

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021**

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

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, 2022 and 2021, 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 (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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 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 2022 consolidated financial statements are stated as follows:

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

Description

Refer to Note 4(37) in the consolidated financial statements for the accounting policy on business combination. Refer to Notes 6(10) and (31) in the consolidated financial statements for the accounting treatment of business combination and the allocation of purchase price.

In December 2021, the subsidiary of the Company-Delta International Holding Limited B.V. acquired 100% of the share capital of March Networks Holding Ltd. for NT\$3,462,124 thousand. The allocation of the acquisition price was completed in the second quarter of 2022. The acquisition price and the amount of intangible assets arising from the business acquisition are significant and the net fair value of identifiable assets and liabilities and the allocation of intangible assets are based on management's estimation and subjective judgement. Thus, we considered the purchase price allocation for the above business combination a key audit matter.

How our audit addressed the matter

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

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

Intangible Assets - Impairment assessment of goodwill

Description

Refer to Note 4(21) for the accounting policies on impairment of non-financial assets. Refer to Notes 5(2) and 6(10) for the impairment assessment of goodwill including critical accounting estimates. As at December 31, 2022, the recognised goodwill as a result of the investments in Cyntec Co., Ltd., ELTEK AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., March Network Holdings Ltd., Amerlux LLC and Trihedral Engineering Limited amounted to NT\$17,720,161 thousand, constituting 4.16% of the consolidated total assets. As the balance of goodwill acquired from the merger is material, the assumptions used in assessing goodwill impairment involves significant accounting estimates which are complex and have high uncertainty. Thus, we considered the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the consolidated financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$81,281,054 thousand and NT\$64,012,128 thousand, constituting 19.09% and 17.53% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the operating revenue amounted to NT\$76,452,947 thousand and NT\$72,526,738 thousand, constituting 19.89% and 23.05% 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, 2022 and 2021.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the

Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the year ended December 31, 2022 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$30.71 to US\$1.00 at December 31, 2022. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Hsiao, Chun-Yuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2023

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2022	December 31, 2022	December 31, 2021
Current assets				
Cash and cash equivalents	6(1)	\$ 2,004,130	\$ 61,546,836	\$ 49,855,053
Financial assets at fair value through profit or loss - current	6(2)	57,298	1,759,612	1,085,729
Financial assets at amortised cost - current	8	8,641	265,382	327,238
Contract assets - current	6(21)	134,669	4,135,672	3,589,313
Notes receivable, net	6(5)	101,714	3,123,642	3,420,633
Accounts receivable, net	6(5)	2,737,677	84,074,069	67,436,377
Accounts receivable - related parties	7	962	29,551	27,831
Other receivables	6(6) and 7	79,752	2,449,171	1,815,370
Current income tax assets		12,344	379,086	349,207
Inventories	6(7)	2,599,947	79,844,364	66,107,351
Prepayments		87,598	2,690,148	2,450,269
Non-current assets held for sale	6(8)	-	-	320,551
Other current assets		4,980	152,933	93,272
Total current assets		<u>7,829,712</u>	<u>240,450,466</u>	<u>196,878,194</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	90,252	2,771,627	3,351,798
Financial assets at fair value through other comprehensive income - non-current	6(3)	56,677	1,740,553	1,587,843
Contract assets - non-current	6(21)	16,392	503,403	462,941
Investments accounted for under the equity method		3,010	92,430	63,731
Property, plant and equipment	6(8) and 8	2,809,072	86,266,587	76,607,285
Right-of-use assets	6(9)	165,624	5,086,323	3,006,960
Investment property, net		590	18,128	14,070
Intangible assets	6(10)	2,512,858	77,169,854	73,609,564
Deferred income tax assets	6(28)	266,215	8,175,453	7,177,447
Other non-current assets	6(5)(11) and 8	117,192	3,598,982	2,352,477
Total non-current assets		<u>6,037,882</u>	<u>185,423,340</u>	<u>168,234,116</u>
Total assets		<u>\$ 13,867,594</u>	<u>\$ 425,873,806</u>	<u>\$ 365,112,310</u>

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2021
Current liabilities					
Short-term borrowings	6(12)	\$ 67,625	\$ 2,076,762	\$ 4,397,362	
Financial liabilities at fair value	6(2)				
through profit or loss - current		2,417	74,232	41,371	
Contract liabilities - current	6(21)	245,419	7,536,826	5,438,939	
Notes payable		46	1,406	440	
Accounts payable		2,041,216	62,685,739	54,554,462	
Accounts payable - related parties	7	929	28,525	15,023	
Other payables	6(13)	1,325,910	40,718,682	35,652,202	
Current income tax liabilities		180,634	5,547,274	3,486,108	
Other current liabilities	6(15)	206,577	6,343,982	4,583,570	
Total current liabilities		<u>4,070,773</u>	<u>125,013,428</u>	<u>108,169,477</u>	
Non-current liabilities					
Bonds payable	6(14)	377,727	11,600,000	-	
Long-term borrowings	6(15)	1,066,016	32,737,342	43,913,787	
Deferred income tax liabilities	6(28)	629,853	19,342,795	16,777,156	
Lease liabilities - non-current		74,983	2,302,735	1,366,401	
Other non-current liabilities	6(16)	309,682	9,510,321	8,760,831	
Total non-current liabilities		<u>2,458,261</u>	<u>75,493,193</u>	<u>70,818,175</u>	
Total liabilities		<u>6,529,034</u>	<u>200,506,621</u>	<u>178,987,652</u>	
Equity					
Share capital	6(17)				
Common stock		845,830	25,975,433	25,975,433	
Capital surplus	6(18)				
Capital surplus		1,606,049	49,321,767	49,114,151	
Retained earnings	6(19)				
Legal reserve		1,054,585	32,386,305	29,697,752	
Special reserve		526,432	16,166,722	12,543,208	
Unappropriated retained earnings		2,146,120	65,907,358	53,622,701	
Other equity interest					
Other equity interest		(96,668)	(2,968,678)	(16,166,723)	
Equity attributable to owners of the parent		6,082,348	186,788,907	154,786,522	
Non-controlling interest	4(3) and 6(20)	<u>1,256,212</u>	<u>38,578,278</u>	<u>31,338,136</u>	
Total equity		<u>7,338,560</u>	<u>225,367,185</u>	<u>186,124,658</u>	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		<u>\$ 13,867,594</u>	<u>\$ 425,873,806</u>	<u>\$ 365,112,310</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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2022	2022	2022	2021
Operating revenue	6(21) and 7	\$ 12,518,506	\$ 384,443,308	\$ 314,670,796	
Operating costs	6(7)(26)				
	(27) and 7	(8,911,454)	(273,670,745)	(224,461,345)	
Gross profit		<u>3,607,052</u>	<u>110,772,563</u>	<u>90,209,451</u>	
Operating expenses	6(26)(27)				
Selling expenses		(733,757)	(22,533,664)	(19,441,530)	
General and administrative expenses		(485,072)	(14,896,570)	(12,378,064)	
Research and development expenses		(1,034,516)	(31,769,981)	(27,202,489)	
Expected credit impairment (loss) gain	12(2)	(4,348)	(133,524)	177,373	
Total operating expenses		<u>(2,257,693)</u>	<u>(69,333,739)</u>	<u>(58,844,710)</u>	
Operating profit		<u>1,349,359</u>	<u>41,438,824</u>	<u>31,364,741</u>	
Non-operating income and expenses					
Interest income	6(22)	19,851	609,613	429,643	
Other income	6(23)	109,414	3,360,096	3,090,291	
Other gains and losses	6(24)	38,980	1,197,074	1,038,291	
Finance costs	6(25)	(18,608)	(571,440)	(295,157)	
Share of profit (loss) of associates and joint ventures accounted for under the equity method		<u>1,014</u>	<u>31,131</u>	<u>(262)</u>	
Total non-operating income and expenses		<u>150,651</u>	<u>4,626,474</u>	<u>4,262,806</u>	
Profit before income tax		<u>1,500,010</u>	<u>46,065,298</u>	<u>35,627,547</u>	
Income tax expense	6(28)	(295,493)	(9,074,560)	(7,128,314)	
Profit for the year		<u>\$ 1,204,517</u>	<u>\$ 36,990,738</u>	<u>\$ 28,499,233</u>	

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2022	2022	2021	2021
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans		\$ 9,711	\$ 298,222	\$ 87,497	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	7,094	217,848	(422,509)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(140)	(4,296)	1,734	
Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>16,665</u>	<u>511,774</u>	<u>(333,278)</u>	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		577,012	17,720,026	(4,854,790)	
Loss on hedging instrument		-	-	(777)	
Share of other comprehensive (loss) income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		(58)	(1,788)	329	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(28)	(34,813)	(1,069,086)	230,010	
Other comprehensive income (loss) that will be reclassified to profit or loss		<u>542,141</u>	<u>16,649,152</u>	<u>(4,625,228)</u>	
Other comprehensive income (loss) for the year		<u>\$ 558,806</u>	<u>\$ 17,160,926</u>	<u>(\$ 4,958,506)</u>	
Total comprehensive income for the year		<u>\$ 1,763,323</u>	<u>\$ 54,151,664</u>	<u>\$ 23,540,727</u>	
Profit attributable to:					
Owners of the parent		<u>\$ 1,063,684</u>	<u>\$ 32,665,728</u>	<u>\$ 26,796,302</u>	
Non-controlling interest		<u>\$ 140,833</u>	<u>\$ 4,325,010</u>	<u>\$ 1,702,931</u>	
Comprehensive income attributable to:					
Owners of the parent		<u>\$ 1,500,550</u>	<u>\$ 46,081,891</u>	<u>\$ 23,262,018</u>	
Non-controlling interest		<u>\$ 262,773</u>	<u>\$ 8,069,773</u>	<u>\$ 278,709</u>	
Earnings per share					
Basic earnings per share	6(29)	<u>\$ 0.41</u>	<u>\$ 12.58</u>	<u>\$ 10.32</u>	
Diluted earnings per share	6(29)	<u>\$ 0.41</u>	<u>\$ 12.52</u>	<u>\$ 10.27</u>	

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, 2022 AND 2021
(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 New Taiwan Dollars</u>											
	\$ 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
	-	-	-	-	26,796,302	-	-	-	26,796,302	1,702,931	28,499,233
	-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)	(1,424,222)	(4,958,506)
	-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	23,262,018	278,709	23,540,727
	6(19)										
			2,355,218	-	(2,355,218)	-	-	-	-	-	-
			-	4,921,174	(4,921,174)	-	-	-	-	-	-
			-	-	(14,286,480)	-	-	-	(14,286,480)	-	(14,286,480)
		(110,388)	-	-	-	-	-	-	(110,388)	-	(110,388)
	6(33)										
		22,034	-	-	-	-	-	-	22,034	(166,370)	(144,336)
		-	-	-	-	-	-	-	-	(1,464,506)	(1,464,506)
		\$ 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
<u>2022 New Taiwan Dollars</u>											
	\$ 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
	-	-	-	-	32,665,728	-	-	-	32,665,728	4,325,010	36,990,738
	-	-	-	-	209,626	12,990,071	216,466	-	13,416,163	3,744,763	17,160,926
	-	-	-	-	32,875,354	12,990,071	216,466	-	46,081,891	8,069,773	54,151,664
	6(19)										
			2,688,553	-	(2,688,553)	-	-	-	-	-	-
			-	3,623,514	(3,623,514)	-	-	-	-	-	-
			-	-	(14,286,479)	-	-	-	(14,286,479)	-	(14,286,479)
		192,294	-	-	-	-	-	-	192,294	-	192,294
	6(33)										
		15,322	-	-	(643)	-	-	-	14,679	(125,911)	(111,232)
		-	-	-	-	8,492	(8,492)	-	-	-	-
		-	-	-	-	-	-	-	-	(703,720)	(703,720)
		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	(\$ 2,530,216)	(\$ 568,379)	\$ 129,917	\$ 186,788,907	\$ 38,578,278

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(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>2022 US Dollars</u>											
Balance at January 1, 2022	\$ 845,830	\$ 1,599,288	\$ 967,038	\$ 408,441	\$ 1,746,099	(\$ 505,383)	(\$ 25,280)	\$ 4,231	\$ 5,040,264	\$ 1,020,454	\$ 6,060,718
Profit for the year	-	-	-	-	1,063,684	-	-	-	1,063,684	140,833	1,204,517
Other comprehensive income for the year	-	-	-	-	6,825	422,992	7,049	-	436,866	121,940	558,806
Total comprehensive income for the year	-	-	-	-	1,070,509	422,992	7,049	-	1,500,550	262,773	1,763,323
Distribution of 2021 earnings	6(19)										
Legal reserve	-	-	87,547	-	(87,547)	-	-	-	-	-	-
Special reserve	-	-	-	117,991	(117,991)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(465,206)	-	-	-	(465,206)	-	(465,206)
Changes in ownership interests in subsidiaries	-	6,262	-	-	-	-	-	-	6,262	-	6,262
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	499	-	(21)	-	-	-	478	(4,100)	(3,622)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	277	-	(277)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(22,915)	(22,915)
Balance at December 31, 2022	<u>\$ 845,830</u>	<u>\$ 1,606,049</u>	<u>\$ 1,054,585</u>	<u>\$ 526,432</u>	<u>\$ 2,146,120</u>	<u>(\$ 82,391)</u>	<u>(\$ 18,508)</u>	<u>\$ 4,231</u>	<u>\$ 6,082,348</u>	<u>\$ 1,256,212</u>	<u>\$ 7,338,560</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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2022	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated profit before tax for the year		\$ 1,500,010	\$ 46,065,298	\$ 35,627,547
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(8)(9)(26)	489,099	15,020,243	13,467,401
Amortisation	6(10)(26)	127,513	3,915,932	3,683,902
Expected credit impairment loss (gain)	12(2)	4,348	133,524	(177,373)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	(27,543)	(845,835)	(573,145)
Interest expense	6(25)	18,608	571,440	295,157
Interest income	6(22)	(19,851)	(609,613)	(429,643)
Dividend income	6(23)	(9,496)	(291,617)	(295,568)
Share-based payments	6(30)	(2,438)	(74,885)	-
Share of (profit) loss of associates accounted for under the equity method		(1,014)	(31,131)	262
(Gain) loss on disposal of property, plant and equipment	6(24)	(13,873)	(426,041)	63,452
Gain on disposal of investments	6(24)	-	-	(90,109)
Impairment loss on non-financial assets	6(8)(10)(24)	13,584	417,151	164,900
Casualty loss	6(24)	-	-	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		12,407	381,016	22,296
Contract assets		(19,108)	(586,821)	(1,354,854)
Notes receivable		9,671	296,991	312,962
Accounts receivable		(510,080)	(15,664,563)	(7,683,037)
Accounts receivable - related parties		(56)	(1,720)	14,453
Other receivables		45,150	1,386,552	230,248
Other receivables - related parties		(65,099)	(1,999,190)	(286)
Inventories		(401,200)	(12,320,867)	(20,873,744)
Prepayments		6,339	194,678	232,033
Other current assets		(1,820)	(55,889)	(6,206)
Other non-current assets		-	-	124,347
Net changes in liabilities relating to operating activities				
Contract liabilities		54,740	1,681,078	349,781
Notes payable		31	966	(2,046)
Accounts payable		247,908	7,613,266	7,740,285
Accounts payable - related parties		440	13,502	(15,115)
Other payables		143,542	4,408,169	2,552,264
Other current liabilities		59,224	1,818,779	304,176
Other non-current liabilities		40,214	1,234,960	(242,916)
Cash inflow generated from operations		1,701,250	52,245,373	33,306,851
Interest received		19,170	588,705	481,315
Dividends received		9,487	291,362	295,607
Interest paid		(15,850)	(486,748)	(295,484)
Income taxes paid		(198,944)	(6,109,584)	(5,468,923)
Net cash flows from operating activities		1,515,113	46,529,108	28,319,366

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2022	2022	2021	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at fair value through other comprehensive income		\$ -	\$ -	(\$ 14,710)	
Acquisition of financial assets mandatorily measured at fair value through profit or loss		-	-	(197,148)	
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,648	81,320	13,538	
Proceeds from capital reduction of financial assets at fair value through profit or loss		-	-	31,626	
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	-	25,979	
Decrease in financial assets at amortised cost		4,444	136,488	318,274	
Proceeds from disposal of investments accounted for under the equity method		-	-	630,280	
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	(85,492)	(2,625,458)	(2,874,959)	
Proceeds from disposal of subsidiaries (net of cash disposed)	6(32)	-	-	1,434	
Increase in prepayment of long-term investment		-	-	(27,953)	
Acquisition of property, plant and equipment	6(8)	(710,649)	(21,824,042)	(23,027,290)	
Proceeds from government grants - property, plant and equipment	6(8)	372	11,419	62,095	
Proceeds from disposal of property, plant and equipment		27,454	843,099	212,445	
Proceeds from government grants - right-of-use assets		20,771	637,890	-	
Acquisition of investment property		(132)	(4,058)	-	
Acquisition of intangible assets	6(10)	(20,044)	(615,536)	(1,300,978)	
Increase in other non-current assets		(44,297)	(1,360,365)	(333,892)	
Net cash flows used in investing activities		(804,925)	(24,719,243)	(26,481,259)	
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
(Decrease) increase in short-term borrowings	6(34)	(75,565)	(2,320,600)	2,395,830	
Issuance of bonds payable	6(14)(34)	377,727	11,600,000	-	
Proceeds from long-term debt		2,001,447	61,464,441	40,067,024	
Repayment of long-term debt		(2,365,470)	(72,643,587)	(35,470,219)	
Lease principal repayment		(63,177)	(1,940,165)	(541,768)	
Increase (decrease) in refundable deposits		(24,830)	(762,527)	1,107,595	
Cash dividends paid	6(19)	(465,206)	(14,286,479)	(14,286,480)	
Cash dividends paid to minority share interests	6(20)	(24,064)	(739,023)	(1,464,506)	
Acquisition of ownership interests in subsidiaries	6(33)	(3,622)	(111,232)	(144,336)	
Net cash flows used in financing activities		(642,760)	(19,739,172)	(8,336,860)	
Effects due to changes in exchange rate		313,288	9,621,090	(2,358,179)	
Net increase (decrease) in cash and cash equivalents		380,716	11,691,783	(8,856,932)	
Cash and cash equivalents at beginning of year		1,623,414	49,855,053	58,711,985	
Cash and cash equivalents at end of year		\$ 2,004,130	\$ 61,546,836	\$ 49,855,053	

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, 2022 AND 2021
(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 sales of electronic control systems, DC brushless fans, thermal system, and miniaturization key component, industrial automation products, digital display products, communication products, consumer electronics products, energy-saving lighting application, renewable energy applications, EV charging, energy technology services and consulting services of building management and control solutions, etc. The Group’s mission statement, to provide innovative, clean and energy-efficient solutions for a better tomorrow, focuses on addressing key environmental issues such as global climate change. With the concern for the environment, the Group continues to develop innovative energy-efficient products and solutions. In recent years, the Group has transformed from a product provider towards a solution provider and the Group’s business is segregated into power electronics business, automation business, and infrastructure business.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on February 22, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments as endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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 that came into effect 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, 2022	December 31, 2021	
1	Delta Electronics, Inc.	Delta International Holding Limited B.V. (DIH)	Equity investments	100	100	
2	"	Delta Networks Holding Limited (DNH)	"	100	100	
3	"	Delta Electronics (Netherlands) B.V. (DEN)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	
4	"	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100	100	
5	"	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, 2022	December 31, 2021	
6	Delta Electronics, Inc.	Delta Electronics Capital Company (DECC)	Equity investments	100	100	
7	"	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Research, development and sales of electronic products	100	100	
8	"	Allied Material Technology Corp. (AMT)	Lease services, etc.	-	99.97	Note 13
9	Delta Electronics, Inc. and DEN	Delta America Ltd. (DAL)	Equity investments	100	100	
10	DEN	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100	100	
11	DIH	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100	100	
12	"	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	
13	DEN	Drake Investment (HK) Limited (Drake-HK)	Equity investments	100	100	
14	DGSG, Drake-HK and Boom	Delta Greentech (China) Co., Ltd. (DGC)	Sales of uninterruptible power systems and others	95.91	95.91	
15	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	
16	DIH	Delta Electronics Europe Ltd. (DEU)	Repair centre and providing support services	100	100	
17	DEN	Boom Treasure Limited (Boom)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
18	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	
19	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	
20	"	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	
21	"	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	100	100	
22	"	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	100	100	
23	"	Cyntec Electronics (Wuhu) Co., Ltd. (CEWH)	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	100	100	
24	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	Note 4
25	DHK	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
26	DHK	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	100	100	
27	DEJ	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100	100	
28	"	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products, electronic components, industrial automation products and their materials	100	100	
29	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	100	100	
30	DPEC and DGC	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	-	100	Note 14
31	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	
32	DNI Cayman	Delta Networks (HK) Limited (DNHK)	"	100	100	
33	DHK/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 6
34	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
35	Fairview	Grandview Holding Ltd. (Grandview)	Equity investments	100	100	
36	Grandview	CYNTEC HOLDING (HK) LIMITED (CHK)	"	100	100	
37	"	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	
38	DHK/CHK	Cyntec Electronics (Suzhou) Co., Ltd (CES)	Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; electronic components manufacturing, electronic components wholesale, electronic components retail, mold manufacturing, mold sales, forgings and powder metallurgy products sales	100	100	Note 18
39	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	
40	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	
41	"	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	
42	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
43	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	
44	"	DELTA Electronics (Germany) GmbH	Sales of power supplies and others and system installation	100	100	Note 16
45	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Australia) Pty Ltd	"	100	100	
46	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	
47	ELTEK AS and DELTA ELECTRONICS (USA) INC.	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	
48	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	
49	ELTEK AS	DELTA ELECTRONICS (France) SAS	Sales of power supplies and others and system installation	100	100	Note 19
50	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	
51	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	-	100	Note 8
52	"	ELTEK WEST AFRICA LIMITED	"	-	100	Note 20
53	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	
54	"	Delta Electronics (Sweden) AB	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
55	ELTEK AS	DELTA ELECTRONICS (UK) LTD	Sales of power supplies and others	100	100	Note 15
56	"	OOO Eltek	Sales of power supplies and others and system installation	100	100	
57	DELTA Electronics (Germany) GmbH	DELTA Montage GmbH	Installation and maintenance of power supplies	100	100	Note 17
58	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	
59	"	ELTEK POWER CO., LTD.	"	100	100	Note 1
60	"	ELTEK POWER (CAMBODIA) LTD	"	100	100	
61	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	Note 2
62	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	
63	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
64	DEN and DELTA ELECTRONICS (USA) INC.	ELTEK SISTEMAS DE ENERGIA INDUSTRIAL E COMERCIO LTDA.	Manufacturing and sales of power supplies	100	100	Note 9
65	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	
66	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	
67	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltenergy Services, S.A. de C.V.	"	100	100	
68	DHK and DIH/DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltenergy International de México, S. de R.L. de C.V.	"	-	100	Note 4
69	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	
70	"	Delta Solar Solutions LLC	Equity investments	-	100	Note 10
71	Delta Solar Solutions LLC	DSS-USF LLC	Rental of solar power systems	-	100	Note 10
72	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	99.74	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
73	DPEC and DGC / DET-SH	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Sales of solar power products, solar power equipment, photovoltaic equipment and components, mechanical and electrical equipment, power electronic components and special equipment for semiconductor parts, rental of photovoltaic power equipment, engineering and technical research, testing, and development, energy saving management services and solar power technology services	100	100	Note 14
74	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	
75	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	
76	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	
77	DIH	Delta Electronics (Switzerland) AG (DECH)	Equity investments, research, development and sales of electronic products	100	100	
78	DEN	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	
79	DEN and Delta Electronics (USA) INC.	DELTA GREENTECH (BRASIL) LTDA. (DGB)	Manufacturing and sales of electronic products	100	100	Note 11

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
80	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	
81	"	Delta Electronics (Italy) S.r.l.	"	100	100	
82	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	
83	"	Delta Solutions (Finland) Oy	"	100	100	
84	"	Delta Electronics Solutions (Spain) SL	"	100	100	
85	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	56.75	55.09	
86	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	
87	"	Realwin Investment Inc. (Realwin)	A venture capital company	100	100	
88	"	Vivotek Netherlands B.V.	Sales service	100	100	
89	"	Vivotek (Japan) Inc.	"	100	100	
90	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	
91	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	
92	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	
93	Realwin	Aetek Inc.	"	56.21	56.21	
94	"	Lidlight Inc.	Sales of lighting equipment	51	51	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
95	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	
96	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	
97	DET	DET International Holding B.V.	Equity investments	100	100	Note 21
98	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	
99	"	Delta Green Industrial (Thailand) Co., Ltd.	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	100	100	
100	"	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	100	
101	DET and Delta Energy Systems (Singapore) PTE. LTD.	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Manufacturing and sales of electronic products	100	100	Note 3
102	DET International Holding B.V.	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	
103	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	
104	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
105	DET International Holding B.V. 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	
106	DET International Holding B.V.	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	
107	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	
108	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Holdings) Australia Pty Ltd	Marketing and sales of renewable energy products	100	100	
109	"	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	
110	"	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	
111	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	
112	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	-	100	Note 8
113	Delta Energy Systems (Singapore) PTE. LTD. / Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	Note 12
114	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
115	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Manufacturing of telecom power system	100	100	
116	"	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	
117	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	
118	Amerlux	Amerlux Lighting Asia, LLC	Equity investments	100	100	
119	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	"	100	100	
120	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	
121	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	100	
122	DPI	Digital Projection Holdings Ltd.	"	100	100	
123	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	100	
124	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	100	
125	DEN	Trihedral Engineering Limited (Trihedral)	Graphic control software and related engineering services	100	100	
126	Trihedral	Trihedral Inc.	"	100	100	
127	"	Trihedral UK Limited	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
128	DIH	March Networks Holdings Ltd.	Equity investments	100	100	Note 3 Note 5
129	March Networks Holdings Ltd.	March Networks Corporation	Security surveillance software and hardware and related engineering services	100	100	Note 3
130	March Networks Corporation	March Networks, Inc.	Security surveillance software and hardware and related engineering services	100	100	Note 3
131	"	March Networks de Mexico, S.A.de C.V.	"	100	100	Note 3
132	"	March Networks (Australia) Pty Limited	"	100	100	Note 3
133	"	March Networks Limited	"	100	100	Note 3
134	"	March Networks (Singapore) Pte. Limited	"	100	100	Note 3
135	"	March Networks B.V.	"	100	100	Note 3
136	March Networks B.V.	March Networks S.r.l.	"	100	100	Note 3
137	"	March Networks (France) SAS	"	100	100	Note 3
138	DHK	Delta Electronics (Chongqing) Ltd.	Manufacturing electronic parts of new energy vehicles and parts for power of electronic equipment	100	-	Note 7
139	Delta Electronics, Inc.	Delmind Inc.	Provide vertical add-on value solution	70	-	Note 7
140	Delta Electronics, Inc. and DECC	Ancora Semiconductors Inc.	Gallium Nitride (GaN) technologies and solutions	74.28	-	Note 7
141	DIH	UI Acquisition Holding Co.	Equity investments	100	-	Note 7
142	UI Acquisition Holding Co.	UI Holding Co.	"	100	-	Note 7

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2022	December 31, 2021	
143	UI Holding Co.	Universal Instruments Corporation	Precision automation solutions	100	-	Note 7
144	"	Hover-Davis, Inc.	"	100	-	Note 7
145	UI Acquisition Holding Co. and UI Holding Co.	UI European Holdco. Cooperatief U.A.	Equity investments	100	-	Note 7
146	UI European Holdco. Cooperatief U.A.	Universal Instruments (Hong Kong) Limited	Precision automation solutions	100	-	Note 7
147	"	Universal Instruments s.r.o.	"	100	-	Note 7
148	"	Universal Instruments Mfg. (Shenzhen) Co. Ltd.	"	100	-	Note 7
149	UI Holding Co., UI European Holdco. Cooperatief U.A.	Universal Instrument de Mexico S.A. de C.V	"	100	-	Note 7
150	ELTEK AS	Graterudveien 8 AS	Property rights business	100	-	Note 7
151	March Networks S.r.l.	March Networks Poland Sp. Z o.o.	Research and development on business intelligence applications	100	-	Note 7 Note 22

Note 1: 55% of shares are held through others due to local regulations.

Note 2: 71% of shares are held through others due to local regulations.

Note 3: The company was established or acquired through merger during 2021.

Note 4: In December 2021, DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDINGS (USA) INC. sold Eltekenergy International de Mexico, S. de R.L. de C.V. to DHK and DIH. Eltekenergy International de Mexico, S. de R.L. de C.V. and DEIL-MX resolved to set the effective date of the merger on February 1, 2022. DEIL-MX was the surviving company. The merger procedures were completed in December 2022.

Note 5: Formerly named Infinova (Canada) Limited and was renamed as March Networks Holdings Ltd. in December 2021.

Note 6: In December 2022 and December 2021, Delta Electronics (HK) Ltd. acquired 49% and 51% equity interests, respectively, in Delta Networks (Dongguan) Ltd. from Delta

Networks (HK) Limited.

- Note 7: The company was established or acquired through merger during 2022.
- Note 8: This company had been liquidated in February 2022.
- Note 9: Formerly named Eltek Sistemas de Energia Industria e Comercio S.A. and was renamed as ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA. in February 2022.
- Note 10: This company had been liquidated in March 2022.
- Note 11: Formerly named Delta Greentech (Brasil) S.A. and was renamed as DELTA GREENTECH (BRASIL) LTDA. in February 2022.
- Note 12: As the liquidation stated in Note 8, the investor was changed to Delta Energy Systems (Singapore) PTE. LTD.
- Note 13: The Company merged with AMT in May 2022. After the merger, the Company was the surviving company, with AMT as the dissolved company.
- Note 14: The deregistration of DET-SH has been completed in June 2022. Delta Energy Technology Puhuan (Shanghai) Co., Ltd. was originally held by DET-SH but was changed to be jointly held by DPEC and DGC. DET-SH was merged with Delta Energy Technology Puhuan (Shanghai) Co., Ltd. after its deregistration. The merger was completed in July 2022.
- Note 15: Formerly named Eltek Power (UK) Ltd. and was renamed as DELTA ELECTRONICS (UK) LTD in June 2022.
- Note 16: Formerly named Eltek Deutschland GmbH and was renamed as DELTA Electronics (Germany) GmbH in September 2022.
- Note 17: Formerly named Eltek Montage GmbH and was renamed as DELTA Montage GmbH in September 2022.
- Note 18: In December 2022, Delta Electronics (H.K.) Ltd. acquired a 100% equity interest in Cyntec Electronics (Suzhou) Co., Ltd from CYNTEC HOLDING (HK) LIMITED.
- Note 19: Formerly named ELTEK POWER FRANCE SAS and was renamed as DELTA ELECTRONICS (France) SAS in November 2022.
- Note 20: This company had been liquidated in December 2022.
- Note 21: Formerly named DET International Holding Limited and was renamed as DET International Holding B.V. in December 2022.
- Note 22: Formerly named Samtartess Investments sp. z o.o. and was renamed as March Networks Poland Sp. Z o.o. in October 2022.

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

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

E. Significant restrictions: None.

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

As at December 31, 2022 and 2021, the non-controlling interest amounted to \$38,578,278 and \$31,338,136, 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, 2022		December 31, 2021	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,498,166	43.25%	\$ 3,375,410	44.91%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	33,992,121	36.22%	27,727,893	36.22%

Summarised financial information of the subsidiary:

Balance sheets

	DET	
	December 31, 2022	December 31, 2021
Current assets	\$ 59,033,050	\$ 40,474,496
Non-current assets	67,524,042	59,264,879
Current liabilities	(29,209,851)	(20,530,658)
Non-current liabilities	(3,250,195)	(2,654,621)
Total net assets	<u>\$ 94,097,046</u>	<u>\$ 76,554,096</u>

	Vivotek	
	December 31, 2022	December 31, 2021
Current assets	\$ 5,703,205	\$ 3,919,997
Non-current assets	5,772,970	5,987,406
Current liabilities	(3,187,495)	(2,050,183)
Non-current liabilities	(290,286)	(341,276)
Total net assets	<u>\$ 7,998,394</u>	<u>\$ 7,515,944</u>

Statements of comprehensive income

	DET	
	Years ended December 31,	
	2022	2021
Revenue	\$ 100,321,381	\$ 73,430,330
Profit before income tax	11,859,169	4,497,456
Income tax expense	(395,121)	(85,104)
Profit for the year from continuing operations	11,464,048	4,412,352
Other comprehensive income, net of tax	43,546	1,053,676
Total comprehensive income for the year	<u>\$ 11,507,594</u>	<u>\$ 5,466,028</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 4,168,051</u>	<u>\$ 2,494,179</u>
Dividends paid to non-controlling interest	<u>\$ 665,450</u>	<u>\$ 1,364,066</u>
	Vivotek	
	Years ended December 31,	
	2022	2021
Revenue	\$ 9,948,137	\$ 5,451,605
Profit before income tax	670,108	20,239
Income tax (expense) benefit	(99,414)	4,734
Profit for the year from continuing operations	570,694	24,973
Other comprehensive income (loss), net of tax	43,461	(10,334)
Total comprehensive income for the year	<u>\$ 614,155</u>	<u>\$ 14,639</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 284,074</u>	<u>\$ 14,557</u>
Dividends paid to non-controlling interest	<u>\$ 52,962</u>	<u>\$ 80,387</u>

Statements of cash flows

	DET	
	Years ended December 31,	
	2022	2021
Net cash provided by operating activities	\$ 11,210,412	\$ 1,552,073
Net cash used in investing activities	(6,435,011)	(6,698,331)
Net cash used in financing activities	(2,046,929)	(1,942,652)
Effect of exchange rates on cash and cash equivalents	885,268	(500,074)
Increase (decrease) in cash and cash equivalents	3,613,740	(7,588,984)
Cash and cash equivalents, beginning of year	5,454,401	13,043,385
Cash and cash equivalents, end of year	<u>\$ 9,068,141</u>	<u>\$ 5,454,401</u>

	Vivotek	
	Years ended December 31,	
	2022	2021
Net cash provided by operating activities	\$ 468,397	\$ 121,766
Net cash used in investing activities	(74,282)	(312,227)
Net cash used in financing activities	(379,826)	(226,110)
Effect of exchange rates on cash and cash equivalents	35,636	(13,545)
Increase (decrease) in cash and cash equivalents	49,925	(430,116)
Cash and cash equivalents, beginning of year	994,898	1,425,014
Cash and cash equivalents, end of year	<u>\$ 1,044,823</u>	<u>\$ 994,898</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 percent 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 the following: Economic useful life or contract term for computer software and patents; economic useful life for customer relationship; useful life for patent use rights or contract term for technology authorisation fees.

(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) Bonds payable

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

(26) 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.

(27) 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.

(28) 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.

(29) 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.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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.

(37) 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.

(38) 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 percent 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(10) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 6,746	\$ 4,840
Checking accounts and demand deposits	45,250,071	39,392,615
Time deposits	16,044,200	10,422,695
Cash equivalents	245,819	34,903
	<u>\$ 61,546,836</u>	<u>\$ 49,855,053</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 and liabilities at fair value through profit or loss

<u>Asset Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 618,669	\$ 506,938
Emerging stocks	71,748	-
Derivatives	605,847	125,070
Hybrid instrument- Convertible bonds	45,009	28,015
	<u>1,341,273</u>	<u>660,023</u>
Valuation adjustment	418,339	425,706
	<u>\$ 1,759,612</u>	<u>\$ 1,085,729</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 340,756	\$ 314,543
Emerging stocks	222,000	308,300
Unlisted stocks	1,521,372	1,568,229
Hybrid instrument- Convertible preferred stocks	209,577	197,148
Hybrid instrument- Convertible bonds	913,449	900,000
	<u>3,207,154</u>	<u>3,288,220</u>
Valuation adjustment	(435,527)	63,578
	<u>\$ 2,771,627</u>	<u>\$ 3,351,798</u>

Liability Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities held for trading		
Derivatives	\$ 74,232	\$ 41,371

- A. The Group has recognised the gain from financial assets and liabilities at fair value of \$845,835 and \$573,145 for the years ended December 31, 2022 and 2021, respectively.
- B. Details of the transactions and contract information in respect of derivative financial assets and liabilities for which the Group did not adopt hedge accounting are as follows:

Financial instruments	December 31, 2022	
	Contract amount (nominal principal) (in thousands)	Contract period
Forward exchange contracts:		
- Sell AUD / Buy USD	AUD 4,900	2022.08.16~2023.05.04
- Sell BRL / Buy USD	BRL 42,245	2022.11.01~2023.02.06
- Sell COP / Buy USD	COP 12,418,840	2022.11.01~2023.02.06
- Sell EUR / Buy NOK	EUR 20,700	2022.09.19~2023.05.05
- Sell EUR / Buy USD	EUR 39,300	2022.09.06~2023.03.29
- Sell GBP / Buy NOK	GBP 4,000	2022.11.22~2023.02.06
- Sell HKD / Buy USD	HKD 15,000	2022.08.16~2023.03.03
- Sell INR / Buy USD	INR 1,861,085	2022.10.18~2023.03.29
- Sell JPY / Buy USD	JPY 753,957	2022.08.19~2023.03.22
- Sell SEK / Buy NOK	SEK 20,000	2022.12.28~2023.03.29
- Sell THB / Buy JPY	THB 75,464	2022.10.26~2023.03.24
- Sell TRY / Buy USD	TRY 135,836	2022.10.13~2023.03.30
- Sell TWD / Buy USD	TWD 147,375	2022.07.21~2023.01.18
- Sell USD / Buy CZK	USD 400	2022.12.19~2023.01.18
- Sell USD / Buy NOK	USD 2,111	2022.12.12~2023.03.06
- Sell USD / Buy RMB	USD 179,000	2022.11.24~2023.02.06
- Sell USD / Buy SGD	USD 41,649	2022.09.12~2023.06.05
- Sell USD / Buy THB	USD 358,000	2022.09.12~2023.04.25
- Sell USD / Buy TWD	USD 10,000	2022.11.29~2023.03.17
Cross currency swap:		
- Sell EUR / Buy NOK	EUR 13,000	2022.12.21~2023.03.30
- Sell PLN / Buy NOK	PLN 8,500	2022.12.21~2023.03.30

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

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, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	714,532	754,546
	2,323,231	2,363,245
Valuation adjustment	(582,678)	(775,402)
	\$ 1,740,553	\$ 1,587,843

- 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 \$1,740,553 and \$1,587,843 as at December 31, 2022 and 2021, respectively.
- B. During the year ended December 31, 2022, the Group disposed certain investments that no longer have strategic purposes. Stocks totaling \$81,320 were sold at fair value, resulting to a cumulative gain on disposal of \$9,874. As there were no stocks disposed during the year ended December 31, 2021, no gain or loss on disposal was recognised.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 217,849	(\$ 422,509)
Cumulative gain reclassified to retained earnings due to derecognition	\$ 9,874	\$ -

- D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,740,553 and \$1,587,843, 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, 2022 and 2021, there were no financial assets and liabilities used for hedging.
- B. Information on cash flow hedges and hedges of net investments in foreign operations recognised in profit or loss and other comprehensive income:

	Years ended December 31,	
	2022	2021
<u>Other equity</u>		
At January 1	\$ 129,917	\$ 130,616
Add: Loss on hedge effectiveness-amount recognised in other comprehensive income	-	(699)
At December 31	<u>\$ 129,917</u>	<u>\$ 129,917</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, 2022 and 2021 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) Hedges of net investments in foreign operations

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

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	<u>\$ 3,123,642</u>	<u>\$ 3,420,633</u>
Accounts receivable	\$ 84,577,637	\$ 67,786,921
Less: Allowance for uncollectible accounts	(503,568)	(350,544)
	<u>\$ 84,074,069</u>	<u>\$ 67,436,377</u>
Overdue receivables (shown as other non-current assets)	\$ 293,877	\$ 313,298
Less: Allowance for uncollectible accounts	(293,877)	(313,298)
	<u>\$ -</u>	<u>\$ -</u>

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

	December 31, 2022	December 31, 2021
Not past due	\$ 73,676,921	\$ 60,175,037
1 to 90 days	9,781,373	7,029,700
91 to 180 days	687,649	268,016
181 to 365 days	213,655	151,223
Over 366 days	218,039	162,945
	<u>\$ 84,577,637</u>	<u>\$ 67,786,921</u>

The above aging analysis was based on past due date.

- B. As at December 31, 2022 and 2021, there was no notes receivable past due.
- C. As at December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2021, the balance of receivables from contracts with customers amounted to \$62,911,028.
- D. The Group has no notes receivable and accounts receivable pledged to others as collateral.
- E. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,123,642 and \$3,420,633, and accounts receivable were \$84,074,069 and \$67,436,377, 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, 2022 and 2021, the relevant information on unsettled accounts receivable that were sold is set forth below:

December 31, 2022						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 13,254	\$ 13,254	\$ 307,100	\$ -	\$ -	-

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	\$ -	\$ -	-

(7) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 38,320,991	(\$ 7,474,693)	\$ 30,846,298
Work in process	8,284,302	(14,298)	8,270,004
Finished goods	45,601,495	(5,520,193)	40,081,302
Inventory in transit	646,760	-	646,760
	<u>\$ 92,853,548</u>	<u>(\$ 13,009,184)</u>	<u>\$ 79,844,364</u>

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

A. On August 30, 2021, certain inventories of the Group's subsidiaries were damaged due to the flooding in the Thailand plants. The carrying amount of these inventories amounted to \$277,309, and the Group has recognised the related losses which was presented as other gains and losses - disaster loss. Please refer to Note 6(24) for details.

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

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 260,877,806	\$ 217,851,044
Loss on market value decline and obsolete and slow-moving inventories	5,845,899	2,462,425
Others	(931,623)	(885,759)
	<u>\$ 265,792,082</u>	<u>\$ 219,427,710</u>

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2022</u>							
Cost	\$ 15,139,283	\$ 51,485,311	\$ 52,261,356	\$ 19,872,926	\$ 21,356,997	\$ 8,264,905	\$ 168,380,778
Accumulated depreciation and impairment	(10,395)	(23,378,205)	(35,386,205)	(15,840,483)	(17,158,205)	-	(91,773,493)
	<u>\$ 15,128,888</u>	<u>\$ 28,107,106</u>	<u>\$ 16,875,151</u>	<u>\$ 4,032,443</u>	<u>\$ 4,198,792</u>	<u>\$ 8,264,905</u>	<u>\$ 76,607,285</u>
<u>2022</u>							
Opening net book amount	\$ 15,128,888	\$ 28,107,106	\$ 16,875,151	\$ 4,032,443	\$ 4,198,792	\$ 8,264,905	\$ 76,607,285
Additions (Note A)	728,890	2,613,545	7,526,107	3,035,324	2,233,398	5,675,359	21,812,623
Acquired through business combinations	14,227	79,127	47,243	-	2,763	-	143,360
Disposals	(75,929)	(168,650)	(110,935)	(25,006)	(36,538)	-	(417,058)
Transfers (Note B)	(23,364)	1,250,412	2,402,469	399,584	565,318	(4,273,868)	320,551
Depreciation charge	-	(2,172,418)	(7,119,721)	(2,470,087)	(2,575,656)	-	(14,337,882)
Net exchange differences	311,194	730,336	602,775	129,010	177,653	186,740	2,137,708
Closing net book amount	<u>\$ 16,083,906</u>	<u>\$ 30,439,458</u>	<u>\$ 20,223,089</u>	<u>\$ 5,101,268</u>	<u>\$ 4,565,730</u>	<u>\$ 9,853,136</u>	<u>\$ 86,266,587</u>
<u>At December 31, 2022</u>							
Cost	\$ 16,093,942	\$ 55,651,841	\$ 61,671,200	\$ 22,998,550	\$ 23,840,987	\$ 9,853,136	\$ 190,109,656
Accumulated depreciation and impairment	(10,036)	(25,212,383)	(41,448,111)	(17,897,282)	(19,275,257)	-	(103,843,069)
	<u>\$ 16,083,906</u>	<u>\$ 30,439,458</u>	<u>\$ 20,223,089</u>	<u>\$ 5,101,268</u>	<u>\$ 4,565,730</u>	<u>\$ 9,853,136</u>	<u>\$ 86,266,587</u>

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

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

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2021</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	(11,704)	(21,744,675)	(33,043,800)	(14,919,634)	(16,009,220)	-	(85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>
<u>2021</u>							
Opening net book amount	\$ 14,256,154	\$ 22,459,744	\$ 13,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 68,441,975
Additions	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 transferred 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.

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

(9) Leasing arrangements - lessee

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 2,842,408	\$ 1,635,431
Buildings and structures	2,064,549	1,256,400
Transportation equipment	117,174	90,036
Other equipment	62,192	25,093
	<u>\$ 5,086,323</u>	<u>\$ 3,006,960</u>

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 52,457	\$ 48,200
Buildings and structures	543,859	481,818
Transportation equipment	66,103	71,937
Other equipment	19,942	8,247
	<u>\$ 682,361</u>	<u>\$ 610,202</u>

- C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets (excluding those acquired through business combinations) were \$2,320,655 (net of obtained government grants of \$637,890) and \$437,500, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 21,252</u>	<u>\$ 19,550</u>
Expense on short-term lease contracts	<u>\$ 659,649</u>	<u>\$ 546,219</u>

- E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$2,621,066 and \$1,107,537, respectively.

F. Extension options

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

(10) Intangible assets

	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Technical Skill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2022</u>							
Cost	\$ 4,072,330	\$ 1,590,408	\$ 54,420,933	\$ 18,089,972	\$ 11,152,791	\$ 5,241,533	\$ 94,567,967
Accumulated amortisation and impairment	(1,397,642)	(1,403,201)	(785,167)	(9,517,533)	(4,128,341)	(3,726,519)	(20,958,403)
	<u>\$ 2,674,688</u>	<u>\$ 187,207</u>	<u>\$ 53,635,766</u>	<u>\$ 8,572,439</u>	<u>\$ 7,024,450</u>	<u>\$ 1,515,014</u>	<u>\$ 73,609,564</u>
<u>2022</u>							
Opening net book amount	\$ 2,674,688	\$ 187,207	\$ 53,635,766	\$ 8,572,439	\$ 7,024,450	\$ 1,515,014	\$ 73,609,564
Additions - acquired separately	1,349	13,784	-	-	-	600,403	615,536
Additions - acquired through business combinations (Note)	-	-	444,604	(10,556)	413,714	-	847,762
Reclassifications (Note)	(171,804)	-	199,800	(376,636)	570,495	(577,077)	(355,222)
Amortisation	(253,440)	(81,117)	-	(1,480,032)	(1,253,100)	(848,243)	(3,915,932)
Impairment loss	-	-	(417,151)	-	-	-	(417,151)
Net exchange differences	150,216	(827)	4,975,031	813,456	742,065	105,356	6,785,297
Closing net book amount	<u>\$ 2,401,009</u>	<u>\$ 119,047</u>	<u>\$ 58,838,050</u>	<u>\$ 7,518,671</u>	<u>\$ 7,497,624</u>	<u>\$ 795,453</u>	<u>\$ 77,169,854</u>
<u>At December 31, 2022</u>							
Cost	\$ 4,307,832	\$ 1,829,078	\$ 60,126,073	\$ 19,451,343	\$ 13,277,950	\$ 4,001,160	\$ 102,993,436
Accumulated amortisation and impairment	(1,906,823)	(1,710,031)	(1,288,023)	(11,932,672)	(5,780,326)	(3,205,707)	(25,823,582)
	<u>\$ 2,401,009</u>	<u>\$ 119,047</u>	<u>\$ 58,838,050</u>	<u>\$ 7,518,671</u>	<u>\$ 7,497,624</u>	<u>\$ 795,453</u>	<u>\$ 77,169,854</u>

(Note) The additions - acquired through business combinations and reclassifications resulted from the adjustment of the contingent proceeds and the reallocation of the purchase price relative to the acquisition of March and UI. The allocation of the acquisition price for March was completed in the second quarter of 2022 and the contingent consideration decreased by \$10,556 based on the adjustment to the estimated purchase price. The allocation of the acquisition price for UI will be completed within one year.

	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
<u>At January 1, 2021</u>							
Cost	\$ 3,943,732	\$ 1,979,798	\$ 54,297,182	\$ 17,495,795	\$ 11,376,981	\$ 4,227,079	\$ 93,320,567
Accumulated amortisation and impairment	(1,180,179)	(1,507,416)	(797,390)	(8,254,610)	(3,063,190)	(3,058,152)	(17,860,937)
	<u>\$ 2,763,553</u>	<u>\$ 472,382</u>	<u>\$ 53,499,792</u>	<u>\$ 9,241,185</u>	<u>\$ 8,313,791</u>	<u>\$ 1,168,927</u>	<u>\$ 75,459,630</u>
<u>2021</u>							
Opening net book amount	\$ 2,763,553	\$ 472,382	\$ 53,499,792	\$ 9,241,185	\$ 8,313,791	\$ 1,168,927	\$ 75,459,630
Additions - acquired separately	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 adjustment of the contingent proceeds and the reallocation of the purchase price relative to the acquisition of Trihedral. The allocation of acquisition price was completed in the first quarter of 2021 and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

(Note 2) As the Group replaced the prior years' patent rights by the newly acquired patent rights, the Group recognised impairment loss on the prior years' patent rights as these were assessed to be worthless.

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

	Years ended December 31,	
	2022	2021
Operating costs	\$ 69,105	\$ 57,507
Selling expenses	1,738,944	1,606,772
Administrative expenses	213,309	190,738
Research and development expenses	1,894,574	1,828,885
	<u>\$ 3,915,932</u>	<u>\$ 3,683,902</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, 2022	December 31, 2021
Goodwill:		
DET	\$ 36,514,479	\$ 32,888,000
Eltek	5,291,237	4,765,731
Cyntec	5,146,053	5,146,053
Vivotek	3,232,954	3,232,954
DCI	2,547,848	2,294,806
DGC	1,765,303	1,589,980
Amerlux	1,191,277	1,072,964
March	1,029,676	728,618
Trihedral	748,767	674,402
Others	1,370,456	1,242,258
	<u>\$ 58,838,050</u>	<u>\$ 53,635,766</u>
Trademarks:		
Automation business	\$ 691,811	\$ 862,750
Infrastructure business	386,823	386,823
	<u>\$ 1,078,634</u>	<u>\$ 1,249,573</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 relationships 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.

As the recoverable amount of the cash-generating unit, MES and others, calculated using the value-in-use is less than the carrying amount, the Group recognised impairment loss of \$417,151 on goodwill for the year ended December 31, 2022. The discount rate used in calculating value-in-use was 10.5% and 12.44% on December 31, 2022 and 2021, respectively.

(11) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for business facilities	\$ 1,090,269	\$ 1,240,243
Guarantee deposits paid	1,722,926	204,759
Financial assets at amortised cost	143,498	218,130
Cash surrender value of life insurance	28,106	35,934
Prepayments for long-term investments	16,772	27,953
Others	597,411	625,458
	<u>\$ 3,598,982</u>	<u>\$ 2,352,477</u>

(12) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unsecured bank loans	\$ 2,076,762	\$ 4,397,362
Credit lines	\$ 76,659,861	\$ 69,465,481
Interest rate range	<u>0.48%~18.30%</u>	<u>0.40%~10.86%</u>

(13) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary, bonus and compensation payable	\$ 24,175,196	\$ 19,698,972
Others	16,543,486	15,953,230
	<u>\$ 40,718,682</u>	<u>\$ 35,652,202</u>

(14) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured corporate bonds	\$ 11,600,000	\$ -

The Company issued the domestic unsecured ordinary corporate bonds for the year ended December 31, 2022. The main conditions are as follows:

<u>Issuance</u>	<u>Type of bonds</u>	<u>Issuance period</u>	<u>Total issuance</u> <u>amount</u>	<u>Coupon rate</u>	<u>Repayment term</u>
First issuance in 2022	Tranche A	April 2022 - April 2027	\$ 5,900,000	0.85%	Principal is payable at maturity and interest is payable annually
First issuance in 2022	Tranche B	April 2022 - April 2029	700,000	0.90%	"
Second issuance in 2022		October 2022 - October 2025	5,000,000	1.45%	"

(15) Long-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Credit loans	\$ 32,503,019	\$ 43,624,897
Collateral loans	276,747	334,015
	<u>32,779,766</u>	<u>43,958,912</u>
Less: Current portion (shown as other current liabilities)	(42,424)	(45,125)
	<u>\$ 32,737,342</u>	<u>\$ 43,913,787</u>
Credit lines	<u>\$ 98,916,583</u>	<u>\$ 83,302,210</u>
Interest rate range	<u>0.43%~6.23%</u>	<u>0.31%~6.23%</u>

A. As at December 31, 2022, the revolving loans of \$25,544,490 can be drawn down during the period from June 1, 2022 to December 11, 2024 and are payable before the due date under the agreement.

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

(16) Pensions

A. Defined benefit plan

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

- i. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.
 - ii. Certain subsidiaries located in Mainland China maintain defined benefit retirement (resignation) plans with relative contribution scheme. The employees and the subsidiaries contribute an amount relatively based on a certain percentage of the monthly basic salary depending on the employee's position. When an employee retires or resigns, the total contribution from the employee is reimbursed based on the accumulated contribution (without interest) less withdrawals made by the employee in advance during the service period. The employee is also entitled to receive benefits calculated based on the accumulated contribution (without interest) from the related subsidiary multiplied by the approved benefit percentage for the employee's service years less withdrawals made by the employee in advance during the service period. The scheme mentioned above ceased on August 1, 2004. The amount contributed before was archived, and the payment scheme was not changed.
 - iii. The subsidiaries in Thailand, Switzerland and Norway, etc. have an obligation to pay certain retirement benefits when employees retire based on labor regulations.
- (b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 6,642,375)	(\$ 6,871,348)
Fair value of plan assets	3,522,719	3,339,507
Adjustment to plan assets ceiling	(164,796)	-
Net defined benefit liability (Listed other non-current liabilities)	<u>(\$ 3,284,452)</u>	<u>(\$ 3,531,841)</u>

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

	2022			
	Present value defined obligations	Fair value of plan assets	Adjustment to plan assets ceiling	Net defined benefit liability
Balance at January 1	(\$ 6,871,348)	\$ 3,339,507	\$ -	(\$ 3,531,841)
Current service cost	(83,102)	-	-	(83,102)
Interest (expense) income	(87,226)	24,339	-	(62,887)
Past service cost	(56,303)	-	-	(56,303)
	<u>(7,097,979)</u>	<u>3,363,846</u>	<u>-</u>	<u>(3,734,133)</u>
Remeasurements:				
Return on plan assets (excluding amounts included in interest income or expense)	-	136,073	-	136,073
Change in demographic assumptions	24,914	-	-	24,914
Change in financial assumptions	674,580	-	-	674,580
Experience adjustments	(389,317)	-	-	(389,317)
	<u>310,177</u>	<u>136,073</u>	<u>-</u>	<u>446,250</u>
Pension fund contribution	10,085	99,059	-	109,144
Paid pension	293,147	(182,794)	-	110,353
Settlement	11,060	-	-	11,060
Adjustment to plan assets ceiling (excluding amounts included in interest income or expense)	-	-	(154,767)	(154,767)
Exchange difference	(168,865)	106,535	(10,029)	(72,359)
Balance at December 31	<u><u>(\$ 6,642,375)</u></u>	<u><u>\$ 3,522,719</u></u>	<u><u>(\$ 164,796)</u></u>	<u><u>(\$ 3,284,452)</u></u>

2021

	Present value defined obligations	Fair value of plan assets	Adjustment to plan assets ceiling	Net defined benefit liability
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>-</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>-</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>\$ -</u>	<u>(\$ 3,531,841)</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, 2022 and 2021 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,	
	2022	2021
Discount rate	0.03%~7.40%	0.44%~6.45%
Future salary increases	2.5%~8.5%	1.0%~8.5%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%~1%	Decrease 0.25%~1%	Increase 0.25%~2.75%	Decrease 0.25%~2.75%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 217,109)	\$ 230,146	\$ 169,909	(\$ 160,522)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 234,078)	\$ 297,311	\$ 224,527	(\$ 164,425)

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, 2022 amount to \$164,120.

(g) As at December 31, 2022, the weighted average duration of that retirement plan is 8~22 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, 2022 and 2021 were \$613,076 and \$524,003, 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, 2022, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:
 - (a) Voting rights

GDR holders may, pursuant to the Depository 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 Depository to redeem the GDRs in accordance with the relevant R.O.C. regulations and the provisions in the Depository Agreement, the Depository 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 Depository 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, 2022, there were 577 thousand units outstanding, representing 2,885 thousand common shares of the Company's common stock.

(18) Capital surplus

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

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

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:
- (a) Payment of all taxes and dues.
 - (b) Offset against prior years' operating losses, if any.
 - (c) Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.
 - (d) Setting aside or reversing a special reserve according to relevant regulations when necessary.
 - (e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall not be less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2021 and 2020 earnings had been approved by the shareholders during their meeting on June 14, 2022 and July 19, 2021, respectively. Details are summarised below:

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

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

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

- E. The appropriations of 2022 earnings had been approved by the Board of Directors on February 22, 2023. Details are summarised below:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 3,288,320	
Special reserve reversed	13,198,044	
Cash dividends	25,559,826	\$ 9.84

The aforementioned appropriations of 2022 earnings have not yet been resolved by the shareholders as of February 22, 2023.

(20) Non-controlling interest

	Years ended December 31,	
	2022	2021
At January 1	\$ 31,338,136	\$ 32,690,303
Share attributable to non-controlling interest:		
Profit for the year	4,325,010	1,702,931
Currency translation differences	3,744,763	(1,424,222)
Dividends paid to minority interest	(739,023)	(1,464,506)
Decrease in non-controlling interest (Note)	(90,608)	(166,370)
At December 31	<u>38,578,278</u>	<u>31,338,136</u>

Note: The decrease in non-controlling interest resulted from the acquisition of additional equity interest in Vivotek during the years ended December 31, 2022 and 2021. Details are provided in Note 6(33).

(21) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 384,443,308	\$ 314,670,796

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, 2022				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 227,310,811	\$ 54,519,220	\$ 102,135,297	\$ 477,980	\$ 384,443,308
Timing of revenue recognition					
At a point in time	227,245,147	52,463,111	98,458,589	145,863	378,312,710
Over time	65,664	2,056,109	3,676,708	332,117	6,130,598
	\$ 227,310,811	\$ 54,519,220	\$ 102,135,297	\$ 477,980	\$ 384,443,308
	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

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,	
	2022	2021
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.	\$ 5,438,939	\$ 5,012,589

(22) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 598,167	\$ 428,123
Other interest income	11,446	1,520
	<u>\$ 609,613</u>	<u>\$ 429,643</u>

(23) Other income

	Years ended December 31,	
	2022	2021
Government grant income	\$ 420,198	\$ 300,190
Sample sales income	292,111	304,056
Dividend income	291,617	295,568
Mold fee income	244,560	134,307
Testing fee income	148,168	133,714
Rental income	111,703	111,818
Others	1,851,739	1,810,638
	<u>\$ 3,360,096</u>	<u>\$ 3,090,291</u>

(24) Other gains and losses

	Years ended December 31,	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	\$ 426,041	(\$ 63,452)
Gain on disposal of investments (Note 1)	-	90,109
Net currency exchange gain	583,789	1,203,355
Gain on financial assets/liabilities at fair value through profit or loss	845,835	573,145
Impairment loss on non-financial assets	(417,151)	(164,900)
Casualty loss (Note 2)	-	(329,493)
Miscellaneous disbursements	(241,440)	(270,473)
	<u>\$ 1,197,074</u>	<u>\$ 1,038,291</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).

(Note 2) On August 30, 2021, certain inventories and equipment of a subsidiary of the Group were partially damaged due to the flooding in the Thailand plants. The carrying amounts of the related assets amounted to \$329,493, and the Group has recognised related losses during the year ended December 31, 2021. As these assets were covered with insurance, the Group has received the claims in 2022.

(25) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	\$ 571,440	\$ 295,157

(26) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 75,068,280	\$ 66,808,915
Depreciation charges on property, plant and equipment	14,337,882	12,857,199
Depreciation charges on right-of-use assets	682,361	610,202
Amortisation charges on intangible assets	3,915,932	3,683,902
	<u>\$ 94,004,455</u>	<u>\$ 83,960,218</u>

(27) Employee benefit expense

	Years ended December 31,	
	2022	2021
Post-employment benefits		
Defined contribution plans	\$ 1,064,328	\$ 922,423
Defined benefit plans	202,292	172,449
	<u>1,266,620</u>	<u>1,094,872</u>
Other employee benefits	73,801,660	65,714,043
	<u>\$ 75,068,280</u>	<u>\$ 66,808,915</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, 2022 and 2021, employees' compensation was accrued at \$3,949,189 and \$3,179,902, respectively; while directors' remuneration was accrued at \$71,562 and \$67,904, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2022, 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 \$3,103,244 and directors' remuneration of \$47,520 for 2022 were resolved by the Board of Directors on February 22, 2023. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2022 financial statements. For directors' remuneration, the difference between the amounts resolved at the meeting of Board of Directors and the amount recognised in the 2022 financial statements was accounted for as change in estimates and recognised in profit or loss for 2023.

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

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 8,505,739	\$ 5,888,336
Effect from Alternative Minimum Tax	2,102	10,420
Prior year income tax overestimation	(503,294)	(54,544)
Tax on undistributed surplus earnings	172,579	-
Total current tax	8,177,126	5,844,212
Deferred tax:		
Origination and reversal of temporary differences	897,434	1,284,102
	<u>\$ 9,074,560</u>	<u>\$ 7,128,314</u>

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

	Years ended December 31,	
	2022	2021
Currency translation differences	\$ 1,069,086	(\$ 229,932)
Gain or loss on hedging instruments	-	(78)
Unrealised gains from financial assets measured at fair value through other comprehensive income	1,382	-
Remeasurement of defined benefit plan	2,914	(1,734)
	<u>\$ 1,073,382</u>	<u>(\$ 231,744)</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 12,076,470	\$ 9,821,134
Effects from items adjusted in accordance with tax regulations	(1,677,426)	(1,645,311)
Effect from investment tax credits	(1,027,017)	(851,932)
Effect from taxable loss	31,146	(151,453)
Prior year income tax overestimation	(503,294)	(54,544)
Effect from Alternative Minimum Tax	2,102	10,420
Tax on undistributed surplus earnings	172,579	-
Tax expenses	<u>\$ 9,074,560</u>	<u>\$ 7,128,314</u>

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

	2022					
	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	\$ 832,358	\$ 597,258	\$ -	\$ -	\$ -	\$ 1,429,616
Pension liability	436,555	(11,002)	(2,914)	-	-	422,639
Assets impairment	7,215	6,241	-	-	-	13,456
Depreciation difference between tax and financial basis	1,237,802	95,833	-	-	-	1,333,635
Others	4,385,437	172,117	-	-	231,130	4,788,684
Tax losses	278,080	(90,657)	-	-	-	187,423
	<u>7,177,447</u>	<u>769,790</u>	<u>(2,914)</u>	<u>-</u>	<u>231,130</u>	<u>8,175,453</u>
Deferred tax liabilities:						
- Temporary differences:						
Long-term equity investments	(13,925,194)	(1,679,515)	(1,069,086)	170,671	-	(16,503,124)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,732,100)	12,291	(1,382)	1,382	-	(2,719,809)
	<u>(16,777,156)</u>	<u>(1,667,224)</u>	<u>(1,070,468)</u>	<u>172,053</u>	<u>-</u>	<u>(19,342,795)</u>
	<u>(\$ 9,599,709)</u>	<u>(\$ 897,434)</u>	<u>(\$ 1,073,382)</u>	<u>\$ 172,053</u>	<u>\$ 231,130</u>	<u>(\$ 11,167,342)</u>

	2021					
	<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	\$ 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	<u>392,180</u>	<u>(114,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,080</u>
	<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>

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

December 31, 2022				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2022	\$ 1,670,224	\$ 1,670,224	\$ 1,638,861	2035
2018-2022	\$ 1,774,447	\$ 1,774,447	\$ 1,328,316	Indefinitely usable

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

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ 9,637,108	\$ 6,472,404

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2022 and 2021, the amounts of temporary differences unrecognised as deferred tax liabilities were \$11,525,298 and \$10,987,343, 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
Cyntec	2019
The Company, DECC, DelBio, AMT, Power Forest Technology Corporation, Vivotek, Lidlight Inc., Realwin., Otus Imaging and Aetek	2020

(29) Earnings per share

Year ended December 31, 2022		
<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	2,597,543	\$ 12.58
\$ 32,665,728	2,597,543	\$ 12.58
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent		
Assumed conversion of all dilutive potential ordinary shares:		
Employees' compensation	12,313	
-	12,313	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	2,609,856	\$ 12.52
\$ 32,665,728	2,609,856	\$ 12.52
Year ended December 31, 2021		
<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	2,597,543	\$ 10.32
\$ 26,796,302	2,597,543	\$ 10.32
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent		
Assumed conversion of all dilutive potential ordinary shares:		
Employees' compensation	10,461	
-	10,461	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	2,608,004	\$ 10.27
\$ 26,796,302	2,608,004	\$ 10.27

(30) Share-based payment

A. For the years ended December 31, 2022 and 2021, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (shares in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Vivotek - Plan of restricted stocks to employees	2019.08.19	800	2 years	1~2 years' performance
Power Forest - Employee stock options	2022.01.10~ 2022.10.25	2,955	7 years	Vested immediately
Ancora Semiconductors - Employee stock options	2022.11.11	3,500	10 years	Note

Note: The option life is 10 years; accumulated ratios of stock options granted that are exercisable upon 18 months, 30 months and 3 years of continuous services from the grant date are 30%, 60% and 100%, respectively.

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

(a) Employee share options

	<u>2022</u>		<u>2021</u>	
	<u>No. of options (shares in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>	<u>No. of options (shares in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>
Options outstanding at January 1	-		-	
Options granted	6,455		-	
Options expired	(653)		-	
Options exercised	(41)		-	
Options outstanding at December 31	<u>5,761</u>	<u>\$10~\$22.5</u>	<u>-</u>	<u>\$ -</u>
Options exercisable at December 31	<u>2,261</u>	<u>\$0~\$22.5</u>	<u>-</u>	<u>\$ -</u>

(b) Restricted stocks to employees

	2021
	No. of shares (shares in thousands)
January 1	374
Expired during the year	(374)
December 31	-

Note: There is no such situation as in 2022.

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

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Vivotek - Plan of restricted stocks to employees	2019.08.19	\$ 102.50	\$ -	Not applicable	1~2	Not applicable	Not applicable	\$ 102.50
Power Forest- Employee stock options	2022.01.10 ~ 2022.10.25	44.17	22.50	55.89%	1.5	0%	0.42%	23.5559
Ancora Semiconductors - Employee stock options	2022.11.11	30.00	10.00	64.69%	6.2	0%	1.49%	23.8408

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,	
	2022	2021
Equity-settled	\$ 74,885	\$ -

(31) Business combinations

A. Business combinations of the Group for the years ended December 31, 2022 and 2021 are as follows:

- (a) On July 18, 2022, the Group acquired 100% of the share capital of UI Acquisition Holding Co. (UI) for \$2,766,456 and obtained control over UI. In the fourth quarter of 2022, the acquisition price increased by \$30,890 in according to the price adjustment mechanism in the

contract. As a result of the acquisition, the Group is expected to strengthen industrial automation. The allocation of the acquisition price of UI will be completed within a year.

(b) On December 1, 2021, the Group acquired 100% of the share capital of March Networks Holdings Ltd. (March) for \$3,472,680 and obtained control over March. As a result of the acquisition, the Group is expected to improve the security and building automation. The allocation of the acquisition price of March was completed in the second quarter of 2022, and the contingent consideration decreased by \$10,556 based on the adjustment to the estimated purchase price.

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

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

	<u>UI</u>	<u>March (Note)</u>	<u>Trihedral (Note)</u>
Purchase consideration			
Cash	\$ 2,797,346	\$ 3,376,535	\$ 885,725
Contingent consideration	-	85,589	134,759
	<u>2,797,346</u>	<u>3,462,124</u>	<u>1,020,484</u>
Fair value of the identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	171,888	510,591	18,234
Other current assets	2,960,846	1,218,552	72,912
Property, plant and equipment	143,360	44,809	6,852
Intangible assets	413,714	821,850	236,302
Deferred tax assets	231,130	403,881	-
Other non-current assets	16,320	242,838	-
Other current liabilities	(1,538,276)	(475,624)	(9,666)
Deferred tax liabilities	-	-	(1,814)
Other non-current liabilities	(46,240)	(236,879)	-
Total identifiable net assets	<u>2,352,742</u>	<u>2,530,018</u>	<u>322,820</u>
Goodwill	<u>\$ 444,604</u>	<u>\$ 932,106</u>	<u>\$ 697,664</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 March was completed in the second quarter of 2022 and the fair values of the acquired identifiable intangible assets and goodwill were \$821,850 and \$932,106, respectively.
- E. The operating revenue included in the consolidated statement of comprehensive income since July 18, 2022 contributed by UI was \$2,230,709. UI also contributed profit before income tax of \$146,096 over the same period. Had UI been consolidated from January 1, 2022, the consolidated statement of comprehensive income for the year ended December 31, 2022 would show operating revenue of \$386,318,600 and profit before income tax of \$45,938,231.

(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. 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 2022, the Group acquired additional equity interests of 1.66% and 0.03% in Vivotek and AMT respectively, for total cash consideration of \$111,232, and in 2022, the Group acquired an additional equity interest of 2.44% in Vivotek for a total cash consideration of \$144,336. The effect of changes in interest attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Years ended December 31,			
	2022			2021
	Vivotek	AMT	Total	Vivotek
Carrying amount of non-controlling interest acquired	\$ 125,504	\$ 407	\$ 125,911	\$ 166,370
Consideration paid to non-controlling interest	(110,182)	(1,050)	(111,232)	(144,336)
	<u>\$ 15,322</u>	<u>(\$ 643)</u>	<u>\$ 14,679</u>	<u>\$ 22,034</u>
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount:				
Capital surplus	<u>\$ 15,322</u>	<u>\$ -</u>	<u>\$ 15,322</u>	<u>\$ 22,034</u>
Unappropriated retained earnings	<u>\$ -</u>	<u>(\$ 643)</u>	<u>(\$ 643)</u>	<u>\$ -</u>

(34) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2022	\$ 4,397,362	\$ -	\$ 43,958,912	\$ 48,356,274
Changes in cash flow from financing activities	(2,320,600)	11,600,000	(11,179,146)	(1,899,746)
At December 31, 2022	<u>\$ 2,076,762</u>	<u>\$ 11,600,000</u>	<u>\$ 32,779,766</u>	<u>\$ 46,456,528</u>

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

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Compover 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,	
	2022	2021
Sales of goods:		
Associates	\$ 94,287	\$ 97,068
Director of the Company	-	3,719
Sales of services:		
Associates	28	3,124
	<u>\$ 94,315</u>	<u>\$ 103,911</u>

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

B. Purchases of goods

	Years ended December 31,	
	2022	2021
Purchases of goods:		
Associates	\$ 188,860	\$ 55,119

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, 2022	December 31, 2021
Receivables from related parties:		
Associates	\$ 29,551	\$ 27,831

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

D. Period-end balances arising from purchases of goods

	December 31, 2022	December 31, 2021
Payables to related parties:		
Associates	\$ 28,525	\$ 15,023

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, 2022</u>	<u>December 31, 2021</u>
Other receivables-related parties		
Associates	\$ <u>2,000</u>	\$ <u>485</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables-related parties		
Associates	\$ <u>867</u>	\$ <u>-</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 333,932	\$ 277,725
Post-employment benefits	737	599
	<u>\$ 334,669</u>	<u>\$ 278,324</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, 2022</u>	<u>December 31, 2021</u>	
Demand deposits and time deposits (shown as current financial assets at amortised cost)	\$ 265,382	\$ 319,238	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	143,498	218,130	Performance bonds and custom guarantee
Property, plant and equipment			Long-term borrowings and credit line of long-term borrowings
	<u>477,276</u>	<u>557,568</u>	
	<u>\$ 886,156</u>	<u>\$ 1,094,936</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	\$ 9,507,364	\$ 3,538,625
Costs of computer software	\$ 558,781	\$ 99,770

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 2022 earnings of the Company is provided in Note 6(19)E.
- (2) On January 12, 2023, the Company issued the 2023 first unsecured ordinary corporate bonds in the amount of \$5,000,000.
- (3) To strengthen networking solution capability, on February 1, 2023, the Company acquired 13,825 thousand shares of Atrust Computer Corporation (Atrust Computer) from its existing shareholders at \$45.95 (in dollars) per share and subscribed 15,000 thousand new shares issued by Atrust Computer at a price of \$21 (in dollars) per share, totaling approximately \$950 million for a 55% equity interest in Atrust Computer.

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, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,531,239	\$ 4,437,527
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,740,553	\$ 1,587,843
Financial assets at amortised cost		
Cash and cash equivalents	\$ 61,546,836	\$ 49,855,053
Notes receivable	3,123,642	3,420,633
Accounts receivable	84,103,620	67,464,208
Other receivables	2,449,171	1,815,370
Guarantee deposits paid	1,722,926	204,759
Financial assets at amortised cost	408,880	545,368
	<u>\$ 153,355,075</u>	<u>\$ 123,305,391</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</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	\$ 74,232	\$ 41,371
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,076,762	\$ 4,397,362
Notes payable	1,406	440
Accounts payable	62,714,264	54,569,485
Other payables	40,718,682	35,652,202
Bonds payable	11,600,000	-
Long-term borrowings (including current portion)	32,779,766	43,958,912
Guarantee deposits received	763,822	1,526,349
	<u>\$ 150,654,702</u>	<u>\$ 140,104,750</u>
Lease liabilities (including current portion)	<u>\$ 2,917,648</u>	<u>\$ 1,895,640</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, 2022		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 672,093	30.7100	\$ 20,639,966
USD:THB (Note)	453,354	34.3474	13,922,487
USD:RMB (Note)	355,454	6.9566	10,915,995
RMB:USD (Note)	1,398,952	0.1437	6,175,688
EUR:USD (Note)	100,072	1.0655	3,274,367
<u>Non-monetary items</u>			
USD:NTD	\$ 6,510,039	30.7100	\$ 199,923,287
THB:USD (Note)	62,766,372	0.0291	56,119,413
RMB:USD (Note)	9,430,018	0.1437	41,628,907
USD:THB (Note)	477,835	34.3474	14,674,323
NOK:USD (Note)	3,799,429	0.1013	11,819,719
THB:NTD	5,702,778	0.8941	5,098,854
EUR:USD (Note)	50,706	1.0655	1,659,113
CAD:USD (Note)	53,790	0.7382	1,219,426
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 637,367	30.7100	\$ 19,573,533
USD:THB (Note)	427,396	34.3474	13,125,318
RMB:USD (Note)	2,060,113	0.1437	9,094,391
USD:RMB (Note)	276,013	6.9566	8,476,363
EUR:USD (Note)	66,637	1.0655	2,180,358
SGD:USD (Note)	92,025	0.7450	2,105,524

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

December 31, 2021

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

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

- 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, 2022 and 2021 amounted to \$583,789 and \$1,203,355, respectively.

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

Year ended December 31, 2022			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 206,400	\$ -
USD:THB (Note)	1%	139,225	-
USD:RMB (Note)	1%	109,160	-
RMB:USD (Note)	1%	61,757	-
EUR:USD (Note)	1%	32,744	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 195,735	\$ -
USD:THB (Note)	1%	131,253	-
RMB:USD (Note)	1%	90,944	-
USD:RMB (Note)	1%	84,764	-
EUR:USD (Note)	1%	21,804	-
SGD:USD (Note)	1%	21,055	-

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, 2021			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: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>			
USD:RMB (Note)	1%	182,273	-
USD:NTD	1%	178,252	-
RMB:USD (Note)	1%	115,634	-
USD:THB (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.

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, 2022 and 2021 would have increased/decreased by \$17,011 and \$20,598, 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 \$14,772 and \$13,259, respectively, as a result of other comprehensive income classified as 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 and bonds payable. 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 and bonds payable 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, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD, USD and JPY, and the Group's bonds payable at fixed rates were denominated in NTD.
- ii. As at December 31, 2022 and 2021, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased by \$65,537 and \$87,918, 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, 2022 and 2021. On December 31, 2022 and 2021, the provision matrix of accounts receivable is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2022</u>			
Expected loss rate	0.00%	1.09%	13.83%
Total book value	\$ 73,676,921	\$ 9,781,373	\$ 687,649
Loss allowance	<u>\$ 478</u>	<u>\$ 106,371</u>	<u>\$ 95,104</u>
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	40.35%	98.79%	
Total book value	\$ 213,655	\$ 218,039	\$ 84,577,637
Loss allowance	<u>\$ 86,204</u>	<u>\$ 215,411</u>	<u>\$ 503,568</u>
	<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	<u>\$ 432</u>	<u>\$ 67,970</u>	<u>\$ 55,884</u>
	<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	<u>\$ 72,388</u>	<u>\$ 153,870</u>	<u>\$ 350,544</u>

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

	2022				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 350,544	\$ -	\$ 313,298	\$ 663,842
Provision for impairment loss	-	133,242	-	282	133,524
Reclassification	-	(4,111)	-	4,111	-
Write-offs during the year	-	(2,347)	-	(35,953)	(38,300)
Effect of foreign exchange	-	26,240	-	12,139	38,379
At December 31	<u>\$ -</u>	<u>\$ 503,568</u>	<u>\$ -</u>	<u>\$ 293,877</u>	<u>\$ 797,445</u>
	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>

For provisioned loss for the years ended December 31, 2022 and 2021, the (provision for) reversal of impairment loss arising from customers' contracts amounted to (\$133,524) and \$177,373, 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, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,076,762	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	62,715,670	-	-	-
Other payables	40,718,682	-	-	-
Lease liabilities (including current portion)	614,913	478,341	850,889	973,505
Bonds payable	-	-	10,900,000	700,000
Long-term borrowings (including current portion)	42,424	30,454,220	2,001,793	281,329

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

Derivative financial liabilities:

As at December 31, 2022 and 2021, the Group's derivative financial liabilities are due within 1 year.

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

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient

frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

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

<u>December 31, 2022</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	\$ 1,701,096	\$ -	\$ 1,073,118	\$ 2,774,214
Hybrid instruments	46,929	900,000	204,249	1,151,178
Derivative instruments	-	605,847	-	605,847
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,268,503</u>	<u>-</u>	<u>472,050</u>	<u>1,740,553</u>
	<u>\$ 3,016,528</u>	<u>\$ 1,505,847</u>	<u>\$ 1,749,417</u>	<u>\$ 6,271,792</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 74,232</u>	<u>\$ -</u>	<u>\$ 74,232</u>

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 2,059,827	\$ -	\$ 1,135,347	\$ 3,195,174
Hybrid instruments	20,135	900,000	197,148	1,117,283
Derivative instruments	-	125,070	-	125,070
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,060,528</u>	<u>-</u>	<u>527,315</u>	<u>1,587,843</u>
	<u>\$ 3,140,490</u>	<u>\$ 1,025,070</u>	<u>\$ 1,859,810</u>	<u>\$ 6,025,370</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 41,371</u>	<u>\$ -</u>	<u>\$ 41,371</u>

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, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022		
	Hybrid instruments	Equity instruments	Total
At January 1	\$ 197,148	\$ 1,662,662	\$ 1,859,810
Gains and losses recognised in profit or loss	7,101	290,919	298,020
Gains recognised in other comprehensive income	-	9,874	9,874
Acquired during the year	-	489,653	489,653
Disposals during the year	- (	672,926) (	672,926)
Transfers out from Level 3	- (	234,883) (	234,883)
Others	- (	16,312) (	16,312)
Net exchange differences	-	16,181	16,181
At December 31	<u>\$ 204,249</u>	<u>\$ 1,545,168</u>	<u>\$ 1,749,417</u>
	2021		
	Hybrid instruments	Equity instruments	Total
At January 1	\$ 74,983	\$ 1,943,584	\$ 2,018,567
Losses recognised in profit or loss	(5,131) (	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>\$ 197,148</u>	<u>\$ 1,662,662</u>	<u>\$ 1,859,810</u>

- G. For the years ended December 31, 2022 and 2021, the Group obtained sufficient observable market information for certain financial assets at fair value through profit or loss. These equity

securities were transferred from Level 3 into Level 1 at the end of the month in which they were listed.

- H. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical review.

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

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

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,336,503	Most recent non-active market price	Not applicable	-	Not applicable
"	208,665	Market comparable companies	Price to book ratio multiple	0.42~2.00 (0.97)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	0.64~2.20 (2.0)	
			Price to asset ratio multiple	1.44~3.50 (1.98)	
			Discount for lack of marketability	20% (20%)	
Hybrid instrument: Convertible bonds	204,249	Equity value of complex capital structures	Discount for lack of marketability	7%	The higher the discount for lack of marketability, the lower the fair value;
			Stock price volatility	55%	the higher the stock price volatility, the higher the fair value

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

- 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, 2022					
				Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets							
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,028	(\$ 3,028)	
Financial assets							
Hybrid instrument	Discount for marketability	± 1%	\$ 2,197	(\$ 2,193)	\$ -	\$ -	

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(4) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to tables 7, 8 and 9 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG), with investee companies in the Mainland China, for the year ended December 31, 2022.

(4) Major shareholders information

Please refer to table 12.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

- A. Power electronics: Component, Embedded Power, Fans and Thermal Management, Automotive Electronics and Merchant & Mobile Power.
- B. Automation: Industrial Automation and Building Automation.
- C. Infrastructure: ICT Infrastructure and Energy Infrastructure.

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

(2) Measurement of segment information

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

(3) Segment information

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

	Year ended December 31, 2022			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 227,310,811	\$ 54,519,220	\$ 102,135,297	\$ 383,965,328
Segment income (Note)	\$ 32,153,395	\$ 3,139,270	\$ 6,146,159	\$ 41,438,824

	Years 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

(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, 2022 and 2021 is provided as follows:

	Year ended I
	2022
Reportable segments income	\$ 41,438,824
Non-operating income and expenses	4,626,474
Income before tax from continuing operations	\$ 46,065,298

(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, 2022 and 2021 were as follows:

	Years ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 113,271,949	\$ 31,170,504	\$ 103,301,964	\$ 28,176,401
U.S.A.	103,574,115	9,063,754	72,772,720	4,882,157
Taiwan	35,439,444	42,435,159	33,340,691	42,566,837
Thailand	3,409,805	49,055,893	1,945,032	60,511,111
Others	128,747,995	38,503,262	103,310,389	18,967,074
	<u>\$ 384,443,308</u>	<u>\$ 170,228,572</u>	<u>\$ 314,670,796</u>	<u>\$ 155,103,580</u>

(7) Major customer information

There are no customers accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2022 and 2021.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2022

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote	
													Item	Value				
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	\$ 2,856,030	\$2,856,030	\$ 1,842,600	2.58% (Note 7)	2	\$ -	-	Additional operating capital	\$ -	None	\$ -	\$ 32,579,731	\$ 32,579,731	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	18,779,165	18,779,165	18,779,165	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	32,579,731	32,579,731	Note 5
1	Fairview Assets Ltd.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	921,300	921,300	921,300	5.43%	2	-	-	Additional operating capital	-	None	-	32,579,731	32,579,731	Note 5
2	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	16,798,370	14,433,700	14,433,700	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	767,750	767,750	767,750	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	13,512,400	13,512,400	13,512,400	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	429,940	429,940	429,940	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	70,633	70,633	70,633	2.58% (Note 7)	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Amerlux, LLC	Other receivables - related parties	Yes	1,013,430	952,010	952,010	2.50%	2	-	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
3	ELTEK AS	Eitek Italia S.r.l.	Other receivables - related parties	Yes	32,720	-	-	1.90%	2	-	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	58,800	58,800	58,800	2.00%	2	-	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	101,705	59,221	59,221	7.75%	2	-	-	Additional operating capital	-	None	-	3,462,938	3,462,938	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, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
3	ELTEK AS	Eltek s.r.o.	Other receivables - related parties	Yes	\$ 317,384	\$ 317,384	\$ 317,384	1.30%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 3,462,938	\$ 3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Slovakia) s.r.o.	Other receivables - related parties	Yes	392,640	392,640	392,640	2.00%	2	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
4	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,545,079	1,545,079	1,545,079	4.65%	2	-	Additional operating capital	-	None	-	4,448,975	4,448,975	Note 5
5	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	376,280	363,192	363,192	0.40%	2	-	Additional operating capital	-	None	-	906,978	906,978	Note 5
6	DET International Holding B.V.	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,395,380	2,395,380	2,395,380	1.7% - 4%	2	-	Additional operating capital	-	None	-	7,471,323	7,471,323	Note 5
7	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	229,040	229,040	196,320	0.40%	2	-	Additional operating capital	-	None	-	1,227,332	1,227,332	Note 5
8	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,637,783	-	-	3.85%	2	-	Additional operating capital	-	None	-	2,899,112	2,899,112	Note 4
9	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	2,005,953	2,005,953	2,005,953	3.7% - 3.85%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
9	Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Chongqing) Ltd.	Other receivables - related parties	Yes	1,942,384	1,942,384	618,031	4.45%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
9	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Other receivables - related parties	Yes	882,902	882,902	882,902	3.70%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
10	Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Other receivables - related parties	Yes	89,410	89,410	89,410	2.40%	2	-	Additional operating capital	-	None	-	48,500,856	48,500,856	Note 5
11	Vivotek USA, Inc.	Wellstates Investment, LLC	Other receivables - related parties	Yes	33,781	33,434	33,434	3.90%	2	-	Additional operating capital	-	None	-	382,520	382,520	Note 5

Table 1-2

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
12	Universal Instruments Corporation	Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Other receivables - related parties	Yes	\$ 252,459	\$ 201,967	\$ 201,967	0.00%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 2,177,196	\$ 2,177,196	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, 2022, which the Company reported to the Securities and Futures Bureau.

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

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

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

Note 6: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Note 7: Interest rate was retroactive to January 1, 2022.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

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

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at December 31, 2022	Outstanding endorsement / guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 1,038,881	\$ 138,195	\$ 138,195	\$138,195	\$ -	0.07%	\$ 1,038,881	N	N	N	Note 2
2	March Networks Holdings Ltd.	March Networks, Inc.	2	129,015	14,741	14,741	14,741	-	0.01%	258,029	N	N	N	Note 3

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

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

Note 2: In accordance with ELTEK AS's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 30% of ELTEK AS's net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 30% of ELTEK AS's net assets based on the latest audited or reviewed financial statements.

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

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$186,788,907 thousand (2022/12/31).

Note 5: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

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

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 3

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

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	31,294,379	\$ 646,229	1.92%	\$ 646,229	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	622,274	5.73%	622,274	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000	
Delta Electronics, Inc.	Betacera Inc. common stock, etc.	None	Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss	-	108,935	-	108,935	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - current	608,000	195,168	0.77%	195,168	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	850,275	162,403	0.53%	162,403	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,000	191,766	0.70%	191,766	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	124,586	0.14%	124,586	
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	243,480	0.85%	243,480	
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	108,800	1.93%	108,800	
Delta Electronics Capital Company	WorkWave HoldCo, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	139	208,838	0.20%	208,838	
Delta Electronics Capital Company	UBIQCONN TECHNOLOGY, INC. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,552,279	-	1,552,279	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	\$ 122,840	19.90%	\$ 122,840	
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	-	43,975	-	43,975	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53%	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,454,193	89,874	2.11%	89,874	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	28,859	19.79%	28,859	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	5,374	17.52%	5,374	
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	-	6,622	15.00%	6,622	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	204,249	2.13%	204,249	

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, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2022		Addition		Disposal				Balance as at December 31, 2022		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Delta Electronics (H.K.) Ltd.	Delta Electronics (Chongqing) Ltd.	Investments accounted for under equity method	Delta Electronics (Chongqing) Ltd.	Affiliated enterprise	-	\$ -	-	\$ 886,098 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 886,098	
Delta Electronics, Inc.	Ancora Semiconductors Inc.	Investments accounted for under equity method	Ancora Semiconductors Inc.	Affiliated enterprise	-	-	37,000,000	386,576 (Note 2)	-	-	-	-	37,000,000	386,576	
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	Investments accounted for under equity method	(Note 3)	None	-	-	334	3,002,839 (Note 4)	-	-	-	-	100	3,002,839	
ELTEK AS	Gräterudveien 8 AS	Investments accounted for under equity method	Graterudveien Eiendomsinvest AS	None	-	-	-	442,697 (Note 5)	-	-	-	-	-	442,697	
Delta Electronics Capital Company	TaskEasy, Inc. Preference share	Appointed as financial assets at fair value through profit or loss	WorkWave, LLC	None	2,633,872	141,008	-	-	2,633,872	450,483	141,008	309,475	-	-	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	814,240	-	-	-	914,683	814,240 (Note 8)	(Note 6)	-	-	
Cyntec Holding (HK) Limited	Cyntec Electronics (Suzhou) Co., Ltd	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	8,697,390	-	-	-	8,656,231	8,697,390 (Note 8)	(Note 7)	-	-	

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

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

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

Note 4: Delta International Holding Limited B.V. increased its investment in UI Acquisition Holding Co. in the amount of \$2,797,346 in July and September 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 5: ELTEK AS increased its investment in Gräterudveien 8 AS in the amount of \$440,355 in September and November 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 6: Delta Electronics (H.K.) Ltd. (DHK) acquired a 49% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited (DNHK). This transaction is resulted from the Group's adjustment in investment structure.

There was no gain or loss on disposal pursuant to related ordinances.

Note 7: Delta Electronics (H.K.) Ltd. (DHK) acquired a 100% equity interest in Cyntec Electronics (Suzhou) Co., Ltd from Cyntec Holding (HK) Limited (CHK). This transaction is resulted from the Group's adjustment in investment structure.

There was no gain or loss on disposal pursuant to related ordinances.

Note 8: Including the adjustments in investment income or loss recognised during the year, acquisition of dividends and adjustments in changes of net value.

Delta Electronics, Inc. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 5

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Amerlux, LLC	Land and buildings in New Jersey, U.S.A	April 20, 2022	\$ 1,105,313	In accordance with the contract terms	Unicorn Real Estate Investment, LLC.	None	-	-	-	\$ -	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
DELTA ELECTRONICS (USA) INC.	Land and buildings in Texas, U.S.A	July 5, 2022	1,036,972	"	CREFIII-CCI DATA DRIVE OWNER, LLC	"	-	-	-	-	"	"	"
Delta Electronics (Wuhu) Co., Ltd.	The construction of WUHU Plant 3 and WUHU logistics center	September 20, 2022	606,971	"	Suzhou Tongli Architecture Co., Ltd.	"	-	-	-	-	Price comparison and negotiation	"	"
Delta Electronics (Shanghai) Co., Ltd.	Buildings in Hangzhou City	October 17, 2022	411,736	"	Zhejiang Wangxinhuiying Information Technology Co., Ltd.	"	-	-	-	-	By reference to the price quoted by the professional appraisal agency and market value	"	"
Delta Electronics (Thailand) Public Company Limited	Land in Samutprakarn Province, Thailand	October 25, 2022	339,262	"	Natural person	"	-	-	-	-	"	"	"
Delta Electronics, Inc.	Addition work in Neihu, Taipei	December 29, 2022	695,825 (Note)	"	LI JIN ENGINEERING CO., LTD. etc	"	-	-	-	-	Price comparison and negotiation	"	"

Note: The Board of Directors of the Company approved the Taipei Headquarters Expansion Project with the estimated construction cost of \$495,840 in total on July 31, 2018 and approved to increase the budget on December 29, 2022.

Delta Electronics, Inc. and Subsidiaries
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 6 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of payment	Gains (losses) on disposal	Relationship with the seller	Reason for disposal	Counterparty	Basis or reference used in setting the price	Other commitments
Delta Electronics, Inc.	Land and buildings of Chungli Plant 2	July 28, 2022	December 15, 1999	\$ 235,646	\$ 756,600	In accordance with the agreements entered into by mutual parties	Note	None	To avoid idle assets	Mu Tian Asset Management Consulting Co., Ltd.	By reference to the price quoted by the professional appraisal agency and market value	Fulfilled in accordance with the agreements entered into by mutual parties

Note: Gains (losses) on disposal amounted to \$498,378 after deducting related taxes.

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2022

Table 7

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	\$ 605,135	0.74	70 days after issuing invoice			\$ 617,756	3.39	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	Operating revenue	409,785	0.48	70 days after issuing invoice			416,914	2.29	
Delta Electronics, Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	165,656	0.21	70 days			44,296	0.24	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd	Subsidiary	Operating revenue	177,801	0.20	70 days			460	-	
Delta Electronics, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	486,803	0.58	70 days			14	-	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	414,335	0.47	90 days after delivery			229,998	1.26	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	180,529	0.22	70 days			25,199	0.14	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	434,302	0.54	70 days			83,394	0.46	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	21,159,606	25.52	70 days			1,959,034	10.73	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	3,296,517	3.92	70 days			587,471	3.23	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	10,273,927	12.32	90 days after delivery			3,532,586	19.35	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	4,473,223	5.44	70 days			1,172,744	6.42	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	155,265	0.20	75 days after delivery			66,215	0.37	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	196,800	0.42	70 days			81,447	1.76	

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	\$ 5,369,881	12.41	70 days			\$ 1,367,609	29.40	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	37,866,318	86.59	70 days			3,172,583	68.21	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	138,825	0.17	70 days			42,843	0.41	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	19,215,697	22.52	70 days			4,689,592	44.51	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	738,763	0.87	70 days			158,477	1.50	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	65,037,213	76.24	70 days			5,578,946	52.95	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	134,328	0.40	70 days			42,266	0.53	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	448,702	1.35	70 days			63,088	0.70	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	14,918,790	45.10	70 days			1,488,207	21.21	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,623,467	7.93	70 days			847,641	12.08	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,138,160	3.44	70 days			223,198	3.18	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	154,008	0.47	70 days			122,858	1.75	
Delta Networks (Dongguan) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	115,374	1.46	70 days			36,412	1.76	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,812,556	98.57	70 days			1,982,776	95.78	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	383,328	4.95	70 days			114,878	9.76	

Table 7-2

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 7,357,392	95.04	70 days			\$ 1,053,014	89.42	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	785,661	13.37	70 days			194,763	15.78	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	5,092,251	86.62	70 days			1,039,298	84.22	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,992,711	55.83	70 days			298,083	55.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	511,203	14.30	70 days			128,614	23.82	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,041,436	29.16	70 days			107,938	19.99	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,376,405	28.82	70 days			632,085	43.64	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	159,096	1.94	90 days after delivery			42,444	2.93	
Cyntec Electronics (Suzhou) Co., Ltd	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,337,050	100.00	70 days			1,132,833	99.99	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,144,150	99.99	70 days			480,515	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,253,818	84.22	70 days			371,975	24.82	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	370,279	4.94	70 days			149,532	8.65	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,049,234	22.25	70 days			149,239	12.12	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	116,454	2.46	70 days			16,967	1.38	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	596,518	7.45	70 days			130,350	7.16	

Table 7-3

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 593,144	7.32	70 days			\$ 10,761	0.60	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	154,623	1.94	70 days			19,537	1.07	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	842,485	10.35	180 days			538,892	29.63	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	151,193	3.14	70 days			103,342	9.72	
ELTEK AS	DELTA Electronics (Germany) GmbH	Affiliated enterprise	Operating revenue	675,107	13.84	70 days			166,564	15.66	
ELTEK AS	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	134,576	2.74	70 days			22,677	2.13	
ELTEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	Operating revenue	660,281	13.52	70 days			157,672	14.82	
ELTEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	Operating revenue	586,233	12.05	70 days			169,648	15.94	
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	Operating revenue	102,935	2.11	70 days			55,759	5.24	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	308,162	6.28	70 days			26,771	2.52	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	162,460	3.35	70 days			21,177	1.99	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	399,428	8.16	70 days			23,158	2.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	Operating revenue	439,501	0.17	70 days			102,981	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	340,465	0.15	90 days after delivery			220,015	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	Affiliated enterprise	Operating revenue	151,440	0.04	90 days after delivery			118,745	0.18	

Table 7-4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,923,551	0.72	70 days			\$ 643,042	0.99	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	25,128,619	9.79	70 days			5,017,631	7.73	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	29,925,525	11.66	70 days			3,566,849	5.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,778,482	2.60	70 days			1,400,254	2.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,765,526	2.27	70 days			795,457	1.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,622,764	1.37	70 days			1,078,299	1.67	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	289,041	0.13	70 days			41,675	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,978,416	0.77	70 days			380,533	0.59	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	Operating revenue	665,867	0.19	70 days			136,965	0.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	133,429	0.03	70 days			37,722	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	Operating revenue	237,630	0.05	150 days			111,317	0.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	149,439	0.07	70 days			8,396	0.01	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	237,835	0.07	75 days after delivery			122,159	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,939,754	0.77	90 days after delivery			944,445	1.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	154,106	0.05	70 days			69,476	0.10	

Table 7-5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	Operating revenue	\$ 2,403,506	0.91	70 days			\$ 684,322	1.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	431,337	0.18	70 days			106,753	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	196,249	0.06	70 days			86,833	0.13	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	3,632,160	1.40	70 days			585,981	0.91	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,268,926	0.49	70 days			370,416	0.57	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	108,870	0.01	70 days			23,943	0.04	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	822,298	0.31	70 days			285,936	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,280,853	0.82	70 days			601,703	0.93	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green Industrial (Thailand) Co., Ltd.	Affiliated enterprise	Operating revenue	150,893	0.04	70 days			23,994	0.04	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	22,214,879	8.60	70 days			10,264,988	15.83	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	14,420,981	5.62	90 days after delivery			4,710,761	7.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	3,963,153	1.51	70 days			1,345,304	2.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc	Affiliated enterprise	Operating revenue	137,644	0.05	75 days after delivery			80,489	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	8,663,799	3.39	70 days			2,693,692	4.15	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Vietnam) Company Limited	Affiliated enterprise	Operating revenue	197,680	0.06	70 days			35,770	0.06	

Table 7-6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	\$ 1,315,491	28.68	70 days			\$ 544,613	39.08	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,772,755	38.85	70 days			409,260	29.37	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	Operating revenue	274,255	5.97	70 days			198,517	14.24	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,100,963	24.16	70 days			231,492	16.61	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	2,023,781	81.51	70 days			124,780	34.70	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	378,129	15.15	70 days			211,445	58.79	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	239,827	0.24	70 days			4,663	0.02	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	241,649	0.25	90 days after delivery			116,106	0.46	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	260,704	0.29	70 days			56,813	0.22	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	969,255	1.09	70 days			260,611	1.02	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	295,613	0.32	70 days			60,219	0.23	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	157,441	0.17	70 days			58,304	0.23	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	27,835,608	31.88	90 days after delivery			11,453,192	44.72	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,658,815	1.88	70 days			475,793	1.87	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	356,467	0.41	70 days			66,257	0.26	

Table 7-7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 554,732	4.02	70 days			\$ 9,202	0.54	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	623,500	4.49	70 days			132,095	7.70	
Delta Electronics (Automotive) Americas Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	122,950	100.00	70 days			11,399	100.00	
March Networks Corporation	March Networks, Inc.	Affiliated enterprise	Operating revenue	1,340,339	74.42	30 days	Note 1	Note 1	320,165	97.79	
March Networks S.r.l.	March Networks Corporation	Affiliated enterprise	Operating revenue	215,863	63.69	30 days	Note 2	Note 2	124,342	75.79	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	844,883	8.00	90 days	Note 3	Note 3	252,637	14.00	

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

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

Note 3: Vivotek Inc. determined the prices and terms of goods sold to Vivotek USA, Inc. based on the economic conditions and market competitiveness of the sales area, and there were 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, 2022

Table 8

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	\$ 617,756	0.89	\$ -		\$ -	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	416,914	1.05	-		121	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	229,998	3.18	17,659		27,134	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	2,412,086	0.37	96,129		2,412,086	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	587,471	6.33	34,003		282,050	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	3,639,390	3.08	-		1,219,924	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	1,172,744	6.15	10		422,510	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	213,234	-	-		83,906	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,367,609	3.77	-		940,578	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,172,583	9.33	-		3,172,583	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,689,592	3.56	-		3,933,865	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	158,477	4.57	-		65,396	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,578,946	10.70	6,609		485,537	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	1,488,207	4.98	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	847,641	2.99	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	223,198	4.48	-		84,120	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	122,858	2.51	-		37,916	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,982,776	4.48	-		1,688,678	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	114,878	4.62	-		101,339	

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 1,053,014	5.90	\$ -		\$ 660,265	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	194,763	3.80	-		65,990	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,039,298	4.85	-		556,080	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	298,083	7.89	-		193,440	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	128,614	4.37	-		252	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	107,938	6.90	-		-	
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,542	-	-		118,542	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	632,085	4.01	-		441,253	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,132,833	7.76	-		1,126,045	
Cyntec Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	480,515	6.32	-		480,513	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	149,532	3.76	1,693		71,978	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	149,239	5.79	507		129,907	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	130,350	5.97	-		60,440	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	538,892	1.49	9,487		61,149	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	103,342	1.48	-		17,486	
ELTEK AS	DELTA Electronics (Germany) GmbH	Affiliated enterprise	166,564	4.83	-		87,504	
ELTEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	157,672	4.69	-		73,555	
ELTEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	169,648	4.55	-		67,758	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	102,981	4.20	862		24,957	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELETRONICS BRASIL LTDA	Affiliated enterprise	220,015	1.77	35,906		76,778	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	Affiliated enterprise	118,745	1.99	36,429		36,591	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	643,042	2.92	-		273,241	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	5,017,631	4.89	-		2,321,963	

Table 8-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	\$ 3,566,849	8.45	\$ -		\$ 1,997,329	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	1,400,254	5.74	67,339		981,798	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	795,457	6.79	-		435,741	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	1,078,299	3.40	502,466		644,910	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	380,533	4.34	-		132,788	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	136,965	4.07	-		46,061	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	111,317	2.18	-		20,234	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	122,159	1.91	1,223		23,292	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	944,445	2.62	687		213,582	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	684,322	3.66	-		117,817	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	106,753	4.72	-		55,027	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	585,981	4.81	-		397,328	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	370,416	4.03	-		215,766	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	285,936	3.63	-		63,329	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	601,703	3.80	4,006		231,877	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	10,264,988	2.63	-		2,262,489	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	4,710,761	2.96	-		1,996,552	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	1,345,304	3.89	629,471		890,827	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	2,693,692	4.26	1,352,368		604,847	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	544,613	3.59	-		171,536	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	409,260	3.65	6,734		197,764	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	198,517	2.41	35,066		85,706	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	231,492	4.61	-		73,807	

Table 8-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	\$ 124,780	16.07	\$ 809		\$ 124,780	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	211,445	2.66	-		60,137	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	116,106	2.28	15,189		26,804	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	260,611	4.90	5,079		59,651	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	11,453,192	2.84	1,043,556		2,832,574	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	475,793	3.63	3,290		199,255	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	132,095	6.04	-		123,579	
Delta International Holding Limited B.V.	Delta Controls Inc.	Affiliated enterprise	430,895	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	13,601,492	-	-		-	
Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Affiliated enterprise	772,812	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	14,541,079	-	-		-	
Delta International Holding Limited B.V.	Amerlux, LLC	Affiliated enterprise	952,010	-	-		-	
DET International Holding B.V.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	2,395,380	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Chongqing) Ltd.	Affiliated enterprise	635,068	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	895,515	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	2,045,564	-	-		-	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,586,190	-	-		-	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,846,694	-	-		-	
Fairview Assets Ltd.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	921,856	-	-		-	
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	18,902,982	-	-		-	
Cyntec Holding (HK) Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	8,656,231	-	-		8,656,231	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	371,975	11.22	-		290,069	

Table 8-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	\$ 363,192	-	\$ -		\$ -	
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	196,320	-	-		-	
ELTEK AS	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	392,640	-	-		-	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	317,384	-	-		-	
March Networks Corporation	March Networks, Inc.	Affiliated enterprise	320,165	3.80	-		190,190	
March Networks S.r.l.	March Networks Corporation	Affiliated enterprise	124,342	2.84	-		16,491	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	260,479	4.00	-		118,256	
Universal Instruments Corporation	Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Affiliated enterprise	255,588	-	-		-	

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

Note 2: The amount represents collections subsequent to December 31, 2022 up to February 22, 2023.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 9

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	\$ 21,159,606	(Note 4)	5.50
0	Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	10,273,927	(Note 5)	2.67
0	Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	4,473,223	(Note 4)	1.16
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	5,369,881	(Note 4)	1.40
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	37,866,318	(Note 4)	9.85
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	19,215,697	(Note 4)	5.00
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	65,037,213	(Note 4)	16.92
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	14,918,790	(Note 4)	3.88
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,812,556	(Note 4)	2.03
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,357,392	(Note 4)	1.91
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	5,092,251	(Note 4)	1.32
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,337,050	(Note 4)	3.47
8	Cyntec Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,144,150	(Note 4)	1.08
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	25,128,619	(Note 4)	6.54
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	29,925,525	(Note 4)	7.78

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	\$ 6,778,482	(Note 4)	1.76
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,765,526	(Note 4)	1.50
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	22,214,879	(Note 4)	5.78
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	14,420,981	(Note 5)	3.75
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	3,963,153	(Note 4)	1.03
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	8,663,799	(Note 4)	2.25
10	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	27,835,608	(Note 5)	7.24
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,689,592	(Note 4)	1.10
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,578,946	(Note 4)	1.31
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,017,631	(Note 4)	1.18
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Accounts receivable	10,264,988	(Note 4)	2.41
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	4,710,761	(Note 5)	1.11
10	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	11,453,192	(Note 5)	2.69
11	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	13,601,492	(Note 6)	3.19
11	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	14,541,079	(Note 6)	3.41

Table 9-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 18,902,982	(Note 6)	4.44
13	Cyntec Holding (HK) Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	8,656,231	(Note 6)	2.03

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Lending of capital.

Note 7: The disclosure requirement for the above disclosed amounts is 1% of the consolidated total assets for balance sheet accounts and 1% of the consolidated total revenue for income statement accounts.

Delta Electronics, Inc. and Subsidiaries
Information on investees

Year ended December 31, 2022

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

Table 10

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 76,736,635	\$ 2,344,331	\$ 2,365,371	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	2,160,582	41,954	28,761	(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	26,143,999	5,734,560	5,508,054	(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	5,098,854	12,967,705	570,354	(Notes 6 and 13)
Delta Electronics, Inc.	Cytec 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	37,441,523	1,288,587	1,349,610	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	183,797	(25,851)	(25,511)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	391,967,176	100.00	3,937,867	(109,159)	(109,159)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Research, development and sales of electronic products	34,498	34,498	45,234,240	100.00	60,943,728	18,076,427	17,508,291	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	-	2,113,978	-	-	-	(25,550)	(25,542)	(Notes 6 and 20)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	69,806	499,272	91,817	(Notes 6 and 9)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,471,534	4,361,352	49,128,058	56.75	4,497,416	702,194	305,660	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	8,800	880,000	44.00	8,349	(501)	(220)	(Note 6)
Delta Electronics, Inc.	Delmind Inc.	Taiwan	Provide vertical add-on value solution	210,000	-	21,000,000	70.00	195,819	(20,259)	(14,181)	(Notes 6 and 21)
Delta Electronics, Inc.	Ancora Semiconductors Inc.	Taiwan	Gallium Nitride (GaN) technologies and solutions	470,000	-	37,000,000	67.03	386,576	(72,423)	(50,261)	(Notes 6 and 21)
Delta Electronics Capital Company	Ancora Semiconductors Inc.	Taiwan	Gallium Nitride (GaN) technologies and solutions	40,000	-	4,000,000	7.25	56,809	(72,423)	(5,654)	(Notes 6 and 21)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	13,229,168	13,229,168	191,984,450	15.39	14,290,766	12,967,705	1,526,515	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	88,168	88,168	1,000,000	100.00	248,321	3,700	2,795	(Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	\$ 87,799	\$ 87,799	5,600	100.00	\$ 836,095	\$ 136,638	\$ 125,933	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	433,824	433,824	46,949,667	100.00	162,729	(24,470)	(17,260)	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	624,777	624,777	10,000	100.00	842,363	93,567	183,194	(Note 1)
Delta International Holding Limited B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	2,097,183	2,097,183	1,060,624	100.00	2,998,288	339,809	366,924	(Note 1)
Delta International Holding Limited B.V.	ELTEK AS	Norway	Research, development and sales of power supplies and others	15,268,013	15,268,013	93,531,101	100.00	11,819,719	84,902	(586,581)	(Note 1)
Delta International Holding Limited B.V.	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,303,250	2,303,250	75,000,000	100.00	2,853,296	35,630	27,107	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	112,399	112,399	500,000	100.00	-	217	217	(Note 1)
Delta International Holding Limited B.V.	March Networks Holdings Ltd.	Canada	Equity investments	3,836,187	3,836,187	10,000	100.00	3,727,636	(12,081)	(103,581)	(Note 1)
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	U.S.A.	Equity investments	2,868,314	-	334	100.00	3,002,839	143,530	123,714	(Notes 1 and 21)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	300,859	185,795	2,733,483	100.00	272,570	46,726	46,726	(Note 2)
Delta Electronics (H.K.) Ltd.	Eltekenery Internacional de México, S. de R.L. de C.V.	Mexico	Sales of power supplies and others	-	115,064	-	-	-	175	175	(Notes 2 and 18)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	10,085,075	10,085,075	2,549,297,600	100.00	24,304,074	4,686,869	4,686,869	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,675,482	2,675,482	1	100.00	1,923,916	181,341	58,784	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	5,285,693	5,285,693	304,504,306	100.00	5,365,615	435,276	430,754	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,585,602	1,585,602	18,374,182	89.74	3,398,629	499,272	447,174	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	479,690	172,590	7,670,494	100.00	325,923	127,225	109,521	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA GREENTECH (BRASIL) LTDA.	Brazil	Manufacturing and sales of electronic products	218,348	218,348	4,315,657	100.00	158,529	(45,169)	(45,169)	(Note 8)

Table 10-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	\$ 622,906	\$ 622,906	87,000,000	100.00	\$ 617,308	\$ 140,911	\$ 140,911	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and production of dedicated lighting system and facilities	3,000,950	3,000,950	-	100.00	3,057,203	163,255	79,499	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	857,750	857,750	12,175,470	100.00	641,153	59,262	22,179	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Graphic control software and related engineering services	1,095,565	1,095,565	51,495	100.00	1,219,426	120,760	91,056	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	231,992	231,992	250,000	100.00	1,701,265	333,032	333,032	(Note 15)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	-	69,712	-	-	-	(3,290)	(3,290)	(Notes 15 and 19)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	36,743,035	36,743,035	534,479,306	42.85	41,765,437	12,967,705	4,905,261	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	23,134	23,134	11,400,000	100.00	38,869	9,277	9,277	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	63,210	13,768	13,768	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(19,238)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	63,427	63,427	300,000	100.00	(56,100)	(7,706)	(7,706)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec electronics GmbH	Austria	Provide solutions to building management and control	2,492,406	2,492,406	-	100.00	1,659,113	147,191	78,440	(Note 7)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	5,462,049	5,462,049	1,196,886,000	100.00	2,121,542	42,564	42,042	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	1,074,850	1,074,850	35,000,000	100.00	2,113,918	43,547	43,547	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	159,558	159,558	40,526,221	100.00	(295,452)	(24,470)	(24,470)	(Note 17)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	33,090,216	920,571	920,571	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	347,387	24,134,934	99.73	103,473	(153,747)	(160,767)	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding B.V.	Netherlands	Equity investments	8,448,977	8,448,977	264,357,330	100.00	6,148,691	428,521	428,532	(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	184,185	184,185	20,600,000	100.00	42,930	(43,339)	(43,339)	(Note 16)

Table 10-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	\$ 4,983,606	\$ 4,983,606	146,586,590	100.00	\$ 8,525,632	(\$ 284,826)	(\$ 285,149)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Vietnam) Company Limited	Vietnam	Sales of electronic products	2,710	2,710	-	100.00	2,838	(8,004)	(8,004)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	151,892	411	110,999	100.00	153,255	1,733	1,733	(Note 16)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	48,094	985	985	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	Venture capital company	173,696	173,696	17,369,635	100.00	189,486	43,204	44,118	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	304,798	25,407	(4,448)	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	15,241	2,444	2,444	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,377	599	599	(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	382,520	25,476	25,476	(Note 10)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,845	1,470	750	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	85,985	65,224	36,661	(Note 12)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and leasing of commercial real estate related business	34,859	34,859	-	100.00	60,436	4,796	4,796	(Note 12)
Realwin Investment Inc.	Skywatec INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(20,941)	-	(Note 14)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 18: This company merged with Delta Electronics International Mexico S.A. de C.V. at the effective date in February 2022. However, the related procedures have been completed as of December 31, 2022.

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

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

Note 21: Established or invested during 2022.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2022

Table 11

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 4,296,636	Invested by DHK	\$ 5,121,671	\$ -	\$ -	\$ 5,121,671	\$ 905,674	100.00	\$ 921,727	\$ 6,606,329	\$ 296,659	(Notes 3 and 13)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,501,457	Invested by DHK	480,410	-	-	480,410	2,060,748	100.00	2,058,637	7,093,392	-	(Notes 6 and 13)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	4,115,140	Invested by DHK	525,486	-	-	525,486	224,958	100.00	224,690	4,455,100	-	(Notes 7 and 13)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,934,730	Invested by DHK	131,282	-	-	131,282	198,430	100.00	198,666	2,277,543	-	(Notes 8 and 13)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	5,736,935	Invested by DHK	12,524,455	-	-	12,524,455	1,724,744	100.00	1,710,921	11,749,704	-	(Note 13)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	139,116	Invested by DHK	1,016,045	-	-	1,016,045	(8,697)	100.00	(8,697)	(88,619)	-	(Notes 9 and 13)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	132,435	Invested by DHK	159,529	-	-	159,529	52,950	100.00	52,950	212,080	-	(Note 13)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	220,726	Invested by DHK	14,045	-	-	14,045	5,824	100.00	5,824	175,172	-	(Notes 10 and 13)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	242,798	Invested by DHK	259,760	-	-	259,760	1,126	100.00	1,126	198,045	-	(Note 13)
Cyntec Electronics (Suzhou) Co., Ltd.	Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; electronic components manufacturing, electronic components wholesale, electronic components retail, mold manufacturing, mold sales, forgings and powder metallurgy products sales	7,155,430	Invested by CHK	6,094,780	-	-	6,094,780	633,502	100.00	633,502	6,667,633	284,068	(Notes 13 and 19)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	1,397,305	Invested by DNHK	1,372,932	-	-	1,372,932	116,526	100.00	115,474	1,863,529	675,620	(Notes 5 and 13)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	\$ 65,106	Invested by DNHK	\$ 21,497	\$ -	\$ -	\$ 21,497	\$ -	30.00	\$ 29,147	\$ 45,422	\$ -	(Note 14)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	122,840	Invested by DelBio	122,840	-	-	122,840	13,624	100.00	13,617	172,011	24,092	(Note 15)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	112,570	Invested by DCZ	-	-	-	-	78,845	100.00	78,493	323,945	-	(Note 11)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	-	Invested by DPEC and DGC	-	-	-	-	(3,375)	-	(3,375)	-	-	(Note 11 and 18)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Sales of solar power products, solar power equipment, photovoltaic equipment and components, mechanical and electrical equipment, power electronic components and special equipment for semiconductor parts, rental of photovoltaic power equipment, engineering and technical research, testing, and development, energy saving management services and solar power technology services	44,587	Invested by DET-SH	-	-	-	-	(282)	96.32	(282)	32,258	-	(Note 11 and 18)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	14,587	Invested by Amerlux Lighting Hong Kong Limited	184,951	-	-	184,951	128,710	100.00	128,710	147,881	-	(Note 16)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,507,442	Invested by Drake-HK, Boom and DGSG	9,391,506	-	-	9,391,506	804,665	95.91	771,762	6,865,993	-	(Notes 4 and 12)
Cyntec Electronics (WuHu) Co., Ltd.	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,504,790	Invested by DHK	921,300	-	-	921,300	171,211	100.00	171,211	1,177,866	-	(Notes 13 and 20)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	110,363	Invested by DPT	-	-	-	-	(1,292)	40.00	(517)	12,543	-	(Note 11)

Table 11-2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Chongqing) Ltd.	Manufacturing electronic parts of new energy vehicles and parts for power of electronic equipment	\$ 1,074,850	Invested by DHK	\$ -	\$ -	\$ -	\$ -	(\$ 98,416)	100.00	(\$ 98,049)	\$ 886,098	\$ -	(Note 13)
Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Precision automation solutions	127,884	Invested by UI European Holdco. Cooperatief U.A.	-	-	-	-	96,667	100.00	96,667	(86,522)	-	(Note 21 and 22)

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 6.95660 to US\$1 and NTD 4.41451 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2022, remitted or collected this period, accumulated remittance as at December 31, 2022 and investment income remitted back as at December 31, 2022 was translated into New Taiwan Dollars at the average exchange rate of NTD 30.71 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$166,775 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$21,812 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 6: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 7: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 8: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 9: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 10: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 11: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.

Note 12: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

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

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

Note 15: Invest through DelBio Inc.

Note 16: Invest through Amerlux Lighting Hong Kong Limited.

Note 17: The company recognised investment income / loss based on the audited financial statement.

Note 18: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. Delta Energy Technology Puhuan (Shanghai) Co., Ltd. was the surviving company and Delta Energy Technology (Shanghai) Co., Ltd. had been deregistered in June 2022. The related procedures had been completed in July 2022.

Note 19: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$35,000 thousand permitted by Investment Commission is excluded from Cyntec Co., Ltd's amount of investment in Mainland China.

Additionally, the application for the equity transfer to the Company's investee, Delta Electronics (H.K.) Ltd., was approved by the Investment Commission on December 27, 2022, but the transfer procedure has not yet been completed as of December 31, 2022.

Note 20: 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 21: Invest through UI European Holdco. Cooperatief U.A.

Note 22: Remittance investment amount of US\$1

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2022	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 30,700,960	\$ 39,357,192	\$ -
Cyntec Co., Ltd. (Note 5)	5,810,712	5,810,712	19,271,235
DelBio Inc. (Notes 4 and 6)	98,748	98,748	110,320

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 NTD30.71 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, 2022.

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

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

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
December 31, 2022

Table 12

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