

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020 AND 2019**

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.

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

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

Description

In June 2019, the Group acquired 100% of Amerlux, LLC. The allocation of the acquisition price was completed in the second quarter of 2020. The value of intangible assets, inclusive of goodwill and identifiable intangible assets-premium on customer relationship, etc., acquired from the merger is significant. The merger was accounted for in accordance with IFRS 3, "Business Combination". For details of purchase price allocation, refer to Note 6(31).

As the net fair value of identifiable assets and liabilities and the allocation of goodwill are based on management's estimation and involve accounting estimations and assumptions, we consider this equity price allocation transaction a key audit matter.

How our audit addressed the matter

We obtained an understanding of the basis and process of the purchase price allocation which was estimated by management. We reviewed the reasonableness of the fair value assessment for assets acquired and liabilities assumed, projected cash flow, and the fair value calculation model as indicated in the purchase price allocation reports prepared by the appraisers appointed by the Group. Our procedures also included the following:

- A. Assessing the setting of parameters of valuation models and calculation formulas;
- B. Comparing expected growth rates and operating margin with historical data, economic and industry forecasts; and
- C. Comparing the discount rate with the cost of capital assumptions of cash generating units and rate of return of similar assets.

Impairment assessment of goodwill

Description

As at December 31, 2020, the recognised goodwill as a result of the acquisitions of Cyntec Co., Ltd., Eltek AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., Amerlux, LLC and Loy Tec electronics GmbH amounted to NT\$15,532,478 thousand, constituting 4.62% of the consolidated total assets. Refer to Notes 5(2) and 6(12) for details.

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

assessment of goodwill a key audit matter.

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the consolidated financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$64,807,490 thousand and NT\$56,952,036 thousand, constituting 19.26% and 18.31% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and the operating revenue amounted to NT\$63,667,883 thousand and NT\$45,582,501 thousand, constituting 22.53% and 17.00% of the consolidated total operating revenue for the years then ended, respectively. The balance of investments accounted for under the equity method amounted to NT\$0, constituting 0% of the consolidated total assets as at December 31, 2020 and 2019, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$0 and NT\$429,060 thousand, constituting 0% and 1.80% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

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

2020 and 2019.

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

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

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the year ended December 31, 2020 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 \$28.095 to US\$1.00 at December 31, 2020. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2021

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2019
Current assets				
Cash and cash equivalents	6(1)	\$ 2,089,766	\$ 58,711,985	\$ 43,960,001
Financial assets at fair value through profit or loss - current	6(2)	37,777	1,061,343	1,122,458
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	319,823
Contract assets - current	6(21)	77,261	2,170,634	1,087,489
Notes receivable, net	6(5)	132,892	3,733,595	3,816,628
Accounts receivable, net	6(5)	2,106,333	59,177,433	52,955,106
Accounts receivable - related parties	7	1,505	42,284	263,644
Other receivables	7	64,193	1,803,498	1,480,157
Current income tax assets		12,980	364,666	372,654
Inventories	6(7)	1,597,773	44,889,429	39,316,423
Prepayments		77,281	2,171,217	2,400,734
Other current assets	8	27,078	760,771	463,074
Total current assets		<u>6,224,839</u>	<u>174,886,855</u>	<u>147,558,191</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	104,723	2,942,196	2,225,239
Financial assets at fair value through other comprehensive income - non-current	6(3)	68,613	1,927,683	1,797,301
Contract assets - non-current	6(21)	18,749	526,766	304,338
Investments accounted for under the equity method	6(8)	27,941	785,002	1,138,920
Property, plant and equipment	6(9) and 8	2,436,091	68,441,975	63,590,981
Right-of-use assets	6(10)	107,519	3,020,746	3,113,833
Investment property, net	6(11)	501	14,070	14,070
Intangible assets	6(12)	2,685,874	75,459,630	82,432,653
Deferred income tax assets	6(28)	230,351	6,471,705	6,679,405
Other non-current assets	6(5)(13) and 8	69,037	1,939,587	2,182,359
Total non-current assets		<u>5,749,399</u>	<u>161,529,360</u>	<u>163,479,099</u>
Total assets		<u>\$ 11,974,238</u>	<u>\$ 336,416,215</u>	<u>\$ 311,037,290</u>

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2019
Current liabilities					
Short-term borrowings	6(14)	\$ 71,242	\$ 2,001,532	\$ 7,575,932	
Financial liabilities at fair value	6(2)				
through profit or loss - current		2,138	60,060	15,929	
Contract liabilities - current	6(21)	178,416	5,012,589	3,352,208	
Notes payable		99	2,770	21,669	
Accounts payable		1,661,773	46,687,510	39,478,462	
Accounts payable - related parties	7	1,055	29,641	32,197	
Other payables		1,170,465	32,884,221	28,829,379	
Current income tax liabilities		109,823	3,085,472	2,187,076	
Other current liabilities	6(15)	151,617	4,259,706	4,233,308	
Total current liabilities		<u>3,346,628</u>	<u>94,023,501</u>	<u>85,726,160</u>	
Non-current liabilities					
Long-term borrowings	6(15)	1,399,323	39,313,990	27,748,839	
Deferred income tax liabilities	6(28)	549,924	15,450,119	14,008,861	
Lease liabilities - non-current		50,234	1,411,312	1,421,265	
Other non-current liabilities		271,495	7,627,652	7,777,723	
Total non-current liabilities		<u>2,270,976</u>	<u>63,803,073</u>	<u>50,956,688</u>	
Total liabilities		<u>5,617,604</u>	<u>157,826,574</u>	<u>136,682,848</u>	
Equity					
Share capital					
Common stock	6(17)	924,557	25,975,433	25,975,433	
Capital surplus	6(18)				
Capital surplus		1,751,290	49,202,505	49,103,331	
Retained earnings	6(19)				
Legal reserve		973,217	27,342,534	25,030,754	
Special reserve		271,295	7,622,034	7,561,032	
Unappropriated retained earnings		1,719,169	48,300,040	40,108,361	
Other equity interest					
Other equity interest		(446,457)	(12,543,208)	(7,622,034)	
Equity attributable to owners of the parent		5,193,071	145,899,338	140,156,877	
Non-controlling interest	4(3) and 6(20)	<u>1,163,563</u>	<u>32,690,303</u>	<u>34,197,565</u>	
Total equity		<u>6,356,634</u>	<u>178,589,641</u>	<u>174,354,442</u>	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		<u>\$ 11,974,238</u>	<u>\$ 336,416,215</u>	<u>\$ 311,037,290</u>	

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
Operating revenue	6(21) and 7	\$ 10,058,925	\$ 282,605,493	\$ 268,131,397	
Operating costs	6(7)(26) (27) and 7	(6,954,729)	(195,393,115)	(193,635,252)	
Gross profit		<u>3,104,196</u>	<u>87,212,378</u>	<u>74,496,145</u>	
Operating expenses	6(26)(27)				
Selling expenses		(655,989)	(18,430,010)	(19,837,224)	
General and administrative expenses		(427,861)	(12,020,761)	(11,418,313)	
Research and development expenses		(906,918)	(25,479,870)	(23,887,886)	
Expected credit impairment gain	12(2)	<u>5,127</u>	<u>144,067</u>	<u>56,068</u>	
Total operating expenses		(1,985,641)	(55,786,574)	(55,087,355)	
Operating profit		<u>1,118,555</u>	<u>31,425,804</u>	<u>19,408,790</u>	
Non-operating income and expenses					
Interest income	6(22)	19,368	544,147	886,537	
Other income	6(23)	140,232	3,939,821	3,150,629	
Other gains and losses	6(12)(24)	(42,679)	(1,199,056)	(6,304,445)	
Finance costs	6(25)	(13,377)	(375,837)	(737,869)	
Share of (loss) profit of associates and joint ventures accounted for under the equity method	6(8)	(2,121)	(59,596)	(141,877)	
Total non-operating income and expenses		<u>101,423</u>	<u>2,849,479</u>	<u>9,745,619</u>	
Profit before income tax		<u>1,219,978</u>	<u>34,275,283</u>	<u>29,154,409</u>	
Income tax expense	6(28)	(245,273)	(6,890,944)	(5,226,653)	
Profit for the year		<u>\$ 974,705</u>	<u>\$ 27,384,339</u>	<u>\$ 23,927,756</u>	

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		(\$ 5,580)	(\$ 156,768)	(\$ 336,375)	
Unrealised gain on valuation of equity investment at fair value through other comprehensive income	6(3)	11,613	326,268	200,079	
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		-	-	16,500	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	493	13,838	6,088	
Other comprehensive income (loss) that will not be reclassified to profit or loss		6,526	183,338	(113,708)	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(341,408)	(9,591,864)	(2,958,933)	
(Loss) gain on hedging instrument		(658)	(18,489)	2,700	
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		29	819	3,535,054	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(28)	16,948	476,157	(527,130)	
Other comprehensive (loss) income that will be reclassified to profit or loss		(325,089)	(9,133,377)	51,691	
Other comprehensive loss for the year		(\$ 318,563)	(\$ 8,950,039)	(\$ 62,017)	
Total comprehensive income for the year		\$ 656,142	\$ 18,434,300	\$ 23,865,739	
Profit attributable to:					
Owners of the parent		\$ 907,109	\$ 25,485,231	\$ 23,117,797	
Non-controlling interest		\$ 67,596	\$ 1,899,108	\$ 809,959	
Comprehensive income (loss) attributable to:					
Owners of the parent		\$ 665,241	\$ 18,689,957	\$ 22,165,228	
Non-controlling interest		(\$ 9,099)	(\$ 255,657)	\$ 1,700,511	
Earnings per share					
Basic earnings per share	6(29)	\$ 0.35	\$ 9.81	\$ 8.90	
Diluted earnings per share	6(29)	\$ 0.35	\$ 9.77	\$ 8.85	

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Equity attributable to owners of the parent												
	Notes	Retained earnings					Other equity interest					
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Non-controlling interest	Total equity
2019 New Taiwan Dollars												
Balance at January 1, 2019		\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,160,104	(\$ 4,422,025)	(\$ 3,270,159)	\$ 131,152	\$ 130,271,159	\$ 9,189,749	\$ 139,460,908
Effects of retrospective application and retrospective restatement		-	-	-	-	1,943	-	-	-	1,943	-	1,943
Balance after retrospective restatement at January 1, 2019		<u>25,975,433</u>	<u>48,397,067</u>	<u>23,211,444</u>	<u>7,088,143</u>	<u>33,162,047</u>	<u>(4,422,025)</u>	<u>(3,270,159)</u>	<u>131,152</u>	<u>130,273,102</u>	<u>9,189,749</u>	<u>139,462,851</u>
Profit for the year		-	-	-	-	23,117,797	-	-	-	23,117,797	809,959	23,927,756
Other comprehensive income (loss) for the year		-	-	-	-	(255,785)	(912,967)	200,079	16,104	(952,569)	890,552	(62,017)
Comprehensive income (loss) for the year		-	-	-	-	<u>22,862,012</u>	<u>(912,967)</u>	<u>200,079</u>	<u>16,104</u>	<u>22,165,228</u>	<u>1,700,511</u>	<u>23,865,739</u>
Distribution of 2018 earnings	6(19)											
Legal reserve		-	-	1,819,310	-	(1,819,310)	-	-	-	-	-	-
Special reserve		-	-	-	472,889	(472,889)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)
Change in ownership interests in subsidiaries		-	34,941	-	-	-	-	-	-	34,941	-	34,941
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	-	671,323	-	-	-	-	-	-	671,323	(4,947,661)	(4,276,338)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	28,254,966	28,254,966
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(635,782)	-	635,782	-	-	-	-
Balance at December 31, 2019		<u>\$ 25,975,433</u>	<u>\$ 49,103,331</u>	<u>\$ 25,030,754</u>	<u>\$ 7,561,032</u>	<u>\$ 40,108,361</u>	<u>(\$ 5,334,992)</u>	<u>(\$ 2,434,298)</u>	<u>\$ 147,256</u>	<u>\$ 140,156,877</u>	<u>\$ 34,197,565</u>	<u>\$ 174,354,442</u>
2020 New Taiwan Dollars												
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	\$ 34,197,565	\$ 174,354,442
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231	1,899,108	27,384,339
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)	(2,154,765)	(8,950,039)
Comprehensive income (loss) for the year		-	-	-	-	<u>25,365,317</u>	<u>(6,984,988)</u>	<u>326,268</u>	<u>(16,640)</u>	<u>18,689,957</u>	<u>(255,657)</u>	<u>18,434,300</u>
Distribution of 2019 earnings	6(19)											
Legal reserve		-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	-	(96,705)	-	-	(58,953)	-	-	-	(155,658)	(243,181)	(398,839)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,008,424)	(1,008,424)
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-	-	-
Balance at December 31, 2020		<u>\$ 25,975,433</u>	<u>\$ 49,202,505</u>	<u>\$ 27,342,534</u>	<u>\$ 7,622,034</u>	<u>\$ 48,300,040</u>	<u>(\$ 12,319,980)</u>	<u>(\$ 353,844)</u>	<u>\$ 130,616</u>	<u>\$ 145,899,338</u>	<u>\$ 32,690,303</u>	<u>\$ 178,589,641</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Equity attributable to owners of the parent											
	Retained earnings					Other equity interest					
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Non-controlling interest	Total equity
<u>2020 US Dollars</u>											
Balance at January 1, 2020	\$ 924,557	\$ 1,747,760	\$ 890,933	\$ 269,124	\$ 1,427,598	(\$ 189,891)	(\$ 86,645)	\$ 5,241	\$ 4,988,677	\$ 1,217,212	\$ 6,205,889
Profit for the year	-	-	-	-	907,109	-	-	-	907,109	67,596	974,705
Other comprehensive income (loss) for the year	-	-	-	-	(4,269)	(248,620)	11,613	(592)	(241,868)	(76,695)	(318,563)
Comprehensive income (loss) for the year	-	-	-	-	902,840	(248,620)	11,613	(592)	665,241	(9,099)	656,142
Distribution of 2019 earnings	6(19)										
Legal reserve	-	-	82,284	-	(82,284)	-	-	-	-	-	-
Special reserve	-	-	-	2,171	(2,171)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(462,279)	-	-	-	(462,279)	-	(462,279)
Changes in ownership interests in subsidiaries	-	6,972	-	-	-	-	-	-	6,972	-	6,972
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(32)	(3,442)	-	-	(2,098)	-	-	-	(5,540)	(8,656)	(14,196)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(35,894)	(35,894)
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	(62,437)	-	62,437	-	-	-	-
Balance at December 31, 2020	\$ 924,557	\$ 1,751,290	\$ 973,217	\$ 271,295	\$ 1,719,169	(\$ 438,511)	(\$ 12,595)	\$ 4,649	\$ 5,193,071	\$ 1,163,563	\$ 6,356,634

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Consolidated profit before tax for the year		\$ 1,219,978	\$ 34,275,283	\$ 29,154,409	
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(9)(10)(26)	427,980	12,024,107	10,912,594	
Amortisation	6(12)(26)	136,894	3,846,049	3,072,851	
Expected credit impairment gain	12(2)	(5,128)	(144,067)	(56,068)	
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	(2,545)	(71,489)	(365,965)	
Interest expense	6(25)	13,377	375,837	731,745	
Interest income	6(22)	(19,368)	(544,147)	(886,537)	
Dividend income	6(23)	(6,769)	(190,171)	(282,302)	
(Reversal of) share-based payments	6(30)	(32)	(900)	(41,176)	
Share of loss (profit) of associates accounted for under the equity method	6(8)	2,121	59,596	(141,877)	
Loss on disposal of property, plant and equipment	6(24)	2,404	67,529	56,441	
Loss (gain) on disposal of investments	6(24)	3,405	95,654	(6,001,894)	
(Reversal of) impairment loss on non-financial assets	6(24)	28,536	801,712	(90,215)	
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		(20,380)	(572,564)	283,898	
Contract assets		(46,283)	(1,300,311)	812,339	
Notes receivable		2,955	83,033	274,603	
Accounts receivable		(210,033)	(5,900,888)	8,306,424	
Accounts receivable - related parties		7,879	221,360	2,833,432	
Other receivables		(11,205)	(314,845)	(7,740)	
Inventories		(191,962)	(5,393,170)	5,641,877	
Prepayments		8,270	232,351	(321,976)	
Other current assets		3,619	101,682	(328)	
Other non-current assets		2,542	71,407	130,389	
Net changes in liabilities relating to operating activities					
Contract liabilities		58,862	1,653,725	708,890	
Notes payable		(673)	(18,899)	13,714	
Accounts payable		238,833	6,710,023	(6,723,132)	
Accounts payable - related parties		(91)	(2,556)	(2,381,143)	
Other payables		144,361	4,055,801	(127,974)	
Other current liabilities		1,097	30,801	(679,602)	
Other non-current liabilities		70	1,974	682,490	
Cash inflow generated from operations		1,788,714	50,253,917	45,590,519	
Interest received		19,125	537,327	942,187	
Dividends received		6,709	188,495	282,302	
Interest paid		(13,411)	(376,796)	(729,218)	
Income taxes paid		(133,579)	(3,752,891)	(4,175,022)	
Net cash flows from operating activities		1,667,558	46,850,052	41,910,768	

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at fair value through other comprehensive income		\$ -	\$ -	(\$ 11,190)	
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	17,863	501,867	1,114,871	
Proceeds from capital withdrawal liquidation of financial asset at fair value through profit or loss		158	4,444	-	
Acquisition of investments accounted for under the equity method		-	-	(12,154)	
Proceeds from disposal of investments accounted for under the equity method		258	7,240	-	
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	(38,730)	(1,088,115)	(24,018,015)	
Acquisition of property, plant and equipment	6(9)	(634,933)	(17,838,456)	(16,866,186)	
Proceeds from disposal of property, plant and equipment		7,029	197,480	472,561	
Acquisition of intangible assets	6(12)	(24,373)	(684,761)	(666,967)	
Increase in other financial assets		(19,118)	(537,131)	(51,359)	
Decrease (increase) in other non-current assets		11,840	332,660	(489,479)	
Net cash flows used in investing activities		(680,006)	(19,104,772)	(40,527,918)	
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
(Decrease) increase in short-term borrowings	6(33)	(198,412)	(5,574,400)	1,316,870	
Proceeds from long-term debt	6(33)	2,389,898	67,144,183	2,407,888	
Repayment of long-term debt	6(33)	(1,978,874)	(55,596,451)	-	
Lease principal repayment		(18,404)	(517,080)	(586,249)	
Cash dividends paid	6(19)	(462,279)	(12,987,717)	(12,987,717)	
Cash dividends paid to minority share interests	6(20)	(31,868)	(895,326)	(2,320,171)	
Acquisition of ownership interests in subsidiaries	6(32)	(14,196)	(398,839)	(4,276,338)	
Net cash flows used in financing activities		(314,135)	(8,825,630)	(16,445,717)	
Effects due to changes in exchange rate		(148,342)	(4,167,666)	(595,829)	
Net increase (decrease) in cash and cash equivalents		525,075	14,751,984	(15,658,696)	
Cash and cash equivalents at beginning of year		1,564,691	43,960,001	59,618,697	
Cash and cash equivalents at end of year		\$ 2,089,766	\$ 58,711,985	\$ 43,960,001	

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on February 24, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition

and financial performance based on the Group's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

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:

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements

are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(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 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
				December 31, 2020	December 31, 2019	
1	Delta Electronics, Inc.	Delta International Holding Limited (DIH)	Equity investments	100	100	
2	"	Delta Networks Holding Limited (DNH)	"	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	
4	Delta Electronics, Inc. and DIH	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	100	100	Note1
5	Delta Electronics, Inc.	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100	100	
6	"	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
7	Delta Electronics, Inc.	Delta Electronics Capital Company (DECC)	Equity investments	100	100	
8	"	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100	100	
9	"	Allied Material Technology Corp. (AMT)	Lease services, etc.	99.97	99.97	
10	Delta Electronics, Inc. and DEN/Delta Electronics, Inc., DEN, Castle Horizon Limited and Energy Dragon Global Limited	Delta America Ltd. (DAL)	Equity investments	100	100	Note 2
11	DEN	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100	100	
12	DIH	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100	100	
13	"	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	
14	DEN	Drake Investment (HK) Limited (Drake-HK)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
15	DGSG, Drake-HK and Boom	Delta Greentech (China) Co., Ltd. (DGC)	Sales of uninterruptible power systems and others	95.91	95.91	
16	DIH	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	100	100	
17	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	
18	DIH	Delta Electronics Europe Ltd. (DEU)	Repair centre and providing support services	100	100	
19	DEN	Boom Treasure Limited (Boom)	Equity investments	100	100	
20	DIH	Apex Investment (HK) Limited (Apex-HK)	"	100	100	Note 3
21	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	100	100	Note 3
22	"	Jade Investment (HK) Limited (Jade-HK)	"	100	100	Note 3
23	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	
24	"	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	100	100	
25	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
26	DHK	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	
27	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	100	100	
28	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	100	100	
29	"	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	100	100	
30	"	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	100	100	
31	"	Cyntec Electronics (Wuhu) Co., Ltd. (CEWH)	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique	100	-	Note 24
32	DHK and DIH	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management system of industrial automation product and telecommunications equipment	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
33	DHK	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	100	100	
34	"	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	100	100	
35	DEJ	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100	100	
36	"	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100	100	
37	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	100	100	
38	DDG and DPEC	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	100	Note 4
39	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	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
40	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	
41	DNI Cayman	Delta Networks (HK) Limited (DNHK)	"	100	100	
42	DNHK	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	100	100	
43	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	
44	Fairview	Grandview Holding Ltd. (Grandview)	"	100	100	
45	Grandview	Cyntec Holding (HK) Limited. (CHK)	"	100	100	
46	"	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	
47	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	100	100	
48	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	
49	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
50	DEN	Castle Horizon Limited	Equity investments	-	100	Note 5
51	"	Energy Dragon Global Limited	"	-	100	Note 5
52	DIH	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	
53	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	
54	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	
55	"	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	
56	Delta Energy Systems (Singapore) PTE. LTD. / ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	"	100	100	Note 6
57	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	
58	"	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	
59	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	
60	Delta Electronics (Poland) Sp. z o. o. / ELTEK AS	Eltek Polska Sp. z o. o. (Eltek Polska)	"	100	51.04	Note 7 Note 8
61	ELTEK AS	ELTEK POWER FRANCE SAS	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
62	ELTEK AS	ELTEK LIMITED	Equity investments and trading	100	100	
63	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	
64	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	
65	"	ELTEK WEST AFRICA LIMITED	"	100	100	
66	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	
67	"	Delta Electronics (Sweden) AB	Sales of power supplies	100	100	Note 9
68	"	Eltek Power (UK) Ltd.	"	100	100	
69	Delta Solutions (Finland) Oy / ELTEK AS	Eltek Power Oy	Sales of power supplies and others	100	100	Note 10
70	ELTEK AS	OOO Eltek	Sales of power supplies and others and system installation	100	100	
71	"	ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	Sales of power supplies and others	-	100	Note 11
72	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	
73	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	
74	"	ELTEK POWER CO., LTD.	"	100	100	Note 12

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
75	DEIL-SG	ELTEK POWER (CAMBODIA) LTD.	Sales of power supplies and others	100	100	
76	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	Note 13
77	ELTEK LIMITED	ELTEK CVI LIMITED	Equity investments	-	100	Note 14
78	DHK	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sales of intelligent power equipment for supporting renewable energy	100	100	
79	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	
80	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	
81	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industria e Comercio S.A.	Manufacturing and sales of power supplies	100	100	
82	"	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	
83	"	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
84	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenenergy Services, S.A. de C.V.	Sales of power supplies and others	100	100	
85	"	Eltek energy International de México, S. de R.L. de C.V.	"	100	100	
86	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	
87	"	Delta Solar Solutions LLC	Equity investments	100	100	
88	Delta Electronics (Americas) Ltd.	2009 PPA LLC	Sales of power supplies	-	100	Note 15
89	Delta Solar Solutions LLC	DSS-CI LLC	Rental of solar power systems	100	100	
90	"	DSS-USF LLC	"	100	100	
91	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	100	59.03	Note 16
92	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	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
93	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	
94	Loy Tec	LOYTEC Americas, Inc.	"	-	100	Note 14
95	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	
96	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	
97	Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP. (UNICOM)	Design and sales of computers, peripherals and information system (software and hardware)	-	100	Note 17
98	UNICOM	Unicom (Nanjing) System Eng. Corp	"	-	100	Note 18
99	DIH/Delta Greentech (Netherlands) B.V. and DIH	Delta Electronics (Switzerland) AG (DECH)	Equity investments, research, development and sales of electronic products	100	100	Note 19
100	DEN/DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	Note 20
101	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	
102	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
103	DECH	Delta Electronics (Italy) S.r.l.	Sales of electronic products	100	100	
104	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	
105	"	Delta Solutions (Finland) Oy	"	100	100	
106	"	Delta Electronics Solutions (Spain) SL	"	100	100	
107	ELTEK POWER FRANCE SAS / DECH	Delta Electronics (France) SA	"	100	100	Note 21
108	Delta Electronics (Sweden) AB/DECH	Delta Energy Systems (Sweden) AB	"	100	100	Note 22
109	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	52.65	49.87	Note 23
110	Vivotek and Realwin	Vatics Inc.	Designing and sales of multimedia integrated circuits	54.41	54.41	
111	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	
112	"	Realwin Investment Inc. (Realwin)	Investment in the network communications industry	100	100	
113	"	Vivotek Netherlands B.V.	Sales service	100	100	
114	"	Vivotek (Japan) Inc.	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
115	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	
116	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	
117	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	
118	Realwin	Aetek Inc.	//	56.21	56.21	
119	//	Vivotek Middle East FZCO	//	89.99	89.99	
120	//	Lidlight Inc.	Sales of lighting equipment	51	51	
121	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	
122	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	
123	DET	DET International Holding Limited	Equity investments	100	100	
124	//	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	
125	//	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	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
126	DET	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	-	Note 24
127	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	
128	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	
129	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	
130	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	
131	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	
132	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	
133	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Australia) Pty. Ltd.	Marketing and sales of renewable energy products	100	100	
134	"	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	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
135	Delta Energy Systems (Singapore) Pte. Ltd.	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	
136	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	
137	"	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	51	51	
138	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	
139	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	
140	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	
141	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	
142	"	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	
143	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	
144	Amerlux, LLC	Amerlux Lighting Asia, LLC	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
145	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	Equity investments	100	100	
146	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	
147	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	-	Note 24
148	Digital Projection International Ltd.	Digital Projection Holdings Ltd.	"	100	-	Note 24
149	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	-	Note 24
150	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	-	Note 24
151	DEN	Trihedral Engineering Limited (Trihedral)	Software and associated engineering services	100	-	Note 24
152	Trihedral	Trihedral Inc.	"	100	-	Note 24
153	Trihedral Inc.	Trihedral UK Limited	"	100	-	Note 24

Note 1: In 2020, PHK returned capital amounting to USD 5,250,000 and USD 8,000,000 to Delta Electronics, Inc. and DIH, respectively, due to the liquidation of the subsidiary, which is yet to be completed as at December 31, 2020.

Note 2: As described in Note 5, the investors were changed to Delta Electronics, Inc. and DEN.

Note 3: In December 2019, the company began liquidation process and was dissolved, but has not yet been completed as at December 31, 2020.

Note 4: This company had been liquidated in January 2020.

Note 5: This company had been liquidated in February 2020.

Note 6: In October 2020, ELTEK AS sold ELTEK AUSTRALIA PTY LIMITED to Delta Energy Systems (Singapore) Pte. Ltd.

Note 7: In July 2020, ELTEK AS acquired 48.96% equity interest in Eltek Polska, and the total shareholding ratio is 100%.

Note 8: In December 2020, ELTEK AS sold Eltek Polska Sp.z o.o. (Eltek Polska) to Delta Electronics (Poland) Sp.z o.o.

Note 9: Formerly named Eltek Power Sweden AB and was renamed as Delta Electronics (Sweden) AB in November 2020.

Note 10: In October 2020, ELTEK AS sold Eltek Power Oy to Delta Solutions (Finland) Oy.

Note 11: This company had been liquidated in December 2020.

Note 12: 55% of shares are held through others due to local regulations.

Note 13: 71% of shares are held through others due to local regulations.

Note 14: This company had been liquidated in September 2020.

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

Note 16: In July 2020, Cyntec acquired 43.6% equity interest in Power Forest, and the total shareholding ratio is 100%.

Note 17: Merged with the Company in December 2020.

Note 18: This company had been liquidated in October 2020.

Note 19: In October 2020, DIH acquired 49% equity interest in DECH from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.

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

Note 21: In November 2020, DECH sold Delta Electronics (France) SA to ELTEK POWER FRANCE SAS.

Note 22: In October 2020, DECH sold Delta Energy Systems (Sweden) AB to Eltek Power Sweden AB. (Renamed in November 2020, please refer to Note 9 for details.)

Note 23: Because most of the shares were held by the company and other shareholdings are disaggregated, it was included in the consolidated financial statements.

Note 24: Companies were established or acquired through merger during 2020.

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 December 31, 2020 and 2019, the non-controlling interest amounted to \$32,690,303 and \$34,197,565, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2020		December 31, 2019	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,618,610	47.35%	\$ 3,932,420	50.13%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	28,697,265	36.22%	29,761,580	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET	
	December 31, 2020	December 31, 2019
Current assets	\$ 39,887,645	\$ 32,696,207
Non-current assets	58,101,498	62,551,578
Current liabilities	(16,133,275)	(10,944,593)
Non-current liabilities	(2,293,690)	(2,134,279)
Total net assets	<u>\$ 79,562,178</u>	<u>\$ 82,168,913</u>

	Vivotek	
	December 31, 2020	December 31, 2019
Current assets	\$ 3,377,240	\$ 3,106,290
Non-current assets	6,112,662	6,452,452
Current liabilities	(1,474,665)	(1,307,013)
Non-current liabilities	(372,977)	(407,284)
Total net assets	<u>\$ 7,642,260</u>	<u>\$ 7,844,445</u>

Statement of comprehensive income

	DET	
	Years ended December 31,	
	2020	2019
Revenue	\$ 59,201,254	\$ 50,644,767
Profit before income tax	5,296,072	1,754,400
Income tax expense	(194,453)	(18,852)
Profit for the year from continuing operations	5,101,619	1,735,818
Other comprehensive income (loss), net of tax	76,398	(1,006,786)
Total comprehensive income for the year	\$ 5,178,017	\$ 729,032
Comprehensive income (loss) attributable to non-controlling interest	\$ 1,885,272	(\$ 153,674)
Dividends paid to non-controlling interest	\$ 767,376	\$ 2,184,585

	Vivotek	
	Years ended December 31,	
	2020	2019
Revenue	\$ 5,544,433	\$ 6,573,617
Profit before income tax	88,666	118,133
Income tax expense	(55,329)	(66,991)
Profit for the year from continuing operations	33,337	51,142
Other comprehensive loss, net of tax	(17,700)	(9,853)
Total comprehensive income for the year	\$ 15,637	\$ 41,289
Comprehensive (loss) income attributable to non-controlling interest	(\$ 2,513)	\$ 1,442
Dividends paid to non-controlling interest	\$ 108,073	\$ 104,890

Statements of cash flows

	DET	
	Years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 6,774,586	\$ 5,112,438
Net cash used in investing activities	(3,380,819)	(4,915,661)
Net cash used in financing activities	(2,182,722)	(2,839,443)
Effect of exchange rates on cash and cash equivalents	(793,745)	280,456
Increase (decrease) in cash and cash equivalents	417,300	(2,362,210)
Cash and cash equivalents, beginning of year	12,626,085	14,877,311
Cash and cash equivalents, end of year	\$ 13,043,385	\$ 12,515,101

	Vivotek	
	Years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 501,406	\$ 810,131
Net cash used in investing activities	(26,421)	(220,047)
Net cash used in financing activities	(56,787)	(365,874)
Effect of exchange rates on cash and cash equivalents	(16,397)	(8,709)
Increase in cash and cash equivalents	401,801	215,501
Cash and cash equivalents, beginning of year	1,023,213	807,712
Cash and cash equivalents, end of year	\$ 1,425,014	\$ 1,023,213

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even the Group still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred and, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recorded at standard cost. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity).

It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for under the equity method

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in associates' equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant

assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Cash surrender value of life insurance

Premium paid for life insurance with saving nature belonging to cash surrender value is recognised as a deduction to insurance premium expense in current period and is added to the carrying amount of cash surrender value.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 2~15 years except for buildings, the estimated life of which is 5~55 years.

(16) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised

as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability; and
- (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 7~50 years.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Acquisition prices in the business combination are calculated by the price of acquisition plus related direct costs. Goodwill is recognised at the difference of the acquisition prices less net fair value of identifiable assets acquired. The amortisation duration of acquisition prices may not exceed one year after the acquisition.

B. Trademarks

- (a) Separately acquired trademarks with finite useful lives are stated at acquisition cost and are amortised on a straight-line basis over their estimated useful lives.
- (b) Certain trademarks which are assessed to generate net cash inflows and have indefinite useful lives are recorded at actual cost. These are not amortised and instead, are tested for impairment annually.

C. Intangible assets other than goodwill and trademarks, mainly computer software, patents, customer relationship and technology authorisation fees, are amortised on a straight-line basis over their estimated useful lives of 2~22 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish,

the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, for short-term accounts payable without bearing interest, as the effect of discounting is insignificant, they are measured subsequently at original invoice amount.

(22) Financial liabilities at fair value through profit or loss

- A. Derivatives are categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Non-hedging and embedded derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(26) Hedge accounting

- A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.
- B. The Group designates the hedging relationship as follows:
 - (a) Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.
 - (b) Hedge of a net investment in a foreign operation.
- C. Cash flow hedges
 - (a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):
 - i. The cumulative gain or loss on the hedging instrument from inception of the hedge; and

- ii. The cumulative change in fair value of the hedged item from inception of the hedge.
- (b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.
- (c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
 - i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
 - ii. For cash flow hedges other than those covered by i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
 - iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

D. Hedges of a net investment in a foreign operation

- (a) It is accounted for similarly to cash flow hedges.
- (b) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss.
- (c) The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in the foreign currency translation reserve shall be reclassified from equity to profit or loss as a reclassification adjustment.

(27) Employee benefits

A. Pensions

(a) Defined contribution plan

Under the defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

B. Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
- (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Group has the right to repurchase the stocks for a fee and cancel these stocks. No distribution rights for dividends and capital reserves before the vesting conditions are met.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by

the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(32) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells power supply of computers, information technology, vehicles and electrical machines, automation equipment and related components products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Sales revenue is recognised based on the price specified in the contract, net of the estimated discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually made with a credit term of 30 to 90 days after acceptance. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the control of goods are transferred as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Installation of software and module services

- (a) The Group provides installation of some software and module services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification.
- (c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

C. Revenue from licencing intellectual property

The Group is entitled to collect usage-based royalty in return for licencing patented technologies and intellectual property rights to subsidiaries and associates under agreements. The Group recognises revenue when the performance obligation has been satisfied and the subsequent usage occurs.

D. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expenses.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent

liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

Investment property

The Group uses part of the property for its own use and part to earn rentals or for capital appreciation. When the portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for less than 20% of the property.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(12) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand	\$ 5,437	\$ 6,941
Checking accounts and demand deposits	44,121,426	30,808,159
Time deposits	14,446,742	13,144,901
Cash equivalents	138,380	-
	<u>\$ 58,711,985</u>	<u>\$ 43,960,001</u>

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

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

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

<u>Asset Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 446,452	\$ 541,143
Derivatives	290,505	142,668
Hybrid instrument-Convertible bonds	47,827	87,578
	<u>784,784</u>	<u>771,389</u>
Valuation adjustment	276,559	351,069
	<u>\$ 1,061,343</u>	<u>\$ 1,122,458</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 368,048	\$ 499,290
Emerging stocks	289,600	81,000
Unlisted stocks	1,572,384	2,247,846
Hybrid instrument-Convertible bonds	974,983	-
	<u>3,205,015</u>	<u>2,828,136</u>
Valuation adjustment	(262,819)	(602,897)
	<u>\$ 2,942,196</u>	<u>\$ 2,225,239</u>
<u>Liability Items</u>		
Current items:		
Valuation adjustment of derivatives	\$ 60,060	\$ 15,929

A. The Group has recognised financial assets and liabilities at fair value through profit or loss of \$71,489 and \$365,965 for the years ended December 31, 2020 and 2019, respectively.

B. Explanations of the transactions and contract information in respect of derivative financial assets

and liabilities that the Group does not adopt hedge accounting are as follows:

December 31, 2020			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	7,250	2020.08.24~2021.05.04
- Sell BRL / Buy USD	BRL	18,121	2020.12.04~2021.02.04
- Sell EUR / Buy NOK	EUR	9,000	2020.10.28~2021.05.06
- Sell EUR / Buy USD	EUR	39,500	2020.07.15~2021.06.02
- Sell GBP / Buy NOK	GBP	1,500	2020.12.21~2021.02.04
- Sell INR / Buy USD	INR	442,905	2020.12.16~2021.01.28
- Sell JPY / Buy USD	JPY	1,783,610	2020.07.24~2021.05.19
- Sell THB / Buy JPY	THB	26,113	2020.11.17~2021.03.26
- Sell USD / Buy JPY	USD	3,700	2020.11.30~2021.02.25
- Sell USD / Buy NOK	USD	7,000	2020.12.03~2021.04.08
- Sell USD / Buy RMB	USD	309,009	2020.10.12~2021.04.09
- Sell USD / Buy SGD	USD	26,305	2020.07.03~2021.05.03
- Sell USD / Buy THB	USD	170,000	2020.09.22~2021.04.02
- Sell USD / Buy AUD	USD	706	2020.10.29~2021.03.03
- Sell USD / Buy CZK	USD	400	2020.12.21~2021.01.21
- Sell HKD / Buy USD	HKD	90,000	2020.11.02~2021.05.04
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	13,955	2020.09.03~2021.03.04
- Sell RUB / Buy USD	RUB	74,720	2020.12.04~2021.02.04
- Sell SEK / Buy NOK	SEK	30,000	2020.12.23~2021.06.30
- Sell USD / Buy NOK	USD	2,000	2020.12.07~2021.01.06

December 31, 2019

Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy NOK	AUD	600	2019.12.04~2020.01.07
- Sell AUD / Buy USD	AUD	1,500	2019.09.12~2020.04.28
- Sell BRL / Buy USD	BRL	32,622	2019.11.06~2020.02.07
- Sell EUR / Buy GBP	EUR	1,000	2019.12.05~2020.02.07
- Sell EUR / Buy NOK	EUR	8,000	2019.10.07~2020.07.03
- Sell EUR / Buy USD	EUR	28,500	2019.09.18~2020.04.03
- Sell GBP / Buy NOK	GBP	2,600	2019.10.07~2020.02.07
- Sell HKD / Buy USD	HKD	151,000	2019.09.05~2020.03.03
- Sell INR / Buy USD	INR	1,266,206	2019.11.11~2020.01.21
- Sell JPY / Buy USD	JPY	889,565	2019.09.25~2020.03.19
- Sell SGD / Buy USD	SGD	7,000	2019.12.25~2020.02.04
- Sell THB / Buy USD	THB	9,060	2019.12.24~2020.01.23
- Sell USD / Buy CZK	USD	300	2019.12.24~2020.01.21
- Sell USD / Buy HKD	USD	770	2019.12.26~2020.03.03
- Sell USD / Buy JPY	USD	3,100	2019.11.08~2020.02.25
- Sell USD / Buy NOK	USD	6,000	2019.10.07~2020.04.03
- Sell USD / Buy RMB	USD	217,181	2019.09.27~2020.03.23
- Sell USD / Buy SGD	USD	14,092	2019.09.25~2020.04.03
- Sell USD / Buy THB	USD	121,700	2019.09.26~2020.04.03
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	13,000	2019.09.04~2020.06.05
- Sell EUR / Buy RUB	EUR	500	2019.12.05~2020.02.07
- Sell GBP / Buy NOK	GBP	500	2019.10.07~2020.01.07
- Sell USD / Buy EUR	USD	1,113	2019.11.06~2020.01.07
- Sell USD / Buy NOK	USD	5,000	2019.11.06~2020.03.05

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 between subsidiary and second-tier subsidiary. 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

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Equity instruments		
Listed stocks	\$ -	\$ 1,559,472
Valuation adjustment	-	(1,239,649)
	<u>\$ -</u>	<u>\$ 319,823</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 2,301,004
Unlisted stocks	<u>672,828</u>	<u>690,945</u>
	2,281,527	2,991,949
Valuation adjustment	(353,844)	(1,194,648)
	<u>\$ 1,927,683</u>	<u>\$ 1,797,301</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 \$1,927,683 and \$2,117,124 as at December 31, 2020 and 2019, respectively.
- B. For the years ended December 31, 2020 and 2019, the Group sold listed stocks whose fair value were \$501,867 and \$1,114,871, respectively, to adjust the stock position, resulting to an accumulated loss on disposal and valuation of \$1,754,186 and \$635,782, respectively.
- 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>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 326,268</u>	<u>\$ 200,079</u>
Cumulative loss reclassified to retained earnings due to derecognition	<u>(\$ 1,754,186)</u>	<u>(\$ 635,782)</u>

- D. As at December 31, 2020 and 2019, 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 \$1,927,683 and \$2,117,124, 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 December 31, 2020 and 2019, 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 as profit or loss and other comprehensive income:

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2020	\$ -	\$ 147,256
Add: Loss on hedge effectiveness- amount recognised in other comprehensive income	-	(16,640)
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	-	-
At December 31, 2020	<u>\$ -</u>	<u>\$ 130,616</u>
	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2019	\$ -	\$ 131,152
Add: (Loss) gain on hedge effectiveness- amount recognised in other comprehensive income	(6,124)	16,104
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	<u>6,124</u>	<u>-</u>
At December 31, 2019	<u>\$ -</u>	<u>\$ 147,256</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 December 31, 2020 and 2019 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.
- (b) Since the hedging instrument for cash flow hedge expired and the hedging relationship ceased to meet the qualifying criteria, the accumulated amount in the cash flow hedge reserve had been reclassified to profit or loss.
- (c) Hedges of net investments in foreign operations

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

(5) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 3,733,595	\$ 3,816,628
Accounts receivable	\$ 59,684,699	\$ 53,964,299
Less: Allowance for uncollectible accounts	(507,266)	(1,009,193)
	<u>\$ 59,177,433</u>	<u>\$ 52,955,106</u>
Overdue receivables (shown as other non-current assets)	\$ 354,282	\$ 213,405
Less: Allowance for uncollectible accounts	(354,282)	(213,405)
	<u>\$ -</u>	<u>\$ -</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 53,882,398	\$ 46,818,016
1 to 90 days	4,910,665	5,540,091
91 to 180 days	280,675	324,836
181 to 365 days	87,524	249,331
Over 366 days	16,171	22,832
	<u>\$ 59,177,433</u>	<u>\$ 52,955,106</u>

The above aging analysis was based on past due date.

B. As at December 31, 2020 and 2019, there was no notes receivable past due.

C. As at December 31, 2020 and 2019, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2019, the balance of receivables from contracts with customers amounted to \$56,144,727.

D. The Group has no notes receivable and accounts receivable pledged to others as collateral.

E. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,733,595 and \$3,816,628, and accounts receivable were \$59,177,433 and \$52,955,106, 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 December 31, 2020 and 2019, the relevant information on unsettled accounts receivable that were sold is set forth below:

December 31, 2020

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

December 31, 2019

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 57,743	\$ -	\$ 299,800	\$ -	\$ -	-

(7) Inventories

December 31, 2020

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

December 31, 2019

	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,734,404	(\$ 2,978,189)	\$ 10,756,215
Work in process	4,205,155	(11,299)	4,193,856
Finished goods	27,482,584	(3,634,975)	23,847,609
Inventory in transit	518,743	-	518,743
	<u>\$ 45,940,886</u>	<u>(\$ 6,624,463)</u>	<u>\$ 39,316,423</u>

The Group recognised as expense or loss:

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 190,732,108	\$ 187,469,554
Loss on market value decline and obsolete and slow-moving inventories	502,171	1,794,257
Others	(654,512)	(647,439)
	<u>\$ 190,579,767</u>	<u>\$ 188,616,372</u>

(8) Investments accounted for under the equity method

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

Name of associates	December 31, 2020		December 31, 2019	
	Ownership %	Book value	Ownership %	Book value
Optovue, Inc.	29.50	\$ 728,129	29.50	\$ 842,043
Digital Projection International Ltd. (DPI)	(Note)	(Note)	41.00	240,059
Others		56,873		56,818
		<u>\$ 785,002</u>		<u>\$ 1,138,920</u>

Note: On January 6, 2020, the subsidiary, DIH, acquired 59% equity interest in DPI, and the total equity interest of DPI held by the Group is 100%. Therefore, the Group has control over DPI, and DPI is included in the consolidated financial statements.

B. For the years ended December 31, 2020 and 2019, the share of (loss) profit of associates were (\$59,596) and \$141,877, respectively.

C. The share of profit (loss) and other comprehensive income (loss) of DET (an associate of the Group, which was included in the Group's consolidated financial statements on April 2, 2019) for the three months ended March 31, 2019 was recognised based on the financial statements audited by other independent auditors.

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

As at December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$785,002 and \$1,138,920, respectively.

	Years ended December 31,	
	2020	2019
Loss for the year from continuing operations	(\$ 59,596)	(\$ 100,862)
Other comprehensive income, net of tax	55,073	17,156
Total comprehensive loss	<u>(\$ 4,523)</u>	<u>(\$ 83,706)</u>

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

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>2020</u>							
Opening net book amount	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
Additions	102,384	353,648	4,754,048	2,247,433	1,857,628	8,523,315	17,838,456
Acquired through business combinations	-	-	-	-	53,887	-	53,887
Disposal	(9,079)	(24,193)	(125,441)	(74,671)	(31,625)	-	(265,009)
Transfer	31,021	1,138,099	1,581,636	352,929	286,109	(3,389,794)	-
Depreciation charge	-	(1,859,147)	(4,890,313)	(2,173,864)	(2,460,392)	-	(11,383,716)
Net exchange differences	(222,028)	(347,881)	(315,223)	(35,743)	(189,933)	(281,816)	(1,392,624)
Closing net book amount	<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>At December 31, 2020</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 45,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 153,171,008
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>\$ 12,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 67,441,975</u>

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2019</u>							
Cost	\$ 9,387,791	\$ 35,410,148	\$ 34,306,477	\$ 15,133,753	\$ 13,323,988	\$ 1,426,294	\$ 108,988,451
Accumulated depreciation and impairment	(12,228)	(14,756,380)	(24,800,888)	(12,254,047)	(10,736,034)	-	(62,559,577)
	<u>\$ 9,375,563</u>	<u>\$ 20,653,768</u>	<u>\$ 9,505,589</u>	<u>\$ 2,879,706</u>	<u>\$ 2,587,954</u>	<u>\$ 1,426,294</u>	<u>\$ 46,428,874</u>
<u>2019</u>							
Opening net book amount	\$ 9,375,563	\$ 20,653,768	\$ 9,505,589	\$ 2,879,706	\$ 2,587,954	\$ 1,426,294	\$ 46,428,874
Additions	2,642,719	1,013,780	4,303,311	2,225,498	2,523,680	4,157,198	16,866,186
Acquired through business combinations	1,937,962	2,891,051	2,408,419	372,027	1,190,607	1,184,235	9,984,301
Disposals	(347)	(41,898)	(280,720)	(51,258)	(154,652)	(127)	(529,002)
Transfer	-	82,483	906,706	166,922	198,636	(1,354,747)	-
Reclassifications (Note 1)	465,686	1,164,972	-	-	-	-	1,630,658
Depreciation charge	-	(1,874,482)	(4,218,490)	(1,993,308)	(2,200,977)	-	(10,287,257)
Reversal of impairment loss (Note 2)	-	86,246	2,925	-	1,044	-	90,215
Net exchange differences	(67,727)	(776,702)	(161,154)	(80,016)	165,015	327,590	(592,994)
Closing net book amount	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>At December 31, 2019</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>

(Note 1) The investment property was reclassified to property, plant and equipment as the percentage of a portion of the investment property for its own use exceeded 20% from the first quarter of 2019.

(Note 2) For the year ended December 31, 2019, the Group recognised a reversal of impairment loss of \$90,215 for certain buildings and machinery and equipment and structures and other equipment that was assessed for reuse in the future. Such reversal of impairment loss was recognised in other operating income and expenses.

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

(10) Leasing arrangements - lessee

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,602,097	\$ 1,683,784
Buildings and structures	1,323,106	1,321,468
Transportation equipment	71,012	86,200
Other equipment	24,531	22,381
	<u>\$ 3,020,746</u>	<u>\$ 3,113,833</u>

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 47,402	\$ 49,250
Buildings and structures	504,582	476,602
Transportation equipment	78,484	90,444
Other equipment	9,923	9,041
	<u>\$ 640,391</u>	<u>\$ 625,337</u>

- C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets (excluding those acquired through business combinations) were \$459,434 and \$335,118, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 23,970</u>	<u>\$ 23,962</u>
Expense on short-term lease contracts	<u>\$ 474,400</u>	<u>\$ 397,481</u>

- E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were \$1,015,450 and \$1,007,692, respectively.

F. Extension options

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

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2020 / December 31, 2020</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 479,756	\$ 4,299,554	\$ 4,779,310
Accumulated depreciation and impairment	-	(3,134,582)	(3,134,582)
	<u>\$ 479,756</u>	<u>\$ 1,164,972</u>	<u>\$ 1,644,728</u>
<u>2019</u>			
Opening net book amount	\$ 479,756	\$ 1,164,972	\$ 1,644,728
Reclassifications (Note)	(465,686)	(1,164,972)	(1,630,658)
Closing net book amount	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>
<u>At December 31, 2019</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>

(Note) The investment property was reclassified to property, plant and equipment as the percentage of a portion of the investment property for its own use exceeded 20% from the first quarter of 2019.

- A. The Group has no direct operating expenses arising from the investment property for the years ended December 31, 2020 and 2019. Rental income from the lease of the investment property is shown below:

	Years ended December 31,	
	2020	2019
Rental income from the lease of the investment property	\$ <u>1,289</u>	\$ <u>6,747</u>

- B. The fair value of the investment property held by the Group, which is the land used for water conservation, as at December 31, 2020 and 2019 cannot be reliably measured because the comparable market transactions are infrequent and alternative reliable estimates of fair value are not available.

(12) 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, 2020</u>							
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)
	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>
<u>2020</u>							
Opening net book amount	\$ 2,980,130	\$ 547,823	\$ 56,533,663	\$ 11,224,987	\$ 9,827,800	\$ 1,318,250	\$ 82,432,653
Additions - acquired separately	-	69,252	-	-	-	615,509	684,761
Additions - acquired through business combinations	154,346	-	807,318	186,692	186,692	814	1,335,862
Reclassifications (Note)	-	-	(27,626)	-	-	-	(27,626)
Amortisation	(253,418)	(158,668)	-	(1,622,151)	(1,140,201)	(671,611)	(3,846,049)
Impairment loss	-	-	(801,712)	-	-	-	(801,712)
Net exchange differences	(117,505)	13,975	(3,011,851)	(548,343)	(560,500)	(94,035)	(4,318,259)
Closing net book amount	<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>At December 31, 2020</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>

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

	<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, 2019</u>							
Cost	\$ 3,677,160	\$ 1,587,354	\$ 19,987,587	\$ 11,055,632	\$ 4,010,083	\$ 3,220,854	\$ 43,538,670
Accumulated amortisation and impairment	(835,968)	(1,148,612)	(7,291)	(5,629,871)	(1,082,984)	(2,205,556)	(10,910,282)
	<u>\$ 2,841,192</u>	<u>\$ 438,742</u>	<u>\$ 19,980,296</u>	<u>\$ 5,425,761</u>	<u>\$ 2,927,099</u>	<u>\$ 1,015,298</u>	<u>\$ 32,628,388</u>
<u>2019</u>							
Opening net book amount	\$ 2,841,192	\$ 438,742	\$ 19,980,296	\$ 5,425,761	\$ 2,927,099	\$ 1,015,298	\$ 32,628,388
Additions - acquired separately	-	44,596	-	-	-	622,371	666,967
Additions - acquired through business combinations	436,080	254,419	37,943,596	7,803,373	8,357,715	318,530	55,113,713
Amortisation	(232,379)	(138,311)	-	(1,376,775)	(649,386)	(676,000)	(3,072,851)
Net exchange differences	(64,763)	(51,623)	(1,390,229)	(627,372)	(807,628)	38,051	(2,903,564)
Closing net book amount	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>
<u>At December 31, 2019</u>							
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)
	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>

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

	Years ended December 31,	
	2020	2019
Operating costs	\$ 52,763	\$ 54,977
Selling expenses	1,883,098	1,619,163
Administrative expenses	136,049	227,735
Research and development expenses	1,774,139	1,170,976
	<u>\$ 3,846,049</u>	<u>\$ 3,072,851</u>

B. The Group acquired registered or under-application trademark rights such as    ,  , VIVITEK, 麗訊,  ,  ELTEK,  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:

	December 31, 2020	December 31, 2019
Goodwill:		
DET	\$ 33,405,219	\$ 35,646,502
Cyntec	5,146,053	5,146,053
Eltex	4,840,681	5,165,460
Vivotek	3,232,954	3,232,954
DCI	2,330,895	2,487,284
DGC	1,614,985	1,723,340
Amerlux	1,089,838	1,189,170
Loy Tec	510,026	1,386,683
Others	1,329,141	556,217
	<u>\$ 53,499,792</u>	<u>\$ 56,533,663</u>
Trademarks:		
Automation business	\$ 691,811	\$ 691,811
Infrastructure business	386,823	386,823
	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>

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

D. As at December 31, 2020, the Group's goodwill arose from business combinations amounting to \$53,499,792 in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies. Based on IAS 36, goodwill acquired in a business

combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows.

As for the impairment of goodwill and trademarks with indefinite useful lives, except for the goodwill of DET and Vivotek of \$36,638,173 which was evaluated by using their recoverable amount during the impairment test, the recoverable amount is the companies' fair value less costs of disposal, estimated by reference to the closing price at the balance sheet date and the fair value is classified as a level 1 fair value; goodwill and trademarks with indefinite useful lives of other companies were \$16,861,619 and \$1,078,634, respectively, and the impairment is calculated based on value in use and carrying amount of net assets of each company. The key assumptions used for value-in-use calculations are operating profit margin, growth rate and discount rate.

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

As the recoverable amount of the cash-generating unit, Loy Tec (the reportable segment is automation business), calculated using the value-in use is less than the carrying amount, the Group recognised impairment loss of \$801,712 for the goodwill for the year ended December 31, 2020. The discount rate used in calculating value-in-use was 8.89% and 9.18% on December 31, 2020 and 2019, respectively.

(13) Other non-current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for business facilities	\$ 846,839	\$ 1,101,540
Guarantee deposits paid	256,693	333,011
Other financial assets	187,257	49,505
Prepayments for long-term investments	81,059	72,259
Cash surrender value of life insurance	43,512	53,953
Others	524,227	572,091
	<u>\$ 1,939,587</u>	<u>\$ 2,182,359</u>

(14) Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Unsecured bank loans	\$ 2,001,532	\$ 7,575,932
Credit lines	\$ 69,185,543	\$ 73,937,712
Interest rate range	<u>0.39%~4.85%</u>	<u>0.40%~9.15%</u>

(15) Long-term borrowings

Type of borrowings	December 31, 2020	December 31, 2019
Credit loans	\$ 39,008,242	\$ 27,439,702
Collateral loans	353,865	374,673
	39,362,107	27,814,375
Less: Current portion (shown as other current liabilities)	(48,117)	(65,536)
	\$ 39,313,990	\$ 27,748,839
Credit lines	\$ 83,362,621	\$ 78,477,044
Interest rate range	0.31%~6.23%	0.38%~6.23%

A. As at December 31, 2020, the revolving loans of \$38,618,445 can be drawn down during the period from June 29, 2020 to August 31, 2022 and are payable before the due date under the agreement.

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

(16) Pensions

A. Defined benefit plan

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

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 7,184,319)	(\$ 6,773,098)
Fair value of plan assets	<u>3,217,532</u>	<u>2,879,342</u>
Net defined benefit liability	<u>(\$ 3,966,787)</u>	<u>(\$ 3,893,756)</u>

(c) Movements in net defined benefit liabilities are as follows:

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 6,773,098)	\$ 2,879,342	(\$ 3,893,756)
Current service cost	(113,945)	-	(113,945)
Interest (expense) income	(66,649)	19,225	(47,424)
Past service cost	6,580	-	6,580
	<u>(6,947,112)</u>	<u>2,898,567</u>	<u>(4,048,545)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	82,663	82,663
Change in demographic assumptions	(18,966)	-	(18,966)
Change in financial assumptions	(203,840)	-	(203,840)
Experience adjustments	23,562	-	23,562
	<u>(199,244)</u>	<u>82,663</u>	<u>(116,581)</u>
Pension fund contribution	-	394,992	394,992
Paid pension	301,973	(189,538)	112,435
Exchange difference	(323,193)	16,956	(306,237)
Effect of business combination	(16,743)	13,892	(2,851)
Balance at December 31	<u>(\$ 7,184,319)</u>	<u>\$ 3,217,532</u>	<u>(\$ 3,966,787)</u>

2019

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 5,184,155)	\$ 2,587,234	(\$ 2,596,921)
Current service cost	(101,679)	-	(101,679)
Interest (expense) income	(84,703)	28,367	(56,336)
Past service cost	(107,552)	-	(107,552)
	<u>(5,478,089)</u>	<u>2,615,601</u>	<u>(2,862,488)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	67,663	67,663
Change in demographic assumptions	(208,978)	-	(208,978)
Change in financial assumptions	(144,134)	-	(144,134)
Experience adjustments	11,860	-	11,860
	<u>(341,252)</u>	<u>67,663</u>	<u>(273,589)</u>
Pension fund contribution	-	312,549	312,549
Paid pension	235,907	(164,580)	71,327
Exchange difference	16,925	10,989	27,914
Effect of business combination	(1,206,589)	37,120	(1,169,469)
Balance at December 31	<u>(\$ 6,773,098)</u>	<u>\$ 2,879,342</u>	<u>(\$ 3,893,756)</u>

- (d) On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette which will take effect on May 5, 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation based on the latest wage rate. This change is considered a post-employment benefits plan amendment. The Group reflected the effect of the change by recognising past service costs as expense in the income statement of the current year.
- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time

deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as at December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2020	2019
Discount rate	0.18%~6.65%	0.25%~7.7%
Future salary increases	1.0%~9.0%	1.0%~9.0%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	Increase 0.25%~1%	Decrease 0.25%~1%	Increase 0.25%~2.75%	Decrease 0.25%~2.75%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 288,249)	\$ 322,744	\$ 229,378	(\$ 213,586)
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 252,834)	\$ 315,692	\$ 187,364	(\$ 135,052)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(g) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$149,232.

(h) As at December 31, 2020, the weighted average duration of that retirement plan is 9~21 years.

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. The pension costs under the defined contribution pension plans of the Company and its domestic subsidiaries for the years ended December 31, 2020 and 2019 were \$483,851 and \$465,201, respectively.
- (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 December 31, 2020, 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 December 31, 2020, there were 942 thousand units outstanding, representing 4,712 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 be no 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 2019 and 2018 earnings had been approved by the shareholders during their meeting on June 10, 2020 and June 10, 2019, respectively. Details are summarised below:

	Years ended December 31,			
	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,311,780		\$ 1,819,310	
Special reserve appropriated	61,002		472,889	
Cash dividends	12,987,717	\$ 5.0	12,987,717	\$ 5.0

Information about the appropriation of earnings will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

- E. The appropriations of 2020 earnings had been proposed by the Board of Directors on February 24, 2021. Details are summarised below:

	Year ended December 31, 2020	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,355,218	
Special reserve appropriated	4,921,173	
Cash dividends	14,286,488	\$ 5.5

(20) Non-controlling interest

	Years ended December 31,	
	2020	2019
At January 1	\$ 34,197,565	\$ 9,189,749
Share attributable to non-controlling interest:		
Profit for the year	1,899,108	809,959
Currency translation differences	(2,154,765)	890,552
Dividends paid to minority interest	(895,326)	(2,320,171)
Increase in non-controlling interest (Note 1)	-	30,575,137
Decrease in non-controlling interest (Note 2)	(356,279)	(4,947,661)
At December 31	\$ 32,690,303	\$ 34,197,565

(Note 1) The increase in non-controlling interest is mainly due to the acquisition of share capital of DET in 2019.

(Note 2) The decrease in non-controlling interest is mainly due to the acquisition of additional equity interest in Vivotek, Power Forest, Eltek Polska, Loy Tec and DIH during the years ended December 31, 2020 and 2019, respectively. Details are provided in Note 6(32).

(21) Operating revenue

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue from contracts with customers	<u>\$ 282,605,493</u>	<u>\$ 268,131,397</u>

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:

	<u>Year ended December 31, 2020</u>				
	<u>Power electronics</u>	<u>Automation</u>	<u>Infrastructure</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 155,421,208</u>	<u>\$ 38,773,146</u>	<u>\$ 88,188,000</u>	<u>\$ 223,139</u>	<u>\$ 282,605,493</u>
Timing of revenue recognition					
At a point in time	155,416,602	35,658,814	82,977,247	94,991	274,147,654
Over time	4,606	3,114,332	5,210,753	128,148	8,457,839
	<u>\$ 155,421,208</u>	<u>\$ 38,773,146</u>	<u>\$ 88,188,000</u>	<u>\$ 223,139</u>	<u>\$ 282,605,493</u>
	<u>Year ended December 31, 2019</u>				
	<u>Power electronics</u>	<u>Automation</u>	<u>Infrastructure</u>	<u>Others</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 133,069,546</u>	<u>\$ 37,603,452</u>	<u>\$ 97,083,943</u>	<u>\$ 374,456</u>	<u>\$ 268,131,397</u>
Timing of revenue recognition					
At a point in time	132,559,649	33,396,134	91,865,775	334,732	258,156,290
Over time	509,897	4,207,318	5,218,168	39,724	9,975,107
	<u>\$ 133,069,546</u>	<u>\$ 37,603,452</u>	<u>\$ 97,083,943</u>	<u>\$ 374,456</u>	<u>\$ 268,131,397</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 year is as follows:

	Years ended December 31,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ 3,352,208	\$ 2,643,318
(22) <u>Interest income</u>		
	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 541,816	\$ 884,980
Other interest income	2,331	1,557
	\$ 544,147	\$ 886,537
(23) <u>Other income</u>		
	Years ended December 31,	
	2020	2019
Sample sales income	\$ 299,528	\$ 252,513
Dividend income	190,171	282,302
Testing fee income	168,577	133,634
Mold fee income	142,251	248,747
Rental income	133,521	132,678
Others	3,005,773	2,100,755
	\$ 3,939,821	\$ 3,150,629
(24) <u>Other gains and losses</u>		
	Years ended December 31,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 67,529)	(\$ 56,441)
(Loss) gain on disposal of investments (Note 1)	(95,654)	6,001,894
Net currency exchange gain	399,073	454,685
Gain on financial assets/liabilities at fair value through profit or loss	71,489	365,965
(Impairment loss) reversal of impairment loss		
Reversal of impairment loss on property, plant and equipment	-	90,215
Impairment loss on intangible assets (Note 2)	(801,712)	-
Miscellaneous disbursements	(704,723)	(551,873)
	\$ 1,199,056	\$ 6,304,445

(Note 1) The Group recognised a gain (loss) as a result of measuring at fair value its 41% and 20.93% equity interest in DPI and DET, respectively, held before the business combination. Please refer to Note 6(31) for more information.

(Note 2) Please refer to Note 6(12) for more information.

(25) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense	\$ 375,837	\$ 731,745
Loss on hedging instruments	-	6,124
	<u>\$ 375,837</u>	<u>\$ 737,869</u>

(26) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 60,812,227	\$ 55,884,650
Depreciation charges on property, plant and equipment	11,383,716	10,287,257
Depreciation charges on right-of-use assets	640,391	625,337
Amortisation charges on intangible assets	3,846,049	3,072,851
	<u>\$ 76,682,383</u>	<u>\$ 69,870,095</u>

(27) Employee benefit expense

	Years ended December 31,	
	2020	2019
Post-employment benefits		
Defined contribution plan	\$ 902,005	\$ 955,204
Defined benefit plan	154,789	247,409
	1,056,794	1,202,613
Other employee benefits	59,755,433	54,682,037
	<u>\$ 60,812,227</u>	<u>\$ 55,884,650</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 years ended December 31, 2020 and 2019, employees' compensation was accrued at \$3,181,712 and \$2,347,652, respectively; while directors' remuneration was accrued at \$42,407 and \$59,902, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2020, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021.

The employees' compensation of \$1,763,122 and directors' remuneration of \$29,400 for 2019 were resolved by the Board of Directors on March 10, 2020. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2019 financial statements. For directors' compensation of \$39,144, the difference of \$9,744 between the amount resolved at the Board meeting and the amount recognised in the 2019 financial statements had been adjusted in profit or loss for 2020.

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.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Current tax on profits for the year	\$ 4,604,570	\$ 4,263,471
Effect from Alternative Minimum Tax	12,783	9,188
Prior year income tax overestimation	(97,295)	(794,471)
Tax on undistributed surplus earnings	245,558	204,850
Total current tax	4,765,616	3,683,038
Deferred tax:		
Origination and reversal of temporary differences	2,125,328	1,543,615
	<u>\$ 6,890,944</u>	<u>\$ 5,226,653</u>

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

	Years ended December 31,	
	2020	2019
Currency translation differences	(\$ 474,308)	\$ 540,534
Gain or loss on hedging instruments	(1,849)	(13,404)
Remeasurement of defined benefit plan	(13,838)	(6,088)
	<u>(\$ 489,995)</u>	<u>\$ 521,042</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 11,843,633	\$ 8,895,739
Effect from items disallowed by tax regulation	(2,890,671)	(2,330,177)
Effect from investment tax credits	(2,046,961)	(467,938)
Effect from taxable loss	(176,103)	(290,538)
Prior year income tax overestimation	(97,295)	(794,471)
Effect from Alternative Minimum Tax	12,783	9,188
Tax on undistributed surplus earnings	245,558	204,850
Tax expenses	<u>\$ 6,890,944</u>	<u>\$ 5,226,653</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2020					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired through business combinations	December 31
Deferred tax assets:						
Temporary differences:						
Allowance for inventory obsolescence	\$ 784,315	(\$ 154,284)	\$ -	\$ -	\$ -	\$ 630,031
Pension liability	498,322	(42,998)	13,838	-	-	469,162
Assets impairment	183,957	(170,670)	-	-	-	13,287
Depreciation difference between tax and financial basis	1,250,770	460,044	-	-	-	1,710,814
Others	3,459,582	(203,351)	-	-	-	3,256,231
Tax losses	502,459	(110,279)	-	-	-	392,180
	<u>6,679,405</u>	<u>(221,538)</u>	<u>13,838</u>	<u>-</u>	<u>-</u>	<u>6,471,705</u>
Deferred tax liabilities:						
Temporary differences:						
Long-term equity investments	(11,272,275)	(2,120,865)	474,308	(11,811)	-	(12,930,643)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,616,724)	217,075	1,849	-	(1,814)	(2,399,614)
	<u>(14,008,861)</u>	<u>(1,903,790)</u>	<u>476,157</u>	<u>(11,811)</u>	<u>(1,814)</u>	<u>(15,450,119)</u>
	<u>(\$ 7,329,456)</u>	<u>(\$ 2,125,328)</u>	<u>\$ 489,995</u>	<u>(\$ 11,811)</u>	<u>(\$ 1,814)</u>	<u>(\$ 8,978,414)</u>

	2019					
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Recognised in equity</u>	<u>Acquired through business combinations</u>	<u>December 31</u>
Deferred tax assets:						
Temporary differences:						
Allowance for inventory obsolescence	\$ 571,917	\$ 212,398	\$ -	\$ -	\$ -	\$ 784,315
Pension liability	445,400	46,834	6,088	-	-	498,322
Assets impairment	200,743	(16,786)	-	-	-	183,957
Depreciation difference between tax and financial basis	1,391,168	(140,398)	-	-	-	1,250,770
Others	3,264,169	(49,482)	-	-	244,895	3,459,582
Tax losses	<u>306,088</u>	<u>196,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,459</u>
	<u>6,179,485</u>	<u>248,937</u>	<u>6,088</u>	<u>-</u>	<u>244,895</u>	<u>6,679,405</u>
Deferred tax liabilities:						
Temporary differences:						
Long-term equity investments	(9,280,608)	(1,451,256)	(540,534)	123	-	(11,272,275)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,168,962)	(341,296)	13,404	-	(119,870)	(2,616,724)
	<u>(11,569,432)</u>	<u>(1,792,552)</u>	<u>(527,130)</u>	<u>123</u>	<u>(119,870)</u>	<u>(14,008,861)</u>
	<u>(\$ 5,389,947)</u>	<u>(\$ 1,543,615)</u>	<u>(\$ 521,042)</u>	<u>\$ 123</u>	<u>\$ 125,025</u>	<u>(\$ 7,329,456)</u>

D. Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2005-2020	\$ 4,632,444	\$ 4,585,065	\$ 4,260,124	2035
2010-2016	\$ 2,792,544	\$ 2,792,544	\$ 1,362,709	Indefinitely usable

December 31, 2019				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2004-2019	\$ 6,015,563	\$ 5,933,504	\$ 5,605,653	2035
2010-2016	\$ 3,087,022	\$ 3,087,022	\$ 1,579,274	Indefinitely usable

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	\$ 5,466,258	\$ 4,039,284

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2020 and 2019, the amounts of temporary differences unrecognised as deferred tax liabilities were \$10,443,978 and \$9,690,116, respectively.

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

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

(29) Earnings per share

	Year ended December 31, 2020		
	<u>Amount</u> <u>after tax</u>	<u>Weighted average</u> <u>number of</u> <u>ordinary shares</u> <u>outstanding</u> <u>(shares in thousands)</u>	<u>Earnings</u> <u>per share</u> <u>(in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	\$ 9.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent			
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	11,741	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 25,485,231	2,609,284	\$ 9.77
Year ended December 31, 2019			
	<u>Amount</u> <u>after tax</u>	<u>Weighted average</u> <u>number of</u> <u>ordinary shares</u> <u>outstanding</u> <u>(shares in thousands)</u>	<u>Earnings</u> <u>per share</u> <u>(in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	\$ 8.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent			
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	13,840	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,117,797	2,611,383	\$ 8.85

(30) Share-based payment

A. For the years ended December 31, 2020 and 2019, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Power Forest - Employee stock options	2017.3.3	1,000,000	6 years	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
"	2018.3.30	500,000	6 years	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
Vatics Inc. - Employee stock options	2016.11.8	2,116,000	4 years	1~3 years' service
Vivotek - Plan of restricted stocks to employees	2017.11.20	700,000	2 years	1~2 years' performance
"	2019.8.19	800,000	2 years	1~2 years' performance

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

(a) Employee share options

	<u>2020</u>		<u>2019</u>	
	<u>No. of options</u>	<u>Weighted-average exercise price (in dollars)</u>	<u>No. of options</u>	<u>Weighted-average exercise price (in dollars)</u>
Options outstanding opening balance at January 1	1,672,000	\$ 15.79	1,960,000	\$ 15.72
Options forfeited	(100,000)	15.00	(227,000)	15.00
Options exercised	(690,000)	15.00	-	-
Options expired	(882,000)	16.50	(61,000)	16.50
Options outstanding at December 31	<u>-</u>	<u>\$ -</u>	<u>1,672,000</u>	<u>\$ 15.79</u>
Options exercisable at December 31	<u>-</u>	<u>\$ -</u>	<u>1,267,000</u>	<u>\$ 16.04</u>

(b) Restricted stocks to employees

	2020	2019
	No. of shares	No. of shares
January 1	798,000	345,500
Granted during the year	-	800,000
Vested during the year	(333,983)	-
Expired during the year	(90,017)	(347,500)
December 31	<u>374,000</u>	<u>798,000</u>

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

December 31, 2020: None.

		December 31, 2019	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2020	882,000	\$ 16.50
March 3, 2017	March 2, 2023	430,000	15.00
March 30, 2018	March 29, 2024	360,000	15.00

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

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Power Forest- Employee stock options	2017.3.3	\$ 18.38	\$ 15.00	32.08%~ 33.22% (Note)	3.5~4.5	5%	0.79%~ 0.88%	4.0053~ 4.0960
"	2018.3.30	16.42	15.00	32.43%~ 33.08% (Note)	3.5~4.5	5%	0.63%~ 0.68%	3.0262~ 3.0767
Vatics Inc.- Employee stock options	2016.11.8	14.60	16.50	36.37%~ 37.25% (Note)	2.5~3.5	Not applicable	0.57%~ 0.67%	2.7995~ 3.3727
Vivotek - Plan of restricted stocks to employees	2017.11.20	97.20	-	Not applicable	1~2	Not applicable	Not applicable	97.20
"	2019.8.19	102.50	-	Not applicable	1~2	Not applicable	Not applicable	102.50

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

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

	Years ended December 31,	
	2020	2019
Equity-settled	(\$ 900)	\$ 41,176
(31) <u>Business combinations</u>		

A. Business combinations of the Group for the years ended December 31, 2020 and 2019 are as follows:

- (a) On January 6, 2020, the Group acquired 59% of the share capital of the Group's associate, DPI, for \$250,380 and obtained control over DPI. As a result of the acquisition, the Group is expected to strengthen the product lines in projector market.
- (b) 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 strength industrial automation and systems integration layout. The amortisation duration of the acquisition price for Trihedral will be completed in one year after the acquisition.
- (c) On April 2, 2019, the Group acquired 42.85% of the share capital of the Group's associate, DET, for \$36,874,645 and obtained control over DET. As a result of the acquisition, the Group is expected to decrease its risk on global trade and extend global business.
- (d) On June 1, 2019, the Group acquired 100% of the share capital of Amerlux for \$2,844,498 and obtained control over Amerlux. As a result of the acquisition, the Group is expected to improve the product mix of lighting fixtures and provide completed solutions to customers. The allocation of the acquisition price of Amerlux was completed in the second quarter of 2020, and the acquisition price decreased by \$27,626 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:

	December 31, 2020	December 31, 2019 (Note)
Purchase consideration		
Cash	\$ 1,136,105	\$ 39,719,143
Contingent consideration	125,744	243,422
	<u>1,261,849</u>	<u>39,962,565</u>
Fair value of equity interest held before the business combination	173,132	18,057,035
Fair value of the non-controlling interest	-	30,575,137
	<u>1,434,981</u>	<u>88,594,737</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	47,990	15,701,128
Other current assets	485,917	22,719,840
Property, plant and equipment	53,887	9,984,301
Intangible assets	528,544	17,170,117
Deferred tax assets	-	244,895
Other non-current assets	23,543	281,247
Other current liabilities	(505,681)	(13,250,975)
Deferred tax liabilities	(1,814)	(119,870)
Other non-current liabilities	(4,723)	(2,051,916)
Total identifiable net assets	<u>627,663</u>	<u>50,678,767</u>
Goodwill	<u>\$ 807,318</u>	<u>\$ 37,915,970</u>

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

- C. The fair values of the acquired identifiable intangible assets and goodwill of Trihedral amounting to \$373,384 and \$550,753 are provisional pending receipt of the final valuations for those assets.
- D. The Group originally held 41% of share ownership in DPI and 20.93% of share ownership in DET before the business combination. (Loss) gain on remeasurement of fair value for the years ended December 31, 2020 and 2019 amounted to (\$47,636) and \$5,925,521, respectively.
- E. The operating revenue included in the consolidated statement of comprehensive income since November 3, 2020 contributed by Trihedral was \$26,290. Trihedral also contributed profit before income tax amounting to \$886 over the same period. Had the company been consolidated from January 1, 2020, the consolidated statement of comprehensive income would show operating revenue of \$282,892,399 and profit before income tax of \$34,309,069.

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

In 2020, the Group acquired an additional equity interest of 2.78%, 43.6% and 48.96% in Vivotek, Power Forest and Eltek Polska, respectively, for a total cash consideration of \$398,839, and in 2019, the Group acquired an additional equity interest of 15% and 6% in Loy Tec and DIH for a total cash consideration of \$4,276,338. The effect of changes in interests attributable to owners of the parent for the years ended December 31, 2020 and 2019 is shown below:

	Year ended December 31, 2020			
	Vivotek	Power Forest	Eltek Polska	Total
Carrying amount of non-controlling interest acquired	\$ 80,404	\$ 107,690	\$ 55,087	\$ 243,181
Consideration paid to non-controlling interest	(177,078)	(168,227)	(53,534)	(398,839)
	<u>(\$ 96,674)</u>	<u>(\$ 60,537)</u>	<u>\$ 1,553</u>	<u>(\$ 155,658)</u>
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary	<u>(\$ 96,674)</u>	<u>(\$ 1,584)</u>	<u>\$ 1,553</u>	<u>(\$ 96,705)</u>
Unappropriated retained earnings	<u>\$ -</u>	<u>(\$ 58,953)</u>	<u>\$ -</u>	<u>(\$ 58,953)</u>

	Year ended December 31, 2019		
	Loy Tec	DIH	Total
Carrying amount of non-controlling interest acquired	\$ 369,887	\$ 4,577,774	\$ 4,947,661
Consideration paid to non-controlling interest	(372,338)	(3,904,000)	(4,276,338)
	<u>(\$ 2,451)</u>	<u>\$ 673,774</u>	<u>\$ 671,323</u>
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	<u>(\$ 2,451)</u>	<u>\$ 673,774</u>	<u>\$ 671,323</u>

(33) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2020	\$ 7,575,932	\$ 27,814,375	\$ 35,390,307
Changes in cash flow from financing activities	(5,574,400)	11,547,732	5,973,332
At December 31, 2020	<u>\$ 2,001,532</u>	<u>\$ 39,362,107</u>	<u>\$ 41,363,639</u>

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2019	\$ 6,259,062	\$ 25,406,487	\$ 31,665,549
Changes in cash flow from financing activities	1,316,870	2,407,888	3,724,758
At December 31, 2019	<u>\$ 7,575,932</u>	<u>\$ 27,814,375</u>	<u>\$ 35,390,307</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Group
Delta Electronics (Thailand) Public Company Limited	It was an associate before April 2, 2019, and became a subsidiary since April 2, 2019.
Delta Electronics (Slovakia) s.r.o.	"
Delta Electronics India Pvt. Ltd.	"
Delta Energy Systems (Singapore) Pte. Ltd.	"
Delta Electronics (Australia) Pty. Ltd.	"
Eltek s.r.o.	"
Delta Power Solutions (India) Pvt. Ltd.	It was an associate, but was dissolved after the merger with Delta Electronics India Pvt. Ltd. in February 2019.
Digital Projection Ltd.	It was an associate before January 6, 2020 and became a subsidiary since January 6, 2020.
Digital Projection Inc.	"
Optovue, Inc.	Associate
Compower AS	"
Fujian Kaixin Construciton Engineering Co., Ltd.	"
Delta Networks (Xiamen) Ltd.	"
Digital Projection Asia Pte Ltd.	"
Bruce Cheng	Director of the Company

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2020	2019
Sales of goods:		
Associates	\$ 175,080	\$ 1,973,449
Director of the Company	21,905	-
Sales of services:		
Associates	8,823	426,003
	<u>\$ 205,808</u>	<u>\$ 2,399,452</u>

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

B. Purchases of goods

	Years ended December 31,	
	2020	2019
Purchases of goods:		
Associates	<u>\$ 78,998</u>	<u>\$ 1,515,592</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

	December 31, 2020	December 31, 2019
Receivables from related parties:		
Associates	<u>\$ 42,284</u>	<u>\$ 263,644</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

	December 31, 2020	December 31, 2019
Payables to related parties:		
Associates	<u>\$ 29,641</u>	<u>\$ 32,197</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>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables-related parties		
Associates	\$ <u>199</u>	\$ <u>532</u>

The above pertain mainly to payments on behalf of others.

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 294,322	\$ 278,719
Post-employment benefits	790	920
	<u>\$ 295,112</u>	<u>\$ 279,639</u>

8. PLEGGED ASSETS

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

<u>Pledged assets</u>	<u>Book Value</u>		<u>Pledge purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Demand deposits and time deposits (shown as other current assets)	\$ 483,361	\$ 277,006	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	187,257	49,505	Performance bonds and custom guarantee
Property, plant and equipment	567,141	578,606	Long-term borrowings and credit line
	<u>\$ 1,237,759</u>	<u>\$ 905,117</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>December 31, 2020</u>	<u>December 31, 2019</u>
Property, plant and equipment	\$ 6,213,358	\$ 8,309,363
Costs of computer software	\$ 72,804	\$ 163,391

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Information about the appropriations of 2020 earnings of the Company is provided in Note 6(19)E.

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>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,003,539	\$ 3,347,697
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,927,683	\$ 2,117,124
Financial assets at amortised cost		
Cash and cash equivalents	\$ 58,711,985	\$ 43,960,001
Notes receivable	3,733,595	3,816,628
Accounts receivable	59,219,717	53,218,750
Other receivables	1,803,498	1,480,157
Guarantee deposits paid	256,693	333,011
Other financial assets	863,642	326,511
	<u>\$ 124,589,130</u>	<u>\$ 103,135,058</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</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	\$ 60,060	\$ 15,929
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,001,532	\$ 7,575,932
Notes payable	2,770	21,669
Accounts payable	46,717,151	39,510,659
Other payables	32,884,221	28,829,379
Long-term borrowings (including current portion)	39,362,107	27,814,375
Guarantee deposits received	418,754	387,488
	<u>\$ 121,386,535</u>	<u>\$ 104,139,502</u>
Lease liabilities (including current portion)	<u>\$ 1,949,698</u>	<u>\$ 1,946,635</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:

	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 563,902	28.0950	\$ 15,842,840
USD:RMB (Note)	409,156	6.5300	11,495,240
USD:THB (Note)	233,393	29.9010	6,557,173
RMB:USD (Note)	1,033,179	0.1531	4,445,203
EUR:USD (Note)	101,021	1.2251	3,477,153
<u>Non-monetary items</u>			
USD:NTD	\$ 5,497,174	28.0950	\$ 154,443,093
THB:USD (Note)	51,035,064	0.0334	47,952,546
RMB:USD (Note)	8,976,208	0.1531	38,619,685
USD:THB (Note)	576,424	29.9010	16,194,634
NOK:USD (Note)	3,688,108	0.1164	12,056,903
THB:NTD	4,864,229	0.9396	4,570,430
EUR:USD (Note)	44,778	1.2251	1,541,250
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 517,975	28.0950	\$ 14,552,505
RMB:USD (Note)	2,039,318	0.1531	8,774,065
USD:THB (Note)	264,943	29.9010	7,443,584
USD:RMB (Note)	241,984	6.5300	6,798,533
EUR:USD (Note)	47,675	1.2251	1,640,967
SGD:USD (Note)	53,296	0.7528	1,127,213

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

December 31, 2019

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 376,392	29.9800	\$ 11,284,239
USD:RMB (Note)	417,948	6.9756	12,530,081
USD:THB (Note)	160,067	29.6900	4,798,813
RMB:USD (Note)	1,264,427	0.1436	5,442,070
EUR:USD (Note)	76,590	1.1204	2,572,651
<u>Non-monetary items</u>			
USD:NTD	\$ 4,761,343	29.9800	\$ 142,745,063
THB:NTD	4,544,178	1.0098	4,588,711
THB:USD (Note)	48,841,876	0.0337	49,320,526
RMB:USD (Note)	7,144,181	0.1436	30,748,410
NOK:USD (Note)	3,740,486	0.1137	12,748,138
EUR:USD (Note)	73,212	1.1204	2,459,179
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 331,831	29.9800	\$ 9,948,281
USD:RMB (Note)	242,021	6.9756	7,255,785
USD:THB (Note)	183,394	29.6900	5,498,147
RMB:USD (Note)	1,816,382	0.1436	7,817,670

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 years ended December 31, 2020 and 2019 amounted to \$ \$399,073 and \$454,685, respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 158,428	\$ -
USD : RMB (Note)	1%	114,952	-
USD : THB (Note)	1%	65,572	-
RMB : USD (Note)	1%	44,452	-
EUR : USD (Note)	1%	34,772	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 145,525	\$ -
RMB : USD (Note)	1%	87,741	-
USD : THB (Note)	1%	74,436	-
USD : RMB (Note)	1%	67,985	-
EUR : USD (Note)	1%	16,410	-
SGD : USD (Note)	1%	11,272	-

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

(Foreign currency: functional currency)	Year ended December 31, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 112,842	\$ -
EUR : USD (Note)	1%	25,727	-
RMB : USD (Note)	1%	54,421	-
USD : RMB (Note)	1%	125,301	-
USD : THB (Note)	1%	47,988	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 99,483	\$ -
RMB : USD (Note)	1%	78,177	-
USD : RMB (Note)	1%	72,558	-
USD : THB (Note)	1%	54,981	-

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 years ended December 31, 2020 and 2019 would have increased/decreased by \$14,147 and \$15,240, 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 \$15,203 and \$21,171, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear fixed and variable interest rate. During the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.
- ii. As at December 31, 2020 and 2019, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have decreased by \$78,700 and \$55,629, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Group adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2020</u>			
Expected loss rate	0.00%	0.92%	23.59%
Total book value	\$ 53,883,754	\$ 4,956,368	\$ 367,326
Loss allowance	\$ 1,356	\$ 45,703	\$ 86,651
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	37.46%	95.21%	
Total book value	\$ 139,939	\$ 337,312	\$ 59,684,699
Loss allowance	\$ 52,415	\$ 321,141	\$ 507,266
	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2019</u>			
Expected loss rate	0.02%	1.05%	22.00%
Total book value	\$ 46,827,565	\$ 5,598,752	\$ 416,452
Loss allowance	\$ 9,549	\$ 58,661	\$ 91,616
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	45.50%	96.56%	
Total book value	\$ 457,455	\$ 664,075	\$ 53,964,299
Loss allowance	\$ 208,124	\$ 641,243	\$ 1,009,193

- 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:

	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
(Reversal of) provision for impairment loss	-	(254,514)	-	110,447	(144,067)
Acquired from business combinations	-	26,588	-	-	26,588
Write-offs during the year	-	(137,816)	-	(63,404)	(201,220)
Reclassifications	-	(102,008)	-	102,008	-
Effect of foreign exchange	-	(34,177)	-	(8,174)	(42,351)
At December 31	\$ -	\$ 507,266	\$ -	\$ 354,282	\$ 861,548

	2019				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 960,844	\$ -	\$ 271,439	\$ 1,232,283
Reversal of impairment loss	-	(2,747)	-	(53,321)	(56,068)
Acquired from business combinations	-	99,556	-	-	99,556
Write-offs during the year	-	(2,257)	-	(4,484)	(6,741)
Effect of foreign exchange	-	(46,203)	-	(229)	(46,432)
At December 31	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598

For provisioned loss for the years ended December 31, 2020 and 2019, the reversal of impairment loss arising from customers' contracts amounted to \$144,067 and \$56,068, 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:

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

Non-derivative financial liabilities:

December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 7,575,932	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	39,532,328	-	-	-
Other payables	28,829,379	-	-	-
Lease liabilities (including current portion)	525,370	372,557	506,528	542,180
Long-term borrowings (including current portion)	65,536	25,045,203	2,225,817	477,819

Derivative financial liabilities:

As at December 31, 2020 and 2019, the Group's derivative financial liabilities are due within 1 year.

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,414,718	\$ -	\$1,270,756	\$2,685,474
Hybrid instruments	52,577	900,000	74,983	1,027,560
Derivative instruments	-	290,505	-	290,505
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,254,855</u>	<u>-</u>	<u>672,828</u>	<u>1,927,683</u>
	<u>\$2,722,150</u>	<u>\$1,190,505</u>	<u>\$2,018,567</u>	<u>\$5,931,222</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 60,060</u>	<u>\$ -</u>	<u>\$ 60,060</u>
<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,523,977	\$ -	\$1,581,800	\$3,105,777
Hybrid instruments	99,252	-	-	99,252
Derivative instruments	-	142,668	-	142,668
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,426,179</u>	<u>-</u>	<u>690,945</u>	<u>2,117,124</u>
	<u>\$3,049,408</u>	<u>\$ 142,668</u>	<u>\$2,272,745</u>	<u>\$5,464,821</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 15,929</u>	<u>\$ -</u>	<u>\$ 15,929</u>

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

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

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

- (b) Except for financial instruments with active markets, the fair value of other financial

instruments is measured by using valuation techniques that are approved for financial management.

- (c) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	2020		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in profit and loss	-	(105,958)	(105,958)
Losses recognised in other comprehensive income	-	(4,276)	(4,276)
Acquired during the year	74,983	237,157	312,140
Disposals during the year	-	(163,894)	(163,894)
Transfers out from Level 3	-	(268,859)	(268,859)
Net exchange differences	-	(23,331)	(23,331)
At December 31	<u>\$ 74,983</u>	<u>\$ 1,943,584</u>	<u>\$ 2,018,567</u>

	2019		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ 69,074	\$ 3,188,195	\$ 3,257,269
Losses recognised in profit or loss	-	(147,181)	(147,181)
Acquired during the year	-	463,571	463,571
Transferred from convertible bonds	(69,074)	69,074	-
Disposals during the year	-	(1,289,621)	(1,289,621)
Net exchange differences	-	(11,293)	(11,293)
At December 31	<u>\$ -</u>	<u>\$ 2,272,745</u>	<u>\$ 2,272,745</u>

G. In 2020, 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 December 31, 2020	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,678,184	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.99~1.77 (1.08)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	1.43~13.65 (1.81)	
			Price to earning ratio multiple	12.20~109.2 (20.4)	
			Discount for lack of marketability	20% (20%)	

Hybrid instruments:

Convertible bonds	74,983	Most recent non-active market price	Not applicable	-	Not applicable
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	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,007,345	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	1.96~19.97 (3.43)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The higher the discount for lack of marketability, the lower 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 of profit or loss or of other comprehensive income from financial assets

and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

				December 31, 2020			
				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%	\$ -	\$ -	\$ 3,476	(\$ 3,476)	
				December 31, 2019			
				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%	\$ -	\$ -	\$ 3,275	(\$ 3,275)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: 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: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- 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 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 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) and Cyntec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the year ended December 31, 2020.

(4) Major shareholders information

Please refer to table 11.

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 of product classification, the Group's internal business segment restructured accordingly. The prior period information was restated for comparison.

(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:

	Year ended December 31, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 155,421,208	\$ 38,773,146	\$ 88,188,000	\$ 282,382,354
Segment income (Note)	\$ 20,901,545	\$ 3,868,869	\$ 6,655,390	\$ 31,425,804

	Year ended December 31, 2019			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 133,069,546	\$ 37,603,452	\$ 97,083,943	\$ 267,756,941
Segment income (Note)	\$ 11,985,204	\$ 2,573,746	\$ 4,849,840	\$ 19,408,790

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

(4) Reconciliation information for segment income (loss)

- A. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income.
- B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the years ended December 31, 2020 and 2019 is provided as follows:

	Years ended December 31,	
	2020	2019
Reportable segments income	\$ 31,425,804	\$ 19,408,790
Non-operating income and expenses	2,849,479	9,745,619
Income before tax from continuing operations	\$ 34,275,283	\$ 29,154,409

(5) Information on products and services

As the Group considered the business from a product perspective, the reportable segments were based on different products and services. Revenues from external customers are the same as in Note 14(3).

(6) Geographical information

Information about geographic areas for the years ended December 31, 2020 and 2019 were as follows:

	Years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 91,342,056	\$ 26,961,698	\$ 106,559,016	\$ 26,603,429
U.S.A.	63,307,375	4,339,910	69,568,497	4,744,619
Taiwan	30,519,295	39,834,563	8,387,683	26,206,541
Thailand	1,603,452	39,943,247	1,733,577	41,987,260
Others	95,833,315	37,228,069	81,882,624	51,283,319
	<u>\$ 282,605,493</u>	<u>\$ 148,307,487</u>	<u>\$ 268,131,397</u>	<u>\$ 150,825,168</u>

(7) Major customer information

There are no customers accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2020 and 2019.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2020

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 year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	\$ 9,552,300	\$ -	\$ -	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,848,529	\$ 28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	2,809,500	2,612,835	1,685,700	0.50%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	17,180,093	17,180,093	17,180,093	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	2,247,600	-	-	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	814,755	814,755	814,755	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
3	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	1,854,270	702,375	702,375	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	13,822,740	2,247,600	2,247,600	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	14,505,449	12,361,800	12,361,800	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	25,791,210	19,104,600	18,177,465	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	34,420	34,420	34,319	1.90%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Delta Solutions (Finland) OY	Other receivables - related parties	Yes	34,420	34,420	34,420	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Eltek Power France SAS	Other receivables - related parties	Yes	86,050	86,050	86,050	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Eltek Electronics (Sweden) AB	Other receivables - related parties	Yes	102,300	102,300	102,300	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5

Table 1-1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Eltek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	\$ 111,936	\$ 111,936	\$ 111,936	0.60%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 2,965,340	\$ 2,965,340	Note 5
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,505,858	1,505,858	1,505,858	4.65%	2	-	Additional operating capital	-	None	-	4,302,399	4,302,399	Note 5
6	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	10,000	-	-	1.34%	2	-	Additional operating capital	-	None	-	20,000	580,013	Note 6
6	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	-	-	1.34%	2	-	Additional operating capital	-	None	-	60,000	580,013	Note 6
6	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	270,000	270,000	238,368	1.34%	2	-	Additional operating capital	-	None	-	280,452	580,013	Note 6
7	Grandview Holding Ltd.	Cyntec Holding (H.K.) Limited.	Other receivables - related parties	Yes	2,810	-	-	0.50%	2	-	Additional operating capital	-	None	-	7,649,494	7,649,494	Note 5
8	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	426,808	426,808	426,808	0.40%	2	-	Additional operating capital	-	None	-	634,064	634,064	Note 5
9	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,404,750	1,404,750	1,404,750	4.00%	2	-	Additional operating capital	-	None	-	6,438,337	6,438,337	Note 5
10	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	240,940	240,940	206,520	0.40%	2	-	Additional operating capital	-	None	-	1,204,170	1,204,170	Note 5
11	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	215,123	215,123	55,932	3.85%	2	-	Additional operating capital	-	None	-	2,484,671	2,484,671	Note 4

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2020, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2020

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 December 31, 2020	Outstanding endorsement / guarantee amount at December 31, 2020	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	ELTEK AUSTRALIA PTY LIMITED	4	\$ 2,917,987	\$ 126,428	\$ 126,428	\$126,428	\$ -	0.09%	\$ 7,294,967	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 the Company's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 40% of the Company's net assets based on the latest audited or reviewed financial statements, limit on endorsements to a single company is 20% of the Company's net assets based on the latest audited or reviewed financial statements. Limit on total endorsements granted by the Company and subsidiaries is 50% of the Company's net assets based on the latest audited or reviewed financial statements, limit on total endorsements to a single party is 30% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 3: In accordance with Eltek's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 5% of the Company's net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 2% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$145,899,338 thousand (2020/12/31).

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)
December 31, 2020

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 December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	55,308,750	\$ 788,150	2.08	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	466,705	5.73	466,705	
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.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	-	196,798	-	196,798	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	1,369,750	242,446	0.77	242,446	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,306,000	226,591	1.00	226,591	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	466,043	151,930	0.16	151,930	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	141,008	7.51	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	136,690	1.45	136,690	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	121,680	2.99	121,680	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,632,844	-	1,632,844	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, INC. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,838,235	140,475	10.46	140,475	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through profit or loss - non-current	141,065	\$ 112,380	19.90	\$ 112,380	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	51,468	-	51,468	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	33,653	19.79	33,653	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,917	17.52	4,917	
Delta Electronics (Pingtan) Co., Ltd.	Pingtang Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	32,268	15.00	32,268	

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
Year ended December 31, 2020

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, 2020		Addition		Disposal				Balance as at December 31, 2020		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, Inc.	United Renewable Energy Co., Ltd. common stock	Financial assets at fair value through other comprehensive income	Stock Exchange Market	None	122,980,851	\$ 942,033	-	\$ -	67,672,101	\$ 487,499	\$ 1,635,924	(\$ 1,148,425) (Note 1)	55,308,750	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. privately placed convertible bonds	Financial assets at fair value through profit or loss - non-current	Lanner Electronics Inc.	None	-	-	-	900,000	-	-	-	-	-	900,000	
Delta Greentech (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Investments accounted for under the equity method	Delta International Holding Limited	Affiliated enterprise	4,900	362,512	-	82,284 (Note 2)	4,900	367,149	444,796	(Note 3)	-	-	(Note 4)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited common stock and preferred stock	Investments accounted for under the equity method	Natural person	None	-	-	51,495	996,237 (Note 5)	-	-	-	-	51,495	996,237	
ELTEK AS	ELTEK AUSTRALIA PTY LIMITED common stock	Investments accounted for under the equity method	Delta Energy Systems (Singapore) PTE. LTD	Affiliated enterprise	4,461	175,462	-	4,846 (Note 2)	4,461	423,322	180,308	(Note 3)	-	-	(Note 4)
Digital Projection Ltd.	Digital Projection Inc. common stock	Investments accounted for under the equity method	Digital Projection Inc.	Affiliated enterprise	1,000	(473,231)	19,999,000	544,900 (Note 6)	-	-	-	-	20,000,000	71,669	

Note 1: It was retained earnings transferred from other equity.

Note 2: It reflected the movement in the adjustments in the profit (loss) and net value of investments recognised in this period.

Note 3: The transaction resulted from the Group's adjustment in investment structure. There was no gain or loss on disposal pursuant to related ordinances.

Note 4: Only sales transactions are disclosed.

Note 5: In November 2020, Delta Electronics (Netherlands) B.V. increased its investment in Trihedral Engineering Limited amounting to \$1,011,469, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Note 6: In December 2020, Digital Projection Ltd. increased its investment in Digital Projection Inc. amounting to \$562,718, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Delta Electronics, Inc. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2020

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			
Delta Electronics, Inc.	Plant 1 in the Central Taiwan Science Park	December 3, 2020	\$ 693,837	In accordance with the contract terms	Lee Ming Construction Co., Ltd. and others	None	-	-	-	\$ -	Price comparison and negotiation	For future business development	None

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2020

Table 6

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 Greentech (Brasil) S.A.	DELTA ELECTRONICS BRASIL LTDA.	Affiliated enterprise	Operating revenue	\$ 131,106	20.19	70 days			\$ 1,981	2.02	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,196,623	10.29	70 days			576,341	8.56	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	9,103,476	78.15	70 days			5,822,120	86.50	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	165,121	1.06	70 days			119,733	2.89	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,471,500	9.30	70 days			214,457	18.40	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,963,898	87.76	70 days			496,424	42.59	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	244,712	0.57	70 days			9,375	0.17	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	6,173,905	14.75	70 days			1,400,555	25.98	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	463,511	1.09	70 days			124,408	2.30	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	34,705,857	82.73	70 days			3,803,462	70.56	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	154,143	0.49	70 days			5,401	0.09	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	13,230,254	44.59	70 days			4,691,510	74.09	

Table 6-1

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 Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 16,027,965	54.04	70 days			\$ 1,542,068	24.35	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,319,518	42.87	70 days			685,598	85.17	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,720,774	55.92	70 days			118,244	14.68	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	300,171	0.96	70 days			134,066	1.27	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	120,101	0.40	70 days			72,413	0.69	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	50.60	70 days			5,120,100	48.47	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,056,127	6.63	70 days			715,950	6.78	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	940,595	3.03	70 days			298,004	2.82	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	99.46	70 days			1,399,729	99.04	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	243,961	3.13	70 days			71,093	7.02	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	96.81	70 days			933,741	92.23	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	683,329	15.01	70 days			196,733	22.05	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	84.95	70 days			695,534	77.95	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	565,654	22.63	70 days			329,082	59.48	

Table 6-2

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 Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 1,144,339	46.37	70 days			\$ 204	0.04	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	274,264	11.02	70 days			74,187	13.41	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	478,595	19.28	70 days			142,362	25.73	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	1,851,495	29.77	Note 1	Note 1	Note 1	557,170	42.93	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	156,804	2.53	90 days after delivery			69,174	5.32	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	99.92	Note 2	Note 2	Note 2	2,456,871	99.69	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,944,271	87.46	70 days			11,716	15.83	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	152,688	3.28	70 days			38,596	3.14	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,080,930	20.91	70 days			167,141	15.62	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	151,167	3.00	70 days			27,288	3.10	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	298,636	5.83	70 days			-	-	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	100,919	2.04	70 days			19,194	2.18	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	479,943	9.54	70 days			313,941	35.65	

Table 6-3

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 MEA DMCC	Affiliated enterprise	Operating revenue	\$ 163,753	3.15	70 days			\$ 64,408	5.74	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	754,541	14.69	70 days			179,497	16.01	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	121,846	2.40	70 days			53,604	4.78	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	570,160	11.13	70 days			141,395	12.61	
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	488,888	9.50	70 days			60,616	5.40	
ELTEK AS	Eltek SGS Pvt Ltd	Affiliated enterprise	Operating revenue	106,982	2.10	70 days			37,180	3.31	
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	203,083	3.95	70 days			28,322	2.53	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	144,433	2.80	70 days			10,915	0.98	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,657	3.69	70 days			-	-	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	585,708	11.45	70 days			139,520	12.45	
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	120,457	2.36	70 days			3,604	0.32	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	115,195	0.04	70 days			28,123	0.15	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Operating revenue	248,339	0.09	70 days			114,251	0.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Operating revenue	153,002	0.07	90 days after delivery			10,082	0.05	

Table 6-4

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.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,494,168	0.63	70 days			\$ 614,114	71.53	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	4.93	70 days			3,616,912	10.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	3.89	70 days			101,461	0.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,716,023	7.36	70 days			799,825	4.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	5.69	70 days			758,912	4.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	1,543,372	0.71	70 days			177,155	0.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	3.15	70 days			612,348	3.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	2.70	70 days			602,729	21.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	2,797,238	1.28	70 days			703,390	43.52	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	267,150	0.12	70 days			62,830	3.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,290,413	0.61	70 days			314,207	4.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	468,306	0.19	70 days			113,288	1.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	188,141	0.06	70 days			56,134	6.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	157,785	0.07	70 days			40,350	5.08	

Table 6-5

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.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	\$ 130,679	0.05	75 days after delivery			\$ 75,472	0.40	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,468,444	0.68	90 days after delivery			475,089	1.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,628,381	1.22	70 days			715,997	1.75	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	264,801	0.12	70 days			44,401	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	129,101	0.06	70 days			15,212	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	2,256,090	1.06	70 days			319,103	10.07	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,319,677	0.63	70 days			501,760	1.47	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	494,488	0.23	70 days			65,459	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,188,577	0.51	70 days			402,154	2.99	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	8.43	70 days			8,098,493	20.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	7.82	90 days after delivery			5,539,825	12.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,188,664	1.01	70 days			506,833	15.81	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	Operating revenue	153,166	0.06	70 days			27,039	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	1.95	70 days			881,390	16.97	

Table 6-6

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 (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	\$ 425,651	12.61	70 days			\$ 120,321	12.10	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,685,174	50.07	70 days			442,628	22.25	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,179,075	35.06	70 days			397,799	40.01	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	1,826,294	96.23	70 days			140,279	65.92	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	168,686	0.33	70 days			6,726	0.05	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	272,319	0.51	90 days after delivery			92,179	0.72	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	222,212	0.44	70 days			43,718	0.34	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	744,829	1.48	70 days			257,911	0.92	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	195,993	0.34	70 days			38,600	0.30	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	36.87	90 days after delivery			5,907,625	45.84	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,419,169	4.82	70 days			318,874	2.47	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	295,021	0.57	70 days			47,239	0.36	
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	Operating revenue	1,229,688	2.10	70 days			1,203,989	8.43	
Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	177,540	0.32	70 days			25,380	0.18	

Table 6-7

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.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	\$ 860,995	1.46	70 days			\$ 173,142	1.21	
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	183,948	0.31	70 days			15,933	0.11	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	173,302	0.28	70 days			69,068	0.49	
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,731,227	30.34	70 days			2,922,498	10.41	
Delta Electronics Inc.	Delta Energy Systems (Singapore) PTE. LTD.	Subsidiary	Operating revenue	183,960	0.31	70 days			8,390	0.06	
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	1,685,676	2.87	70 days			337,413	2.37	
Delta Electronics Inc.	DelBio Inc.	Subsidiary	Operating revenue	107,930	0.16	70 days			37,950	0.26	
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	13.40	90 days after delivery			2,305,455	16.15	
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	987,723	1.69	70 days			321,230	2.25	
Delta Electronics Inc.	Digital Projection Inc.	Subsidiary	Operating revenue	124,856	0.22	75 days after delivery			70,871	0.50	
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	490,526	0.83	70 days			104,811	0.74	
DelBio Inc.	Optovue, Inc.	Affiliated enterprise	Operating revenue	112,942	63.19	70 days			25,685	67.53	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	640,243	6.82	70 days			15,307	1.08	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	554,150	6.14	70 days			94,475	6.71	

Table 6-8

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)	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	\$ 497,254	10.30	90 days	(Note 3)	(Note 3)	\$ 110,396	17.70	

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

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

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

Delta Electronics, Inc. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
December 31, 2020

Table 7

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 576,341	2.72	\$ -		\$ -	\$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,822,120	2.46	-		-	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	119,733	2.40	-		9,839	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	214,457	3.74	-		118,241	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	496,424	8.78	-		324,884	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,400,555	3.95	-		468,200	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	124,408	3.78	-		17	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,803,462	9.93	8,028		505,710	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,691,510	3.42	-		1,314,565	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,542,068	9.69	-		-	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	685,598	2.10	-		164,330	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,244	10.08	-		118,244	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	134,066	3.29	-		46,198	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	5,120,100	3.43	2,663		1,407,286	-

Table 7-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	\$ 715,950	3.23	\$ -		\$ 196,225	\$ -
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	298,004	3.15	-		298,004	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,399,729	4.94	-		972,382	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	933,741	5.31	-		-	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	196,733	3.79	-		132,965	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	695,534	5.27	-		466,377	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	329,082	3.44	-		188,359	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	142,362	4.05	-		92,714	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	165,628	-	-		165,628	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	557,170	3.74	-		182,500	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,456,871	4.95	-		1,457,456	-
Delta Electronics (Japan) Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	167,141	6.41	-		84,982	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	313,941	1.74	148,952		65,782	-
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	179,497	5.66	-		79,429	-
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	141,395	3.42	-		51,816	-
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	139,520	5.23	-		65,117	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	114,251	3.65	-		42,556	-

Table 7-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (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 (Switzerland) AG	Affiliated enterprise	\$ 614,114	3.01	\$ -		\$ 365,046	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	3,616,912	4.52	1,174,047		2,567,425	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	101,461	8.69	33,362		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	799,825	14.01	-		799,825	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	758,912	12.08	-		570,047	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	177,155	7.35	-		151,243	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	612,348	6.98	-		612,348	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	602,729	6.48	-		207,522	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	703,390	4.02	431,858		323,091	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	314,207	4.47	-		105,722	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	113,288	4.49	-		41,487	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	475,089	3.51	6,430		120,717	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	715,997	4.03	-		255,166	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	319,103	4.79	-		187,926	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	501,760	3.86	6		385,052	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	402,154	3.98	5,711		241,397	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	8,098,493	2.31	-		2,249,032	-

Table 7-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (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.	DEI Logistics (USA) Corp.	Affiliated enterprise	\$ 5,539,825	2.79	\$ 4,448		\$ 1,623,382	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	506,833	3.66	2,890		140,603	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	881,390	6.30	-		453,151	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	120,321	3.21	-		25,880	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	442,628	3.84	-		165,832	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	397,799	3.14	-		185,737	-
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	140,279	14.93	4		140,279	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	257,911	4.80	7,250		46,098	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	5,907,625	3.49	95,508		1,433,699	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	318,874	9.61	1,698		102,389	-
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	1,203,989	2.04	-		1,081,886	-
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	173,142	5.62	4,234		7,148	-
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,420,912	7.64	18,626		2,932,645	-
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	337,413	6.19	30,291		163,826	-
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	2,305,455	3.34	2,638		871,925	-
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	321,230	4.59	-		110,339	-
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	104,811	5.86	-		64,884	-

Table 7-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 815,796	-	\$ -		\$ -	\$ -
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	1,404,750	-	-		-	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	128,017	-	-		-	-
Delta International Holding Limited	Drake Investment (HK) Limited	Affiliated enterprise	703,631	-	-		-	-
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	12,385,356	-	-		-	-
Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	18,209,566	-	-		-	-
Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,251,621	-	-		-	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,545,731	-	-		-	-
ELTEK AS	Eltek Electronics (Sweden) AB	Affiliated enterprise	102,300	-	-		-	-
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	111,977	-	-		-	-
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,686,426	-	-		-	-
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	17,206,927	-	-		-	-
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	206,520	-	-		-	-
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	240,880	-	-		18	-
Vivotek Inc.	Vivotek USA	Affiliated enterprise	110,396	3.78	-		35,877	-
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	426,808	-	-		-	-

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

Note 2: The amount represents collections subsequent to December 31, 2020 up to February 24, 2021.

Table 7-5

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2020

Table 8

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	\$ 17,731,227	(Note 4)	6.27
0	Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	(Note 5)	2.78
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	9,103,476	(Note 4)	3.22
2	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,963,898	(Note 4)	4.94
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	6,173,905	(Note 4)	2.18
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	34,705,857	(Note 4)	12.28
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	13,230,254	(Note 4)	4.68
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	16,027,965	(Note 4)	5.67
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	(Note 4)	5.55
6	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	(Note 4)	3.03
7	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	(Note 4)	2.67
8	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	(Note 4)	1.37
9	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	(Note 7)	4.91
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	(Note 4)	3.70
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	(Note 4)	2.97

Table 8-1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	\$ 15,716,023	(Note 4)	5.56
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	(Note 4)	4.29
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	(Note 4)	2.38
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	(Note 4)	2.06
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	(Note 4)	6.30
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	(Note 5)	5.89
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	(Note 4)	1.47
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	(Note 5)	6.57
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Receivables	3,420,912	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,822,120	(Note 4)	1.73
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,803,462	(Note 4)	1.13
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,691,510	(Note 4)	1.39
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,120,100	(Note 4)	1.52
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	3,616,912	(Note 4)	1.08
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable	8,098,493	(Note 4)	2.41
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,539,825	(Note 5)	1.65
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	5,907,625	(Note 5)	1.76

Table 8-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 12,385,356	(Note 6)	3.68
13	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	18,209,566	(Note 6)	5.41
14	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	17,206,927	(Note 6)	5.11

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Lending of capital.

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

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

Delta Electronics, Inc. and Subsidiaries
Information on investees
Year ended December 31, 2020

Table 9

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Maltese	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 68,300,397	\$ 1,076,096	\$ 693,897	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	3,112,095	139,892	164,705	(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	17,298,092	5,699,592	5,721,993	(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	4,570,430	6,621,016	224,882	(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	32,669,114	921,449	938,087	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	221,734	19,910	19,734	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,472,020	(86,241)	(86,241)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	36,275,120	14,084,007	14,451,088	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	162,376	-	39.62	-	134	54	(Note 14)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,675,498	(94,426)	(94,398)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	325,803	283,419	66,256	(Notes 6 and 9)
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system (software and hardware)	-	341,695	-	-	-	26,958	17,448	(Notes 6 and 22)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	\$ 4,217,016	\$ 4,039,937	45,782,058	52.65	\$ 3,903,371	\$ 250,823	\$ 27,349	(Note 6)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,102,686	12,102,686	191,984,450	15.39	12,292,118	6,621,016	787,634	(Note 13)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	28,095	28,095	1,000,000	100.00	217,082	2,662	2,662	(Note 1)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	80,322	80,322	5,600	100.00	675,802	99,320	99,319	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	396,883	345,785	46,949,667	100.00	307,262	(144,747)	(155,630)	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	42,143	42,143	9,000,000	100.00	111,508	4,968	4,968	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	224,760	-	60.38	-	134	81	(Notes 1 and 14)
Delta International Holding Limited	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	571,576	215,331	10,000	100.00	783,241	275,357	(7,393)	(Note 1)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,918,605	1,918,605	1,060,624	100.00	2,017,268	237,279	235,036	(Note 1)
Delta International Holding Limited	Eltek AS	Norway	Research, development and sales of power supplies and others	13,967,920	13,967,920	93,531,101	100.00	12,056,903	864,335	10,538	(Note 1)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,107,125	2,107,125	75,000,000	100.00	2,536,140	44,481	44,481	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	102,828	102,828	500,000	100.00	58,177	2,329	2,329	(Note 1)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	169,975	169,975	2,314,592	100.00	140,273	17,364	17,364	(Note 2)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	-	136,577	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	-	636,980	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,226,316	9,226,316	2,549,297,600	100.00	20,481,149	5,094,590	5,094,590	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,447,661	2,447,661	1	100.00	1,909,542	201,765	80,579	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,835,609	4,835,609	304,504,306	100.00	4,773,625	500,155	334,259	(Note 8)

Table 9-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	\$ 1,450,586	\$ 1,450,586	18,374,182	89.74	\$ 2,327,919	\$ 283,419	\$ 253,478	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,039,515	1,039,515	5,190,330	29.50	728,129	(165,827)	(64,647)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	157,894	108,447	940,687	100.00	52,996	(24,164)	(1,891)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	199,755	199,755	4,315,657	100.00	174,844	48,844	48,844	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	570,851	311,401	87,000,000	100.00	446,667	(3,023)	(3,023)	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,745,415	2,769,977	-	100.00	2,746,948	25,666	(57,154)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	784,712	784,712	12,175,470	100.00	630,119	65,058	28,389	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Software and associated engineering service	993,262	-	51,495	100.00	996,237	(2,223)	(8,395)	(Notes 8 and 23)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	212,238	212,238	250,000	100.00	1,280,689	187,577	187,577	(Note 16)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	63,776	63,776	-	100.00	43,887	(12,133)	(12,133)	(Note 16)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	33,614,314	33,614,314	534,479,306	42.85	35,416,137	6,621,016	2,192,991	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	21,164	21,164	11,400,000	100.00	14,664	(9,380)	(9,380)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	244,291	6,642	6,642	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(17,600)	1,673	1,673	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	58,026	58,026	300,000	100.00	(57,785)	2,615	2,615	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Consulting service of building management and control solutions	2,280,174	2,280,174	-	100.00	1,541,250	78,044	22,815	(Note 7)
Loy Tec Electronics GmbH	LOYTEC Americas, Inc.	U.S.A.	Consulting service of building management and control solutions	-	280	-	-	-	118	118	(Notes 17 and 21)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	4,996,948	4,996,948	1,196,886,000	100.00	1,946,405	129,431	128,914	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	983,325	983,325	35,000,000	100.00	1,923,419	129,424	129,424	(Note 4)

Table 9-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	\$ 163,085	\$ -	40,526,221	100.00	(\$ 144,974)	(\$ 144,747)	(\$ 144,747)	(Note 19)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	28,848,529	594,135	594,135	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	179,161	24,134,934	100.00	268,711	10,983	(3,146)	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	8,878,938	8,878,938	264,357,330	100.00	7,007,099	275,054	(81,767)	(Note 18)
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	193,558	193,558	20,600,000	100.00	97,517	(6,544)	(6,544)	(Note 18)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,237,217	5,237,217	146,586,590	100.00	9,187,535	171,923	174,286	(Note 18)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (VIETNAM) COMPANY LIMITED	Vietnam	Sales of electronic products	2,848	-	-	100.00	2,848	-	-	(Notes 18 and 23)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	14,170,694	50.53	(40,447)	(91,332)	(41,855)	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	235,071	36,088	36,088	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	109,463	19,402	18,590	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	11,536	1,063	1,063	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	45,926	38,698	38,698	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	25,493	961	961	(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	304,252	36,140	36,140	(Note 10)
Realwin Investment Inc.	Skywatek INC.	Taiwan	Wholesale of electronic equipment	755	6,211	50,070	1.66	-	(4,747)	-	(Note 15)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	47,986	2,564	2,564	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	47,820	20,870	11,731	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	(9,455)	1,630	1,467	(Note 12)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	2,731	100	51	(Note 12)

Table 9-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	\$ 31,123	\$ 31,123	1,089,299	3.88	(\$ 1,660)	(\$ 91,332)	(\$ 3,547)	(Note 12)

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.

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 Cynotec 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 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 indirectly acquired 60.38% equity shares of PreOptix (Hong Kong) Co., Ltd. through Delta International Holding Limited.

Considering the 39.62% equity shares held by the Company, the total ownership was 100%. For the year ended December 31, 2020, PreOptix (Hong Kong) Co., Ltd. returned capital amounting to USD 5,250,000 and USD 8,000,000 to the Company and Delta International Holding Limited, respectively, which is yet to be completed as at December 31, 2020.

Note 15: 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 16: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta America Ltd.

Note 17: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Loy Tec Electronics GmbH.

Note 18: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Thailand) Public Company Limited.

Note 19: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Digital Projection International Ltd.

Note 20: This company had been liquidated in February 2020.

Note 21: This company had been liquidated in September 2020.

Note 22: Merged with the Company in December 2020.

Note 23: Companies were established or acquired through merger during 2020.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2020

Table 10

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 2,747,972	Invested by DHK	\$ 2,163,151	\$ -	\$ -	\$ 2,163,151	\$ 496,708	100.00	\$ 495,219	\$ 3,830,260	\$ 271,398	(Notes 3 and 20)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,182,800	Invested by DHK	665,487	-	-	665,487	319,000	100.00	317,794	2,396,570	377,484	(Notes 6 and 20)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,412,574	Invested by DHK	439,503	-	-	439,503	2,619,096	100.00	2,616,244	7,023,091	-	(Notes 9 and 20)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,764,730	Invested by DHK	480,740	-	-	480,740	258,059	100.00	255,640	4,308,181	-	(Notes 10 and 20)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,769,985	Invested by DHK	120,103	-	-	120,103	113,155	100.00	113,845	1,889,352	-	(Notes 11 and 20)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	1,123,800	Invested by DHK	3,938,883	-	-	3,938,883	820,926	100.00	818,525	3,023,609	-	(Note 20)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	3,309,872	Invested by DHK	6,452,263	-	-	6,452,263	797,072	100.00	798,176	6,622,874	49,567	(Notes 7 and 20)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	814,755	Invested by DHK	1,338,873	-	-	1,338,873	106,271	100.00	106,011	1,352,872	-	(Notes 8 and 20)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	127,270	Invested by DHK	929,527	-	-	929,527	(39,535)	100.00	(39,535)	(42,666)	-	(Notes 12 and 20)
Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	207,903	Invested by DHK	1,065,076	-	-	1,065,076	(16,605)	100.00	(16,605)	153,058	-	(Note 20)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	129,074	Invested by DHK	145,945	-	-	145,945	47,926	100.00	47,926	190,883	-	(Note 20)

Table 10-1

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	\$ 215,123	Invested by DHK	\$ 12,850	\$ -	\$ -	\$ 12,850	\$ 4,981	100.00	\$ 4,981	\$ 158,761	\$ -	(Notes 13 and 20)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	236,635	Invested by DHK	237,641	-	-	237,641	(14,428)	100.00	(14,428)	202,788	-	(Note 20)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	5,675,190	Invested by CHK	5,575,801	-	-	5,575,801	560,487	100.00	560,487	7,857,013	-	(Note 22)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	983,325	Invested by DNHK	1,256,025	-	-	1,256,025	136,639	100.00	136,614	1,775,836	618,090	(Notes 5 and 21)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	63,454	Invested by DNHK	19,667	-	-	19,667	2,381	30.00	714	17,100	-	(Note 21)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	112,380	Invested by DelBio	112,380	-	-	112,380	4,806	100.00	4,788	173,622	-	(Note 23)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	-	Invested by UNICOM	8,429	-	8,429	-	6,274	100.00	6,274	-	51,209	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,712	Invested by DCZ	-	-	-	-	41,938	100.00	3,607	192,114	-	(Note 15)
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	Invested by DPEC and DDG	-	-	-	-	15	-	15	-	-	(Notes 15 and 16)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,025	Invested by DPEC and DGC	-	-	-	-	303	96.32	303	33,189	-	(Note 15)

Table 10-2

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, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	\$ 430	Invested by DET-SH	\$ -	\$ -	\$ -	\$ -	\$ 757	96.32	\$ 757	\$ 9,033	\$ -	(Note 15)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,345	Invested by Amerlux Lighting Hong Kong Limited	164,999	4,203	-	169,202	22,521	100.00	22,521	41,009	-	(Notes 14 and 24)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,443,792	Invested by Drake-HK, Boom and DGSG	8,591,806	-	-	8,591,806	910,290	95.91	873,068	5,879,516	-	(Notes 4 and 19)
Cyntec Electronics (Wuhu) Co., Ltd.	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique.	28,095	Invested by DHK	-	28,095	-	28,095	(46,109)	100.00	(46,109)	(16,747)	-	(Notes 17 and 20)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	107,561	Invested by DPT	-	-	-	-	-	40.00	-	12,047	-	(Note 15)

Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.53 to US\$1 and NTD 4.30245 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2020, remitted or collected this period, accumulated remittance as at December 31, 2020 and investment income remitted back as at December 31, 2020 was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$76,994 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. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 4: Except for the facility of US\$305,813 thousand permitted by Investment Commission, the capitalisation of earnings of US\$980 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$11,312 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 6: Except for the facility of US\$23,687 thousand permitted by Investment Commission, the capitalisation of earnings of US\$22,654 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 7: Except for the facility of US\$229,659 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,303 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Electronics Components (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Electronics Components (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

Note 8: Except for the facility of US\$47,655 thousand permitted by Investment Commission, the capitalisation of earnings of US\$8,272 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Video Display System (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Video Display System (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

Note 9: 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 10: 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 11: 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 12: 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 13: 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 14: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.

Note 15: 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 16: This company had been liquidated in January 2020.

Note 17: It was established during 2020.

Note 18: The retirement procedure of the investment in Unicom (Nanjing) System Eng. Corp. from UNICOM SYSTEM ENG. CORP. was completed. Except for the share capital of US\$300 thousand retired and the capitalisation of earnings of US\$688 thousand have been remitted back to Taiwan, the capitalisation of earnings of US\$1,134 thousand to be remitted back was also permitted by the Investment Commission.

Note 19: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 20: Invest through Delta Electronics (H.K.) Led.

Note 21: Invest through Delta Networks (H.K.) Led.

Note 22: Invest through Cynotec Holding (H.K.) Limited.

Note 23: Invest through DelBio Inc.

Note 24: Invest through Amerlux Lighting Hong Kong Limited.

Note 25: The company recognised investment income / loss based on the audited financial statement.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2020	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,271,975	\$ 27,780,354	\$ -
Cynotec Co., Ltd.	5,575,801	5,575,801	16,358,552
DelBio Inc. (Note 4)	112,380	112,380	133,728

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 NTD 28.095 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 December 31, 2020.

The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cynotec International Limited. - Labuan (CIL-Labuan) for the year ended December 31, 2020 are shown in Table 6 and 7.

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
December 31, 2020

Table 11

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%