

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021 AND 2020**

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Impairment assessment of goodwill

Description

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

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

How our audit addressed the matter

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

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

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

Other matter – Reference to the audits of other auditors

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

Other matter – Parent company only financial reports

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

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

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

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

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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

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

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

(Continued)

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

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

The 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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

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

(Continued)

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

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

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

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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>2021 US Dollars</u>											
Balance at January 1, 2021	\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	(\$ 445,407)	(\$ 12,793)	\$ 4,722	\$ 5,274,741	\$ 1,181,862	\$ 6,456,603
Profit for the year	-	-	-	-	968,774	-	-	-	968,774	61,567	1,030,341
Other comprehensive income (loss) for the year	-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)	(51,490)	(179,266)
Total comprehensive income (loss) for the year	-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998	10,077	851,075
Distribution of 2020 earnings	6(19)										
Legal reserve	-	-	85,149	-	(85,149)	-	-	-	-	-	-
Special reserve	-	-	-	177,917	(177,917)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(516,503)	-	-	-	(516,503)	-	(516,503)
Changes in ownership interests in subsidiaries	-	(3,991)	-	-	-	-	-	-	(3,991)	-	(3,991)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	797	-	-	-	-	-	-	797	(6,015)	(5,218)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(52,947)	(52,947)
Balance at December 31, 2021	<u>\$ 939,098</u>	<u>\$ 1,775,638</u>	<u>\$ 1,073,671</u>	<u>\$ 453,478</u>	<u>\$ 1,938,637</u>	<u>(\$ 561,109)</u>	<u>(\$ 28,068)</u>	<u>\$ 4,697</u>	<u>\$ 5,596,042</u>	<u>\$ 1,132,977</u>	<u>\$ 6,729,019</u>

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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

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

(Continued)

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

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

The 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, 2021 AND 2020
(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 authorized for issuance by the Board of Directors on February 24, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendments to IFRS 16, ‘Covid-19-related Rent concessions beyond June 30, 2021’	April 1, 2021 (Note)

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

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 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 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.

(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 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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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, 2021	December 31, 2020	
1	Delta Electronics, Inc.	Delta International Holding Limited B.V. (DIH)	Equity investments	100	100	Note 21
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	Note 1
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, 2021	December 31, 2020	
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 America Ltd. (DAL)	Equity investments	100	100	
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	
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	Note 2
17	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
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	Note 2
21	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	-	100	Note 23
22	"	Jade Investment (HK) Limited (Jade-HK)	"	-	100	Note 3
23	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	Note 18
24	"	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	-	100	Note 18
25	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	
26	"	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	Note 4
27	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	-	100	Note 4
28	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	-	100	Note 4

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
29	DHK	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)	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	100	100	Note 16
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	
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	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
36	DEJ	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100	100	
37	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	100	100	
38	DPEC and DGC	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	100	100	
39	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	
40	DNI Cayman	Delta Networks (HK) Limited (DNHK)	"	100	100	
41	DHK and 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	Note 28
42	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	
43	Fairview	Grandview Holding Ltd. (Grandview)	"	100	100	
44	Grandview	CYNTEC HOLDING (HK) LIMITED (CHK)	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
45	Grandview	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	
46	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and processing of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; sales of self-produced products and wholesale, import and export of products similar to the Company's products	100	100	
47	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	
48	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	
49	"	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	
50	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	
51	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
52	ELTEK AS	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	
53	Delta Energy Systems (Singapore) PTE. LTD. / ELTEK AS	Delta Electronics (Australia) Pty Ltd	"	100	100	Note 5
54	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	
55	"	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	
56	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	
57	Delta Electronics (Poland) Sp. z o. o. / ELTEK AS	Eltek Polska Sp. z o. o. (Eltek Polska)	"	-	100	Note 6
58	ELTEK AS	ELTEK POWER FRANCE SAS	"	100	100	Note 13
59	"	ELTEK LIMITED	Equity investments and trading	-	100	Note 24
60	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	
61	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	
62	"	ELTEK WEST AFRICA LIMITED	"	100	100	
63	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	
64	"	Delta Electronics (Sweden) AB	"	100	100	Note 7 Note 14

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
65	ELTEK AS	Eltek Power (UK) Ltd.	Sales of power supplies and others	100	100	
66	Delta Solutions (Finland) Oy / ELTEK AS	Eltek Power Oy	"	-	100	Note 8
67	ELTEK AS	OOO Eltek	Sales of power supplies and others and system installation	100	100	
68	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	
69	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	
70	"	ELTEK POWER CO., LTD.	"	100	100	Note 9
71	"	ELTEK POWER (CAMBODIA) LTD.	"	100	100	
72	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	Note 10
73	DHK	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sales of intelligent power equipment for supporting renewable energy	-	100	Note 25
74	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
75	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	
76	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industria e Comercio S.A.	Manufacturing and sales of power supplies	100	100	
77	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	
78	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	
79	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenegy Services, S.A. de C.V.	"	100	100	
80	DHK and DIH/DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenegy International de México, S. de R.L. de C.V.	"	100	100	Note 26
81	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	
82	"	Delta Solar Solutions LLC	Equity investments	100	100	
83	Delta Solar Solutions LLC	DSS-CI LLC	Rental of solar power systems	-	100	Note 19

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
84	Delta Solar Solutions LLC	DSS-USF LLC	Rental of solar power systems	100	100	
85	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	100	100	
86	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	
87	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	
88	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	
89	//	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	
90	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 11
91	DEN/DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	Note 12
92	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
93	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	
94	"	Delta Electronics (Italy) S.r.l.	"	100	100	
95	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	
96	"	Delta Solutions (Finland) Oy	"	100	100	Note 8
97	"	Delta Electronics Solutions (Spain) SL	"	100	100	
98	ELTEK POWER FRANCE SAS / DECH	Delta Electronics (France) SA	"	-	100	Note 13
99	Delta Electronics (Sweden) AB/DECH	Delta Energy Systems (Sweden) AB	"	-	100	Note 14
100	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	55.09	52.65	
101	Vivotek and Realwin	Vatics Inc.	Designing and sales of multimedia integrated circuits	-	54.41	Note 17
102	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	
103	"	Realwin Investment Inc. (Realwin)	A venture capital company	100	100	
104	"	Vivotek Netherlands B.V.	Sales service	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
105	Vivotek	Vivotek (Japan) Inc.	Sales service	100	100	
106	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	
107	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	
108	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	
109	Realwin	Aetek Inc.	"	56.21	56.21	
110	"	Vivotek Middle East FZCO	"	-	89.99	Note 22
111	"	Lidlight Inc.	Sales of lighting equipment	51	51	
112	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	
113	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	
114	DET	DET International Holding Limited	Equity investments	100	100	
115	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
116	DET	Delta Green Industrial (Thailand) Co., Ltd.	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars changer and data center	100	100	
117	"	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	100	Note 16
118	DET and Delta Energy Systems (Singapore) PTE. LTD.	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Manufacturing and sales of electronic products	100	-	Note 15
119	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	
120	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	
121	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	
122	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	
123	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	
124	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
125	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Holdings) Australia Pty Ltd	Marketing and sales of renewable energy products	100	100	Note 20
126	"	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	
127	"	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	
128	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	
129	"	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	-	51	Note 23
130	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	
131	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	
132	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	
133	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
134	Delta Greentech (Netherlands) B.V.	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	
135	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	
136	Amerlux	Amerlux Lighting Asia, LLC	Equity investments	100	100	
137	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	"	100	100	
138	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	
139	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	100	
140	DPI	Digital Projection Holdings Ltd.	"	100	100	
141	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	100	
142	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	100	
143	DEN	Trihedral Engineering Limited (Trihedral)	Graphic control software and related engineering services	100	100	Note 16
144	Trihedral	Trihedral Inc.	"	100	100	Note 16
145	"	Trihedral UK Limited	"	100	100	Note 16
146	DIH	March Networks Holdings Ltd.	Equity investments	100	-	Note 15 Note 27

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
147	March Networks Holdings Ltd.	March Networks Corporation	Security surveillance software and hardware and related engineering services	100	-	Note 15
148	March Networks Corporation	March Networks, Inc.	"	100	-	Note 15
149	"	March Networks de Mexico, S.A.de C.V.	"	100	-	Note 15
150	"	March Networks (Australia) Pty Limited	"	100	-	Note 15
151	"	March Networks Limited	"	100	-	Note 15
152	"	March Networks (Singapore) Pte. Limited	"	100	-	Note 15
153	"	March Networks B.V.	"	100	-	Note 15
154	March Networks B.V.	March Networks S.r.l.	"	100	-	Note 15
155	"	March Networks (France) SAS	"	100	-	Note 15

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 was completed in March 2021.

Note 2: This company had been liquidated in April 2021.

Note 3: This company had been liquidated in March 2021.

Note 4: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. After the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.

Note 5: In October 2020, ELTEK AS sold ELTEK AUSTRALIA PTY LIMITED to Delta Energy

Systems (Singapore) Pte. Ltd. and was renamed as Delta Electronics (Australia) Pty Ltd. in April 2021.

- Note 6: In December 2020, ELTEK AS sold Eltek Polska Sp.z o.o. (Eltek Polska) to Delta Electronics (Poland) Sp.z o.o. In addition, Eltek Polska merged with Delta Electronics (Poland) Sp.z o.o. in July 2021, with Eltek Polska as the dissolved company and Electronics (Poland) Sp.z o. o. as the surviving company.
- Note 7: Formerly named Eltek Power Sweden AB and was renamed as Delta Electronics (Sweden) AB in November 2020.
- Note 8: In October 2020, ELTEK AS sold Eltek Power Oy to Delta Solutions (Finland) Oy, and Eltek Power Oy merged into Delta Solutions (Finland) Oy in February 2021. After the merger, Delta Solutions (Finland) Oy was the surviving company while Eltek Power Oy was the dissolved company.
- Note 9: 55% of shares are held through others due to local regulations.
- Note 10: 71% of shares are held through others due to local regulations.
- Note 11: In October 2020, DIH acquired 49% equity interest in DECH from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.
- Note 12: 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 13: In November 2020, DECH sold Delta Electronics (France) SA to ELTEK POWER FRANCE SAS. Subsequently, Delta Electronics (France) SA merged with ELTEK POWER FRANCE SAS on April 1, 2021. After the merger, ELTEK POWER FRANCE SAS was the surviving company and Delta Electronics (France) SA was the dissolved company.
- Note 14: In October 2020, DECH sold Delta Energy Systems (Sweden) AB to Eltek Power Sweden AB (renamed in November 2020, please refer to Note 7 for details.). Subsequently, Delta Energy Systems (Sweden) AB merged with Delta Electronics (Sweden) AB in January 2021, with Delta Electronics (Sweden) AB as the surviving company and Delta Energy Systems (Sweden) AB as the dissolved company.
- Note 15: The company was established or acquired through merger during 2021.
- Note 16: The company was established or acquired through merger during 2020.
- Note 17: The Cayman company, Kneron Holding Corporation (“Kneron”), plans to acquire all of the issued shares of Vatics Inc. in cash from Vatics Inc.’s original shareholders and the shareholders have approved the share conversion at their meeting on March 25, 2021. The share conversion was approved by the Competent Authority and the effective date was set on June 30, 2021. After the share conversion, Vatics became a wholly-owned subsidiary of Kneron, and the Group lost control over the subsidiary (please refer to

Notes 6, (32)).

Note 18: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

Note 19: This company had been liquidated in June 2021.

Note 20: Formerly named Delta Electronics (Australia) Pty. Ltd. and was renamed as Delta Electronics (Holdings) Australia Pty Ltd in April 2021.

Note 21: Formerly named Delta International Holding Limited and was renamed as Delta International Holding Limited B.V. in June 2021.

Note 22: This company had been liquidated in August 2021.

Note 23: This company had been liquidated in September 2021.

Note 24: This company had been liquidated in October 2021.

Note 25: This company had been liquidated in December 2021.

Note 26: In December 2021, DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDINGS (USA) INC. sold Eltekenergy International de Mexico, S. de R.L. de C.V. to DHK and DIH.

Note 27: Formerly named Infinova (Canada) Limited and was renamed as March Networks Holdings Ltd. in December 2021.

Note 28: In December 2021, Delta Electronics (H.K.) Ltd. acquired 51% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited.

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, 2021 and 2020, the non-controlling interest amounted to \$31,338,136 and \$32,690,303, 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, 2021		December 31, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,375,410	44.91%	\$ 3,618,610	47.35%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	27,727,893	36.22%	28,697,265	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET	
	December 31, 2021	December 31, 2020
Current assets	\$ 40,474,496	\$ 39,887,645
Non-current assets	59,264,879	58,101,498
Current liabilities	(20,530,658)	(16,133,275)
Non-current liabilities	(2,654,621)	(2,293,690)
Total net assets	\$ 76,554,096	\$ 79,562,178

	Vivotek	
	December 31, 2021	December 31, 2020
Current assets	\$ 3,919,997	\$ 3,377,240
Non-current assets	5,987,406	6,112,662
Current liabilities	(2,050,183)	(1,474,665)
Non-current liabilities	(341,276)	(372,977)
Total net assets	\$ 7,515,944	\$ 7,642,260

Statement of comprehensive income

	DET	
	Years ended December 31,	
	2021	2020
Revenue	\$ 73,430,330	\$ 59,201,254
Profit before income tax	4,497,456	5,296,072
Income tax expense	(85,104)	(194,453)
Profit for the year from continuing operations	4,412,352	5,101,619
Other comprehensive income, net of tax	1,053,676	76,398
Total comprehensive income for the year	\$ 5,466,028	\$ 5,178,017
Comprehensive income attributable to non-controlling interest	\$ 2,494,179	\$ 1,885,272
Dividends paid to non-controlling interest	\$ 1,364,066	\$ 767,376

	Vivotek	
	Years ended December 31,	
	2021	2020
Revenue	\$ 5,451,605	\$ 5,544,433
Profit before income tax	20,239	88,666
Income tax expense	4,734	(55,329)
Profit for the year from continuing operations	24,973	33,337
Other comprehensive loss, net of tax	(10,334)	(17,700)
Total comprehensive income for the year	<u>\$ 14,639</u>	<u>\$ 15,637</u>
Comprehensive income (loss) attributable to non-controlling interest	\$ 14,557	(\$ 2,513)
Dividends paid to non-controlling interest	<u>\$ 80,387</u>	<u>\$ 108,073</u>

Statements of cash flows

	DET	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 1,552,073	\$ 6,774,586
Net cash used in investing activities	(6,698,331)	(3,380,819)
Net cash used in financing activities	(1,942,652)	(2,182,722)
Effect of exchange rates on cash and cash equivalents	(500,074)	(793,745)
(Decrease) increase in cash and cash equivalents	(7,588,984)	417,300
Cash and cash equivalents, beginning of year	13,043,385	12,626,085
Cash and cash equivalents, end of year	<u>\$ 5,454,401</u>	<u>\$ 13,043,385</u>

	Vivotek	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 121,766	\$ 501,406
Net cash used in investing activities	(312,227)	(26,421)
Net cash used in financing activities	(226,110)	(56,787)
Effect of exchange rates on cash and cash equivalents	(13,545)	(16,397)
(Decrease) increase in cash and cash equivalents	(430,116)	401,801
Cash and cash equivalents, beginning of year	1,425,014	1,023,213
Cash and cash equivalents, end of year	<u>\$ 994,898</u>	<u>\$ 1,425,014</u>

(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) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) 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.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost 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.

(12) 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.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. 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); however, borrowing costs are excluded. 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.

(14) Non-current assets held for sale

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

(15) 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.

(16) 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.

(17) 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.
- 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.

(18) 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.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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 has designated its hedging relationship as the hedge of a net investment in a foreign operation.
- C. Hedge of a net investment in a foreign operation.
 - (a) The foreign currency translation 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 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.

(29) 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.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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. 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.

(35) 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.

(36) 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.

(37) 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(11) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 4,840	\$ 5,437
Checking accounts and demand deposits	39,392,615	44,121,426
Time deposits	10,422,695	14,446,742
Cash equivalents	<u>34,903</u>	<u>138,380</u>
	<u>\$ 49,855,053</u>	<u>\$ 58,711,985</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, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 506,938	\$ 446,452
Derivatives	125,070	290,505
Hybrid instrument-Convertible bonds	<u>28,015</u>	<u>47,827</u>
	660,023	784,784
Valuation adjustment	<u>425,706</u>	<u>276,559</u>
	<u>\$ 1,085,729</u>	<u>\$ 1,061,343</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 314,543	\$ 368,048
Emerging stocks	308,300	289,600
Unlisted stocks	1,568,229	1,572,384
Convertible preferred stocks	197,148	-
Hybrid instrument-Convertible bonds	<u>900,000</u>	<u>974,983</u>
	3,288,220	3,205,015
Valuation adjustment	<u>63,578</u>	<u>(262,819)</u>
	<u>\$ 3,351,798</u>	<u>\$ 2,942,196</u>
<u>Liability Items</u>		
Current items:		
Financial liabilities held for trading		
Derivatives	<u>\$ 41,371</u>	<u>\$ 60,060</u>

A. The Group has recognised the gain from financial assets and liabilities at fair value of \$573,145 and \$71,489 for the years ended December 31, 2021 and 2020, respectively.

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

December 31, 2021			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	3,150	2021.08.25~2022.06.02
- Sell BRL / Buy USD	BRL	17,161	2021.12.02~2022.02.07
- Sell EUR / Buy CAD	EUR	1,716	2021.12.17~2022.06.21
- Sell EUR / Buy NOK	EUR	26,200	2021.08.16~2022.06.30
- Sell EUR / Buy USD	EUR	46,000	2021.07.28~2022.07.05
- Sell GBP / Buy EUR	GBP	852	2021.12.15~2022.03.07
- Sell GBP / Buy NOK	GBP	2,500	2021.10.22~2022.02.07
- Sell HKD / Buy USD	HKD	60,000	2021.07.28~2022.06.02
- Sell INR / Buy USD	INR	753,465	2021.11.09~2022.02.28
- Sell JPY / Buy USD	JPY	1,367,566	2021.08.17~2022.04.21
- Sell THB / Buy JPY	THB	26,446	2021.11.22~2022.02.25
- Sell TWD / Buy USD	TWD	3,310,410	2021.07.21~2022.06.21
- Sell USD / Buy CHF	USD	2,000	2021.11.15~2022.02.25
- Sell USD / Buy CZK	USD	400	2021.12.17~2022.01.20
- Sell USD / Buy JPY	USD	3,800	2021.11.17~2022.01.25
- Sell USD / Buy NOK	USD	3,000	2021.11.29~2022.02.28
- Sell USD / Buy PEN	USD	1,500	2021.12.08~2022.02.07
- Sell USD / Buy RMB	USD	294,278	2021.09.22~2022.04.08
- Sell USD / Buy SGD	USD	23,264	2021.08.04~2022.07.05
- Sell USD / Buy THB	USD	173,500	2021.09.16~2022.04.20
- Sell USD / Buy TWD	USD	5,100	2021.11.04~2022.01.17
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	4,000	2021.12.17~2022.06.30
- Sell PLN / Buy NOK	PLN	14,600	2021.12.21~2022.06.30
- Sell SEK / Buy NOK	SEK	20,000	2021.12.21~2022.06.30

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

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

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

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

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

Items	December 31, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	754,546	672,828
	2,363,245	2,281,527
Valuation adjustment	(775,402)	(353,844)
	<u>\$ 1,587,843</u>	<u>\$ 1,927,683</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 \$1,587,843 and \$1,927,683 as at December 31, 2021 and 2020, respectively.
- B. For the year ended December 31, 2020, the Group sold listed stocks whose fair value was \$501,867, to adjust the stock position, resulting to a loss on disposal of \$1,754,186.
- 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>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 422,509)	\$ 326,268
Cumulative loss reclassified to retained earnings due to derecognition	\$ -	(\$ 1,754,186)

- D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,587,843 and \$1,927,683, 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, 2021 and 2020, there were no financial assets and liabilities used for hedging.
- B. Information on cash flow hedges and hedges of net investments in foreign operations recognised in profit or loss and other comprehensive income:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Other equity</u>		
At January 1	\$ 130,616	\$ 147,256
Add: Loss on hedge effectiveness-amount recognised in other comprehensive income	(699)	(16,640)
At December 31	<u>\$ 129,917</u>	<u>\$ 130,616</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, 2021 and 2020 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) Hedges of net investments in foreign operations

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

(5) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 3,420,633	\$ 3,733,595
Accounts receivable	\$ 67,786,921	\$ 59,684,699
Less: Allowance for uncollectible accounts	(350,544)	(507,266)
	<u>\$ 67,436,377</u>	<u>\$ 59,177,433</u>
Overdue receivables (shown as other non-current assets)	\$ 313,298	\$ 354,282
Less: Allowance for uncollectible accounts	(313,298)	(354,282)
	<u>\$ -</u>	<u>\$ -</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 60,175,037	\$ 53,883,754
1 to 90 days	7,029,700	4,956,368
91 to 180 days	268,016	367,326
181 to 365 days	151,223	139,939
Over 366 days	162,945	337,312
	<u>\$ 67,786,921</u>	<u>\$ 59,684,699</u>

The above aging analysis was based on past due date.

B. As at December 31, 2021 and 2020, there was no notes receivable past due.

C. As at December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2020, the balance of receivables from contracts with customers amounted to \$56,771,734.

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

E. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,420,633 and \$3,733,595, and accounts receivable were \$67,436,377 and \$59,177,433, 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, 2021 and 2020, the relevant information on unsettled accounts receivable that were sold is set forth below:

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

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

(7) Inventories

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

December 31, 2020			
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
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>

A. On August 30, 2021, the Group's subsidiary experienced flooding in its Thailand plant. The flood has caused damage to the inventories with carrying value of \$277,309. The Group had already recognised the related losses which were classified as 'other gains and losses – casualty loss'. Please refer to Note 6(24) for more information.

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

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 217,851,044	\$ 190,732,108
Loss on market value decline and obsolete and slow-moving inventories	2,462,425	502,171
Others	(885,759)	(654,512)
	<u>\$ 219,427,710</u>	<u>\$ 190,579,767</u>

(8) Investments accounted for under the equity method

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

	December 31, 2021		December 31, 2020	
	Ownership %	Book value	Ownership %	Book value
Associates:				
Optovue, Inc.	-	\$ -	29.50	\$ 728,129
Others		63,731		56,873
		<u>\$ 63,731</u>		<u>\$ 785,002</u>

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

As at December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$63,731 and \$785,002, respectively.

	Years ended December 31,	
	2021	2020
Loss for the year from continuing operations	(\$ 262)	(\$ 59,596)
Other comprehensive income, net of tax	329	55,073
Total comprehensive income (loss)	<u>\$ 67</u>	<u>(\$ 4,523)</u>

C. The Group is the single largest shareholder of Optovue, Inc. by June 30, 2021, 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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Testing equipment</u>	<u>Others</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
<u>At January 1, 2021</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	(11,704)	(21,744,675)	(33,043,800)	(14,919,634)	(16,009,220)	-	(85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>
<u>2021</u>							
Opening net book amount	\$ 14,256,154	\$ 22,459,744	\$ 13,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 68,441,975
Additions	1,052,704	1,298,874	8,596,865	2,215,843	2,642,300	7,158,609	22,965,195
Acquired through business combinations	-	-	25,602	548	17,129	1,530	44,809
Effect on decrease in business entities	-	-	-	(378)	(2,830)	-	(3,208)
Disposals	(200)	(13,020)	(161,734)	(31,865)	(69,078)	-	(275,897)
Transfers (Note)	-	6,621,321	1,621,137	354,495	292,969	(9,210,473)	(320,551)
Depreciation charge	-	(1,902,917)	(6,353,596)	(2,269,942)	(2,330,744)	-	(12,857,199)
Impairment loss	-	-	-	-	(11,407)	-	(11,407)
Net exchange differences	(179,770)	(356,896)	(324,416)	(71,913)	(166,528)	(276,909)	(1,376,432)
Closing net book amount	<u>\$ 15,128,888</u>	<u>\$ 28,107,106</u>	<u>\$ 16,875,151</u>	<u>\$ 4,032,443</u>	<u>\$ 4,198,792</u>	<u>\$ 8,264,905</u>	<u>\$ 76,607,285</u>
<u>At December 31, 2021</u>							
Cost	\$ 15,139,283	\$ 51,485,311	\$ 52,261,356	\$ 19,872,926	\$ 21,356,997	\$ 8,264,905	\$ 168,380,778
Accumulated depreciation and impairment	(10,395)	(23,378,205)	(35,386,205)	(15,840,483)	(17,158,205)	-	(91,773,493)
	<u>\$ 15,128,888</u>	<u>\$ 28,107,106</u>	<u>\$ 16,875,151</u>	<u>\$ 4,032,443</u>	<u>\$ 4,198,792</u>	<u>\$ 8,264,905</u>	<u>\$ 76,607,285</u>

Note: On October 1, 2021, the Board of Directors resolved to dispose a number of battery cell assembly equipments and transfer the equipments amounting to \$320,551 to non-current assets held for sale at the lower of carrying amount and fair value less costs to sell.

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 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
Disposals	(9,079)	(24,193)	(125,441)	(74,671)	(31,625)	-	(265,009)
Transfers	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	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	(11,704)	(21,744,675)	(33,043,800)	(14,919,634)	(16,009,220)	-	(85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>

- 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, 2021</u>	<u>December 31, 2020</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,635,431	\$ 1,602,097
Buildings and structures	1,256,400	1,323,106
Transportation equipment	90,036	71,012
Other equipment	25,093	24,531
	<u>\$ 3,006,960</u>	<u>\$ 3,020,746</u>

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 48,200	\$ 47,402
Buildings and structures	481,818	504,582
Transportation equipment	71,937	78,484
Other equipment	8,247	9,923
	<u>\$ 610,202</u>	<u>\$ 640,391</u>

- C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets (excluding those acquired through business combinations) were \$437,500 and \$459,434, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 19,550	\$ 23,970
Expense on short-term lease contracts	<u>\$ 546,219</u>	<u>\$ 474,400</u>

- E. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$1,107,537 and \$1,015,450, respectively.

F. Extension options

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

(11) Intangible assets

	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
<u>At January 1, 2021</u>							
Cost	\$ 3,943,732	\$ 1,979,798	\$ 54,297,182	\$ 17,495,795	\$ 11,376,981	\$ 4,227,079	\$ 93,320,567
Accumulated amortisation and impairment	(1,180,179)	(1,507,416)	(797,390)	(8,254,610)	(3,063,190)	(3,058,152)	(17,860,937)
	<u>\$ 2,763,553</u>	<u>\$ 472,382</u>	<u>\$ 53,499,792</u>	<u>\$ 9,241,185</u>	<u>\$ 8,313,791</u>	<u>\$ 1,168,927</u>	<u>\$ 75,459,630</u>
<u>2021</u>							
Opening net book amount	\$ 2,763,553	\$ 472,382	\$ 53,499,792	\$ 9,241,185	\$ 8,313,791	\$ 1,168,927	\$ 75,459,630
Additions - acquired separately	1,510	12,430	-	-	8,742	1,278,296	1,300,978
Additions - acquired through business combinations (Note 1)	171,804	-	741,321	854,392	-	6,010	1,773,527
Effect on decrease in business entities	-	-	-	-	21,015	(63,160)	(42,145)
Reclassifications (Note 1)	-	-	137,896	(25,631)	(112,265)	-	-
Amortisation	(237,513)	(135,296)	-	(1,364,721)	(1,092,556)	(853,816)	(3,683,902)
Impairment loss (Note 2)	-	(153,493)	-	-	-	-	(153,493)
Net exchange differences	(24,666)	(8,816)	(743,243)	(132,786)	(114,277)	(21,243)	(1,045,031)
Closing net book amount	<u>\$ 2,674,688</u>	<u>\$ 187,207</u>	<u>\$ 53,635,766</u>	<u>\$ 8,572,439</u>	<u>\$ 7,024,450</u>	<u>\$ 1,515,014</u>	<u>\$ 73,609,564</u>
<u>At December 31, 2021</u>							
Cost	\$ 4,072,330	\$ 1,590,408	\$ 54,420,933	\$ 18,089,972	\$ 11,152,791	\$ 5,241,533	\$ 94,567,967
Accumulated amortisation and impairment	(1,397,642)	(1,403,201)	(785,167)	(9,517,533)	(4,128,341)	(3,726,519)	(20,958,403)
	<u>\$ 2,674,688</u>	<u>\$ 187,207</u>	<u>\$ 53,635,766</u>	<u>\$ 8,572,439</u>	<u>\$ 7,024,450</u>	<u>\$ 1,515,014</u>	<u>\$ 73,609,564</u>

(Note 1) The additions - acquired through business combinations and reclassifications resulted from the acquisition of March and the adjustment of the contingent proceeds and the reallocation of the purchase price relative to Trihedral. The allocation of Trihedral acquisition price was completed in the first quarter of 2021 and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

(Note 2) The impairment loss was recognised because the newly acquired patent has replaced the patent acquired in previous years, which was assessed to have no value.

	<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.

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

	Years ended December 31,	
	2021	2020
Operating costs	\$ 57,507	\$ 52,763
Selling expenses	1,606,772	1,883,098
Administrative expenses	190,738	136,049
Research and development expenses	1,828,885	1,774,139
	<u>\$ 3,683,902</u>	<u>\$ 3,846,049</u>

B. The Group acquired registered or under-application trademark rights such as , , , , , , , , , ,  and . Trademarks are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortised but are tested for impairment annually.

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

	December 31, 2021	December 31, 2020
Goodwill:		
DET	\$ 32,888,000	\$ 33,405,219
Cyntec	5,146,053	5,146,053
Eltek	4,765,731	4,840,681
Vivotek	3,232,954	3,232,954
DCI	2,294,806	2,330,895
DGC	1,589,980	1,614,985
Others	3,718,242	2,929,005
	<u>\$ 53,635,766</u>	<u>\$ 53,499,792</u>
Trademarks:		
Automation business	\$ 862,750	\$ 691,811
Infrastructure business	386,823	386,823
	<u>\$ 1,249,573</u>	<u>\$ 1,078,634</u>

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

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

the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows.

In assessing the impairment of goodwill and trademarks with indefinite useful lives, for the goodwill of DET and Vivotek, the recoverable amount is the higher of the companies' fair value less costs of disposal and value in use (the fair value is classified as a level 2 fair value after the Group's assessment based on the closing price at the balance sheet date and considering premium, as the closing price is a transaction price without control in the centralized securities exchange market); for the goodwill and trademarks with indefinite useful lives of other companies, the impairment is calculated based on value in use and carrying amount of net assets of each company. The key assumptions used for value in use calculations are operating profit margin, growth rate and discount rate.

Management determined budgeted operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. The discount rate mainly used in estimating value-in-use of cash-generating units for the years ended December 31, 2021 and 2020 was 12.44% and 10.21%, respectively.

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% on December 31, 2020.

(12) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments for business facilities	\$ 1,240,243	\$ 846,839
Financial assets at amortised cost	218,130	187,257
Guarantee deposits paid	204,759	256,693
Cash surrender value of life insurance	35,934	43,512
Prepayments for long-term investments	27,953	81,059
Others	625,458	524,227
	<u>\$ 2,352,477</u>	<u>\$ 1,939,587</u>

(13) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank loans	\$ 4,397,362	\$ 2,001,532
Credit lines	\$ 69,465,481	\$ 69,185,543
Interest rate range	<u>0.40%~10.86%</u>	<u>0.39%~4.85%</u>

(14) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salary and bonus payable	\$ 19,698,972	\$ 17,957,602
Others	15,953,230	14,926,619
	<u>\$ 35,652,202</u>	<u>\$ 32,884,221</u>

(15) Long-term borrowings

Type of borrowings	December 31, 2021	December 31, 2020
Credit loans	\$ 43,624,897	\$ 39,008,242
Collateral loans	334,015	353,865
	43,958,912	39,362,107
Less: Current portion (shown as other current liabilities)	(45,125)	(48,117)
	\$ 43,913,787	\$ 39,313,990
Credit lines	\$ 83,302,210	\$ 83,362,621
Interest rate range	0.31%~6.23%	0.31%~6.23%

- A. As at December 31, 2021, the revolving loans of \$37,354,080 can be drawn down during the period from July 1, 2021 to December 7, 2023 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, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 6,871,348)	(\$ 7,184,319)
Fair value of plan assets	<u>3,339,507</u>	<u>3,217,532</u>
Net defined benefit liability	<u>(\$ 3,531,841)</u>	<u>(\$ 3,966,787)</u>

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

	<u>2021</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1	(\$ 7,184,319)	\$ 3,217,532	(\$ 3,966,787)
Current service cost	(109,173)	-	(109,173)
Interest (expense) income	(45,449)	11,438	(34,011)
Past service cost	(29,265)	-	(29,265)
	<u>(7,368,206)</u>	<u>3,228,970</u>	<u>(4,139,236)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	72,589	72,589
Change in demographic assumptions	31,537	-	31,537
Change in financial assumptions	215,516	-	215,516
Experience adjustments	(212,737)	-	(212,737)
	<u>34,316</u>	<u>72,589</u>	<u>106,905</u>
Pension fund contribution	1,264	256,472	257,736
Paid pension	284,772	(165,032)	119,740
Exchange difference	217,714	(53,492)	164,222
Effect of business combination	(41,208)	-	(41,208)
Balance at December 31	<u>(\$ 6,871,348)</u>	<u>\$ 3,339,507</u>	<u>(\$ 3,531,841)</u>

	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>

- (d) 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, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2021	2020
Discount rate	0.44%~6.45%	0.18%~6.65%
Future salary increases	1.0%~8.5%	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	Decrease	Increase	Decrease
	0.25%~1%	0.25%~1%	0.25%~2.75%	0.25%~2.75%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 234,078)	\$ 297,311	\$ 224,527	(\$ 164,425)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 288,249)	\$ 322,744	\$ 229,378	(\$ 213,586)

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.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$156,870.

(g) As at December 31, 2021, 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, 2021 and 2020 were \$524,003 and \$483,851, 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, 2021, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:
 - (a) Voting rights

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

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

Distribution of dividends, preemptive rights and other rights and interests of GDR units bear the same rights as common shares.
 - (d) After considering the stock dividend distribution year by year, as at December 31, 2021, there were 780 thousand units outstanding, representing 3,902 thousand common shares of the Company's common stock.

(18) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to

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

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:
- (a) Payment of all taxes and dues.
 - (b) Offset against prior years' operating losses, if any.
 - (c) Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.
 - (d) Setting aside or reversing a special reserve according to relevant regulations when necessary.
 - (e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall not be less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2020 and 2019 earnings had been approved by the shareholders during their meeting on July 19, 2021 and June 10, 2020, respectively. Details are summarised below:

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

(Note) The cash dividends that is less than \$1 will be reversed to unappropriated retained earnings in accordance with the resolution of the shareholders during their meeting.

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

E. The appropriations of 2021 earnings had been proposed by the Board of Directors on February 24, 2022. Details are summarised below:

	Year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,688,553	
Special reserve appropriated	3,623,514	
Cash dividends	14,286,488	\$ 5.5

The aforementioned appropriations of 2021 earnings had not yet been resolved by the shareholders as of February 24, 2022.

(20) Non-controlling interest

	Years ended December 31,	
	2021	2020
At January 1	\$ 32,690,303	\$ 34,197,565
Share attributable to non-controlling interest:		
Profit for the year	1,702,931	1,899,108
Currency translation differences	(1,424,222)	(2,154,765)
Change in ownership interests in subsidiaries (Note)	(166,370)	(243,181)
Dividends paid to minority interest	(1,464,506)	(895,326)
Decrease in non-controlling interest	-	(113,098)
At December 31	\$ 31,338,136	\$ 32,690,303

(Note) The change in ownership interests in subsidiaries is mainly due to the acquisition of additional equity interest in Vivotek, Power Forest and Eltek Polska during the years ended December 31, 2021 and 2020, respectively. Details are provided in Note 6(33).

(21) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	\$ 314,670,796	\$ 282,605,493

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:

	Year ended December 31, 2021				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 187,316,910	\$ 45,881,397	\$ 81,079,663	\$ 392,826	\$ 314,670,796
Timing of revenue recognition					
At a point in time	187,303,234	44,261,396	77,489,577	180,779	309,234,986
Over time	13,676	1,620,001	3,590,086	212,047	5,435,810
	\$ 187,316,910	\$ 45,881,397	\$ 81,079,663	\$ 392,826	\$ 314,670,796

	Year ended December 31, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 164,026,091	\$ 38,773,146	\$ 79,584,138	\$ 222,118	\$ 282,605,493
Timing of revenue recognition					
At a point in time	164,021,485	35,658,814	74,371,990	95,365	274,147,654
Over time	4,606	3,114,332	5,212,148	126,753	8,457,839
	\$ 164,026,091	\$ 38,773,146	\$ 79,584,138	\$ 222,118	\$ 282,605,493

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,	
	2021	2020
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.	\$ 5,012,589	\$ 3,352,208

(22) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 428,123	\$ 541,816
Other interest income	1,520	2,331
	<u>\$ 429,643</u>	<u>\$ 544,147</u>

(23) Other income

	Years ended December 31,	
	2021	2020
Sample sales income	\$ 304,056	\$ 299,528
Dividend income	295,568	190,171
Mold fee income	134,307	142,251
Testing fee income	133,714	168,577
Rental income	111,818	133,521
Others	2,110,828	3,005,773
	<u>\$ 3,090,291</u>	<u>\$ 3,939,821</u>

(24) Other gains and losses

	Years ended December 31,	
	2021	2020
Loss on disposal of property, plant and equipment	(\$ 63,452)	(\$ 67,529)
Gain (loss) on disposal of investments (Note 1)	90,109	(95,654)
Net currency exchange gain	1,203,355	399,073
Gain on financial assets/liabilities at fair value through profit or loss	573,145	71,489
Impairment loss	(164,900)	(801,712)
Casualty loss (Note 2)	(329,493)	-
Miscellaneous disbursements	(270,473)	(704,723)
	<u>\$ 1,038,291</u>	<u>(\$ 1,199,056)</u>

(Note 1) Information on the Group's gain on disposal of investments for the year ended December 31, 2021 is provided in Note 6(32). For the year ended December 31, 2020, the Group recognised a gain (loss) as a result of measuring at fair value its 41% equity interest in DPI, held before the business combination. Please refer to Note 6(31) for more information.

(Note 2) On August 30, 2021, the Group's inventories and equipment were partially damaged due to the flooding in the Thailand plants. The carrying amounts of the related assets amounted to \$329,493, and the Group had already recognized related losses. As these assets were covered with insurance, the Group expects to receive 90% of the claims. However, the actual indemnification is pending for approval from the insurance company.

(25) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	\$ 295,157	\$ 375,837

(26) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 66,808,915	\$ 60,812,227
Depreciation charges on property, plant and equipment	12,857,199	11,383,716
Depreciation charges on right-of-use assets	610,202	640,391
Amortisation charges on intangible assets	3,683,902	3,846,049
	<u>\$ 83,960,218</u>	<u>\$ 76,682,383</u>

(27) Employee benefit expense

	Years ended December 31,	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 922,423	\$ 902,005
Defined benefit plans	172,449	154,789
	1,094,872	1,056,794
Other employee benefits	65,714,043	59,755,433
	<u>\$ 66,808,915</u>	<u>\$ 60,812,227</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, 2021 and 2020, employees' compensation was accrued at \$3,179,902 and \$3,181,712, respectively; while directors' remuneration was accrued at \$67,904 and \$42,407, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2021, 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 \$2,545,649 and directors' remuneration of \$44,600 for 2021 were resolved by the Board of Directors on February 24, 2022.

The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021. Employees' compensation and directors' remuneration as resolved by the Board of Directors were in agreement with the amounts recognised in the 2020 financial statements.

Information about employees' compensation and directors' remuneration of the Company as

resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 5,888,336	\$ 4,604,570
Effect from Alternative Minimum Tax	10,420	12,783
Prior year income tax overestimation	(54,544)	(97,295)
Tax on undistributed surplus earnings	-	245,558
Total current tax	5,844,212	4,765,616
Deferred tax:		
Origination and reversal of temporary differences	1,284,102	2,125,328
	<u>\$ 7,128,314</u>	<u>\$ 6,890,944</u>

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

	Years ended December 31,	
	2021	2020
Currency translation differences	(\$ 229,932)	(\$ 474,308)
Gain or loss on hedging instruments	(78)	(1,849)
Remeasurement of defined benefit plan	(1,734)	(13,838)
	<u>(\$ 231,744)</u>	<u>(\$ 489,995)</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 9,821,134	\$ 11,843,633
Effects from items adjusted in accordance with tax regulations	(1,645,311)	(2,890,671)
Effect from investment tax credits	(851,932)	(2,046,961)
Effect from taxable loss	(151,453)	(176,103)
Prior year income tax overestimation	(54,544)	(97,295)
Effect from Alternative Minimum Tax	10,420	12,783
Tax on undistributed surplus earnings	-	245,558
Tax expenses	<u>\$ 7,128,314</u>	<u>\$ 6,890,944</u>

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

	2021					
	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	\$ 630,031	\$ 202,327	\$ -	\$ -	\$ -	\$ 832,358
Pension liability	469,162	(34,341)	1,734	-	-	436,555
Assets impairment	13,287	(6,072)	-	-	-	7,215
Depreciation difference between tax and financial basis	1,710,814	(473,012)	-	-	-	1,237,802
Others	3,256,231	700,108	25,217	-	403,881	4,385,437
Tax losses	392,180	(114,100)	-	-	-	278,080
	<u>6,471,705</u>	<u>274,910</u>	<u>26,951</u>	<u>-</u>	<u>403,881</u>	<u>7,177,447</u>
Deferred tax liabilities:						
- Temporary differences:						
Long-term equity investments	(12,930,643)	(1,226,526)	204,793	27,182	-	(13,925,194)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,399,614)	(332,486)	-	-	-	(2,732,100)
	<u>(15,450,119)</u>	<u>(1,559,012)</u>	<u>204,793</u>	<u>27,182</u>	<u>-</u>	<u>(16,777,156)</u>
	<u>(\$ 8,978,414)</u>	<u>(\$ 1,284,102)</u>	<u>\$ 231,744</u>	<u>\$ 27,182</u>	<u>\$ 403,881</u>	<u>(\$ 9,599,709)</u>

2020						
	<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	\$ 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>

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

December 31, 2021				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2021	\$ 2,161,027	\$ 2,161,027	\$ 2,084,801	2035
2010-2019	\$ 2,063,987	\$ 2,063,987	\$ 1,236,263	Indefinitely usable

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

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	\$ 6,472,404	\$ 5,466,258

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2021 and 2020, the amounts of temporary differences unrecognised as deferred tax liabilities were \$10,987,343 and \$10,443,978, 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	2019 (Note 1)
Cyntec, Power Forest Technology Corporation, Vivotek, DECC, DelBio, AMT, Lidlight Inc., Realwin., Otus Imaging, Aetek Inc. and Vatics Inc. (Note 2)	2019

Note 1: The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority, except for the income tax return of 2018 which is still pending for assessment and approval.

Note 2: The Group sold all its equity interest in Vatics Inc. on June 30, 2021.

(29) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,796,302	2,597,543	\$ 10.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,796,302	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	10,461	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 26,796,302	2,608,004	\$ 10.27
	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	\$ 9.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	
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

(30) Share-based payment

A. For the years ended December 31, 2021 and 2020, 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 (Note)	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
//	2018.3.30	500,000	6 years (Note)	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
Vatics Inc. - Employee stock options	2016.11.8	2,116,000	4 years	1~3 years' service
Vivotek - Plan of restricted stocks to employees	2019.8.19	800,000	2 years	1~2 years' performance

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

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

(a) Employee share options

	<u>2021</u>		<u>2020</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
Options forfeited	-	-	(100,000)	15.00
Options exercised	-	-	(690,000)	15.00
Options expired	-	-	(882,000)	16.50
Options outstanding at December 31	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Options exercisable at December 31	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

(b) Restricted stocks to employees

	2021	2020
	No. of shares	No. of shares
January 1	374,000	798,000
Vested during the year	-	(333,983)
Expired during the year	(374,000)	(90,017)
December 31	-	374,000

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

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
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	-%	0.57%~ 0.67%	2.7995~ 3.3727
Vivotek - Plan of restricted stocks to employees	2019.8.19	102.50	-	Not applicable	1~2	Not applicable	Not applicable	102.50

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

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

	Years ended December 31,	
	2021	2020
Equity-settled	\$ -	(\$ 900)

(31) Business combinations

A. Business combinations of the Group for the years ended December 31, 2021 and 2020 are as follows:

(a) On December 1, 2021, the Group acquired 100% of the share capital of March Networks Holdings Ltd. (March) for \$3,472,680 and obtained control over March. As a result of the

acquisition, the Group is expected to improve the security and building automation. The amortisation duration of the acquisition price for March will be completed in one year after the acquisition.

(b) 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.

(c) On November 3, 2020, the Group acquired 100% of the share capital of Trihedral for \$885,725 originally and obtained control over Trihedral. As a result of the acquisition, the Group is expected to strengthen industrial automation and systems integration layout. The allocation of the acquisition price of Trihedral was completed in the first quarter of 2021, and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

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

	<u>March</u>	<u>Trihedral (Note)</u>	<u>DPI (Note)</u>
Purchase consideration			
Cash	\$ 3,376,535	\$ 885,725	\$ 250,380
Contingent consideration	<u>96,145</u>	<u>134,759</u>	<u>-</u>
	3,472,680	1,020,484	250,380
Fair value of DPI's equity interest held before the business combination	<u>-</u>	<u>-</u>	<u>173,132</u>
	<u>3,472,680</u>	<u>1,020,484</u>	<u>423,512</u>
Fair value of the identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	510,591	18,234	29,756
Other current assets	1,218,552	72,912	413,005
Property, plant and equipment	44,809	6,852	47,035
Intangible assets	1,032,206	236,302	154,346
Deferred tax assets	403,881	-	-
Other non-current assets	242,838	-	23,543
Fair value of the liabilities assumed			
Other current liabilities	(475,624)	(9,666)	(496,015)
Deferred tax liabilities	-	(1,814)	-
Other non-current liabilities	<u>(236,879)</u>	<u>-</u>	<u>(4,723)</u>
Total identifiable net assets	<u>2,740,374</u>	<u>322,820</u>	<u>166,947</u>
Goodwill	<u>\$ 732,306</u>	<u>\$ 697,664</u>	<u>\$ 256,565</u>

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

- C. The allocation of the acquisition price of Trihedral was completed in the first quarter of 2021 and the fair values of the acquired identifiable intangible assets and goodwill were \$236,302 and \$697,664, respectively.
- D. The allocation of the acquisition price of DPI was completed in the second quarter of 2020 and the fair values of the acquired identifiable intangible assets and goodwill were \$154,346 and \$256,565, respectively.
- E. The Group originally held 41% of share ownership in DPI before the business combination. Loss on remeasurement of fair value for the first quarter of 2020 amounted to \$47,636.
- F. The operating revenue included in the consolidated statement of comprehensive income since December 1, 2021 contributed by March was \$221,280. March also contributed profit before income tax amounting to \$22,516 over the same period. Had the company been consolidated from January 1, 2021, the consolidated statement of comprehensive income would show operating revenue of \$317,030,264 and profit before income tax of \$35,650,199.

(32) Supplemental cash flow information

The Group's subsidiary, Vivotek Inc., sold 54.41% of shares in the subsidiary – Vatics Inc. on June 30, 2021 and therefore lost control over the subsidiary (please refer to Note 17 of Note 4(3)B). The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

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

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

In 2021, the Group acquired an additional equity interest of 2.44% in Vivotek for a total cash consideration of \$144,336 and 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. The effect of changes in interests attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

	<u>Year ended December 31, 2021</u>	
	<u>Vivotek</u>	
Carrying amount of non-controlling interest acquired	\$	166,370
Consideration paid to non-controlling interest	(	144,336)
	<u>\$</u>	<u>22,034</u>
Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount:		
Capital surplus	<u>\$</u>	<u>22,034</u>

	<u>Year ended December 31, 2020</u>			
	<u>Vivotek</u>	<u>Power Forest</u>	<u>Eltek Polska</u>	<u>Total</u>
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>
Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount:				
Capital surplus	<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>

(34) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2021	\$ 2,001,532	\$ 39,362,107	\$ 41,363,639
Changes in cash flow from financing activities	<u>2,395,830</u>	<u>4,596,805</u>	<u>6,992,635</u>
At December 31, 2021	<u>\$ 4,397,362</u>	<u>\$ 43,958,912</u>	<u>\$ 48,356,274</u>

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

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Compower AS	Associate
Fujian Kaixin Construciton Engineering Co., Ltd.	"
Delta Networks (Xiamen) Ltd.	"
Digital Projection Asia Pte Ltd.	"
Optovue, Inc.	" (Note)
Bruce Cheng	Director of the Company

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

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
Associates	\$ 97,068	\$ 175,080
Director of the Company	3,719	21,905
Sales of services:		
Associates	3,124	8,823
	\$ 103,911	\$ 205,808

The Group sells commodities to related parties based on mutually agreed selling prices and terms as there is no similar transaction to be compared with. Sales of service to related parties arise mainly from sales and services of construction system.

B. Purchases of goods

	Years ended December 31,	
	2021	2020
Purchases of goods:		
Associates	\$ 55,119	\$ 78,998

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, 2021	December 31, 2020
Receivables from related parties:		
Associates	\$ 27,831	\$ 42,284

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

D. Period-end balances arising from purchases of goods

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Payables to related parties:		
Associates	\$ 15,023	\$ 29,641

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, 2021</u>	<u>December 31, 2020</u>
Other receivables-related parties		
Associates	\$ 485	\$ 199

The above pertain mainly to payments on behalf of others and uncollected interests.

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 277,725	\$ 294,322
Post-employment benefits	599	790
	<u>\$ 278,324</u>	<u>\$ 295,112</u>

8. PLEDGED 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, 2021</u>	<u>December 31, 2020</u>	
Demand deposits and time deposits (shown as current financial assets at amortised cost)	\$ 319,238	\$ 483,361	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	218,130	187,257	Performance bonds and custom guarantee
Property, plant and equipment	557,568	567,141	Long-term borrowings and credit line of long-term borrowings
	<u>\$ 1,094,936</u>	<u>\$ 1,237,759</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property, plant and equipment	\$ 3,538,625	\$ 6,213,358
Costs of computer software	<u>\$ 9,970</u>	<u>\$ 72,804</u>

B. The Company's subsidiary, Delta International Holding Limited B.V.(DIH), planned to acquire all of the outstanding shares of UI Acquisition Holding Co. from its shareholders as resolved on December 17, 2021. The tentative transaction amount was approximately US\$88.9 million (in dollars). As of February 24, 2022, the transaction has not yet been approved by the authorities. Therefore, the transaction has not yet been completed.

10. SIGNIFICANT CASUALTY LOSS

Please refer to Note 2 of Note 6(24).

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) Information about the appropriations of 2021 earnings of the Company is provided in Note 6(19)E.
- (2) The Group plans to issue domestic unsecured corporate bonds and/or sustainable bonds for a total amount of not more than \$50,000,000 in full or in several times within a year from the date of the board meeting resolution.
- (3) The Group plans to merge with Allied Material Technology Corp., a 99.97%-owned subsidiary, and the effective date of the merger is expected to be on May 1, 2022.

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, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,437,527	\$ 4,003,539
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,587,843	\$ 1,927,683
Financial assets at amortised cost		
Cash and cash equivalents	\$ 49,855,053	\$ 58,711,985
Notes receivable	3,420,633	3,733,595
Accounts receivable	67,464,208	59,219,717
Other receivables	1,815,370	1,803,498
Guarantee deposits paid	204,759	256,693
Financial assets at amortised cost	545,368	863,642
	<u>\$ 123,305,391</u>	<u>\$ 124,589,130</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	\$ 41,371	\$ 60,060
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,397,362	\$ 2,001,532
Notes payable	440	2,770
Accounts payable	54,569,485	46,717,151
Other payables	35,652,202	32,884,221
Long-term borrowings (including current portion)	43,958,912	39,362,107
Guarantee deposits received	1,526,349	418,754
	<u>\$ 140,104,750</u>	<u>\$ 121,386,535</u>
Lease liabilities (including current portion)	<u>\$ 1,895,640</u>	<u>\$ 1,949,698</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, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,212	27.6600	\$ 15,827,372
USD:RMB (Note)	486,442	6.3720	13,454,978
USD:THB (Note)	326,474	33.3253	9,030,279
RMB:USD (Note)	878,872	0.1569	3,815,069
EUR:USD (Note)	97,120	1.1298	3,034,985
<u>Non-monetary items</u>			
USD:NTD	\$ 6,029,541	27.6600	\$ 166,777,109
THB:USD (Note)	55,524,751	0.0300	46,085,543
RMB:USD (Note)	9,969,549	0.1569	43,276,518
USD:THB (Note)	509,991	33.3253	14,106,364
NOK:USD (Note)	3,685,558	0.1134	11,556,213
THB:NTD	5,389,233	0.8300	4,473,063
EUR:USD (Note)	46,764	1.1298	1,461,366
CAD:USD (Note)	47,519	0.7802	1,025,452
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:RMB (Note)	\$ 4,199,001	0.1569	\$ 18,227,317
USD:NTD	644,440	27.6600	17,825,220
USD:THB (Note)	418,056	33.3253	11,563,430
USD:RMB (Note)	304,686	6.3720	8,427,610
EUR:USD (Note)	52,354	1.1298	1,636,056

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

December 31, 2020

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

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

- 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, 2021 and 2020 amounted to \$1,203,355 and \$399,073, respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 158,274	\$ -
USD:RMB (Note)	1%	134,550	-
USD:THB (Note)	1%	90,303	-
RMB:USD (Note)	1%	38,151	-
EUR:USD (Note)	1%	30,350	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
RMB:USD (Note)	1%	\$ 182,273	\$ -
USD:NTD	1%	178,252	-
USD:THB (Note)	1%	115,634	-
USD:RMB (Note)	1%	84,276	-
EUR:USD (Note)	1%	16,361	-

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

Year ended December 31, 2020			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 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.

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, 2021 and 2020 would have increased/decreased by \$20,598 and \$14,147, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$13,259 and \$15,203, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

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

interest rate. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.

- ii. As at December 31, 2021 and 2020, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased by \$87,918 and \$78,700, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

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

viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. There were no contract assets past due as at December 31, 2021 and 2020. On December 31, 2021 and 2020, the provision matrix of accounts receivable is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2021</u>			
Expected loss rate	0.00%	0.97%	20.85%
Total book value	\$ 60,175,037	\$ 7,029,700	\$ 268,016
Loss allowance	\$ 432	\$ 67,970	\$ 55,884
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	47.87%	94.43%	
Total book value	\$ 151,223	\$ 162,945	\$ 67,786,921
Loss allowance	\$ 72,388	\$ 153,870	\$ 350,544
	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At 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

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

	2021				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 507,266	\$ -	\$ 354,282	\$ 861,548
Reversal of impairment loss	-	(152,847)	-	(24,526)	(177,373)
Decrease in consolidated entities	-	(320)	-	-	(320)
Reclassification	-	(10,245)	-	10,245	-
Write-offs during the year	-	(2,211)	-	(21,707)	(23,918)
Effect of foreign exchange	-	8,901	-	(4,996)	3,905
At December 31	<u>\$ -</u>	<u>\$ 350,544</u>	<u>\$ -</u>	<u>\$ 313,298</u>	<u>\$ 663,842</u>
	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
Provision for (reversal of) impairment loss	-	(254,514)	-	110,447	(144,067)
Write-offs during the year	-	(137,816)	-	(63,404)	(201,220)
Reclassification	-	(102,008)	-	102,008	-
Effect of foreign exchange	-	(7,589)	-	(8,174)	(15,763)
At December 31	<u>\$ -</u>	<u>\$ 507,266</u>	<u>\$ -</u>	<u>\$ 354,282</u>	<u>\$ 861,548</u>

For provisioned loss for the years ended December 31, 2021 and 2020, the reversal of impairment loss arising from customers' contracts amounted to \$177,373 and \$144,067, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 4,397,362	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	54,569,925	-	-	-
Other payables	35,652,202	-	-	-
Lease liabilities (including current portion)	529,239	374,463	446,160	545,778
Long-term borrowings (including current portion)	45,125	37,495,523	6,060,631	357,633

Non-derivative financial liabilities:

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

Derivative financial liabilities:

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

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$2,059,827	\$ -	\$1,135,347	\$3,195,174
Convertible preferred stocks	-	-	197,148	197,148
Hybrid instruments	20,135	900,000	-	920,135
Derivative instruments	-	125,070	-	125,070
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,060,528</u>	<u>-</u>	<u>527,315</u>	<u>1,587,843</u>
	<u>\$3,140,490</u>	<u>\$1,025,070</u>	<u>\$1,859,810</u>	<u>\$6,025,370</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 41,371</u>	<u>\$ -</u>	<u>\$ 41,371</u>

<u>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>

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, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021			
	Hybrid instruments	Debt instruments	Equity instruments	Total
At January 1	\$ 74,983	\$ -	\$ 1,943,584	\$ 2,018,567
Losses recognised in profit and loss	(5,131)	-	(146,844)	(151,975)
Losses recognised in other comprehensive income	-	-	(228,746)	(228,746)
Acquired during the year	-	197,148	326,658	523,806
Proceeds from capital reduction	-	-	(57,736)	(57,736)
Disposals during the year	(69,852)	-	(33,963)	(103,815)
Transfers out from Level 3	-	-	(133,700)	(133,700)
Net exchange differences	-	-	(6,591)	(6,591)
At December 31	<u>\$ -</u>	<u>\$ 197,148</u>	<u>\$ 1,662,662</u>	<u>\$ 1,859,810</u>

	2020		
	Hybrid instruments	Equity instruments	Total
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in profit or loss	-	(105,958)	(105,958)
Losses recognised in other comprehensive income	-	(4,276)	(4,276)
Acquired during the period	74,983	237,157	312,140
Disposals during the period	-	(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>

G. For the years ended December 31, 2021 and 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, 2021	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,397,262	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.91~2.78 (1.21)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	1.43~14.77 (2.26)	
			Price to book ratio multiple	1.56~17.00 (2.35)	
			Discount for lack of marketability	20% (20%)	
Non-derivative debt instruments:					
Convertible preferred stocks	197,148	Option pricing model of VC Method	Market value multiple	10.20~28.99 (28.17)	The higher the multiple, the higher the fair value

	Fair value at 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

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

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

		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)	

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), with investee companies in the Mainland China, for the year ended December 31, 2021.

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

(2) Measurement of segment information

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

(3) Segment information

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

	Year ended December 31, 2021			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 187,316,910	\$ 45,881,397	\$ 81,079,663	\$ 314,277,970
Segment income (Note)	\$ 21,443,466	\$ 4,976,189	\$ 4,945,086	\$ 31,364,741

	Year ended December 31, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 164,026,091	\$ 38,773,146	\$ 79,584,138	\$ 282,383,375
Segment income (Note)	\$ 21,674,612	\$ 3,877,526	\$ 5,873,666	\$ 31,425,804

(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, 2021 and 2020 is provided as follows:

	Years ended December 31,	
	2021	2020
Reportable segments income	\$ 31,364,741	\$ 31,425,804
Non-operating income and expenses	4,262,806	2,849,479
Income before tax from continuing operations	\$ 35,627,547	\$ 34,275,283

(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, 2021 and 2020 were as follows:

	Years ended December 31,			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 103,301,964	\$ 28,176,401	\$ 91,342,056	\$ 26,961,698
U.S.A.	72,772,720	4,882,157	63,307,375	4,339,910
Taiwan	33,340,691	42,566,837	30,519,295	39,834,563
Thailand	1,945,032	60,511,111	1,603,452	39,943,247
Others	103,310,389	18,967,074	95,833,315	37,228,069
	\$ 314,670,796	\$ 155,103,580	\$ 282,605,493	\$ 148,307,487

(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, 2021 and 2020.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2021

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	\$ 2,572,380	\$2,572,380	\$ 1,659,600	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,519,112	\$ 28,519,112	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	16,914,090	16,914,090	16,914,090	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	28,519,112	28,519,112	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	802,140	-	-	0.50%	2	-	Additional operating capital	-	None	-	1,827,419	1,827,419	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	18,808,800	15,130,020	15,130,020	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	2,212,800	-	-	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	691,500	691,500	691,500	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	12,170,400	12,170,400	12,170,400	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	387,240	387,240	387,240	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	63,618	63,618	63,618	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	31,250	31,250	31,158	1.90%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	91,500	61,000	61,000	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Eltek Power France SAS	Other receivables - related parties	Yes	78,125	-	-	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Solutions (Finland) Oy	Other receivables - related parties	Yes	31,250	-	-	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Electronics (Poland) Sp. z. o.o.	Other receivables - related parties	Yes	99,402	99,402	99,402	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	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, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Eltek AS	Eltek s.r.o.	Other receivables - related parties	Yes	\$ 303,125	\$ 303,125	\$ 303,125	0.60%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 3,275,627	\$ 3,275,627	Note 5
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,519,305	1,519,305	1,519,305	4.65%	2	-	Additional operating capital	-	None	-	4,155,257	4,155,257	Note 5
6	Vivotek Inc.	Vatics Inc.	Other receivables	No	270,000	-	-	1.09%	2	-	Additional operating capital	-	None	-	290,473	580,945	Note 6
7	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	375,000	359,375	359,375	0.40%	2	-	Additional operating capital	-	None	-	695,111	695,111	Note 5
8	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,157,480	2,157,480	2,157,480	1.7%- 4%	2	-	Additional operating capital	-	None	-	6,344,224	6,344,224	Note 5
9	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	218,750	218,750	187,500	0.40%	2	-	Additional operating capital	-	None	-	1,123,039	1,123,039	Note 5
10	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,666,894	1,610,463	1,610,463	3.85%	2	-	Additional operating capital	-	None	-	2,731,854	2,731,854	Note 5
11	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	583,413	583,413	583,413	3.85%	2	-	Additional operating capital	-	None	-	7,766,756	7,766,756	Note 5

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2021, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

(2) For the short-term financing, the limit on loans granted to a single party shall not exceed 10% of the Company'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, 2021

Table 2

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

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at December 31, 2021	Outstanding endorsement / guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 4)											
1	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 3,095,730	\$ 124,470	\$ 124,470	\$124,470	\$ -	0.08%	\$ 7,739,326	N	N	N	Note 2

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

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

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

Note 3: The Company's net assets based on the latest audited or reviewed financial statements were \$154,786,522 thousand (2021/12/31).

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

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

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2021

Table 3

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

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	31,294,379	\$ 683,782	2.08%	\$ 683,782	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	376,746	5.78%	376,746	
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	-	122,834	-	122,834	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,750	271,246	0.51%	271,246	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,061,000	205,834	0.81%	205,834	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	174,505	0.14%	174,505	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	290,500	1.44%	290,500	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	213,786	2.99%	213,786	
Delta Electronics Capital Company	Acer E-Enabling Service Business Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	800,000	176,000	2.19%	176,000	
Delta Electronics Capital Company	AMIA Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - non-current	2,000,000	131,980	3.18%	131,980	
Delta Electronics Capital Company	Evergreen Aviation Technologies Corporation common stock	None	Financial assets at fair value through profit or loss - non-current	3,000,000	189,000	0.85%	189,000	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	Hz0, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,373,728	-	1,373,728	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	110,640	19.9%	110,640	
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	-	39,607	-	39,607	
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	29,890	19.79%	29,890	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,841	17.52%	4,841	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	6,511	15.00%	6,511	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	197,148	2.04%	197,148	

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, 2021

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, 2021		Addition		Disposal				Balance as at December 31, 2021		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Delta Electronics (H.K.) Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Investments accounted for under equity method	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	-	(\$ 16,747)	-	\$ 1,007,644 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 990,897	
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	Investments accounted for under equity method	Luneau Technology USA, Inc.	None	5,190,330	728,129	-	(7,933) (Note 2)	5,190,330	720,196 (Note 3)	720,196	-	-	-	
Delta International Holding Limited B.V.	March Networks Holdings Ltd. (Note 4)	Investments accounted for under equity method	Infinova International Ltd.	None	-	-	10,000	3,468,894 (Note 5)	-	-	-	-	10,000	3,468,894	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	1,775,836	-	-	-	926,057	961,596	(Note 6)	-	814,240	

Note 1: Delta Electronics (H.K.) Ltd increased its investments in Cyntec Electronics (WuHu) Co., Ltd. in the amount of \$1,353,700 in April 2021, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 2: It pertained to investment income or loss recognised during the period and adjustments in changes of net value.

Note 3: As of December 31, 2021, the proceeds had been collected amounting to \$630,280, and other receivables were recognised in the amount of \$89,916. The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

Note 4: The investee, Infinova (Canada) Limited, was renamed as March Networks Holdings Ltd. in December 2021.

Note 5: Delta International Holding Limited B.V. increased its investments in Infinova (Canada) Limited in the amount of \$3,472,680 in December 2021, which included investment income or loss recognised during the period and adjustments in changes of net value.

The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

Note 6: Delta Electronics (H.K.) Ltd. acquired 51% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited. The transaction resulted from the Group's adjustment in investment structure. There was no gain or loss on disposal pursuant to related ordinances.

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, 2021

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 Controls Inc.	Land and buildings in British Columbia, Canada	April 20, 2021	\$ 640,680	In accordance with the contract terms	Energrated Holdings Ltd.	None	-	-	-	\$ -	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
Delta Electronics, Inc.	Plant 5 in Zhongli	August 27, 2021	3,035,176	In accordance with the contract terms	Li Jin Engineering Co., Ltd., etc.	None	-	-	-	-	Price comparison and negotiation	For future business development	None
Delta Electronics (Netherlands) B.V.	Buildings in Helmond, Netherlands	October 27, 2021	321,649	In accordance with the contract terms	Bouwbedrijf L. v. d. Ven B.V., etc.	None	-	-	-	-	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
Delta Electronics, Inc.	Phase 3 of plant in Tainan	December 24, 2021	2,826,527	In accordance with the contract terms	Lee Ming Construction Co., Ltd., etc.	None	-	-	-	-	Price comparison and negotiation	For future business development	None
Delta Electronics (Thailand) Public Company Limited	Plant in Wellgrow Industrial Estate, Thailand	December 31, 2021	510,184	In accordance with the contract terms	Samson Contractor Co., Ltd.	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, 2021

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 Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 4,687,136	13.37	70 days			\$ 1,480,147	22.68	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	85.77	70 days			4,945,779	75.78	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	25.68	70 days			6,104,337	47.20	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	628,869	0.79	70 days			165,180	1.28	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	73.00	70 days			6,578,815	50.87	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	323,268	0.92	70 days			113,122	1.09	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	52.50	70 days			4,500,068	43.50	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	3,082,153	8.89	70 days			909,005	8.79	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,016,536	2.93	70 days			284,659	2.75	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	99.23	70 days			1,506,489	98.87	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	331,483	4.44	70 days			51,159	3.42	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	95.52	70 days			1,438,931	96.07	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	894,310	16.74	70 days			218,210	17.07	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 4,458,582	83.29	70 days			\$ 1,060,041	82.93	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,943,266	61.89	70 days			206,726	40.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	407,864	12.97	70 days			105,384	20.50	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	756,910	24.07	70 days			194,016	37.74	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,060,067	27.00	Note 1	Note 1	Note 1	554,396	38.36	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	205,454	2.67	90 days after delivery			77,066	5.33	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	99.72	Note 2	Note 2	Note 2	2,303,996	99.79	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	486,320	19.66	70 days			-	-	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,987,028	80.34	70 days			831,228	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,008,607	84.32	70 days			35,416	9.30	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,255	3.03	70 days			47,421	4.08	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,168,563	20.79	70 days			213,065	19.75	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	119,460	2.12	70 days			21,059	1.95	
Delta Electronics (Japan), Inc.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	125,333	2.21	70 days			39,510	3.66	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	349,965	5.84	70 days			69,597	4.58	

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)	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 547,089	9.12	70 days			\$ 65,099	4.28	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	779,636	13.00	180 days			589,750	38.82	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	190,675	3.85	70 days			100,988	9.77	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	706,886	14.01	70 days			112,801	10.91	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	116,224	2.25	70 days			4,812	0.47	
ELTEK AS	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	107,170	2.09	70 days			22,650	2.19	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	617,629	12.18	70 days			123,843	11.98	
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	455,849	9.07	70 days			88,080	8.52	
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	130,073	2.57	70 days			19,627	1.89	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	165,430	3.24	70 days			19,626	1.90	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	193,388	3.80	70 days			31,811	3.08	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	435,543	8.63	70 days			110,299	10.66	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	414,668	0.18	70 days			106,151	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	267,739	0.15	90 days after delivery			164,385	0.29	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	2,057,628	0.83	70 days			673,902	1.20	

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)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 20,947,034	9.23	70 days			\$ 5,261,466	9.37	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	14.09	70 days			3,518,289	6.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	2.42	70 days			961,354	1.71	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	2.53	70 days			903,077	1.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,520,847	1.55	70 days			1,049,632	1.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	282,686	0.13	70 days			51,394	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,828,800	0.80	70 days			530,152	0.94	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	630,399	0.26	70 days			190,271	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	141,805	0.06	70 days			36,222	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	229,432	0.05	150 days			106,210	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	184,373	0.09	70 days			47,478	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	193,328	0.11	75 days after delivery			126,546	0.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,675,119	0.71	90 days after delivery			537,974	0.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	162,958	0.06	70 days			42,835	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,963,137	1.30	70 days			629,279	1.12	

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 (Korea), Inc.	Affiliated enterprise	Operating revenue	\$ 280,428	0.12	70 days			\$ 76,044	0.14	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	161,862	0.08	75 days after delivery			33,038	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	3,089,656	1.36	70 days			925,049	1.65	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,265,486	0.58	70 days			260,065	0.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	560,389	0.24	70 days			167,328	0.30	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,834,518	0.77	70 days			599,561	1.07	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green Industrial (Thailand) Co., Ltd.	Affiliated enterprise	Operating revenue	107,317	0.02	70 days			32,069	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	18,853,376	8.34	70 days			6,635,646	11.82	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	13,195,954	5.80	90 days after delivery			5,027,252	8.95	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,677,076	1.16	70 days			692,118	1.23	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	5,886,012	2.59	70 days			1,377,115	2.45	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	596,624	16.37	70 days			188,846	18.12	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,646,756	45.08	70 days			560,904	53.80	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	Operating revenue	190,272	5.14	70 days			28,628	2.75	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,167,831	31.73	70 days			246,321	23.63	

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)	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	\$ 1,878,928	76.62	70 days			\$ 127,130	55.05	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	499,009	20.15	70 days			72,964	31.60	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	169,258	0.29	70 days			1,529	0.01	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	364,005	0.57	90 days after delivery			96,185	0.56	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	201,620	0.34	70 days			53,910	0.31	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,009,041	1.64	70 days			134,758	0.78	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	226,349	0.35	70 days			56,594	0.33	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	133,190	0.20	70 days			29,757	0.17	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	21,684,080	35.23	90 days after delivery			8,166,943	47.58	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,659,266	2.70	70 days			437,353	2.55	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	293,740	0.48	70 days			108,477	0.63	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	754,625	1.11	70 days			744,248	5.15	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	Operating revenue	362,780	0.54	150 days			360,411	2.50	
Delta Electronics, Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	281,560	0.42	70 days			47,507	0.33	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	468,828	0.71	70 days			18	-	

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, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	\$ 279,128	0.42	70 days			\$ 1	0.00	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	213,485	0.31	90 days after delivery			30,397	0.21	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	278,746	0.40	70 days			103,015	0.71	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	335,942	0.45	70 days			132,004	0.92	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	25.92	70 days			3,415,571	23.62	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	2,773,177	4.09	70 days			454,866	3.16	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	8,259,647	12.24	90 days after delivery			3,138,970	21.74	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	1,369,368	2.03	70 days			283,057	1.96	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	150,204	0.23	75 days after delivery			56,895	0.40	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	396,031	0.58	70 days			49,201	0.34	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	570,566	12.00	90 days	Note 3	Note 3	154,838	22.00	

Note 1: Sales revenue is cost plus handling charges and necessary processing costs. The collection term is 90 days from next month for ALI, 75 days from next month for other related parties, and 30~120 days after monthly billings to third parties.

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, 2021

Table 7

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 1,480,147	4.56	\$ -		\$ 918,393	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	4,945,779	5.58	-		4,920,183	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	6,104,337	3.24	-		5,762,924	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	165,180	4.34	-		53	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	6,578,815	9.83	32,127		416,567	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	113,122	1.95	612		69,044	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	4,500,068	3.79	-		2,724,712	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	909,005	3.79	-		552,274	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	284,659	3.49	-		284,659	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,506,489	4.19	-		1,079,934	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,438,931	5.99	-		959,802	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	218,210	4.31	-		218,210	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,060,041	5.08	-		747,161	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	206,726	7.25	-		206,726	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	105,384	4.54	-		13	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	194,016	4.50	-		152,301	
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	141,896	-	-		141,896	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	554,396	3.71	-		366,268	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,303,996	6.44	-		2,062,934	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	831,228	4.78	-		831,228	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	213,065	6.15	-		124,472	

Table 7-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	\$ 589,750	1.73	\$ 237,587		\$ 34,486	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	100,988	2.31	-		30,522	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	112,801	4.84	-		47,897	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	123,843	4.66	-		49,081	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	413,424	3.49	315		84,441	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	106,151	3.76	292		24,708	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELETRONICS BRASIL LTDA	Affiliated enterprise	164,385	2.23	31,976		409	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	673,902	3.20	-		386,481	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	5,261,466	4.72	848,145		3,045,795	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	3,518,289	12.20	-		1,957,841	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	961,354	6.96	6,915		941,839	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	903,077	7.71	1,604		473,332	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	1,049,632	4.02	607,889		511,710	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	530,152	4.33	-		169,525	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	190,271	4.15	33		-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	106,210	2.83	-		44,135	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd	Affiliated enterprise	126,546	1.91	52,170		25,029	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	537,974	3.31	27,647		141,928	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	629,279	4.41	-		175,118	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	925,049	4.97	-		321,870	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	260,065	3.32	-		156,223	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	167,328	4.81	-		52,531	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	599,561	3.66	190,288		130,167	

Table 7-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	\$ 6,784,076	2.56	\$ 40,690		\$ 1,034,762	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	5,027,252	2.50	-		1,465,263	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	692,118	4.47	3,194		175,860	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	1,377,115	5.21	29,775		572,782	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	188,846	3.86	2,140		57,722	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	560,904	3.28	-		172,058	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	246,321	3.63	-		115,619	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	127,130	14.05	143		127,130	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	134,758	5.14	-		40,781	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	8,166,943	3.08	1,357,525		2,061,985	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	437,353	4.39	15,451		76,656	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	108,477	3.77	21,901		90,198	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	744,248	0.77	-		-	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	360,411	2.01	-		-	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	103,015	4.69	-		33,086	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	132,004	3.34	146		36,143	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,717,449	0.27	215,194		3,076,977	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	454,866	7.00	201,550		228,108	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	3,138,970	3.03	-		974,736	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	283,057	4.53	1,052		117,875	
Delta International Holding Limited B.V.	Delta Controls Inc.	Affiliated enterprise	387,473	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	12,192,171	-	-		-	

Table 7-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Affiliated enterprise	\$ 692,737	-	\$ -		\$ -	
Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	15,158,506	-	-		-	
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	2,157,480	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	590,526	-	-		-	
Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	1,646,965	-	-		-	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,559,731	-	-		-	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,660,315	-	-		-	
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	16,940,509	-	-		-	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	253,432	-	-		-	
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	187,500	-	-		-	
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	359,375	-	-		-	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	161,657	4.09	-		-	

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

Note 2: The amount represents collections subsequent to December 31, 2021 up to February 24, 2022.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2021

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.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	\$ 8,259,647	(Note 5)	2.62
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	(Note 5)	5.53
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	4,687,136	(Note 4)	1.49
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	(Note 4)	9.55
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	(Note 4)	6.62
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	(Note 4)	18.81
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	(Note 4)	5.79
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	(Note 4)	1.93
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	(Note 4)	2.26
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,458,582	(Note 4)	1.42
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	(Note 7)	4.87
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	20,947,034	(Note 4)	6.66
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	(Note 4)	10.18
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	(Note 4)	1.74
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	(Note 4)	1.84

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)
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 3,520,847	(Note 4)	1.12
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	18,853,376	(Note 4)	5.99
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	13,195,954	(Note 5)	4.19
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	5,886,012	(Note 4)	1.87
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	21,684,080	(Note 5)	6.89
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Accounts receivable	3,717,449	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	4,945,779	(Note 4)	1.35
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	6,104,337	(Note 4)	1.67
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	6,578,815	(Note 4)	1.80
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,500,068	(Note 4)	1.23
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,261,466	(Note 4)	1.44
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Accounts receivable	6,784,076	(Note 4)	1.86
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,027,252	(Note 5)	1.38
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	8,166,943	(Note 5)	2.24
10	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	12,192,171	(Note 6)	3.34
10	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	15,158,506	(Note 6)	4.15

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)
11	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 16,940,509	(Note 6)	4.64

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, 2021

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, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 67,930,550	\$ 1,262,627	\$ 1,236,811	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	1,839,478	99,400	61,931	(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	23,258,370	6,167,401	5,733,781	(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	4,473,063	5,836,012	287,690	(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	32,778,207	1,107,200	964,114	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	208,627	2,496	3,233	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	4,024,563	552,543	552,543	(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	43,913,221	12,171,122	12,035,873	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,585,464	(90,061)	(90,034)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	285,784	386,583	13,774	(Notes 6 and 9)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,361,352	4,217,016	47,692,058	55.09	4,110,543	188,138	5,510	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	-	880,000	44.00	8,569	(525)	(231)	(Note 18)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	11,915,297	11,915,297	191,984,450	15.39	11,818,732	5,836,012	678,798	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	79,412	79,412	1,000,000	100.00	220,910	7,328	7,328	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	79,079	79,079	5,600	100.00	717,423	123,652	123,652	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	390,738	390,738	46,949,667	100.00	147,038	(131,894)	(142,166)	(Note 1)
Delta International Holding Limited B.V.	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	-	41,490	-	-	-	(8,495)	(8,495)	(Notes 1 and 21)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	\$ 562,726	\$ 562,726	10,000	100.00	\$ 835,777	\$ 97,144	\$ 91,386	(Note 1)
Delta International Holding Limited B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,888,899	1,888,899	1,060,624	100.00	2,373,380	427,640	425,514	(Note 1)
Delta International Holding Limited B.V.	Eltek AS	Norway	Research, development and sales of power supplies and others	13,751,653	13,751,653	93,531,101	100.00	11,556,213	453,742	(222,719)	(Note 1)
Delta International Holding Limited B.V.	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,074,500	2,074,500	75,000,000	100.00	2,544,129	47,803	47,803	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	101,236	101,236	500,000	100.00	59,413	2,425	2,425	(Note 1)
Delta International Holding Limited B.V.	March Networks Holdings Ltd.	Canada	Equity investments	3,455,191	-	10,000	100.00	3,468,894	25,764	18,653	(Note 18)
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	167,343	167,343	2,314,592	100.00	162,816	28,824	28,824	(Note 2)
Delta Electronics (H.K.) Ltd.	Eltekeny International de Mexico, S. de R.L. de C.V.	Mexico	Sales of power supplies and others	926,057	-	20,944,514	100.00	103,636	80	80	(Note 2)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,083,463	9,083,463	2,549,297,600	100.00	24,303,836	5,062,250	5,062,250	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,409,764	2,409,764	1	100.00	1,929,314	237,064	122,152	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,760,738	4,760,738	304,504,306	100.00	5,081,537	589,868	585,628	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,428,216	1,428,216	18,374,182	89.74	2,633,676	386,583	346,102	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	-	1,023,420	-	-	-	(948)	(1,766)	(Notes 8 and 22)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	155,449	155,449	940,687	100.00	(9,297)	(47,788)	(51,659)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	196,663	196,663	4,315,657	100.00	172,337	11,587	11,587	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	561,042	561,042	87,000,000	100.00	400,699	(9,192)	(9,192)	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,702,908	2,702,908	-	100.00	2,687,403	74,099	(4,433)	(Note 8)

Table 9-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	\$ 772,562	\$ 772,562	12,175,470	100.00	\$ 638,757	\$ 76,617	\$ 41,846	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Graphic control software and related engineering services	986,758	977,883	51,495	100.00	1,025,452	73,853	47,465	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	208,951	208,951	250,000	100.00	1,483,967	226,250	226,250	(Note 15)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	62,788	62,788	-	100.00	31,695	(11,656)	(11,656)	(Note 15)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	33,093,857	33,093,857	534,479,306	42.85	34,079,594	5,836,012	1,889,962	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	20,837	20,837	11,400,000	100.00	29,113	16,102	16,102	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	187,217	(7,245)	(7,245)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(17,327)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	57,128	57,128	300,000	100.00	(45,401)	9,916	9,916	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Provide solutions to building management and control	2,244,870	2,244,870	-	100.00	1,461,366	117,496	65,126	(Note 7)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	4,919,579	4,919,579	1,196,886,000	100.00	1,791,140	97,556	97,066	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	968,100	968,100	35,000,000	100.00	1,770,243	98,817	98,817	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	159,859	159,859	40,526,221	100.00	(271,450)	(131,894)	(131,894)	(Note 17)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,029,596	789,681	789,681	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	347,387	24,134,934	100.00	280,842	29,014	22,016	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	7,843,251	7,843,251	264,357,330	100.00	5,912,257	157,913	(291,159)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	170,980	170,980	20,600,000	100.00	82,362	(3,966)	(3,966)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	4,626,320	4,626,320	146,586,590	100.00	8,194,107	114,287	82,108	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Vietnam) Company Limited	Vietnam	Sales of electronic products	2,515	2,515	-	100.00	10,486	8,363	8,363	(Note 16)

Table 9-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	\$ 382	\$ -	110,999	100.00	(\$ 53)	(\$ 456)	(\$ 456)	(Notes 16 and 18)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	305,651	-	-	-	(30,724)	3,319	(Note 19)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	272,981	25,624	46,945	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	139,748	31,336	31,652	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	121,210	1,938	1,938	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	47,109	1,183	1,183	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,542	330	330	(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	323,079	25,630	25,630	(Note 10)
Realwin Investment Inc.	Skywatch INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(3,320)	-	(Note 14)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	49,981	3,410	3,410	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	62,814	29,676	16,681	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	-	11,242	-	-	-	10,436	9,408	(Notes 12 and 20)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,095	712	363	(Note 12)
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	31,123	-	-	-	(30,724)	(1,193)	(Note 19)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 18: Established or invested during 2021.

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

Note 20: Dissolved and liquidated in August 2021.

Note 21: Dissolved and liquidated in April 2021.

Note 22: The Group disposed all of its shares in Optovue in June 2021 as resolved by the Board of Directors, and the related procedures were completed in July.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2021

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 3,869,911	Invested by DHK	\$ 4,613,006	\$ -	\$ -	\$ 4,613,006	\$ 778,553	100.00	\$ 777,581	\$ 5,983,909	\$ 267,196	(Notes 3, 15 and 20)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies and others	-	Invested by DHK	-	-	-	-	44,108	-	44,106	-	-	(Notes 15 and 20)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,443,048	Invested by DHK	432,698	-	-	432,698	3,119,728	100.00	3,119,967	7,783,056	-	(Notes 6 and 15)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,706,440	Invested by DHK	473,297	-	-	473,297	114,183	100.00	113,821	4,160,774	-	(Notes 7 and 15)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,742,580	Invested by DHK	118,243	-	-	118,243	125,859	100.00	127,210	2,027,032	-	(Notes 8 and 15)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	5,167,165	Invested by DHK	11,280,574	-	-	11,280,574	1,507,501	100.00	1,500,875	12,599,381	-	(Notes 12 and 15)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	125,300	Invested by DHK	915,135	-	-	915,135	(23,484)	100.00	(23,484)	(62,159)	-	(Notes 9 and 15)
Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	-	Invested by DHK	1,048,586	-	-	1,048,586	5,503	-	5,974	-	-	(Notes 15 and 25)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	130,226	Invested by DHK	143,685	-	-	143,685	85,441	100.00	85,441	230,439	-	(Note 15)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	217,044	Invested by DHK	12,650	-	-	12,650	6,344	100.00	6,344	166,531	-	(Notes 10 and 15)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	238,748	Invested by DHK	233,961	-	-	233,961	(10,925)	100.00	(10,925)	193,642	-	(Note 15)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and processing of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; sales of self-produced products and wholesale, import and export of products similar to the Company's products	5,587,320	Invested by CHK	5,489,469	-	-	5,489,469	768,600	100.00	768,600	8,697,390	255,855	(Notes 17 and 23)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	\$ 1,258,530	Invested by DNHK	\$ 1,236,577	\$ -	\$ -	\$ 1,236,577	\$ 123,789	100.00	\$ 123,789	\$ 1,661,715	\$ 608,520	(Notes 5 and 26)
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	64,020	Invested by DNHK	19,362	-	-	19,362	(3,791)	30.00	(1,137)	16,119	-	(Note 16)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	110,640	Invested by DelBio	110,640	-	-	110,640	6,614	100.00	6,593	181,793	-	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	110,692	Invested by DCZ	-	-	-	-	49,456	100.00	49,275	241,900	-	(Note 13)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,409	Invested by DPEC and DGC	-	-	-	-	1,486	96.32	1,486	33,427	-	(Note 13 and 22)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	434	Invested by DET-SH	-	-	-	-	1,012	96.32	1,012	1,889	-	(Note 13 and 22)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,139	Invested by Amerlux Lighting Hong Kong Limited	166,582	-	-	166,582	98,541	100.00	98,541	118,895	-	(Notes 11 and 19)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,465,614	Invested by Drake-HK, Boom and DGSG	8,458,778	-	-	8,458,778	1,053,390	95.91	1,010,316	6,473,416	-	(Notes 4 and 14)
Cyntec Electronics (WuHu) Co., Ltd.	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,355,340	Invested by DHK	27,660	802,140	-	829,800	(340,588)	100.00	(340,588)	990,897	-	(Notes 15 and 24)
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	108,522	Invested by DPT	-	-	-	-	-	40.00	679	12,835	-	(Note 13)

Table 10-2

- Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.372 to US\$1 and NTD 4.34087 to RMB\$1.
- Note 2: The accumulated remittance as at January 1, 2021, remitted or collected this period, accumulated remittance as at December 31, 2021 and investment income remitted back as at December 31, 2021 was translated into New Taiwan Dollars at the average exchange rate of NTD 27.66 to US\$1 at the balance sheet date.
- Note 3: Except for the facility of US\$166,775 thousand (the amount include former Delta Electronics Power (Dongguan) Co., Ltd.) permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 4: Except for the facility of US\$305,813 thousand permitted by Investment Commission, the capitalisation of earnings of US\$980 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$21,812 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 6: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 7: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 8: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 9: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 10: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 11: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.
- Note 12: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. Under the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.
- Note 13: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.
- Note 14: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.
- Note 15: Invest through Delta Electronics (H.K.) Ltd.
- Note 16: Invest through Delta Networks (HK) Limited.
- Note 17: Invest through Cyttec Holding (HK) Limited.
- Note 18: Invest through DelBio Inc.
- Note 19: Invest through Amerlux Lighting Hong Kong Limited.
- Note 20: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.
- Note 21: The company recognised investment income / loss based on the audited financial statement.
- Note 22: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. After the merger, Delta Energy Technology Puhuan (Shanghai) Co., Ltd. would be the surviving company while Delta Energy Technology (Shanghai) Co., Ltd. would be the dissolved company. As of December 31, 2021, the procedure was still in process.
- Note 23: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$4,000 thousand permitted by Investment Commission is excluded from Cyttec Co., Ltd.'s amount of investment in Mainland China.
- Note 24: Except for the facility of US\$30,000 thousand permitted by Investment Commission, the capitalisation of earnings of US\$19,000 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 25: This company had been liquidated in December 2021.
- Note 26: Jointly invested through Delta Electronics (H.K.) Ltd. and Delta Networks (HK) Limited.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2021	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,651,858	\$ 28,022,364	\$ -
Cyntec Co., Ltd. (Note 5)	5,233,614	5,233,614	16,509,859
DelBio Inc. (Note 4)	110,640	110,640	125,421

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD27.66 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, 2021.

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

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
December 31, 2021

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%