224 | 3.57 | 2,538 | | 46,241 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELECTRONICS (USA) INC. | Affiliated enterprise | 3,599,876 | 3.81 | 226,914 | | 288,426 | |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Vietnam) Company Limited | Affiliated enterprise | 100,891 | 3.75 | 1,786 | | - | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | 345,478 | 4.27 | - | | 94,169 | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 381,373 | 4.04 | - | | 70,880 | |
| Delta Electronics (Slovakia) s.r.o. | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | 290,411 | 4.19 | 1 | | 72,713 | |
| Eltek s.r.o. | ELTEK AS | Affiliated enterprise | 190,166 | 13.11 | 159 | | 190,166 | |

Table 8-3

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 2022 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance date (Note 2) | Allowance for doubtful accounts |
|---|---|------------------------------------|---|---------------|---------------------|--------------|--|---------------------------------|
| | | | | | Amount | Action taken | | |
| Eltek s.r.o. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | \$ 130,383 | 2.83 | \$ - | | \$ 27,130 | |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 309,921 | 4.28 | 326 | | 60,473 | |
| Delta Electronics (Thailand) Public Company Limited | DET Logistics (USA) Corporation | Affiliated enterprise | 9,920,388 | 2.88 | 332,990 | | 522,065 | |
| Delta International Holding Limited B.V. | Delta Controls Inc. | Affiliated enterprise | 444,759 | - | - | | - | |
| Delta International Holding Limited B.V. | Delta Electronics (H.K.) Ltd. | Affiliated enterprise | 13,994,991 | - | - | | - | |
| Delta International Holding Limited B.V. | Drake Investment (HK) Limited | Affiliated enterprise | 795,170 | - | - | | - | |
| Delta International Holding Limited B.V. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | 17,398,318 | - | - | | - | |
| Delta International Holding Limited B.V. | Amerlux, LLC | Affiliated enterprise | 1,047,750 | - | - | | - | |
| DET International Holding Limited | Delta Electronics India Pvt. Ltd. | Affiliated enterprise | 2,476,500 | - | - | | - | |
| Delta Electronics (Shanghai) Co., Ltd. | Delta Electronics (Chongqing) Ltd. | Affiliated enterprise | 636,580 | - | - | | - | |
| Delta Electronics (Shanghai) Co., Ltd. | Cyntec Electronics (Suzhou) Co., Ltd. | Affiliated enterprise | 899,231 | - | - | | - | |
| Delta Electronics (Shanghai) Co., Ltd. | Cyntec Electronics (WuHu) Co., Ltd. | Affiliated enterprise | 2,053,924 | - | - | | - | |
| Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | 1,589,150 | - | - | | - | |
| Fairview Assets Ltd. | Delta Controls Inc. | Affiliated enterprise | 1,905,794 | - | - | | - | |
| Fairview Assets Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | 19,445,451 | - | - | | - | |
| Cyntec Electronics (Suzhou) Co., Ltd. | Cyntec Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | 130,501 | - | - | | - | |
| Delta Energy Systems (Germany) GmbH | Delta Electronics (Thailand) Public Company Limited | Affiliated enterprise | 154,534 | - | - | | 154,414 | |
| Delta Energy Systems (Germany) GmbH | Delta Energy Systems Property (Germany) GmbH | Affiliated enterprise | 353,238 | - | - | | - | |
| Delta Greentech (Netherlands) B.V. | Eltek s.r.o. | Affiliated enterprise | 187,752 | - | - | | - | |
| ELTEK AS | Graterudveien 8 AS | Affiliated enterprise | 112,430 | - | - | | - | |
| March Networks Corporation | March Networks, Inc. | Affiliated enterprise | 308,256 | 4.01 | - | | 86,175 | |
| Vivotek Inc. | Vivotek USA, Inc. | Affiliated enterprise | 160,080 | 3.73 | - | | - | |

Table 8-4

| Creditor | Counterparty | Relationship with the counterparty | Balance as at September 30, 2022 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance date (Note 2) | Allowance for doubtful accounts |
|---|---|------------------------------------|---|---------------|---------------------|--------------|--|---------------------------------|
| | | | | | Amount | Action taken | | |
| Universal Instruments Corporation | Universal Instruments Mfg.(Shenzhen) Co. Ltd. | Affiliated enterprise | 519,407 | - | - | | - | |
| Universal Instruments Mfg.(Shenzhen) Co. Ltd. | Universal Instruments Corporation | Affiliated enterprise | 264,020 | - | - | | - | |

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

Note 2: The amount represents collections subsequent to September 30, 2022 up to October 27, 2022.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Nine months ended September 30, 2022

Table 9

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 7) | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 0 | Delta Electronics, Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Subsidiary | Operating revenue | \$ 15,707,993 | (Note 4) | 5.63 |
| 0 | Delta Electronics, Inc. | DEI Logistics (USA) Corp. | Subsidiary | Operating revenue | 6,822,108 | (Note 5) | 2.45 |
| 0 | Delta Electronics, Inc. | Delta Electronics (Americas) Ltd. | Subsidiary | Operating revenue | 3,211,096 | (Note 4) | 1.15 |
| 1 | Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | 4,153,146 | (Note 4) | 1.49 |
| 1 | Delta Electronics (Dongguan) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 27,504,275 | (Note 4) | 9.87 |
| 2 | Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Operating revenue | 15,078,229 | (Note 4) | 5.41 |
| 2 | Delta Electronics (Jiangsu) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 49,066,743 | (Note 4) | 17.60 |
| 3 | Delta Electronics (Shanghai) Co., Ltd. | Delta Greentech (China) Co., Ltd. | Affiliated enterprise | Operating revenue | 11,922,736 | (Note 4) | 4.28 |
| 4 | Delta Networks (Dongguan) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 5,574,079 | (Note 4) | 2.00 |
| 5 | Delta Electronics (Wuhu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 5,882,255 | (Note 4) | 2.11 |
| 6 | Delta Electronics (Chenzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 3,870,061 | (Note 4) | 1.39 |
| 7 | Cyntec Electronics (Suzhou) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 10,402,428 | (Note 4) | 3.73 |
| 8 | Cyntec Electronics (Wuhu) Co., Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Operating revenue | 3,052,559 | (Note 4) | 1.09 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | Operating revenue | 19,082,781 | (Note 4) | 6.85 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Jiangsu) Ltd. | Affiliated enterprise | Operating revenue | 22,770,910 | (Note 4) | 8.17 |

Table 9-1

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|---|---|--------------------------|-------------------------------------|-----------------|-------------------|--|
| | | | | General ledger account | Amount (Note 7) | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Networks (Dongguan) Ltd. | Affiliated enterprise | Operating revenue | \$ 4,922,144 | (Note 4) | 1.77 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Wuhu) Co., Ltd. | Affiliated enterprise | Operating revenue | 4,450,670 | (Note 4) | 1.60 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | Operating revenue | 3,031,140 | (Note 4) | 1.09 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics, Inc. | Ultimate parent company | Operating revenue | 15,250,424 | (Note 4) | 5.47 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | DEI Logistics (USA) Corp. | Affiliated enterprise | Operating revenue | 10,776,144 | (Note 5) | 3.87 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Americas) Ltd. | Affiliated enterprise | Operating revenue | 3,205,356 | (Note 4) | 1.15 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | DELTA ELECTRONICS (USA) INC. | Affiliated enterprise | Operating revenue | 7,115,586 | (Note 4) | 2.55 |
| 10 | Delta Electronics (Thailand) Public Company Limited | DET Logistics (USA) Corporation | Affiliated enterprise | Operating revenue | 19,512,913 | (Note 5) | 7.00 |
| 2 | Delta Electronics (Jiangsu) Ltd. | Delta Electronics (Shanghai) Co., Ltd. | Affiliated enterprise | Accounts receivable | 6,267,108 | (Note 4) | 1.46 |
| 2 | Delta Electronics (Jiangsu) Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Accounts receivable | 4,830,216 | (Note 4) | 1.13 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Dongguan) Co., Ltd. | Affiliated enterprise | Accounts receivable | 6,987,517 | (Note 4) | 1.63 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics, Inc. | Ultimate parent company | Accounts receivable | 9,310,111 | (Note 4) | 2.17 |
| 9 | Delta Electronics Int'l (Singapore) Pte. Ltd. | DEI Logistics (USA) Corp. | Affiliated enterprise | Accounts receivable | 5,564,252 | (Note 5) | 1.30 |
| 10 | Delta Electronics (Thailand) Public Company Limited | DET Logistics (USA) Corporation | Affiliated enterprise | Accounts receivable | 9,920,388 | (Note 5) | 2.32 |
| 11 | Delta International Holding Limited B.V. | Delta Electronics (H.K.) Ltd. | Affiliated enterprise | Other receivables - related parties | 13,994,991 | (Note 6) | 3.27 |
| 11 | Delta International Holding Limited B.V. | Delta Electronics (Netherlands) B.V. | Affiliated enterprise | Other receivables - related parties | 17,398,318 | (Note 6) | 4.06 |

Table 9-2

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | |
|--------------------|----------------------|---|--------------------------|-------------------------------------|-----------------|-------------------|--|
| | | | | General ledger account | Amount (Note 7) | Transaction terms | Percentage of consolidated total operating revenues or total assets (Note 3) |
| 12 | Fairview Assets Ltd. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Affiliated enterprise | Other receivables - related parties | \$ 19,445,451 | (Note 6) | 4.54 |

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: 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
Nine months ended September 30, 2022

Table 10

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

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2022 | | | Net profit (loss) of the investee for the nine months ended September 30, 2022 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Footnote |
|--|---|----------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|---------------|--|---|------------------|
| | | | | Balance as at September 30, 2022 | Balance as at December 31, 2021 | 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 | \$ 78,205,363 | \$ 1,478,344 | \$ 1,455,488 | (Note 6) |
| Delta Electronics, Inc. | Delta Networks Holding Limited | Cayman Islands | Equity investments | 29,582 | 29,582 | 83,800,000 | 100.00 | 2,226,389 | 27,366 | 21,688 | (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 | 27,514,993 | 5,215,912 | 4,643,851 | (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 | 4,828,751 | 9,391,248 | 382,876 | (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 | 35,933,648 | 995,919 | 1,004,442 | (Note 6) |
| Delta Electronics, Inc. | DelBio Inc. | Taiwan | Manufacturing, wholesale and retail of medical equipment | 900,000 | 900,000 | 21,761,836 | 100.00 | 183,425 | (28,279) | (28,127) | (Note 6) |
| Delta Electronics, Inc. | Delta Electronics Capital Company | Taiwan | Equity investments | 3,253,241 | 3,253,241 | 391,967,176 | 100.00 | 3,745,663 | (297,412) | (297,412) | (Note 6) |
| Delta Electronics, Inc. | Delta Electronics Int'l (Singapore) Pte. Ltd. | Singapore | Research, development and sales of electronic products | 34,498 | 34,498 | 45,234,240 | 100.00 | 63,867,690 | 14,519,953 | 14,118,232 | (Note 6) |
| Delta Electronics, Inc. | Allied Material Technology Corp. | Taiwan | Lease services, etc. | - | 2,113,978 | - | - | - | (25,550) | (25,542) | (Notes 6 and 20) |
| Delta Electronics, Inc. | Delta America Ltd. | U.S.A. | Equity investments | 103,065 | 103,065 | 2,100,000 | 10.26 | 98,612 | 371,903 | 38,067 | (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 | 4,471,534 | 4,361,352 | 49,128,058 | 56.75 | 4,380,442 | 458,860 | 182,102 | (Note 6) |
| Delta Electronics, Inc. | Chunghwa SEA Holdings | Taiwan | Equity investments | 8,800 | 8,800 | 880,000 | 44.00 | 8,459 | (250) | (110) | (Note 6) |
| Delta Electronics, Inc. | Delmind Inc. | Taiwan | Provide vertical add-on value solution | 210,000 | - | 21,000,000 | 70.00 | 203,441 | (9,369) | (6,559) | (Notes 6 and 21) |
| Delta Electronics, Inc. | Ancora Semiconductors Inc. | Taiwan | Gallium Nitride (GaN) technologies and solutions | 470,000 | - | 37,000,000 | 71.43 | 380,529 | (21,274) | (16,335) | (Notes 6 and 21) |
| Delta Electronics Capital Company | Ancora Semiconductors Inc. | Taiwan | Gallium Nitride (GaN) technologies and solutions | 40,000 | - | 4,000,000 | 7.72 | 56,566 | (21,274) | (1,945) | (Notes 6 and 21) |
| Delta International Holding Limited B.V. | Delta Electronics (Thailand) Public Company Limited | Thailand | Manufacturing and exporting power supplies, other electronic parts and components | 13,677,176 | 13,677,176 | 191,984,450 | 15.39 | 14,003,850 | 9,391,248 | 1,272,962 | (Note 13) |
| Delta International Holding Limited B.V. | DEI Logistics (USA) Corp. | U.S.A. | Warehousing and logistics services | 91,154 | 91,154 | 1,000,000 | 100.00 | 261,596 | 7,393 | 7,393 | (Note 1) |

Table 10-1

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2022 | | | Net profit (loss) of the investee for the nine months ended September 30, 2022 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Footnote |
|--|--|-------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|------------|--|---|------------------|
| | | | | Balance as at September 30, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | Book value | | | |
| 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 | \$ 90,772 | \$ 90,772 | 5,600 | 100.00 | \$ 762,686 | \$ 103,196 | \$ 103,196 | (Note 1) |
| Delta International Holding Limited B.V. | Digital Projection International Ltd. | Britain | Equity investments | 448,515 | 448,515 | 46,949,667 | 100.00 | 170,676 | (18,009) | (26,079) | (Note 1) |
| Delta International Holding Limited B.V. | Delta Electronics (Switzerland) AG | Switzerland | Equity investments, research, development and sales of electronic products | 645,935 | 645,935 | 10,000 | 100.00 | 1,253,719 | 168,905 | 164,381 | (Note 1) |
| Delta International Holding Limited B.V. | DELTA ELECTRONICS HOLDING (USA) INC. | U.S.A. | Equity investments | 2,168,205 | 2,168,205 | 1,060,624 | 100.00 | 3,151,385 | 429,627 | 421,924 | (Note 1) |
| Delta International Holding Limited B.V. | Eltek AS | Norway | Research, development and sales of power supplies and others | 15,785,068 | 15,785,068 | 93,531,101 | 100.00 | 12,006,251 | (43,987) | (574,333) | (Note 1) |
| Delta International Holding Limited B.V. | Delta Controls Inc. | Canada | Provide solutions to building management and control | 2,381,250 | 2,381,250 | 75,000,000 | 100.00 | 2,972,259 | 48,897 | 48,897 | (Note 1) |
| Delta International Holding Limited B.V. | Delta Electronics Europe Ltd. | Britain | Repair centre and providing support services | 116,205 | 116,205 | 500,000 | 100.00 | - | 217 | 217 | (Note 1) |
| Delta International Holding Limited B.V. | March Networks Holdings Ltd. | Canada | Equity investments | 3,966,100 | 3,966,100 | 10,000 | 100.00 | 3,847,935 | 6,195 | (77,122) | (Note 1) |
| Delta International Holding Limited B.V. | UI Acquisition Holding Co. | U.S.A. | Equity investments | 2,933,700 | - | 334 | 100.00 | 2,970,722 | (5,405) | (14,382) | (Notes 1 and 21) |
| 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 | 192,087 | 192,087 | 2,733,483 | 100.00 | 259,237 | 35,620 | 35,620 | (Note 2) |
| Delta Electronics (H.K.) Ltd. | Eltekenegy International de Mexico, S. de R.L. de C.V. | Mexico | Sales of power supplies and others | 118,961 | 118,961 | 20,944,514 | 100.00 | - | 175 | 175 | (Notes 2 and 18) |
| Delta Electronics (Netherlands) B.V. | Delta Electronics (H.K.) Ltd. | Hong Kong | Equity investments, operations management and engineering services | 10,426,608 | 10,426,608 | 2,549,297,600 | 100.00 | 28,793,235 | 4,181,080 | 4,181,080 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Boom Treasure Limited | Hong Kong | Equity investments | 2,766,088 | 2,766,088 | 1 | 100.00 | 2,067,606 | 147,131 | 56,846 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Drake Investment (HK) Limited | Hong Kong | Equity investments | 5,464,694 | 5,464,694 | 304,504,306 | 100.00 | 5,704,403 | 367,186 | 363,854 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Delta America Ltd. | U.S.A. | Equity investments | 1,639,299 | 1,639,299 | 18,374,182 | 89.74 | 3,397,482 | 371,903 | 333,103 | (Notes 8 and 9) |
| Delta Electronics (Netherlands) B.V. | Delta Greentech Electronics Industry LLC | Turkey | Marketing and sales of electronic products | 495,935 | 178,435 | 7,670,494 | 100.00 | 283,103 | 54,689 | 52,345 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | DELTA GREENTECH (BRASIL) LTDA. | Brazil | Manufacturing and sales of electronic products | 225,743 | 225,743 | 4,315,657 | 100.00 | 203,333 | (2,956) | (2,956) | (Note 8) |

Table 10-2

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2022 | | | Net profit (loss) of the investee for the nine months ended September 30, 2022 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Footnote |
|---|---|----------------|--|----------------------------------|---------------------------------|--------------------------------------|---------------|------------|--|---|-------------------|
| | | | | Balance as at September 30, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | Book value | | | |
| Delta Electronics (Netherlands) B.V. | DELTA ELECTRONICS BRASIL LTDA. | Brazil | Manufacturing and sales of electronic products | \$ 644,001 | \$ 644,001 | 87,000,000 | 100.00 | \$ 603,256 | \$ 117,081 | \$ 117,081 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Amerlux, LLC | U.S.A. | Design and production of dedicated lighting system and facilities | 3,102,578 | 3,102,578 | - | 100.00 | 3,142,710 | 126,608 | 64,906 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Delta Greentech SGP Pte. Ltd. | Singapore | Equity investments | 886,798 | 886,798 | 12,175,470 | 100.00 | 691,648 | 52,291 | 24,973 | (Note 8) |
| Delta Electronics (Netherlands) B.V. | Trihedral Engineering Limited | Canada | Graphic control software and related engineering services | 1,132,667 | 1,132,667 | 51,495 | 100.00 | 1,240,116 | 95,571 | 73,689 | (Note 8) |
| Delta America Ltd. | Delta Electronics (Americas) Ltd. | U.S.A. | Sales of electronic components | 239,848 | 239,848 | 250,000 | 100.00 | 1,680,827 | 256,522 | 256,522 | (Note 15) |
| Delta America Ltd. | Delta Solar Solutions LLC | U.S.A. | Equity investments | - | 72,073 | - | - | - | (3,290) | (3,290) | (Notes 15 and 19) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Delta Electronics (Thailand) Public Company Limited | Thailand | Manufacturing and exporting power supplies, other electronic parts and components | 37,987,345 | 37,987,345 | 534,479,306 | 42.85 | 40,336,999 | 9,391,248 | 3,544,278 | (Note 13) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK POWER INCORPORATED | Philippines | Sales of power supplies and others | 23,918 | 23,918 | 11,400,000 | 100.00 | 36,138 | 7,155 | 7,155 | (Note 7) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK POWER CO., LTD. | Thailand | Sales of power supplies and others | - | - | 40,000 | 100.00 | 43,614 | 2,812 | 2,812 | (Note 7) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK POWER (CAMBODIA) LTD. | Cambodia | Sales of power supplies and others | - | - | 1,000 | 100.00 | (19,889) | - | - | (Note 7) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | ELTEK POWER (MALAYSIA) SDN. BHD. | Malaysia | Sales of power supplies and others | 65,575 | 65,575 | 300,000 | 100.00 | (55,444) | (8,186) | (8,186) | (Note 7) |
| Delta Electronics Int'l (Singapore) Pte. Ltd. | Loy Tec Electronics GmbH | Austria | Provide solutions to building management and control | 2,576,812 | 2,576,812 | - | 100.00 | 1,681,352 | 117,050 | 75,904 | (Note 7) |
| Delta Networks Holding Limited | Delta Networks, Inc. | Cayman Islands | Equity investments | 5,647,022 | 5,647,022 | 1,196,886,000 | 100.00 | 2,178,521 | 27,885 | 27,500 | (Note 3) |
| Delta Networks, Inc. | Delta Networks (HK) Limited | Hong Kong | Equity investments | 1,111,250 | 1,111,250 | 35,000,000 | 100.00 | 2,155,794 | 28,651 | 28,651 | (Note 4) |
| Digital Projection International Ltd. | Digital Projection Holdings Ltd. | Britain | Equity investments | 152,847 | 152,847 | 40,526,221 | 100.00 | (276,593) | (18,009) | (18,009) | (Note 17) |
| Cyntec Co., Ltd. | Fairview Assets Ltd. | Cayman Islands | Equity investments | 1,116,521 | 1,116,521 | 32,740,062 | 100.00 | 31,639,690 | 572,806 | 572,806 | (Note 5) |
| Cyntec Co., Ltd. | Power Forest Technology Corporation | Taiwan | IC design of power management | 347,387 | 347,387 | 24,134,934 | 100.00 | 113,733 | (144,731) | (149,979) | (Note 5) |
| Delta Electronics (Thailand) Public Company Limited | DET International Holding Limited | Cayman Islands | Equity investments | 7,986,887 | 7,986,887 | 264,357,330 | 100.00 | 5,593,824 | 251,162 | 251,749 | (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 | 174,111 | 174,111 | 20,600,000 | 100.00 | 52,529 | (31,252) | (31,252) | (Note 16) |

Table 10-3

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2022 | | | Net profit (loss) of the investee for the nine months ended September 30, 2022 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Footnote |
|---|---|-------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|--------------|--|---|-----------|
| | | | | Balance as at September 30, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | Book value | | | |
| Delta Electronics (Thailand) Public Company Limited | Delta Energy Systems (Singapore) PTE. LTD. | Singapore | Equity investments, trading, management and consultancy | \$ 4,711,043 | \$ 4,711,043 | 146,586,590 | 100.00 | \$ 7,921,883 | (\$ 419,109) | (\$ 421,076) | (Note 16) |
| Delta Electronics (Thailand) Public Company Limited | Delta Electronics (Vietnam) Company Limited | Vietnam | Sales of electronic products | 2,561 | 2,561 | - | 100.00 | (5,809) | (16,440) | (16,440) | (Note 16) |
| Delta Electronics (Thailand) Public Company Limited | DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED | India | Manufacturing and marketing of electronic products | 143,585 | 389 | 110,999 | 100.00 | 143,586 | 443 | 443 | (Note 16) |
| Vivotek Inc. | Otus Imaging, Inc. | Taiwan | Sales of webcams and related components | 44,294 | 44,294 | 6,000,000 | 100.00 | 48,151 | 1,042 | 1,042 | (Note 11) |
| Vivotek Inc. | Realwin Investment Inc. | Taiwan | Investments in the network and communication industry | 173,696 | 173,696 | 17,369,635 | 100.00 | 176,387 | 27,681 | 29,047 | (Note 11) |
| Vivotek Inc. | Vivotek Holdings, Inc. | U.S.A. | Holding company | 31,555 | 31,555 | 1,050 | 100.00 | 336,688 | 21,491 | 21,491 | (Note 11) |
| Vivotek Inc. | Vivotek Netherlands B.V. | Netherlands | Sales service | 11,418 | 11,418 | 3,000 | 100.00 | 13,172 | 1,044 | 1,044 | (Note 11) |
| Vivotek Inc. | Vivotek (Japan) Inc. | Japan | Sales service | 17,939 | 17,939 | 6,600 | 100.00 | 21,005 | 409 | 409 | (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 | 391,678 | 21,525 | 20,571 | (Note 10) |
| Realwin Investment Inc. | Lidlight Inc. | Taiwan | Sales of lighting equipment | 10,200 | 10,200 | 1,020,000 | 51.00 | 3,184 | 175 | 89 | (Note 12) |
| Realwin Investment Inc. | Aetek Inc. | Taiwan | Sales of webcams and related components | 34,045 | 34,045 | 3,372,500 | 56.21 | 73,170 | 42,425 | 23,847 | (Note 12) |
| Realwin Investment Inc. | Wellstates Investment, LLC | U.S.A. | Investment and commercial lease of real estate | 34,859 | 34,859 | - | 100.00 | 60,447 | 2,834 | 2,834 | (Note 12) |
| Realwin Investment Inc. | Skywatch INC. | Taiwan | Wholesale of electronic equipment | 755 | 755 | 50,070 | 0.88 | - | - | - | (Note 14) |

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: This company merged with Delta Electronics International Mexico SA de CV at the effective date in February 2022. However, the related procedures have not been completed as of September 30, 2022.

Note 19: This company had been liquidated in March 2022.

Note 20: The Company merged with Allied Material Technology Corp. (AMT) in May 2022. After the merger, the Company was the surviving company while AMT was the dissolved company.

Note 21: Established or invested during 2022.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Nine months ended September 30, 2022

Table 11

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, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as at September 30, 2022 | Net income (loss) of investee for the nine months ended September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Book value of investments in Mainland China as at September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as at September 30, 2022 | Footnote |
|--|--|-----------------|-------------------|--|---|-------------------------|---|--|--|---|--|--|-------------------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Delta Electronics (Dongguan) Co., Ltd. | Manufacturing and sales of transformer and thermal products | \$ 4,442,143 | Invested by DHK | \$ 5,295,117 | \$ - | \$ - | \$ 5,295,117 | \$ 620,355 | 100.00 | \$ 632,138 | \$ 6,534,463 | \$ 306,705 | (Notes 3 and 13) |
| Delta Electronics (Shanghai) Co., Ltd. | Product design, management consulting service and distribution of electronic products | 3,549,071 | Invested by DHK | 496,680 | - | - | 496,680 | 1,619,799 | 100.00 | 1,619,796 | 9,657,737 | - | (Notes 6 and 13) |
| Delta Electronics (Wuhu) Co., Ltd. | Manufacturing and sales of LED light source, power supplies and others | 4,254,500 | Invested by DHK | 543,282 | - | - | 543,282 | 183,269 | 100.00 | 183,269 | 4,474,356 | - | (Notes 7 and 13) |
| Delta Electronics (Chenzhou) Co., Ltd. | Manufacturing and sales of transformers | 2,000,250 | Invested by DHK | 135,728 | - | - | 135,728 | 153,505 | 100.00 | 154,105 | 2,268,503 | - | (Notes 8 and 13) |
| Delta Electronics (Jiangsu) Ltd. | Manufacturing and sales of power supplies and transformers | 5,931,218 | Invested by DHK | 12,948,598 | - | - | 12,948,598 | 1,720,235 | 100.00 | 1,713,461 | 12,730,060 | - | (Note 13) |
| Delta Green (Tianjin) Industries Co., Ltd. | Manufacturing and sales of transformers | 143,828 | Invested by DHK | 1,050,454 | - | - | 1,050,454 | (8,995) | 100.00 | (8,995) | (94,154) | - | (Notes 9 and 13) |
| Delta Electronics (Pingtan) Co., Ltd. | Wholesale and retail of electronic products and energy-saving equipment | 134,236 | Invested by DHK | 164,931 | - | - | 164,931 | 44,954 | 100.00 | 44,954 | 206,861 | - | (Note 13) |
| Delta Electronics (Beijing) Co., Ltd. | Installation of mechanic, electronic, telecommunication and circuit equipment | 223,727 | Invested by DHK | 14,521 | - | - | 14,521 | 4,187 | 100.00 | 4,187 | 175,892 | - | (Notes 10 and 13) |
| Delta Electronics (Xi'an) Co., Ltd. | Sales of computer, peripheral equipment and software | 246,100 | Invested by DHK | 268,556 | - | - | 268,556 | 585 | 100.00 | 585 | 200,190 | - | (Note 13) |
| Cyntec Electronics (Suzhou) Co., Ltd. | Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; electronic components manufacturing, electronic components wholesale, electronic components retail, mold manufacturing, mold sales, forgings and powder metallurgy products sales | 7,397,750 | Invested by CHK | 6,301,181 | - | - | 6,301,181 | 544,123 | 100.00 | 544,122 | 6,668,069 | 293,688 | (Notes 15 and 20) |
| Delta Networks (Dongguan) Ltd. | Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system | 1,444,625 | Invested by DNHK | 1,419,426 | - | - | 1,419,426 | 102,172 | 100.00 | 101,908 | 1,899,528 | 698,500 | (Notes 5 and 22) |

| 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, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as at September 30, 2022 | Net income (loss) of investee for the nine months ended September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Book value of investments in Mainland China as at September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as at September 30, 2022 | 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 | \$ 65,992 | Invested by DNHK | \$ 22,225 | \$ - | \$ - | \$ 22,225 | \$ - | 30.00 | \$ 24,992 | \$ 41,839 | \$ - | (Note 14) |
| DelBio (Wujiang) Co., Ltd. | Manufacturing, wholesale and retail of medical equipment | 127,000 | Invested by DelBio | 127,000 | - | - | 127,000 | 4,952 | 100.00 | 4,202 | 164,838 | 24,908 | (Note 16) |
| Chenzhou Delta Technology Co., Ltd. | Manufacturing and sales of transformers | 114,101 | Invested by DCZ | - | - | - | - | 65,439 | 100.00 | 63,994 | 313,709 | - | (Note 11) |
| 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. | - | Invested by DPEC and DGC | - | - | - | - | (3,375) | - | (3,375) | - | - | (Note 11 and 19) |
| Delta Energy Technology Puhuan (Shanghai) Co., Ltd. | Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment | 447 | Invested by DET-SH | - | - | - | - | 114 | 96.32 | 114 | 33,099 | - | (Note 11 and 19) |
| Guangzhou Amerlux Lighting Co., Ltd. | Wholesale of lighting fixture and decorative objects | 15,081 | Invested by Amerlux Lighting Hong Kong Limited | 191,214 | - | - | 191,214 | 117,087 | 100.00 | 117,087 | 138,167 | - | (Note 17) |
| Delta Greentech (China) Co., Ltd. | Sales of uninterruptible power systems | 2,541,539 | Invested by Drake-HK, Boom and DGSG | 9,709,551 | - | - | 9,709,551 | 653,618 | 95.91 | 626,892 | 6,809,990 | - | (Notes 4 and 12) |
| Cyntec Electronics (WuHu) Co., Ltd. | Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique | 1,555,750 | Invested by DHK | 952,500 | - | - | 952,500 | 90,772 | 100.00 | 90,772 | 1,112,322 | - | (Notes 13 and 21) |
| 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 | 111,864 | Invested by DPT | - | - | - | - | (1,292) | 40.00 | (517) | 12,714 | - | (Note 11) |
| Delta Electronics (Chongqing) Ltd. | Manufacturing electronic parts of new energy vehicles and parts for power of electronic equipment | 1,111,250 | Invested by DHK | - | - | - | - | (54,943) | 100.00 | (54,577) | 942,294 | - | (Note 13) |

Table 11-2

| 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, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as at September 30, 2022 | Net income (loss) of investee for the nine months ended September 30, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 | Book value of investments in Mainland China as at September 30, 2022 | Accumulated amount of investment income remitted back to Taiwan as at September 30, 2022 | Footnote |
|---|--------------------------------|-----------------|--|--|---|-------------------------|---|--|--|---|--|--|-----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Universal Instruments Mfg.(Shenzhen) Co. Ltd. | Precision automation solutions | \$ 129,623 | Invested by UI European Holdco. Cooperatief U.A. | \$ - | \$ - | \$ - | \$ - | (\$ 16,145) | 100.00 | (\$ 16,145) | \$ 203,785 | \$ - | (Note 23) |

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 7.09570 to US\$1 and NTD 4.47454 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2022, remitted or collected this period, accumulated remittance as at September 30, 2022 and investment income remitted back as at September 30, 2022 was translated into New Taiwan Dollars at the average exchange rate of NTD 31.75 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$166,775 thousand 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\$21,812 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: 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 12: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 13: Invest through Delta Electronics (H.K.) Ltd.

Note 14: Invest through Delta Networks (HK) Limited.

Note 15: Invest through CYNTEC HOLDING (HK) LIMITED.

Note 16: Invest through DelBio Inc.

Note 17: Invest through Amerlux Lighting Hong Kong Limited.

Note 18: Except for Delta Green (Tianjin) Industries Co., Ltd., Delta Electronics (Pingtan) Co., Ltd., Delta Energy Technology (Shanghai) Co., Ltd., DelBio (Wujiang) Co., Ltd., Delta Energy Technology Puhuan (shanghai) Co., Ltd., Delta Electronics (Beijing) Co., Ltd., Delta Electronics (Xi'an) Co., Ltd., Guangzhou Amerlux Lighting Co., Ltd., Delta Electronics (Chongqing) Ltd., Universal Instruments Mfg. (Shenzhen) Co., Ltd., Delta Networks (Xiamen) Ltd. and Fujian Kaixin Construction Engineering Co., Ltd. whose investment income (loss) was recognised based on recognised or on loss gain investment based on financial statement prepared by each company, others were recognised.

Note 19: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. Delta Energy Technology Puhuan (Shanghai) Co., Ltd. was the surviving company and Delta Energy Technology (Shanghai) Co., Ltd. had been deregistered in June 2022. The related procedures had been completed in July 2022.

Note 20: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$35,000 thousand permitted by Investment Commission is excluded from Cyntec Co., Ltd.'s amount of investment in Mainland China.

Note 21: Except for the facility of US\$30,000 thousand permitted by Investment Commission, the capitalisation of earnings of US\$19,000 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 22: Jointly invested through Delta Electronics (H.K.) Ltd. and Delta Networks (HK) Limited.

Note 23: Invest through UI European Holdco. Cooperatief U.A.

| Company name | Accumulated amount remitted from Taiwan to Mainland China as at September 30, 2022 | 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) | \$ 31,740,654 | \$ 31,740,654 | \$ - |
| Cyntec Co., Ltd. (Note 5) | 6,007,493 | 6,007,493 | 18,398,010 |
| DelBio Inc. (Notes 4 and 6) | 102,092 | 102,092 | 110,208 |

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 NTD31.75 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 September 30, 2022.

Note 5: Cyntec Co., Ltd. remitted back the investment income of US\$9,250 thousand on June 22, 2021 from the investee company in Mainland China, Cyntec Electronics (Suzhou) Co., Ltd., and was permitted by Investment Commission on August 4, 2021, which are deductible from Cyntec Co., Ltd.'s accumulated amount remitted out of Taiwan to Mainland China.

Note 6: DelBio Inc. remitted back the investment income of US\$785 thousand on August 23, 2022 from the investee company in Mainland China, DelBio (Wujiang) Co., Ltd., and was permitted by Investment Commission on September 29, 2022, which are deductible from DelBio Inc.'s accumulated amount remitted out of Taiwan to Mainland China.

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
September 30, 2022

Table 12

| 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% |