



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	977 529 964
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DELTA ELECTRONICS (NORWAY) AS
Forretningsadresse:	Gråterudveien 8 3036 DRAMMEN

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Jan Garpestad
Dato for fastsettelse av årsregnskapet:	03.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.01.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	11, 13, 19	1 520 012 003	1 499 818 365
Annen driftsinntekt		49 970 999	50 945 438
Sum inntekter		1 569 983 002	1 550 763 803
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		-2 634 702	-1 814 977
Varekostnad		1 116 895 056	1 102 093 027
Lønnskostnad	12	221 117 575	198 336 000
Avskrivning	1, 2	16 613 721	31 763 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	1, 2		
Annen driftskostnad	17, 18	130 078 489	72 254 000
Sum kostnader		1 482 070 140	1 402 631 050
Driftsresultat		87 912 862	148 132 753
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		4 475 678	31 303 763
Gevinst ved salg av datterselskap	3	1 747 696	214 533
Inntekt fra investering i tilknyttet selskap		876 650	717 261
Renteinntekt fra foretak i samme konsern		7 458 024	11 160 413
Annen renteinntekt		2 929	
Annen finansinntekt		46 793 671	39 644 349
Sum finansinntekter		61 354 648	83 040 320
Rentekostnad til foretak i samme konsern		3 059 646	10 727 227
Annen rentekostnad		3 634	25 819
Tap ved salg av datterselskap	3	2	
Annen finanskostnad		54 128 567	33 504 878
Sum finanskostnader		57 191 849	44 257 924
Netto finans		4 162 799	38 782 396



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Ordinært resultat før skattekostnad		92 075 661	186 915 149
Skattekostnad på resultat	10	17 981 414	53 339 037
Ordinært resultat etter skattekostnad		74 094 247	133 576 112
 Årsresultat		 74 094 247	 133 576 112
 Årsresultat etter minoritetsinteresser		 74 094 247	 133 576 112
 Totalresultat		 74 094 247	 133 576 112
 Overføringer og disponeringer			
Avsatt til fond for vurderingsforskjeller		37 000	
Avsatt til annen egenkapital		74 057 247	133 576 112
Sum overføringer og disponeringer		74 094 247	133 576 112



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Programvare	1	2 106 928	2 839 514
Teknologi og patenter	1		
Utsatt skattefordel	10, 20	115 795 612	133 391 000
Sum immaterielle eiendeler		117 902 540	136 230 513
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	2		
Maskiner og anlegg	2	24 646 630	24 762 516
Driftsløsøre, inventar, verktøy, kontormaskiner o.l.	2	3 339 143	2 210 691
Sum varige driftsmidler		27 985 773	26 973 207
Finansielle anleggsmidler			
Investering i datterselskap	3, 16	286 766 120	145 148 234
Lån til foretak i samme konsern	5	266 173 709	147 830 155
Investeringer i tilknyttet selskap	3	8 395 156	8 358 506
Investeringer i aksjer og andeler		1 920 000	1 920 000
Sum finansielle anleggsmidler		563 254 985	303 256 895
Sum anleggsmidler		709 143 298	466 460 614
Omløpsmidler			
Varer			
Sum varer	4	226 801 236	154 733 706
Fordringer			
Kundefordringer		72 067 844	82 011 531
Andre fordringer konsern	6	277 004 311	258 200 258
Andre kortsiktige fordringer		52 030 420	49 433 926
Sum fordringer		401 102 576	389 645 715
Investeringer			
Andre finansielle instrumenter	15		5 369 994
Sum investeringer			5 369 994



Balanse

Beløp i: NOK	Note	2022	2021
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.	6, 14	177 933 543	345 851 176
Sum bankinnskudd, kontanter og lignende		177 933 543	345 851 176
Sum omløpsmidler		805 837 355	895 600 591
SUM EIENDELER		1 514 980 653	1 362 061 205

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Aksjekapital (93 531 101 aksjer á kr 1)	7, 8	46 765 551	46 765 551
Overkurs		313 040 372	313 040 372
Annen innskutt egenkapital		169 309 131	169 309 131
Sum innskutt egenkapital		529 115 054	529 115 054

Opptjent egenkapital

Fond for vurderingsforskjeller		8 084 000	8 047 000
Annen egenkapital		588 511 469	514 671 330
Sum opptjent egenkapital		596 595 469	522 718 329

Sum egenkapital	7	1 125 710 523	1 051 833 383

Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	9	64 636 604	58 161 601
Sum avsetninger for forpliktelser		64 636 604	58 161 601

Annen langsiktig gjeld

Konvertible lån	6		
Sum langsiktig gjeld		64 636 604	58 161 601

Kortsiktig gjeld

Gjeld til kredittinstitusjoner	5		
Leverandørgjeld		27 219 047	28 581 698



Balanse

Beløp i: NOK	Note	2022	2021
Skyldige offentlige avgifter		13 735 569	11 586 640
Gjeld til konsernselskap	6	184 263 097	139 569 566
Finansielle derivatinstrumenter	15	3 272 965	
Annen kortsiktig gjeld	18, 19	96 142 847	72 328 317
Sum kortsiktig gjeld		324 633 526	252 066 221
 Sum gjeld		 389 270 130	 310 227 822
 SUM EGENKAPITAL OG GJELD		 1 514 980 653	 1 362 061 205



To the General Meeting of Eltek AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Eltek AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 3 March 2023

PricewaterhouseCoopers AS

Petter Walstad
State Authorised Public Accountant
(This document is signed electronically)



Auditor's report

Signers:

Name

Walstad, Nils Petter

Method

BANKID

Date

2023-03-09 14:26

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity
of the document.



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
03.11.2015

Vår dato
11.11.2015

Telefon
977 59 464

Deres referanse
Geir Julsvoll

Vår referanse
2015/1065059

PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Fritak for konsernregnskapsplikten for underkonsernet Eltek Power Systems AS, org.nr. 824 545 022

Vi viser til deres brev av 3. november 2015 hvor dere søker om fritak fra plikten til å utarbeide konsernregnskap for Eltek Power Systems AS.

Eltek Power Systems AS eies 100 % av det nederlandske selskapet Deltronics (Netherlands) B.V. som igjen eies 100 % av Delta Electronics Inc, Taiwan. Delta Electronics Inc er børsnotert i Taiwan og utarbeider konsernregnskap som omfatter Eltek Power Systems AS og deres datterselskaper. Konsernregnskapet utarbeides etter IFRS.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Eltek Power Systems AS. Det forutsettes at Delta Electronics Inc utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

L. OFFENTLIGHET, WUSEN NESTE ETC

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten på norsk, kan være på svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Brønnøysundregistrene

Kunngjøringer

Kunngjøring for:

Organisasjonsnummer 977 529 964 (ELTEK AS)

Gjennomføring av fusjon

Overtakende foretak

Foretaksnavn: **ELTEK AS**
Organisasjonsnummer: 977 529 964
Forretningsadresse: Gråterudveien 8
3036 DRAMMEN
Kommune: 0602 DRAMMEN
Organisasjonsform: Aksjeselskap

Overdragende foretak

Foretaksnavn: **ELTEK POWER SYSTEMS AS**
Organisasjonsnummer: 824 545 022
Forretningsadresse: Gråterudveien 8
3036 DRAMMEN
Kommune: 0602 DRAMMEN
Organisasjonsform: Aksjeselskap

Foretaksregisteret 26.04.2016



Norwegian Directorate of Taxes

Inquiries to
Mariann Stave

Your date
08.08.2016

Our date
09.08.2016

Telephone
+47 220 77113

Your reference

Our reference
2016/799793

ELTEK AS
P.O. Box 2340 Strømsø
3003 DRAMMEN

Permission to prepare the annual accounts and directors' report in English language for Eltek AS, org.no. 977 529 964

With reference to your letter of 8 august 2016 you apply for permission to keep annual accounts and directors' report in English language only. The application in question concerns Eltek AS.

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that Eltek AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Eltek AS is the parent company of the Eltek Group. The company was established in Drammen in 1970 and has through acquisitions and organic growth become a world leader in high-efficiency power electronics and energy conversion. The company develops, manufactures and markets energy systems for mission critical applications within telecommunications and datacenters, and for power utilities, railway & metro, and marine & offshore industries. On a global basis, the Eltek Group has approximately 2,400 employees and conduct its business through a number of wholly and partially owned subsidiaries operating in almost 40 countries all over the world. Eltek is headquartered in Drammen, Norway and became part of Delta Group in 2015, a leading power and thermal management provider. There are approximately 200 employees in Norway of which the majority is located in Drammen.

English is the working language and the Eltek Intranet is also only available in English. Several members of Group Management, including the President, do not speak Norwegian. The board of directors of Eltek AS consists of three owner representatives, who do not have any knowledge of the Norwegian language in addition to two Norwegian employee representatives. All documentation to the Board of Directors including the Annual Financial Statements is consequently prepared in English. The annual report and financial statements are required to be prepared each year in the

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Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act. The translation to Norwegian requires significant time and effort, and in addition the translation itself increases the risk for unnecessary misunderstandings and errors.

Considering Eltek's situation, where the owner, members of the Board of Directors, members of Group Management, and the main customers and suppliers do not understand Norwegian together with the fact that Eltek operates in almost 40 countries worldwide and uses English as the working language, the requirement in the Norwegian Accounting Act section 3-4 to prepare the Annual Financial Statements including the Board of Directors report in Norwegian seems unnecessary.

As outlined above all the users and potential users of the Annual Financial Statements including the Board of Directors Report are proficient in English, and the majority of these users do not understand Norwegian.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is the parent company of the Eltek Group which is operating in an international industry. Furthermore, all the users and potential users of the Annual Financial Statements including the Board of Directors Report are proficient in English, and the majority of these users do not understand Norwegian.



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We kindly request you to mention “our reference” in all written communication with The Norwegian Tax Authorities.

Best regards

Cecilie Bjøre
Senior Legal Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Mariann Stave

This document has been electronically approved and contains therefore no handwritten signatures



Eltek AS INCOME STATEMENT (Amounts in NOK 1000)

	Note	2022	2021
Revenue	1, 2	1 520 012	1 499 818
Other operating income	3	49 971	50 945
Total revenue		1 569 983	1 550 764
Changes in stock of self-constructed fixed assets		-2 635	-1 815
Raw materials and consumables used		1 116 895	1 102 093
Employee benefits expense	4	221 117	198 336
Depreciation and amortisation expenses	5, 6	16 616	31 763
Other operating expenses	7	130 078	72 254
Total operating expenses		1 482 071	1 402 631
Operating profit/loss		87 912	148 133
Dividend from subsidiaries and associated companies		0	31 304
Group contribution		4 476	0
Associated companies - share of profit equity method	8	877	717
Gain from disposal of group companies	8	1 748	215
Interest received from group companies		7 458	11 160
Other interest income		3	18
Currency gain		46 794	39 627
Interest paid to group companies		3 060	10 727
Other interest expense		4	26
Currency loss		54 129	33 505
Ordinary result before taxes		92 075	186 915
Tax on ordinary result	9	17 981	53 339
Ordinary result		74 094	133 576
Net profit or loss for the year		74 094	133 576
Allocations:			
Transferred to/from reserve for valuation variations		37	-123
Transferred to retained earnings		74 057	133 699
Total allocations		74 094	133 576



Eltek AS

BALANCE SHEET AT 31.12.

(Amounts in NOK 1000)

ASSETS	Note	2022	2021
Software	5	2 107	2 840
Deferred tax asset	9	115 795	133 391
Total intangible assets		117 902	136 230
Machinery and plant	6	24 238	24 763
Fixtures and fittings, tools, office machinery, etc.	6	3 748	2 211
Total tangible assets		27 986	26 974
Investments in subsidiaries	8	286 766	145 148
Loans to group companies	10	266 174	147 830
Investments in associates	8	8 395	8 359
Investments in shares or units		1 920	1 920
Total financial fixed assets		563 255	303 257
TOTAL FIXED ASSETS		709 143	466 461
Inventories	11	226 801	154 734
Trade receivables		72 068	82 012
Other group receivables	12	277 004	258 200
Other receivables	2	52 030	49 433
Total receivables		401 103	389 645
Other financial instruments	13	0	5 370
Total investments		0	5 370
Bank deposits, cash in hand, etc.	14	177 934	345 851
TOTAL CURRENT ASSETS		805 837	895 600
TOTAL ASSETS		1 514 980	1 362 061



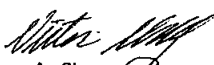
Eltek AS

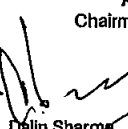
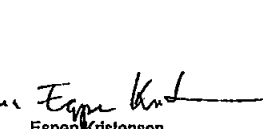
BALANCE SHEET AT 31.12.

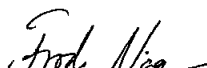
(Amounts in NOK 1000)

EQUITY AND LIABILITIES	Note	2022	2021
Share capital	15, 16	46 766	46 766
Share premium reserve		313 040	313 040
Other paid-in equity		169 309	169 309
Total paid-in equity		529 115	529 115
Reserve for valuation variances		8 083	8 047
Retained earnings		588 512	514 671
Total retained earnings		596 595	522 718
TOTAL EQUITY	15	1 125 711	1 051 833
Pension liabilities	17	64 637	58 162
Total provisions		64 637	58 162
Liabilities to financial institutions	18	0	0
Accounts payable		27 219	28 582
Accounts payable group	12	184 263	139 570
Income tax payable	9	0	0
Public duties payable		13 735	11 586
Derivative financial instruments	13	3 273	0
Other current liabilities	2	96 143	72 329
Total current liabilities		324 633	252 066
TOTAL LIABILITIES		389 269	310 228
TOTAL EQUITY AND LIABILITIES		1 514 980	1 362 061

Drammen, 03.03.2023


An Cheng
Chairman of the Board

   
Chin-Tang Lee Dalip Sharma Hilde Stelra Espen Kristensen
Board member Board member Board member Board member


Frode Vågen
Managing Director



Eltek AS

Cash flow statement

(Amounts in NOK 1000)

	Note	2022	2021
Cash flow from operations			
Result before taxes		92 075	186 915
Taxes paid in the period	9	0	0
Gain/loss from sale and liquidation of subsidiaries	8	-1 748	-215
Ordinary depreciation	5, 6	16 615	31 763
Share based payments		0	0
Difference between expensed pensions and payments in/out of the pension scheme	17	6 475	-1 161
Write-down shares in subsidiaries	8		0
Loss on disposal of PP&E	6		0
Share of profit net of dividend from associated companies	8	-37	123
Change in inventories	11	-72 067	7 590
Change in trade debtors		-13 360	23 817
Change in trade creditors		53 223	-67 142
Changes in other provisions		19 283	-61 390
Effect of exchange fluctuations		-11 309	-2 099
Net cash flow from operations		89 150	118 201
Cash flow from investments			
Purchase of fixed assets	6	-16 573	-7 259
Purchase of intangible assets	5	-321	-272
Received from sale of shares and investments in other companies	8	2 800	8 515
Purchase of shares, obligations, group contribution	8	-142 670	0
Payment of borrowings to group companies		-110 240	-49 932
Net cash flow from investments		-267 004	-48 948
Cash flow from financing			
Proceeds from borrowings from group companies		9 937	0
Repayment of other short term/ long term loans	18		0
Payment of dividend			0
Net cash flow from financing		9 937	0
Net change in cash and cash equivalents		-167 917	69 253
Cash and cash equivalents at the beginning of the period		345 851	276 598
Cash equivalents transfer from merger Eltek Power Systems AS		0	0
Cash and cash equivalents at the end of the period		177 934	345 851
Specification of cash and cash equivalents at the end of the period			
Bank deposits, cash, etc.		177 934	345 851



ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (N GAAP).

Numbers are presented in NOK 1000.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity or areas in which assumptions and estimates are significant for the financial statement, are described in the notes.

Revenue recognition

Revenue from sales of goods is recognised at the time of delivery and risk transferred to customer. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue, and is recognised as revenue at the time of execution. Work in progress on long term fixed-price contracts is valued according to the percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. Total expenses are reviewed on a regular basis. If projects are expected to result in losses, the total estimated loss is recognised immediately.

Classification and valuation of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets expected to be realised in or is intended for sale or consumption in the entity's normal operating cycle have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value at the establishment date.

Fixed assets are carried at historical cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs which is not expected to be temporary. Except for accruals, long term liabilities stated in Norske Kroner are reflected in the balance sheet at nominal value on the establishment date. Accruals are discounted to present value if the time value of money is material.

Intangible assets

R&D costs are expensed immediately in the income statement.

Other intangible expenses are capitalized in the balance sheet to the extent that the criteria for capitalization are met. This implicate capitalizing in the balance sheet when it is deemed probable that a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured.

Fixed assets

Fixed assets are recognised in the balance sheet and depreciated over the estimated useful economic life, providing the asset has an expected useful life of more than 3 years and a cost price which exceeds NOK 15 000. Maintenance costs are expensed as incurred as other operating expenses, whereas improvements and additions are added to the acquisition cost and depreciated with the asset. The distinction between maintenance and improvements is made with regard to the asset's relative condition at the original purchase date.

Leased assets is recognised as fixed assets if the lease contract is considered to be financial lease.

Subsidiaries, associated companies and joint ventures

Investments in subsidiaries and joint ventures are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired.

Investment in associated companies are valued using the equity method and share of net result is included in the income statement.

Dividends are recognised in the same year as they are recognised in the subsidiary/associated company accounts. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet.

Inventories

Inventories are stated at the lower of cost and net realisable value. Finished goods and work in progress are valued at full absorption cost. Provision is made for obsolescence based on established policies. All inventory is classified as finished goods.

**Trade and other receivables**

Trade and other receivables are recognised in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is based on established policies.

Short term investments

Short term investments (shares and investments which are considered as current assets) are carried at the lower of average purchase cost and net realisable value at the balance sheet date. Dividends and other distributions received are recognised as other financial income.

Guarantee commitments

Estimated costs for future guarantee work relating to sales/completed projects have been expensed and recognised as a provision in the balance sheet. The amount of the provision is estimated based on historical figures for guarantee work and established policies.

Foreign currency translation

Receivables and debt in foreign currencies are translated at the exchange rate at the balance sheet date. Gains and losses related to sale of goods and purchase of goods in foreign currency are recorded in the income statement.

Currency forward contracts

The company uses currency forward contracts to secure its future exchange rates for existing receivables/debts and for hedging of cash flow exchange rate risk.

Currency forward contracts are recognised at fair value in the balance sheet and are not classified as hedging instruments.

Changes in fair value are recognised in the income statement.

Pension obligation

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the early retirement pension scheme (AFP). The company has both defined contribution plans and defined benefit plans.

Defined contribution plan

With a defined contribution plan, the company pays contributions to an insurance company. After the contribution has been made, the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an assets (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Defined benefit plan

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company and salary. The commitment relating to the defined benefit plan on the balance sheet is the present value of the defined benefits at the balance sheet date less fair value of the pension funds (amount paid to an insurance company). The pension commitments are calculated annually by an independent actuary on a straight line earning profile basis.

Changes in estimates which are due to new information or changes in the actuarial assumptions are included in the statement of comprehensive income in the accounting period they occur.

Changes in the pension liability due to changes in the pension plans are recognised in the income statement when they occur, unless the revised benefits are dependent on the employee's contribution in a specific future period. If so, the expense related to change of pension plan is amortised over the remaining period using a straight line approach.

Taxes

The tax expense in the income statement consists both of taxes payable for the accounting period and the period's changes in deferred tax. Deferred tax is calculated at the prevailing rate on the basis of the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and any accumulated tax loss at the end of the accounting period. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short term highly liquid investments with maturities of three months or less from the purchase date.



Note 1 Sales revenue

Geographical distribution	2022	2021
EMEA (Europe, Middle-East and Africa)	1 426 915	1 392 356
Americas	27 254	36 219
Asia Pacific	65 843	71 243
Total	1 520 012	1 499 818

Note 2 Long term contracts

Balance sheet value of projects	2022	2021
Included in trade debtors		
Accrued income, not invoiced	1 218	1 839
Retained payments according to contract	0	0
Included in short term liabilities		
Deferred income, invoiced amount in excess of earned	0	369
Result items relating to long term contracts	2022	2021
Result of work in progress		
Recognized revenue on projects in progress	3 511	11 597
Profit recognized on projects in progress	609	3 238

Note 3 Related party transactions

For information regarding management remuneration, reference made to note 4. For intercompany balances with group companies reference made to notes 10 and 12.

Sales of goods and services:

In 2022, sale of goods to group companies amounted to NOK 1,104,449. Sale of services to group companies was NOK 46,306. Sale of goods to associates amounted to NOK 1,383. There was no sale of services to associates.

Purchase of goods and services:

Purchase of goods from group companies was NOK 1,064,042. Purchase of services from group companies amounted to NOK 29,382. There was no purchase of goods or services from associates.



Note 4 Employee benefits expense, number of employees, loans to employees and auditor's fee

Employee benefits expense	2022	2021
Salaries incl cross-charges of personell to Norway	170 375	162 513
Payroll tax	21 953	20 614
Pension expenses - defined contribution plan	8 558	7 542
Pension expenses - defined benefit plan included AFP	9 845	866
Other benefits	10 385	6 802
Total	221 117	198 336

The number of man-labour years in Norway during 2022 has been 140.

Management remuneration

	Managing Director	Board of Directors
Salaries	3 022	0
Pension expenses	92	0
Other remuneration	0	0
Total remuneration	3 114	0

Frode Vågen is from 2 November 2021 employed as Managing Director in Etek AS. His annual salary is NOK 1.525.000 and he is entitled to 40% annual bonus of base salary.

No loans/guarantees are granted to Managing Director, Board members or other members of management.

Auditor	2022	2021
The expensed fees to the company's auditor consist of the following (VAT excluded):		
-Statutory audit	1 210	996
-Other assurance services	1 045	730
-Tax advisory fee	0	0
-Other advisory services	90	117
Total fee to the auditor	2 345	1 844

Note 5 Intangible assets

Intangible assets	Technology	Software
Cost at 1 January 2022	31 460	18 291
Reclassification	0	0
Additions	0	321
Disposals	-31 460	-4 633
Cost at 31 December 2022	0	13 980
Amortization and impairment losses at 1 January 2022	31 460	15 452
Reclassification	0	0
Disposals	-31 460	-4 633
Amortization for the year	0	1 054
Impairments during the year	0	0
Amortization and impairment losses at 31 December 2022	0	11 873
Carrying amount at 31 December 2022	0	2 107

Estimated useful life 3 - 5 year
Amortization plan Straight line



Note 6 Property, plant and equipment

Property, plant and equipment	Land & buildings	Machinery	Furnitures, fittings & equipment	Total
Cost at 1 January 2022	5 778	190 852	37 292	233 922
Reclassification	0	0	0	0
Additions	203	14 378	1 992	16 573
Disposals	0	-8 811	0	-8 811
Cost at 31 December 2022	5 982	196 418	39 284	241 684
Depreciation and impairment losses at 1 January 2022	4 787	167 081	35 080	206 948
Reclassification	0	0	0	0
Disposals	0	-8 811	0	-8 811
Depreciation for the year	598	14 508	455	15 561
Loss on disposals	0	0	0	0
Depreciation and impairment losses at 31 December 2022	5 385	172 777	35 536	213 698
Carrying amount at 31 December 2022	596	23 641	3 748	27 986

Expected useful life	5 - 10 years	3 - 5 years	3 -5 years
Depreciation plan	Straight line	Straight line	Straight line

Annual rental expenses for assets not recognised in the balance sheet

Non-financial assets	Annual rent
Land and buildings	8 733
Furniture, fittings and equipment	3 214

Note 7 Government grants

The Company participates in a EU-project that will last over the period 2019 -2022. The amount for 2022 was NOK 160 and reduced other operating expenses in the income statement. The Company has also a SkatteFUNN-project with the Norwegian Research Council. The R&D project will last over the period 2021 - 2022. The amount for 2022 was NOK 1,185. In 2022, the company has been granted another SkatteFUNN-project that will last over the period 2022-2023. The amount for 2022 was NOK 1,000. Both SkatteFUNN-projects has reduced other operating expenses in the income statement.

Note 8 Subsidiaries and associated companies

Investments in subsidiaries companies are booked according to the cost method and investments in associated companies are booked following the equity method. In 2022 Eltek Italia S.r.l, Eltek West Africa Limited and Eltek Kenya Ltd have been liquidated. The liquidation has not resulted in any material gain/losses. In October 2022, Eltek AS acquired 100% of the shares in Gråterudveien 8 AS, the company that owns the office buildings in Drammen.

Subsidiaries	Location	Ownership %	Equity last year (100%)	Profit/loss last year (100%)	Book value
Delta Electronics (UK) Ltd	England	100.0%	83 508	8 669	70 483
DELTA ELECTRONICS (France) SAS	France	100.0%	86 683	9 189	18 788
Delta Electronics (Sweden) AB	Sweden	100.0%	25 083	3 335	11 941
Eltek SGS Pvt Ltd	India	100.0%	48 154	-2 639	31 304
DELTA Electronics (Germany) GmbH	Germany	100.0%	80 734	6 731	10 781
OOO Eltek	Russia	100.0%	49 972	-41 598	46
Eltek Egypt for Power Supply S.A.E.	Egypt	95.0%	23 395	-17 702	0
Eltek Pakistan (Pvt) Ltd	Pakistan	100.0%	-324	-137	0
Eltek MEA DMCC	UAE	100.0%	5 050	190	753
Gråterudveien 8 AS	Norway	100.0%			142 670
Balance sheet value 31.12.					286 766

Associated companies	Location	Ownership %	Equity last year (100%) *	Profit/loss (100%) *	Book value
Compower Holding AS	Norway	34.3%	17 186	2 469	8 395
Balance sheet value 31.12.			17 186	2 469	8 395

* 2021 Compower Annual Report

Eltek AS has in 2022 received dividend of NOK 840 and report estimated share of profit associated company 2022 of NOK 877.



Note 9 Income taxes

Calculation of deferred tax/deferred tax asset

Temporary differences	2022	2021
Fixed assets	-187 445	-192 522
Liquid assets	-52 307	-26 384
Long term debt	-64 637	-58 162
Short term debt	-44 068	-29 856
Net temporary differences	-348 457	-306 923
Tax losses carried forward	-177 887	-299 398
Total	-526 344	-606 321
Deferred tax	-115 795	-133 391
Credit taxes paid abroad	0	-5 485
Deferred tax in the balance sheet	-115 795	-138 876

Losses carried forward also include a reduction of NOK 44.3 million due to a change in taxable income from a NOKUS subsidiary

Basis for income tax expense, changes in deferred tax and tax payable

Profit/loss before income tax	92 075	186 915
Permanent differences	-5 026	-32 426
Basis for the tax expense of the year	87 049	154 490
Changes in temporary differences booked directly towards equity	277	-1 432
Changes in temporary differences	32 192	-23 017
Basis for tax payable in the profit and loss statement	119 518	130 041
Tax losses carried forward	-119 518	-130 041
+/- Group contributions paid/received	0	0
Basis for tax payable liability	0	0

Components of the income tax expense

Tax payable	0	0
Insufficient/excess provision last year	0	0
Total tax payable	0	0
Withholding tax	325	419
Change in deferred tax	17 657	52 920
Change in deferred tax due to changed tax percentage	0	0
Adjustments from prior years	0	0
Change in deferred tax booked directly towards equity	0	0
Total tax expense	17 981	53 339

Tax payable liability in the balance sheet

Tax payable	0	0
Tax effect from group contribution	0	0
Tax payable liability in the balance sheet	0	0

Note 10 Receivables and liabilities

Receivables due later than one year

				2022	2021
Intercompany loans represent loan to the following entities:					
Delta Electronics (Sweden) AB	SEK	20 million	2.00 %	18 901	19 454
Eltek Slovakia S.R.O	EUR	9.7 million	1.30 %	102 023	96 674
Delta Slovakia S.R.O	EUR	12 million	2.00 %	126 213	0
Delta Electronics (Poland) Sp.z o.o.	PLN	8.5 million	7.75 %	19 037	31 702
Total				266 174	147 830

Liabilities due later than one year

Intercompany loan	0	0
Total	0	0



Note 11 Inventories

	2022	2021
Finished goods	226 801	154 734
Total inventory	226 801	154 734
Inventories carried at acquisition cost	270 107	196 553
Inventories carried at net realisable value	226 801	154 734
Total inventory provision	43 305	41 819

Note 12 Intercompany balances with group companies

	Trade receivables		Other short term receivables	
	2022	2021	2022	2021
Intercompany	272 529	248 263	4 476	9 937
Total	272 529	248 263	4 476	9 937

	Trade payables		Other short term liabilities	
	2022	2021	2022	2021
Intercompany	180 124	127 781	4 139	11 789
Total	180 124	127 781	4 139	11 789

See also note 10 for specification long term receivables from group companies.

Note 13 Financial market risk

The company uses different financial instruments in connection with control of financial risk.

Currency risk

The company's commercial agreements and intercompany loans are exposed to exchange rates fluctuations mainly through USD, EUR and GBP. Net exposure against NOK is hedged through currency forward contracts and fx swap contracts. Any substantial agreement in other foreign currencies than above mentioned is also hedged by currency forward contracts. The company is also hedging related parties currency exposure in USDBRL, USDPEN and USDCOP through Non Deliverable Forward contracts.

Derivative financial instruments

The nominal principal amount of the outstanding forward currency exchange sales contracts at December 2022 was NOK 470 million.

The fair value asset of forward currency exchange at year end was NOK -3,3 million.

There were no currency option contracts.

Note 14 Cash and cash equivalents

Restricted bankdeposits

The tax withheld account amounted to NOK 6,368 at 31. December 2022.

Note 15 Equity

	Share capital	Share premium reserve	Other paid-in equity	Reserve for valuation variations	Retained earnings	Total
Equity at 01 January 2022	46 766	313 040	169 309	8 047	514 671	1 051 833
Actuarial gain/loss	0	0	0	0	-216	-216
Total income/(loss) for the year	0	0	0	37	74 057	74 094
Equity at 31 December 2022	46 766	313 040	169 309	8 083	588 512	1 125 711



Note 16 Share capital and shareholder information

The share capital of NOK 46,766 consists of 95,531,101 shares with a face value of NOK 0.50 each. All shares have equal rights.

List of shareholders at 31.12.	Number of shares	Ownership
Delta International Holding Limited B.V.	93 531 101	100.0 %
Total	93 531 101	100.0 %

Note 17 Retirement benefit obligations

Pension benefits

The amounts recognised in the balance sheet are determined as follows:	2022	2021
Present value of unfunded obligations	64 637	58 162
Liability in the balance sheet	64 637	58 162

The amounts recognised in the income statement are as follows (total pension schemes):	2022	2021
Current Service cost	0	0
Interest cost	9 741	759
Expected return on plan assets	0	0
Administrative expenses	0	0
Payroll tax	104	107
Changes related to termination of old AFP-scheme and calculation of obligations	0	0
Net pension expenses, included in staff costs (note 4)	9 845	866

Payroll tax is included in the calculation of the pension cost. The company is in 2022 using a new service provider for all administrative work related to the defined benefit pension agreement. The new service provider has conducted a full review of all individual pension agreements, and has recalculated the pension obligations accordingly. As a result the pension obligations has increased by NOK 9mill due to a more complete and correct set of pension data. This effect is included in the 2022 income statement.

Change in net pension liability during the year:	2022	2021
Beginning of year	58 162	59 323
Recognised in income statement	9 845	866
Actuarial (losses)/gains	277	1 432
Benefits paid and settlements	-3 647	-3 459
Liability in the balance sheet 31.12.	64 637	58 162

Actuarial assumptions:	2022	2021
Discount rate	3.20 %	1.50 %
Pay regulation	3.75 %	2.50 %
Basic amount regulation	3.50 %	2.25 %

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each territory. Mortality table "K2013" is used in the pension calculations.

Note 18 Borrowings

Eltek AS has per 31.12.2022 and per 31.12.2021 no borrowings.

Eltek AS has uncommitted credit facility of USD 200 million with Sumitomo Mitsui Banking Corporation Europe Limited.

The credit facility agreement contains the following covenants as at 31 December 2022

1) Negative pledge

There are no other covenants for the facility.

Note 19 Consolidated financial statements

Eltek AS is a subsidiary of Delta International Holding Limited B.V. with its registered office in Gråterudveien 8, 3036 Drammen. The company became part of Delta Electronics Inc. (Taiwan) in 2015, and has obtained exemption from "Skattedirektoratet" for issuing consolidated financial statements. Delta Electronics Inc's consolidated financial statements are available at www.deltaww.com.



ELTEK AS

BOARD OF DIRECTOR'S REPORT 2022

Operations

Eltek AS is a power electronics specialist with 50 years of experience located in Drammen, Norway. Eltek is operating in almost 40 countries all over the world. The company is 100 percent owned by Delta International Holding Limited B.V. and the ultimate parent company is Delta Electronics Inc., a listed company in Taiwan.

Eltek develops and markets power systems and solutions for mission critical applications for telecommunications and datacenters, and for the power utilities, railway & metro, and marine & offshore industries. The digitalization of the telecom infrastructure including 5G roll out has a positive impact on the accessible market and we expect increased demand in the coming years for our products and solutions.

Although Eltek AS reports increased revenue compared to 2021, the market has been challenging also in 2022. There are underlying growth opportunities, but the continued covid-19 pandemic situation in China, the war in Ukraine and supply chain issues has had a negative impact on revenue. In the Norway/Nordic region, the revenue growth in 2021 continued in 2022 reflecting high activity and continued 5G roll out. The market outlook in EMEA is positive, and the company expects further growth in 2023.

Going concern

Pursuant to Section 3-3a of the Norwegian Accounting Act, the Directors confirm that the accounts have been prepared under the assumption that the enterprise is a going concern and that this assumption was realistic at the date when the accounts were approved. The company's economic and financial position is sound.

Organization, health, environment and safety

Eltek AS had 141 employees at the end of 2022 compared to 138 employees at the end of 2021. The breakdown of employees was 28 (28) women and 113 (110) men. Selected key employee statistics are as follows:

		2022	2021
Women in Eltek AS		19.9 %	20.3 %
Women in management positions (executive and middle management)		21.9 %	21.2 %
Average salary women (all full-time employees)		88.2 %	86.7 %
Average salary women in management positions		90.5 %	86.2 %
Part time workers	Male in % of total male employees	0.9 %	1.8 %
	Female in % of total female employees	0.0 %	3.6 %
Parental leave of absence	Male in % of total male employees	7.1 %	4.5 %
	Female in % of total female employees	10.7 %	3.6 %

Eltek's main employee groups are technical personnel involved in R&D, engineering and technical support, logistics, manufacturing and sales. Eltek supports diversity and one of our four key company values is to be cultural sensitive meaning that our employees should know, understand and respect cultural differences. Our values are important for the Eltek identity and they are continuously



communicated starting from our mandatory Eltek introduction training for new employees. The company works for equality within the business and a fair working environment with no discrimination on the basis of religion, skin color, gender, sexual orientation, age, national or social origin, race, disability, language, employee representation, or political or other opinions. In recruitment, personal qualifications are given priority above sex. Eltek reported sick leave of 1.85 percent for 2022 (1.8). The working environment is generally considered to be good. The company is committed to continue to build a fair work environment that further strengthen our values and focus on diversity and equality. In 2022 the company participated in the 2022 Delta Global Employee Engagement survey covering 14 key categories including engagement, inclusion, inspiration, fair play, support and trust. The overall feedback was good and Eltek management is committed to follow up on action plans to further strengthen and improving the environment and engagement in our organization.

Eltek's stated ambition is to minimize the environmental impact of its activities. The company's environmental policy applies to its operations worldwide. Although Eltek works continuously to reduce its own energy consumption and carbon footprint, the company's main contribution to the environment is the development of products that minimize its customers' energy usage. In 2022, a total of 19 (18) tons of waste was collected and distributed to Eltek's partner for treatment of products disposal 3 (4), recycling material represented 29 (22) percent of the total waste distributed for disposal.

Eltek have for several years, through the Quality Assurance (QA) function, conducted reviews and audits of its suppliers. These reviews and audits are also covering sustainability requirements as set in ISO 14001 (Environment), ISO 26001 (Labour & Human rights, Fair business & Ethics) and ISO 45001 (Health & Safety). Effective from July 1st, 2022 the Transparency Act is implemented in Norway and this new legislation will apply to Eltek AS. The Transparency Act includes a requirement for Eltek AS to conduct due diligence assessments, which mean that Eltek AS will investigate whether there are any actual, or risk of, adverse impacts on human rights or decent working conditions in our own operation, our supply chain and in our other business relationships. Eltek AS will publish an account on the due diligence assessment and this will be made available on www.eltek.com within June 30th, 2023.

Financial performance

Eltek AS reported total revenue of NOK 1,570.0 million in 2022, compared to NOK 1,550.8 million in 2021. The revenue includes NOK 419.2 million to third party customers (435.4 in 2021) and NOK 1,149.5 million to subsidiaries (1,115.4 in 2021). The EMEA region was the largest geographical area with 94 percent of revenue from sales of goods (93% in 2021). Operating profit (EBIT), was NOK 87.9 million in 2022 compared to 148.1 million in 2021. After some years with less travel, meetings and other activities due to covid-19, we went back to more normal business conditions during 2022, and the operating expense level increased from last year. Increase in freight expenses also contributed to lower operating profit in 2022. Net profit for the year was NOK 74.1 million compared to net profit of NOK 133.6 million in 2021.

Total assets at year-end amounted to NOK 1,515.0 million compared to NOK 1,362.1 million in the prior year. Increase of borrowings to subsidiaries and the acquisition of shares in Gråterudveien 8 AS, is the main reason for this increase. Equity as a percentage of total assets was 74.3 percent as of 31.12.2022, compared to 77.2 percent as of 31.12.2021.

The net cash flow from operations decreased compared to last year and ended at NOK 89.2 million (118.2). Inventory and trade receivables had less favorable development compared to 2021. Trade payables and other provisions had positive change from last year. Net cash flow from investment is negative NOK -267.0 million (-48.9) reflecting purchase of shares in Gråterudveien 8 AS (NOK 142.7 million) and increase of borrowings to subsidiaries (NOK 118.3 million). Cash flow from financing is NOK 9.9 million (0.0).

The company reports net change in cash and cash equivalents of NOK -167.9 million in 2022 compared to NOK 69.3 million in 2021.



The cash equivalent balance is NOK 177.9 million (345.9) per 31.12.2022. In addition, the company has unutilized drawing facilities of NOK 1,974.3 million (1,764.3). The company's liquidity situation is good.

Market risk factors

The operational and financial developments of Eltek are primarily dependent on the general development in the telecommunications equipment market. Eltek operates in highly competitive markets exposed to continuous price pressure and growing number of new entrants based in low cost countries. The company seeks to minimize the exposure to market variations and competitive pressures through continuous cost efficiency measures and a timely development and introduction of new cost efficient products. Eltek believes its overall cost development and cost competitiveness measures up well relative to its competitors.

In order to maintain the technology leadership position, Eltek commit significant resources into R&D and engineering. Such activities entail risk due to the uncertainties regarding product development costs and timing, which the company seeks to minimize through continuous project planning and monitoring. The current technological risk level is considered to be acceptable.

Financial risk factors

Financial risk factors can be split into credit risk, interest rate risk, currency risk, liquidity risk and risk cover. Monitoring and hedging financial risks is primarily made by corporate staff in close co-operation with the operating companies.

Credit risk

Eltek's customers include third parties and the company's subsidiaries. The customers of the company's subsidiaries are primarily large public and private telecommunications companies, whose credit worthiness is routinely being monitored. The credit risk is further reduced by internal quality assurance routines associated with project acceptance and prepayments. The covid-19 pandemic has further strengthen the focus on cash collection and credit risk evaluations.

Interest rate risk

Eltek's interest rate risk is mainly related to funding in EUR and NOK and bank deposits in various currencies. The company aims to reduce the net interest to low levels. Both borrowings and bank deposits are subject to short-term interest rate adjustments.

Currency risk

The company is exposed to foreign currency risk in terms of operational revenues and cost structures, recognition of assets and liabilities, net investment in foreign activities and translation exposure. To some extent, the currency exchange rate risk is partially offset by an operational balance between revenue and costs in the various currencies in which the company does business, although the net cash flow and cash balances are exposed to currency fluctuations. The company also mitigate currency risk through currency forward contracts and fx swap contracts.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid assets and available funding through credit lines to meet the company's commitments. The company's liquidity position is considered sound.

Risk cover

While Eltek seeks to reduce the consequences of undesired incidents through its risk management system, there will nevertheless be a remaining risk which cannot be adequately limited by preventative measures. The company to a certain extent seeks to cover this type of risk through the purchase of insurance and its insurance program covers areas such as transport damage, business interruption, damage to equipment and property, installation work during project deliveries, customer credit risk, liability and other risk cover. In addition, Eltek's insurance program covers various types of personnel



Insurance including Directors' and Officers' liability Insurance (D&O). The D&O Insurance have a limit of USD 20 million.

Allocation of profits (losses)

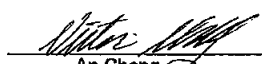
The Board of Directors has proposed the net profit of Eltek AS, NOK 74.1 million to be attributed to:

Transfer to reserve for valuation variations:	NOK	0.04 million
Transfer to retained earnings:	NOK	74.06 million

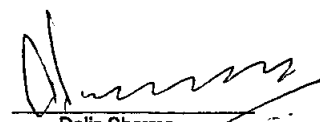
Drammen, 3 March 2023



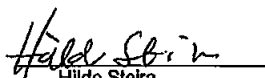
Chin-Tang Lee
Board member



An Cheng
Chairman



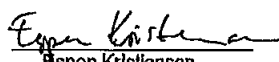
Dalip Sharma
Board member



Hilde Steira
Board member



Frode Vågen
Managing Director



Espen Kristiansen
Board member



Ticker: 2308

Realizing an
Intelligent, Sustainable and Connecting World

DELTA ELECTRONICS, INC. 2022 ANNUAL REPORT

Company Website: www.deltaww.com
Taiwan Stock Exchange Market Observation Post System:
<http://mops.twse.com.tw>
Printed on April 27, 2023





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Deputy Spokesperson	Name: Johnny Shih Title: Project Manager, Corporate Communications Tel: (02) 8797-2088 E-mail: JOHNNY.SHIH@deltaww.com
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3. Stock Transfer Agent	Name: CTBC Bank Co., Ltd. Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100003, Taiwan Website: www.ctcbank.com Tel: (02) 6636-5566
4. Auditors	Auditors: Chun-Yuan Hsiao, Chien-Hung Chou Accounting Firm: PricewaterhouseCoopers Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208, Taiwan Website: www.pwc.tw Tel: (02) 2729-6666
5. Overseas Securities Exchange	Name of the stock exchange where the Company's securities are traded offshore: Luxemburg Stock Exchange Disclosed information can be found at: www.bourse.lu/home
6. Corporate Website	www.deltaww.com



Awards and Honors



Top 100 Global Innovators Award

Selected by Clarivate among its Top 100 Global Innovators™ for 2 consecutive years

Honorable Legion of Corporate Sustainability

Received the first "Honorable Legion of Corporate Sustainability" from CommonWealth Magazine

The Taiwan Corporate Sustainability Award

Delta received 7 major awards at the Taiwan Corporate Sustainability Awards and the Global Corporate Sustainability Award held by the Taiwan Institute for Sustainable Energy in 2022



Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Delta Electronics, Inc.
Electronic Equipment, Instruments & Components

Top 1%
S&P Global ESG Score 2022

85 / 100

As of February 7, 2023.
Positive and Score are heavily specific and reflect variation
screening criteria. Learn more at spglobal.com/esg/yearbook
S&P Global Sustainable1



Dow Jones Sustainability Indices

- Listed on the Dow Jones Sustainability World Index for 12 consecutive years
- Highest overall score in the electronic equipment, instruments & components industry in the Dow Jones Sustainability Indices (DJSI) for 7 years
- Listed in the Dow Jones Sustainability Emerging Markets Index for 10 consecutive years
- Delta Electronics (Thailand) was listed in the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index

Sustainability Yearbook Assessment

Ranked among the top 1% in the S&P Global ESG Score in Electronic Equipment, Instruments & Components in the S&P Global Sustainability Yearbook.

CDP

- Awarded CDP Climate Change Leadership for the 7th time
- Awarded CDP Water Security Leadership (2020-2022)
- Awarded CDP Supplier Engagement Leader(2017-2022)

Morgan Stanley Indexes

- Selected consecutively for the MSCI ACWI ESG Leaders Index
- Selected consecutively for the MSCI Emerging Markets ESG Leaders Index
- Selected consecutively for the MSCI Taiwan ESG Leaders Index

FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected as a constituent of FTSE4Good TIP Taiwan ESG Index (compiled by Taiwan Index Plus Corporation and FTSE Russell)



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This English translation is prepared in accordance with the Chinese version and is for reference purpose only. If there is any inconsistency between the Chinese version and the English translation, the Chinese version shall prevail.

1. Letter to the Shareholders



Chairman Yancey Hai

Dear Shareholders :

In 2022, there was a tightening of monetary policy in major international economies, as well as high inflationary pressures and ongoing pandemic lockdowns in many countries. All of this has led to global instability; however, imbalances in supply chains since the outbreak have gradually eased. The collective efforts of all members of Delta have contributed to the growth of the Company's annual revenue and earnings per share (EPS). The consolidated revenue in 2022 was NT\$384.4 billion, a 22.2% increase from the previous year; gross profit was NT\$110.8 billion with a gross profit margin of 28.8%; net operating profit was NT\$41.4 billion with a net profit margin of 10.8%; net income after tax was NT\$32.7 billion with a net after-tax profit margin of 8.5%; EPS was NT\$12.58 and return on equity (ROE) ratio was 19.13%. Here is a summary of the performance and status of Delta's core business categories in 2022.

Power Electronics

In Power Electronics Delta stands firm as a global business leader providing AC/DC and DC/DC power supplies, brushless DC fans and thermal systems, and the miniaturization of key components. Its product lineup also covers various application markets, such as industrial, medical, automotive, household, satellite, information communication, and others.

Delta's latest 3200W titanium-grade server power supply CRPS is designed with Gallium Nitride (GaN). Compared to SiC-MOSFETs with the same volume, the titanium-grade server power supply CRPS designed with GaN components can have its power density increased by 25% and its power efficiency improved further from 94% to 96%. With this high-frequency design, the size of the power supply can also be greatly reduced, and the saved space can be used for capacitor settings. If the power of a data center fails without warning, the buffer time can then be extended by as much as 30% through the capacitor, further strengthening system reliability.

As a global expert in power management and thermal solutions, Delta has been recognized by the U.S. Environmental Protection Agency (EPA) for its excellent product performance and energy efficiency over the years. In 2022, Delta was named an ENERGY STAR® Partner of the Year for the seventh consecutive year, having also received the Sustained Excellence Award, the highest honor from ENERGY STAR® for five consecutive years.

Delta has invested in the automotive and electric vehicle markets for more than a decade. In addition to providing automotive components, such as automotive inductors, automotive fans, and others, Delta is a direct supplier of key vehicle systems such as power management systems, motor drives, motor controllers, and more, to the world's largest automakers. To accelerate the development of electric vehicles, Delta signed an MoU in 2022 with automotive semiconductor manufacturer NXP Semiconductor, establishing a joint laboratory that will help Delta speed up its product development and verification time, reduce development costs, as well as improve product efficiency, power density, and system integration capabilities.

Automation

Not only do Delta's industrial automation products and solutions enable many customers around the world to build more flexible and resilient smart manufacturing lines, but they also help customers progressively achieve their sustainable goals of energy conservation and carbon reduction.

In fluid automation, the equipment used for controlling liquid or gas is indispensable and important to business operations, public life, and even national infrastructure. However, a large proportion of fluid equipment often needs to operate continuously for long periods of time, and this consumes a significant amount of power. Delta's solutions can help customers improve product performance and energy consumption. Moreover, an administrator can monitor the operation status of all equipment and power usage information from the back-end management platform and formulate an optimal power consumption strategy accordingly, resulting in considerable energy savings.

Infrastructure

The data center industry is booming with the massive increase in cloud services. However, while cloud computing is being implemented, the surge in power consumption and heat dissipation associated with high-performance computing poses new challenges to the stability of information systems and carbon management. Delta's "two-phase immersion cooling" data center solution combines the latest technology with innovative mechanisms designed to immerse electronic equipment directly in non-conductive, low-boiling point and easy-to-evaporate liquid coolant. Through a phase-change cooling system, heat is taken away and the heat exchange process is reduced, while improving heat dissipation efficiency. Compared to traditional air-cooled



heat dissipation designs, Delta's solution reduces energy consumption by a substantial 84%.

In 2022, as border restrictions and global supply chain bottlenecks gradually eased in Europe and the United States, Delta's communication power supply business, network communication products, energy storage business, and electric vehicle charging business all achieved new milestones. Delta supplied about 250 DC and AC chargers during the 2022 G20 and B20 summits held in Bali, Indonesia, providing charging services for nearly a thousand electric vehicles. As a service provider, Delta offers a series of comprehensive charging equipment solutions to meet the charging needs of electric buses, electric cars, and electric locomotives. Delta's background system integration technology and software connection capabilities can effectively improve the operational efficiency of charging stations.

At the same time, the Lanyu energy storage system that Delta handed over to the Taiwan Power Company for operation in June 2022 has helped solve their problem of peak demand due to the summer influx of tourists. Unlike expensive and highly polluting diesel generators, Delta's energy storage system can effectively strengthen the stability of Lanyu's power system, thus resolving power supply issues in the outlying islands.

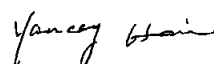
In response to the 1.5°C pathway for keeping global warming under control, Delta has formulated a long-term target of achieving "Net Zero" emissions at all global operating sites by 2050. Delta became the first in the technology hardware and equipment industry in Asia and the 125th company in the world to pass the SBTi's Net Zero target review.

In the 2022 climate change report published by CDP (formerly known as the Carbon Disclosure Project), Delta was selected for a double A List rating on the two environmental issues of "climate change" and "water security management". In the 2022 Dow Jones Sustainability Indices (DJSI) evaluation, Delta's overall performance in the social dimension also scored at the 100% percentile in the global electronic equipment industry, which shows that Delta continues to strengthen its people-oriented core values amid the global trend of energy conservation and carbon reduction. In addition, Delta has not only been selected as the best international brand in Taiwan for the twelfth year, but its brand value has also increased by another 8% since 2021, reaching US\$426 million, a record of ten consecutive years of growth.

Delta officially began its second 50 years in 2022. Consistently combining business development and sustainable goals in its operations, Delta aims to achieve a sustainable future through energy-saving technologies. With sincere thanks to all employees, customers, shareholders, and partners for their long-term support, Delta will continue to work together with all its colleagues to reach its next peak of business success going forward.

Finally, wish everyone good health and good luck.

Sincerely,

Chairman 



2. Company Profile

► 2.1 Date of Incorporation: August 20, 1975 (Reformed as Company Limited by Shares)

► 2.2 Delta Electronics' Timeline

1971	Apr.	Founded at Min-An Road, Sinjhuang, Taipei County, Taiwan, Delta Electronics produces TV coils and electronic components
1975	Aug.	Registered as Delta Electronics, Inc.
1980	Apr.	Started producing components for switching power supplies
1981	Jul.	Started mass production of EMI Filters
1983	Mar.	Started mass production of switching power supplies
1984	Jan.	Won a vendor award from Zenith
1986	Feb.	Won vendor awards from Rockwell International
	Apr.	Started using surface-mounting technology in producing power supplies
1988	Jan.	Invested in Dastek, and enters the world's most advanced thin film technology field
	Jun.	Started mass production of DC brushless fans
	Dec.	Listed on the Taiwan Stock Exchange
1989	Mar.	Invested in Thailand, Delta Electronics (Thailand) Public Company Limited, manufacturing and selling components related to computers and electronic equipment
	Aug.	Established an R&D Lab with Virginia Polytechnic Institute & State University to develop power supplies with high efficiency and high-power density
1990	Apr.	Won vendor awards from IBM
1991	Nov.	Won a vendor award from HP
1992	Jan.	Started mass production of power supplies for Notebooks
1993	Dec.	According to a report from US Micro-tech Consultants, Delta's switching power supplies ranked 1st in the US market, and ranked 5th in the global market
1994	Sep.	Launched communication power systems
1995	May	Launched variable-frequency drives
1996	Mar.	Won vendor award from Intel
	Apr.	Named No. 1 supplier of power supplies in both the global and the U.S. markets by Micro-Tech Consultants
	Jul.	Launched uninterruptible power systems
1998	Dec.	UPS system won the Excellence Award of Taiwan
1999	Jan.	Established Delta Networks, Inc. (Taiwan)
	Mar.	Won a Dell Platinum Supplier Award
2000	May	Joined the Massachusetts Institute of Technology (MIT) Oxygen Project Alliance
	Oct.	Dongguan Plant was awarded ISO 14001 Certification



2001	May	Cyntec Co., Ltd., Delta's invested company, was listed on the Taiwan Stock Exchange
	Dec.	Wujiang Plant opened in Mainland China and was awarded ISO 9000 Certification
2002	Jan.	Wujiang Plant passed TL-9000 certification
2003	Dec.	Awarded Best in Corporate Governance in Asia by Asset Benchmark Research of Asset magazine
	Dec.	Named No. 1 in 2003 global power supplies sales by Micro-Tech Consultants
2004	Jun.	56" 16:9 DLP internal projection TV awarded the Gold Award of the 12th National Awards for Excellence by the President of Taiwan
	Nov.	Established DelSolar, a company dedicated to the R&D and manufacturing of solar cells
	Dec.	Won the Cisco Systems Supplier of the Year Award
2005	Jan.	Received a best-partner award from Sony
	Jun.	Named the best among technology companies in the First Annual Corporate Social Responsibility Awards presented by Global Views Magazine
	Nov.	Opened a green plant in Tainan
2005	Apr.	Recognized with the highest rating grade A for Corporate Governance by the Taiwan Stock Exchange
	Jul.	Rated by Standard & Poor's as one of Taiwan's top 50 companies in terms of credit quality
	Aug.	The new plant in Tainan became the first in Taiwan to be awarded a Gold-Rated Green Building Certificate from the Ministry of Interior
	Dec.	Annual revenue exceeded 100 billion with a consolidated revenue of NT\$105.26 billion in 2006
2007	May	Named the best among technology companies in the Annual CSR Awards presented by Global Views Magazine for the third year running
2008	Feb.	Became the only Chinese company to be named in the Global Top 100 Low Carbon Pioneers of CNBC European Business magazine
	Apr.	Received a CSR Honor Award from Global Views Magazine
	May	Named in 2008 BusinessWeek's Info Tech 100
	Oct.	Won the Outstanding Innovation Achievement Award -the highest honor of the Industrial Technology Advancement Awards from the Ministry of Economic Affairs
	Dec.	Included in Forbes Asia's Fabulous 50 for the second year running
2009	May	Built the 1MW rooftop solar power system for the Main Stadium of the World Games 2009 in Kaohsiung, Taiwan
	Jul.	Tainan Plant, formerly Gold-Rated, was awarded a Diamond-Rated Green Building Certificate
	Oct.	Received an award at the first Asia Pacific 2019 Frost & Sullivan Green Excellence Awards
	Oct.	Acquired 100% shareholdings in Cyntec through share conversion
2010	May	Ranked first among thousands of electronics industry enterprises for after-tax net profit in 2009 by CommonWealth Magazine
	Jun.	Entered the first year of bank development
	Aug.	Obtained Taiwan's Excellent Brand Award organized by the Bureau of Foreign Trade, MOEA
	Aug.	Rated as an A+ Company for Information Transparency and Disclosure by the Securities & Futures Institute in Taiwan



2011	Jan.	Opened the Y. S. Sun Green Building Research Center at the National Cheng Kung University (NCKU) as the first zero carbon building in Taiwan, which was donated by Founder Mr. Bruce Cheng
	May	Rudrapur Plants in India won the LEED Gold-Rated Green Building Certificate
	Jul.	Awarded an electric vehicle (EV) charging station project from ARTC (Automotive Research & Testing Center) for building the first EV charging station for EV testing and verification in Taiwan
	Jul.	Dongguan Plant in China became the world's first power and components electronics enterprise to officially pass the conformity evaluation for the Energy Management System of the International Organization for Standardization ISO50001
	Sep.	Selected for the 2011 Dow Jones Sustainability Index
	Sep.	Named as a Taiwan Top 20 Global Brand
	Sep.	Delta Thailand, a Delta associate company, received ISO 50001:2011 certification from SGS (Thailand) Limited for energy management systems - the first company in Thailand with this ISO certificate
2012	Nov.	Opened Shanghai Operations and R&D Center
	Dec.	Opened the smart green building of the Taoyuan R&D Center to root in Delta's promise of "smarter greener together"
	Feb.	Donated to reconstruct the Ming Chuan Elementary School in the Namaxia District, after Typhoon Morakot
	May	Gurgaon Plant in India was recognized with a LEED-India Platinum Certification
	Jun.	Founder Mr. Bruce Cheng was announced as Honorary Chairman, Mr. Yancey Hai was elected as the Chairman and Mr. Ping Cheng was appointed as CEO
	Aug.	Taoyuan R&D Center recognized with the U.S.A. LEED Gold Certification and Taiwan EEWH Gold Certification
	Sep.	Selected for 2012 Dow Jones Sustainability Indexes and named as a global Industry leader in the ITC Electronic Equipment sector
	Oct.	Received the National Industrial Innovation Award again
	Nov.	Neo Solar Power joined hands with Delta Group to create the largest solar cell company in Taiwan
	Nov.	Ranked as one of The 20 Most Innovative Companies in Taiwan from the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA)
	Nov.	The Tainan Plant was awarded the first Green Factory Mark in Taiwan that certifies clean production for general industry by the Industrial Development Bureau, Ministry of Economic Affairs
2013	Dec.	Delta Thailand, a Delta associate company, received the Prime Minister BEST Industry Award
	Jul.	Ranked No. 4 for Taiwan's Best Companies from Institutional Investor Magazine and received The Most Promising Company from Corporate Governance Asia Magazine
	Aug.	Delta Thailand, a Delta associate company, won the 2013 ASEAN Business Award in the innovation category for large companies
	Oct.	Delta Thailand, a Delta associate company, received the CSR-DIW Continuous Awards and CSR-DIW Awards 2013
	Nov.	Delta Thailand, a Delta associate company, received the Thailand Energy Award 2013 in the energy management team category
	Dec.	Recognized for its Investor Relations and Sustainability Practices at the IR Magazine's Greater China Awards
	Dec.	Shanghai operations center received LEED Gold Certification
2014	Jan.	Taipei headquarters received a Taiwan Green Building Certificate for building renovation (EEWH-RN Diamond)
	Apr.	Ultra-Short Throw Projector won the Taiwan Excellence Silver Award



2014	Oct.	Recognized as the only Greater China company named to the CDP Climate Performance Leadership Index (CPLI)
	Oct.	Delta Thailand, a Delta associate company, received the Prime Minister's Business Enterprise Award 2014 in the best exporter category
	Oct.	Awarded Commonwealth Magazine's Most Admired Company award for the 13th consecutive year
2015	Jan.	Launched SCARA industrial robots
	Jan.	Delta-IBN Life Science and Diagnostics Lab opened at Biopolis
	Mar.	Recognized with Channel NewsAsia's 2015 Green Luminary Award
	Apr.	Ranks A++ in the Information Disclosure and Transparency Ranking Results for the 4th consecutive year
	Apr.	Acquired Eltek ASA, a leading power supply maker in Norway, industrial and datacenter power solutions
	Jun.	Ranked among the top 5% of listed companies in the 1 term of Corporate Governance Evaluation
	Sep.	First Delta China CSR Report officially goes online
	Sep.	Wuhan building officially opened with both R&D and Sales functions
2016	Oct.	Americas opened new headquarters designed to meet LEED Platinum and net zero standards using the latest energy-saving technologies to set a new benchmark for green buildings
	Jan.	Launched Delta's first self-operated solar power plant in Ako, Japan
	Mar.	Beijing office building recognized with LEED-NC Silver certification
	Mar.	Founder Mr. Bruce Cheng was awarded the Order of Brilliant Star by the President in recognition of his outstanding contributions to the country and society
	Apr.	A subsidiary, Delta Electronics Int'l (Singapore) Pte. Ltd., acquired shareholdings in LOYTEC, an Austrian building automation company
	Apr.	Subsidiaries, Delta Electronics (Netherlands) B.V. and Delta Controls Inc., entered into a definitive agreement
	Jun.	Established the Delta-NTU Corporate Laboratory for Cyber-Physical Systems in Singapore
	Jun.	Honored with the National Excellence Award from the Indian Ministry of New and Renewable Energy (MNRE)
	Aug.	Taipei headquarters, the Ruiguang Building, was certified as LEED Platinum for operations and maintenance with the total power consumption of the building was reduced by 40%
	Nov.	Founder Mr. Bruce Cheng received the first Outstanding Entrepreneur award at the Global Views Magazine leaders' forum
2017	Nov.	Acquired 100% shareholdings in Unicom System Eng. Corp.
	Feb.	Delta Thailand, a Delta associate company, won the Outstanding CEO Awards and the Best Company Performance Award from the Stock Exchange of Thailand (SET)
	Feb.	Articulated Robot won the Silver Award at the 25th Taiwan Excellence Awards
	Apr.	Announces organizational adjustments to accelerate growth through a focus on "Power Electronics", "Automation" and "Infrastructure" as main business categories
	Apr.	Founder Mr. Bruce Cheng awarded with an Honorary Doctorate Degree from National Yang-Ming University
	Apr.	EMEA headquarters awarded BREEAM Certificate and became Delta's 24th green building in the world
	May	Won three major awards at the 2017 Global Views Monthly's CSR Awards
	Jun.	Delta Thailand, a Delta associate company, received ESG100 Universe for the 3rd consecutive year



2017	Sep.	Delta Americas headquarters was recognized with a Livable Buildings Award Honorable Mention
	Oct.	Acquired 49.2% shareholdings in VIVOTEK to strengthen its building automation solutions portfolio
	Dec.	A subsidiary, DELBio, won the Taiwan Excellence Gold Award for the DELPet-μCT
	Dec.	Passed the SBTi review as the first in Taiwan and among the top 100 in the world to have set science-based carbon reduction targets responding to the specific goal of keeping global warming below 2°C
	Dec.	Selected for the FTSE4Good TIP Taiwan ESG Index
2018	Mar.	Detroit office inaugurated expanded facilities
	Apr.	Received the R.O.C. (Taiwan) Presidential Innovation Award
	May	Ranked among the top 5% of listed companies in the Corporate Governance Evaluation for the 4th consecutive year
	May	Became the only company twice listed in the CSR Annual List of Honors of Global Views Magazine
	Aug.	Won the CSR Award from CommonWealth Magazine for the twelfth consecutive year, and wins first prize for the sixth time
	Sep.	Became a member of the EV100 Initiative to promote low-carbon transportation worldwide
	Oct.	Participated Greenbuild China Conference and won the Green Pioneer Award and the Industry Pioneer Award from the USGBC
	Nov.	Ako Energy Park's green building was LEED-Gold Certified with energy savings up to 33.8%
	Nov.	Won the 2018 National Talent Development Award from the Ministry of Labor
	Nov.	Innergie PowerGear™ 60C won the Taiwan Excellence Silver Award
	Dec.	Recognized with the IR Magazine 2018 ESG Communications Award
	Dec.	Automatic Nucleic Acid Test System won the 15th National Innovation Award
	Dec.	Passed ISO 27001 information security certification, and also obtained NPI new product development process and IT category
2019	Jan.	Received the NEC Partner of the Year 2018 Award in the environmental category
	Mar.	A subsidiary, Delta Electronics (Netherlands) B.V., acquired 100% ownership in the lighting solution brand Amerlux
	Apr.	A subsidiary, DEISG, acquired 42.85% shareholdings in Delta Electronics (Thailand) Public Company Limited (DET) After the acquisition, Delta and its subsidiaries held total 63.78% shareholdings in DET
	May	The data center at Delta's headquarters obtained the world's first LEED V4 ID+C Platinum Green Data Center certification
	Jul.	Awarded 2019 Powertrain Supplier of the Year by FCA for superior EV/PHEV automotive product capabilities
2020	Jan.	Collaborated with GKN Automotive to accelerate development of next-generation eDrive technology
	Apr.	Won first prize in the Happy Enterprise Group for Outstanding Projects at the 2020 Global Views Monthly's CSR Awards
	Apr.	Obtained the highest Platinum Rating for Zero Waste to Landfill (UL 2799) for "100% diversion, with 8% thermal processing with energy recovery"
	May	The world's first 8K environmental documentary Water with Life aired and won the Gold Award in Independent Short Subject-Films & Video - Documentary at the WorldFest-Houston International Film Festival
	May	Announced the acquisition of Trihedral, a Canadian SCADA and IIoT software company, to strengthen Delta's industrial automation and system integration business



2020	Jul.	Inaugurated the Delta-NTUST Joint Research Center with the National Taiwan University of Science and Technology (NTUST)
	Aug.	Inaugurated the Cooperative Robot Technology Center with National Central University
	Oct.	Won the "2020 Best Companies to Work for in Asia Award" from HR Asia
	Nov.	Announced the acquisition of the private unsecured convertible corporate bonds of Lanner Electronics Inc. to strengthen edge computing and network information security, and provide comprehensive ICT infrastructure solutions
	Nov.	Founder Mr. Bruce Cheng won the Distinguished Contribution Award at the China Power Supply Society Science and Technology Awards
2021	Dec.	Electric Vehicle AC Charger recognized with the Taiwan Excellence Silver Award
	Mar.	Joined RE100, committed to 100% renewable energy use and carbon neutrality for its global operations by 2030
	Apr.	Announced first 5G smart factory at Taoyuan Plant I
	Oct.	Awarded first prize for the "Climate Champion Award" by the British Chamber of Commerce in Taipei
	Oct.	Acquired global video surveillance provider March Networks to bolster building automation solutions
	Nov.	Energy storage system solution won the "Taiwan Excellence Gold Award"
2022	Dec.	Honored with Leadership Level Ratings by CDP for substantial contributions to climate change and water security issues
	Jan.	Established Delta Electronics (Chongqing) Ltd
	Jan.	Attained the WELL health safety rating for six green buildings -the first high-tech company in Taiwan to achieve this prominent global rating for buildings
	Mar.	Inaugurated the Delta-NTU Joint Research and Development Center
	Jul.	"Life in the Coral Reefs" & "Swimming with Humpback Whale" won double gold awards for 8K environmental documentary at the "WorldFest-Houston International Film Festival"
	Jul.	Acquired 100% shareholdings in UI Acquisition Holding Co. to accelerate industrial automation capability
	Aug.	Included "Biodiversity" officially in Delta's sustainability strategy
	Sep.	Won the "Honorable Legion of Corporate Sustainability" award for the first time for "Excellence in Corporate Social Responsibility" from CommonWealth Magazine, affirming its commitment to responding to global warming and climate change
	Oct.	Created newest LEED Gold-certified green building at the Automotive Campus in Helmond, Netherlands, with Smart Green Solutions
	Nov.	Won seven awards from the "Taiwan Corporate Sustainability Awards" and "Global Corporate Sustainability Awards"
	Nov.	Selected as among the Best Taiwan Global Brands for 12 Consecutive Years, with brand value growing steadily for 10 consecutive years
	Dec.	Chosen for the DJSI "World Index" for the twelfth year in a row with the highest overall score in the global electronic equipment industry for the fifth consecutive year and the seventh time
2023	Dec.	Honored with Double A List Ratings by CDP once again for substantial contributions to Climate Change and Water Security Issues
	Dec.	Delta's Net-Zero goal passed the SBTi's review as the first company to do so in Asia's technology hardware and equipment industry
	Feb.	Recognized as a Top 100 Global Innovator 2023 by Clarivate for the second time for its global patent portfolio
	Feb.	Acquired 55% shareholdings in Atrust Computer to strengthen its ICT Infrastructure Solutions



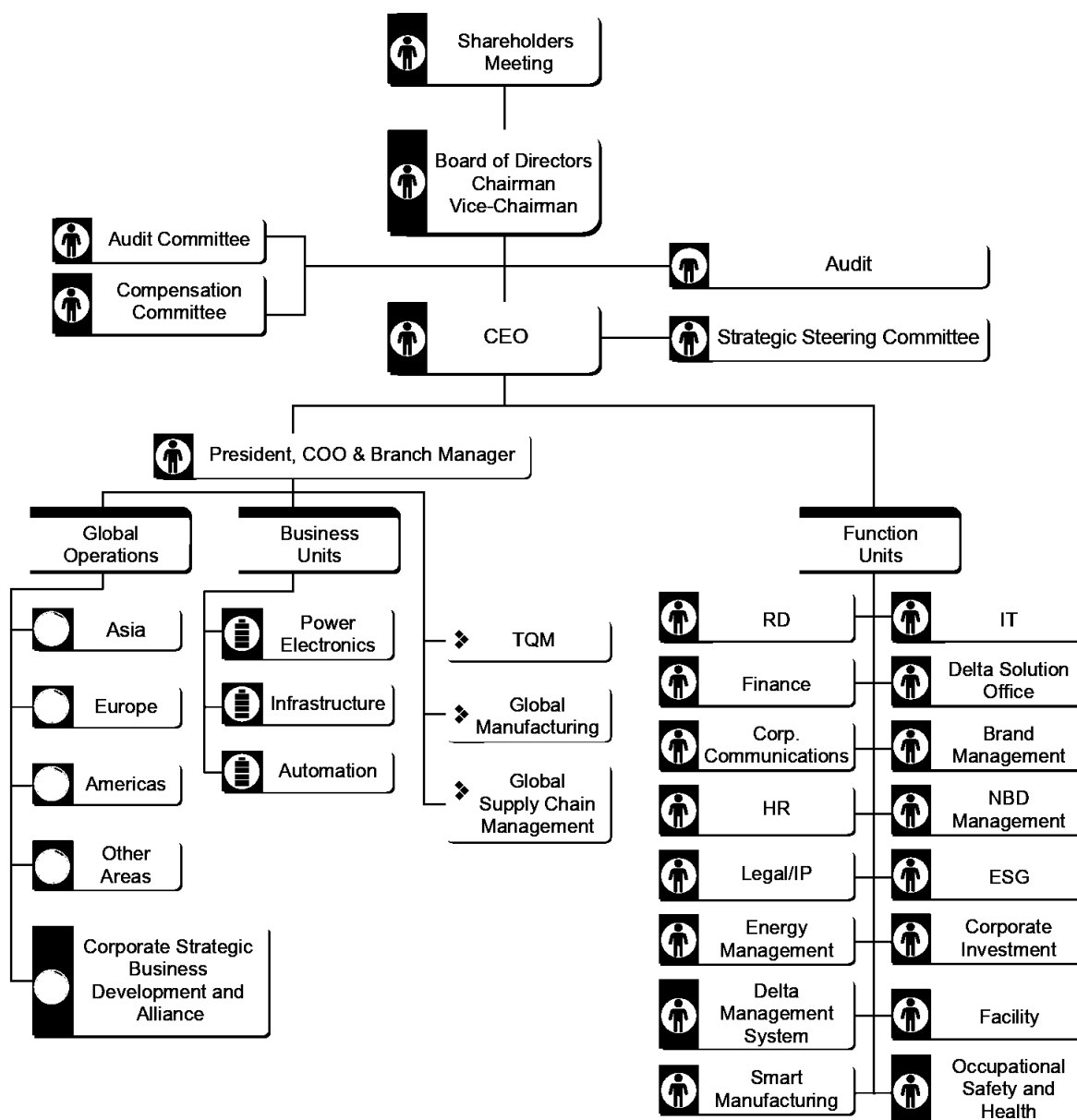
2023	Mar.	Honored as Grade Supplier Engagement Leader by CDP for six consecutive years
	Mar.	Recognized as ENERGY STAR® Partner of the Year for the eighth year in a row, and awarded the Sustained Excellence Award for six consecutive years
	Apr.	Ranked among the top 5% of listed companies in the Corporate Governance Evaluation for the seventh time

3. Corporate Governance Report

► 3.1 Organization

3.1.1 Organization chart

April 27, 2023





3.1.2 Tasks of main departments

April 27, 2023

Main Department	Business Activities
Power Electronics Business	"Power Electronics Business" includes components, power and system fan & thermal management, automotive electronics. Delta is a global provider of power and thermal management solutions. It produces high-efficiency products such as switching power supplies, brushless DC fans, and passive components for world-class customers in various segments including ICT, consumer electronics, as well as industrial equipment. By integrating Delta's core competencies in power electronics and systems, Delta is able to supply power train systems and products for electric/hybrid vehicles.
Infrastructure Business	"Infrastructure Business" includes ICT infrastructure and energy infrastructure. Delta is a major provider of telecom power systems, data center infrastructure and networking systems for global customers to enable energy-efficient and reliable ICT infrastructure. Together with its partners, Delta facilitates the development of smart cities by providing various energy infrastructure including renewable energy, EV charging, energy storage systems, and more. Delta also produces video wall solutions and projectors for home theaters, control rooms, large event venues, outdoor projection, exhibition halls and more. Its infrastructure product lines also include industrial power supplies, medical power supplies, medical devices, etc.
Automation Business	"Automation Business" includes industrial automation and building automation. As an industrial automation manufacturer, Delta offers products and solutions to serve customers in various applications such as food & beverage manufacturing, textiles, cranes and elevators, plastics and rubber, printing and packaging, machine tools, as well as electronics. Delta provides diverse automation solutions and extensive industry knowledge to actively move towards smart manufacturing. It also integrates various IoT-enabled building systems, such as HVAC, lighting, energy, water supply and drainage, elevators, electricity, surveillance cameras, and access control to create a flexible, scalable and highly compatible building automation solution plan.
TQM	The department establishes quality assurance strategies and quality controls on raw materials and final products and manages quality improvement activities.
Global Manufacturing	The department ensures production and resource effectiveness of global manufacturing supply chains, manages the development of global smart manufacturing and technology, global RBA organizations, and operations of global manufacturing regions, and promotes related projects.
Global Supply Chain Management	The department is in charge of planning and operations management of all business units, key electronics and supplier strategies, purchase process and system building, as well as global logistic planning and operations.
Corporate Strategy, Business Development and Alliance	The department manages corporate strategic customers and global customers and establishes operational guidelines for global sales and resource planning.
Audit	The department supervises all internal control and establishes audit processes to complete the annual audit.
RD	The department does technology trend analysis and research and development of new products. It draws up research and development strategies, level of technology development, new product development and its relative environmental requirements and structural design.
Finance	The department establishes a highly efficient and quality financial platform to provide transparent and reliable financial information, operational analysis and improvement plan. Through strict control and audit, better corporate governance can be achieved. The department provides assessments on long-term investment, loan options and tax plans based on relative regulations, as well as designs modules to control credit risks and projects financial risks to reduce the possibility of corporate crisis. It is also responsible for the planning and establishment of stock relevant affairs, arrangement of board of directors and shareholders meetings, and ex-rights processing.
Corporate Communications	The department provides Delta's stakeholders with critical, concise, transparent, consistent and real-time information; promotes our ESG achievements; and enhances our corporate prestige. Our responsibilities include news themes management and planning, corporate external/internal website management, showroom planning, multimedia and graphic design planning/ execution.
HR	The department designs and develops a human resource management plan to construct all-around candidate selection, learning and professional development, performance management, salary and benefit systems in order to motivate outstanding employees, improve organizational efficiency, and secure healthy labor relations.
Legal/IP	This department reviews all contracts, provides legal counseling, manages patents, trademarks and other intellectual property rights and deals with the handling of legal affairs such as lawsuits and regulation compliance.
Energy Management	The department provides energy efficiency improvement services to increase the energy efficiency in public facilities, data centers, buildings and factories.
Delta Management System	The department works on the collection and integration of personal experience and knowledge to construct a knowledge management platform in order to enable knowledge sharing and dissemination of information.



Main Department	Business activities
Smart Manufacturing	The department is responsible for the design of Delta's future blueprint of smart factory and the development of world leading smart manufacturing technologies.
IT	The department plans and establishes company-wide information and information security management system, maintains the company's IT equipment, develops computerized processes and systems for the Company's business development, provides managers with fast and effective operational management information, ensures the safety of the information system, establishes information security information management mechanism and incident response strategy, and keeps tabs on the immediacy and effectiveness of risk management.
Delta Solution Office	The department builds a comprehensive solution mechanism and common platform to implement high quality and efficient solution services. We integrate the technology and knowledge of each business group to provide proprietary solutions for different industries, creating a higher competitive advantage for our global customers.
Brand Management	The department carries out long-term planning and execution of branding strategies, establishes the corporate brand management platform and constructs standard brand application templates to create and uphold a consistent image of Delta. The strategic improvement of Delta's brand value leads to direct assistance in business growth and development of the company.
NBD Management	The department assists the company's business units to establish marketing capacity and strategies for business development, integrates market information provided through thinks tanks and marketing platforms to create actual results from marketing activities. It is also responsible for the provision of strategic recommendations and cross-sectional resource integration through systematic management mechanisms and procedures to speed up the business development pace.
ESG	To fulfill Delta's company mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow" and to enhance our competitiveness in sustainable business operations, we analyze international trends and benchmark practices in sustainable development, strengthen linkage with global sustainability issues, deploy sustainability strategies and planning via the Delta ESG committee, and facilitate cross-functional operations and overall project executions.
Corporate Investment	The department is responsible for relation establishment and maintenance between the company and the investors and institutions. It works on integrating internal resources to seek potential targets for the corporation and the execution of mergers in accordance with the future development of the company.
Facility	The department manages and maintains the building and the public facilities in the factory to ensure a safe working environment and to execute energy saving measures in order to seek continuous recognition through green building certification.
Occupational Safety and Health	The department develops, plans, monitors and promotes workplace safety and health management standards, as well as provides guidance to relative departments on execution.



► 3.2 Directors and Management Team

3.2.1 Directors

April 15, 2023

Title Name	Nationality/ Place of Incorporation	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
						Shares	%	Shares	%	Shares	%	Shares	%	Title	Name	Relation	
Chairman Yancey Hai	TW / US	Male 70~79 years	July 19 2021	3	May 6, 2003	984,067	0.04	984,067	0.04	0	0.00	0	0.00	-	-	-	-
Vice- Chairman Mark Ko	TW	Male 60~69 years	July 19 2021	3	May 16 2001	807,630	0.03	807,630	0.03	0	0.00	0	0.00	-	-	-	-
Director Bruce CH Cheng	TW	Male 80~89 years	July 19 2021	3	August 20 1975	81,878,039	3.15	81,878,039	3.15	24,097,633	0.93	0	0.00	Director	Ping Cheng	Father and Sons	-
Director Ping Cheng	TW	Male 60~69 years	July 19 2021	3	May 16 2001	55,640,093	2.14	55,640,093	2.14	0	0.00	0	0.00	Director	Bruce CH Cheng/ An Cheng	Father- Son/ Brothers	-
Director Simon Chang	TW	Male 60~69 years	July 19 2021	3	May 18 2006	903,811	0.03	903,811	0.03	517	0.00	0	0.00	-	-	-	-
Director Victor Cheng	TW	Male 50~59 years	July 19 2021	3	June 11 2018	50,344,764	1.94	50,344,764	1.94	1,023,482	0.04	0	0.00	Director	Bruce CH Cheng/ Ping Cheng	Father- Son/ Brothers	-
Director Shan-Shan Guo	TW	Female 50~59 years	June 14 2022	3	June 14 2022	20,360	0.00	20,360	0.00	0	0.00	0	0.00	-	-	-	-
Independent Director Ji-Ren Lee	TW	Male 60~69 years	July 19 2021	3	June 8 2016	0	0.00	0	0.00	0	0.00	0	0.00	-	-	-	-
Independent Director Shyue-Ching Lu	TW	Male 70~79 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	-	-	-	-
Independent Director Jack J.T. Huang	TW	Male 70~79 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	-	-	-	-
Independent Director Rose Tsou	TW	Female 50~59 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	-	-	-	-
Independent Director Audrey Tseng	TW	Female 60~69 years	June 14 2022	3	June 14 2022	0	0.00	0	0.00	0	0.00	0	0.00	-	-	-	-



Title Name	Experience (Education)	Current Positions in the Company and Other Companies (Note)
Chairman Yancey Hai	<u>Selected Education:</u> Master Degree in International Business Management, the University of Texas at Dallas <u>Selected Past Positions:</u> Former Country Manager, GE Capital Taiwan, Former Vice-Chairman, CEO and Chairman in Strategic Steering Committee, Delta Electronics, Inc. <u>Honors:</u> Laureates of the Industrial Technology Research Institute	<u>Current Positions in the Company:</u> Chairman of Delta ESG Committee, Delta Electronics, Inc. <u>Current Positions in Other Companies:</u> Director and ESG & Net Zero Committee Member, CTCI Corporation Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee, ESG Committee Member, USI Corporation Independent Director, Audit and Risk Committee Member, Compensation and People Development Committee Member, Nominating, Corporate Governance and Sustainability Committee Member, Taiwan Semiconductor Manufacturing Company Limited <u>Current Positions in Non-Profit Organizations:</u> Senior Strategy Consultant, Cloud Computing & IoT Association in Taiwan Director, Taiwan Business Council for Sustainable Development Director, Delta Electronic Foundation Director, Felix Chang Foundation Director and Finance Committee Member, Chiang Ching-Kuo Foundation for International Scholarly Exchange Chairman, Taiwan Climate Partnership
Vice-Chairman Mark Ko	<u>Selected Education:</u> Bachelor in Control Engineering, National Chiao Tung University <u>Selected Past Positions:</u> Former President and COO, Delta Electronics, Inc. <u>Honors:</u> Distinguished Alumni, National Yang Ming Chiao Tung University Distinguished Alumni, Taichung First Senior High School	<u>Current Positions in the Company:</u> Chairman in Strategic Steering Committee, Delta Electronics, Inc.
Director Bruce CH Cheng	<u>Selected Education:</u> Bachelor of Science in Electrical Engineering, National Cheng Kung University <u>Selected Past Positions:</u> Former Chairman, Delta Electronics, Inc. <u>Honors:</u> Honorary Chairman of Delta Electronics, Inc., Honorary Chairman of the Department of Electrical Engineering Alumni Association of National Cheng Kung University, Honorary Director of the Cheng-Dian Educational Foundation, Honorary Doctorate from National Tsing Hua University, Honorary Doctorate from National Central University, Honorary Doctorate from National Cheng Kung University, Honorary Doctorate from National Taiwan University of Science and Technology, Honorary Doctorate from National Taipei University of Technology, Honorary Doctorate from National Chiao Tung University, Honorary Doctorate from Asia University, Honorary Doctorate of Science from City University of Hong Kong, Honorary Doctorate from Taipei Medical University, Honorary Doctor of Science from National Yang-Ming University, Honorary Doctorate from National Taiwan University, and Laureates of the Industrial Technology Research Institute	<u>Current Positions in Other Companies:</u> Director, Finestar International Limited Chairman, Hua-Chih Investment Co., Ltd. (translation) <u>Current Positions in Non-Profit Organizations:</u> Chairman, Delta Electronics Foundation Director, K.T. Li Foundation for Development of Science and Technology Director, Sun-Yun Suan Education Foundation Director, Wu Chien-Shiung Education Foundation Director, Ta-You Wu Education Foundation



Title Name	Experience (Education)	Current Positions in the Company and Other Companies (Note)
Director Ping Cheng	<u>Selected Education:</u> Bachelor in Business Administration, California State University, East Bay (Formerly known as California State University, Hayward) <u>Selected Past Positions:</u> Former Senior Vice-President and President in Greater China Area, Delta Electronics, Inc. <u>Honors:</u> Honorary Doctorate from National Cheng Kung University	<u>Current Positions in the Company:</u> CEO and Vice-Chairman in Strategic Steering Committee, Delta Electronics, Inc. <u>Current Positions in Non-Profit Organizations:</u> Director, Metabolic and Mini-invasive Surgery Foundation
Director Simon Chang	<u>Selected Education:</u> EMBA, Chung Yuan Christian University <u>Selected Past Positions:</u> Former Senior Vice-President and General Manager of the Industrial Automation Business Group, Delta Electronics, Inc.	<u>Current Positions in the Company:</u> President, COO and Branch Manager, Delta Electronics, Inc. <u>Current Positions in Other Companies:</u> Director, Betacera Inc.
Director Victor Cheng	<u>Selected Education:</u> MS Electrical Engineering, Santa Clara University <u>Selected Past Positions:</u> Former Chairman and President, Delta Networks, Inc.	<u>Current Positions in the Company:</u> EVP of Infrastructure (IFB), Delta Electronics, Inc. <u>Current Positions in Other Companies:</u> Director, Lanner Electronics Inc. Vice-Chairman, Delta Networks (Xiamen) Ltd. Director, Atrust Computer Corporation
Director Shan-Shan Guo	<u>Selected Education:</u> Master in Department of Communications, University of Michigan, Ann Arbor Bachelor in Department of Foreign Language and Literature, National Taiwan University <u>Selected Past Positions:</u> Former CEO, Delta Electronics Foundation Former CEO, TSMC Education and Culture Foundation	<u>Current Positions in the Company:</u> Chief Brand Officer, Delta Electronics, Inc. <u>Current Positions in Non-Profit Organizations:</u> Vice-Chairman, Delta Electronics Foundation Director, Epoch Foundation
Independent Director Ji-Ren Lee	<u>Selected Education:</u> Ph.D. Strategic Management, University of Illinois at Urbana-Champaign <u>Selected Past Positions:</u> Former Associate Dean in the Center for Teaching and Learning Development, National Taiwan University Former Associate Dean in the Department of Management and Executive Director in EMBA Program, National Taiwan University Former Director in the Creativity and Entrepreneurship Program, National Taiwan University <u>Honors:</u> Professor Emeritus of International Business Department, National Taiwan University	<u>Current Positions in Other Companies:</u> Director, CommonWealth Education Media and Publishing Co., Ltd. Director, Social Enterprise Insights Chairman, B Current Impact Investment Fund 3 Director, Commonwealth Magazine Co., Ltd. Director, AXR Entrepreneurship and Business Consulting Co., Ltd. Director, Long- chen Paper & Packaging Co., Ltd. Director, Primax Electronics Ltd. Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, ACER Incorporated Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, VIVOTEK, Inc. Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, Airoha Technology Corp. Compensation Committee Member, MediaTek Inc. <u>Current Positions in Non-Profit Organizations:</u> Charity Director, Scholarship of Hsing Tian Kong's Culture and Education Foundation Vice-Chairman, Chengzhi Education Foundation Charity Director, Advantech Foundation Charity Director, Junyi Academy Foundation Charity Director, Teach for Taiwan Foundation



Title Name	Experience (Education)	Concurrent Positions in the Company and Other Companies (Note)
Independent Director Shyue-Ching Lu	<u>Selected Education:</u> Ph.D. in Electric Engineering, University of Hawaii <u>Selected Past Positions:</u> Former Chairman and CEO, Chunghwa Telecom Co., Ltd. Former Director General, Department of Posts and Telecommunications, Ministry of Transportation and Communications Republic of China <u>Honors:</u> Professor Emeritus, National Yang Ming Chiao Tung University	<u>Current Positions in Other Companies:</u> Director, CTCI Advanced Systems Inc. Director, XRSPACE CO., LTD. Independent Director, Audit Committee Member and Compensation Committee Member, Radium Life Tech Co., Ltd. Independent Director, Convener and Chairman of Audit Committee and Compensation Committee Member, MITAC Holdings Corporation <u>Current Positions in Non-Profit Organizations:</u> Adjunct Professor, National Yang Ming Chiao Tung University
Independent Director Jack J.T. Huang	<u>Selected Education:</u> S.J.D., Harvard University <u>Selected Past Positions:</u> Former Attorney-at-Law, Jones Day Taipei Office Former Honorary Chairman, Taiwan M&A and Private Equity Council <u>Honors:</u> Honor Chairman of Taiwan M&A and Private Equity Council	<u>Current Positions in Other Companies:</u> Director, Yulon Motor Co., Ltd. Special Advisor of the CEO, Yulon Group Director, Taiwan Capital Buffalo Fund Co., Ltd. Director, Taiwan Capital Biotechnology Corporation Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, WPG Holding Limited Independent Director, Convener and Chairman of Audit Committee and Compensation Committee Member, CTCI Corporation <u>Current Positions in Non-Profit Organizations:</u> Founder and Chairman, Taiwan Renaissance Platform Adjunct Lecturer in the College of Management, National Taiwan University Adjunct Lecturer in the College of Commerce, National Chengchi University
Independent Director Rose Tsou	<u>Selected Education:</u> MBA of J.L. Kellogg Graduate School of Management, Northwestern University MS in Mass Communication, Boston University <u>Selected Past Positions:</u> Former Head of International, Verizon Media Former Managing Director, Yahoo Asia Pacific Former General Manager, Yahoo Taiwan Former Chairman, World Vision Taiwan	<u>Current Positions in Other Companies:</u> Chairman, FNCapital Co., Ltd. Director, FundRich Securities Co., Ltd. Director, HK Television Entertainment Company Limited Director, EASYCARD Corporation Director and Compensation Committee Member, IPEVO Corporation Independent Director, Audit Committee Member and Convener and Chairwoman of Compensation Committee, Sercomm Corp.
Independent Director Audrey Tseng	<u>Selected Education:</u> Master of Business Management, National Taiwan University and Fudan University Master of Commerce in Department of Accounting, National Chengchi University <u>Selected Past Positions:</u> Former Deputy Chairman, Assurance Leader and Markets Leader, PricewaterhouseCoopers Taiwan Former Synergies Leader of PricewaterhouseCoopers Greater China (CaTSH) Former Chairman of Alumni Association for Accounting Department of National Chengchi University	<u>Current Positions in Other Companies:</u> Director, T-E Pharma Holding (Cayman) Director, BRIM Biotechnology, Inc. Director, HanchorBio Inc. (Cayman) Director, HanchorBio Inc. Director, AP Biosciences Inc. Director, Bonraybio Co., Ltd. Independent Director, Onward Therapeutics SA (Switzerland) Independent Director and Audit Committee Member, ASUSTeK Computer Incorporation Independent Director, Audit Committee Member, Compensation Committee Member and Nomination Committee Member, Coretronic Corporation Independent Director, Audit Committee Member and Compensation Committee Member, Bionime Corporation <u>Current Positions in Non-Profit Organizations:</u> Advisory member, Bio Taiwan Committee, Executive Yuan Advisor of Biomedical Translation Research Center, Academia Sinica



Title Name	Experience (Education)	Concurrent Positions in the Company and Other Companies (Note)
Independent Director Audrey Tseng		Vice-Chairman, Taiwan Bio Industry Organization Vice-Chairman, Taiwan Precision Medicine Industry Association Adjunct Professor, National Yang Ming Chiao Tung University

Note: Please refer to the section of the Information of Directors, Supervisors and Presidents of Affiliates for current positions in the Company and other companies.

Major shareholders of the institutional shareholders: None

Information of Directors

1. Professional qualifications and independence analysis of directors

April 27, 2023

Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Yancey Hai		Mr. Yancey Hai joined Delta in 1999 and became Vice-Chairman and CEO in 2004 to lead Delta's operational development direction, promote and implement strategic innovation business development. In 2022, Mr. Hai was appointed Chairman of the Taiwan Climate Partnership to guide the ICT industry supply chain towards a net-zero carbon emissions future. Also in 2022, Yancey was honored as a Laureate of the Industrial Technology Research Institute (ITRI). Before joining Delta, Mr. Yancey Hai was the country manager of GE Capital Taiwan, and prior to that he served in key positions in international financial organizations such as JP Morgan and Citibank. Mr. Yancey Hai has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.	-	2
Mark Ko		Mr. Mark Ko joined Delta in 1988 and he was appointed general manager of what is today the Power System Business Group in 1994. Mr. Mark Ko served as president and Chief Operating Officer of Delta Group since 2004, and was responsible for worldwide business operations and management, R&D, manufacturing, and quality processes. Mr. Mark Ko was appointed as Vice-Chairman of Delta Electronics in 2012. He is responsible for managing Delta's related companies and leading the integration of cross-business techniques and products to provide total solutions. Mr. Mark Ko has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.	-	0
Bruce CH Cheng		In 1971, Mr. Bruce CH Cheng founded Delta with the mission statement, "To provide innovative, clean and energy-efficient solutions for a better tomorrow," to lead Delta. Mr. Bruce CH Cheng puts importance on the protection of the global environment. Since the establishment of Delta, he has been continuously committed to improving the energy efficiency of products and developing innovative energy-saving technologies. For half of the century, under the leadership of Mr. Bruce CH Cheng, Delta has become a world-class provider of power management and thermal solutions, as well as a global leader in the computer, telecommunications, consumer electronics and network communications industries. Mr. Bruce CH Cheng has worked in the Company's business for more than 50 years, and does any not have circumstances defined in the Article 30 of the Company Act.	-	0



Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Ping Cheng	Mr. Ping Cheng joined Delta Electronics in 1988 and held various positions in units of different regions at home and abroad. From 1998 to 2008, Mr. Ping Cheng served as Deputy General Manager of the Component Business Group of Delta China, and Executive Vice-President of the China Region. In 2008, Mr. Ping Cheng became the Senior Vice-President & General Manager of the Power Supply Business Group. In 2010, Mr. Ping Cheng was appointed as the first Chief Brand Officer in charge of Delta's branding, new business support and nationwide business development. Mr. Ping Cheng has been the Chief Executive Officer of Delta since 2012, responsible for organization operations and new business development. Mr. Ping Cheng has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.		
Simon Chang	Mr. Simon Chang joined Delta in 1981 has served as manager of the engineering department, manager of the material department, director of the Industrial Automation Business Division, and general manager of the Industrial Automation Business Group. Mr. Simon Chang has led the Industrial Automation Business Division for more than 20 years in the field of industrial automation, covering drives, motion, control, sensing, and machine vision. During this time, Mr. Simon Chang also directed Delta's innovation and development of "smart manufacturing" related products to provide efficient and integrated solutions to move toward smart and green manufacturing. Mr. Simon Chang has served as President and Chief Operations Officer of Delta since 2017 to lead all business groups and regions' operation and business. Mr. Simon Chang has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.	-	0
Victor Cheng	Mr. Cheng joined Delta in 1993 and held various positions from International Sales Director, Assistant General Manager to General Manager of Video Display Business Unit. Mr. Victor Cheng acted as the President and Chairman of the Board of Delta in Networks, Inc., a subsidiary of Delta that focuses on the design and manufacture of Ethernet switches and wireless networking products. From 2014 to 2017, Mr. Victor Cheng also served as the General Manager of Power Systems Business Group. In 2017, Mr. Victor Cheng as appointed as the General Manager of Information and Communication Technology Business Group to apply core power electronics technologies to information and communication technology infrastructure and various solutions. In 2023, Mr. Victor Cheng was appointed as the EVP of Infrastructure Business. Mr. Victor Cheng has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.	-	0



Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Shan-Shan Guo	Ms. Shan-Shan Guo joined Delta in 2010 and was promoted to the Chief Brand Officer in the following year. Now, Ms. Shan-Shan Guo concurrently serves as Vice-Chairman of Delta Electronics Foundation. She has been assisting Delta in creating its brand culture and core values, building Delta's brand influence through corporate brand, product brand, employer brand, and public welfare brand in relation to different stakeholders. Delta has been continuously selected as one of the top 20 Best Taiwan Global Brands since 2011, and the brand value has been greatly increased. Meanwhile, Ms. Shan-Shan Guo acts as the chief planning officer of Delta to participate in the Conference of the Parties "COP", and has led Delta to host several official side events. Ms. Shan-Shan Guo has over 5 years of necessary work experiences for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act.	-	0
Ji-Ren Lee	Mr. Ji-Ren Lee was the Associate Dean in the Department of Management and the Executive Director in EMBA Program at National Taiwan University from 2005 to 2008. From 2010 to 2013, he served as Associate Dean for Teaching and Resource Development at the College of Management, National Taiwan University. Mr. Lee was the Director in the Creativity and Entrepreneurship Program at National Taiwan University from 2013 to 2020. After retirement in 2020, Mr. Ji-Ren was awarded the Professor Emeritus of International Business from National Taiwan University. Mr. Ji-Ren Lee has expertise in business strategy, risk management and finance over 5 years of necessary work experience for the business of the Company. In 1982, Mr. Ji-Ren Lee served as Assistant Manager in Yulon Motor Co., Ltd., which is deemed as work experience related to the Industrials Sector in the Global Industry Classification Standard (GICS). Mr. Ji-Ren Lee does not have any circumstances defined in the Article 30 of the Company Act. Mr. Ji-Ren Lee has been serving as Independent Director of ACER Incorporated (since 2014 till now), Independent Director in VIVOTEK, Inc (since 2018 till now) and Independent Director in Airoha Technology Corp. (since 2022 till now).	During the two years before being elected and during the term of office, Mr. Ji-Ren Lee does not have any circumstances defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	3
Shyue-Ching Lu	Mr. Shyue-Ching Lu served as the Director at the Telecom Labs of Ministry of Transportation and Communications Republic of China (MOTC) in 1986; the Director General in the Department of Posts and Telecommunications at Ministry of Transportation and Communications Republic of China (MOTC) in 1993; the Director of the Institute of Telecommunications at MOTC, Deputy Director at Telecommunications at MOTC in 1994; the CEO of Chunghwa Telecom Co., Ltd. in 1996; and the Chairman of Chunghwa Telecom Co., Ltd. in 2008. In 2013, he retired from the Chunghwa Telecom Co., Ltd. Mr. Shyue-Ching Lu has a professional background and rich experience in the information and communication industry, and was awarded the Professor Emeritus of National Yang Ming Chiao Tung University. Mr. Shyue-Ching Lu has over 5 years of necessary work experience for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act. Mr. Shyue-Ching Lu has been serving as Independent Director of Radium Life Tech Co., Ltd. (since 2016 till now) and Independent Director in MiTAC Holdings Corporation (since 2016 till now).	During the two years before being elected and during the term of office, Mr. Shyue-Ching Lu does not have any circumstances defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2



Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Jack J.T. Huang	Mr. Jack J.T. Huang was honored S.J.D. from Harvard University in 1983, and was the Attorney-at-Law at Jones Day Taipei Office and the Honorary Chairman at Taiwan M&A and Private Equity Council. His areas of expertise include various cross-border investments, corporate mergers and acquisitions, joint ventures and collaborations, securities and finance, venture capital funds, technology-related matters, technology licensing, major infrastructure projects, and other business transactions. He also served as the chairman of the Taiwan Mergers and Acquisitions and Private Equity Council. Mr. Jack J.T. Huang has over 5 years of practical experience in law and necessary work experience for the business of the Company. In January, 2020, Mr. Jack J.T. Huang served as Special Advisor of the CEO in Yulon Group, which is deemed as the work experience related to the Industrials Sector in the Global Industry Classification Standard (GICS). Mr. Jack J.T. Huang once served as an adjunct practical teacher in the Department of Law of the National Taiwan University College of Law and an adjunct visiting associate professor at Soochow University. Mr. Jack J.T. Huang also passed the national examination and obtained a lawyer's certificate and he does not have any circumstances defined in the Article 30 of the Company Act. Mr. Jack J.T. Huang has been serving as Independent Director of WPG Holding Limited (since 2005 till now), Independent Director in CTCI Corporation (since 2014 till now), and adjunct teacher in the College of Management of National Taiwan University and the Department of Business Administration of National Chengchi University.	During the two years before being elected and during the term of office, Mr. Jack J.T. Huang does not have any circumstances defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2
Rose Tsou	Ms. Rose Tsou was the General Manager at Yahoo Taiwan from 2000 to 2007, and was promoted to Managing Director of Yahoo Asia Pacific in 2007, managing media content, digital advertising and e-commerce businesses. She was the head of International at Verizon Media from 2018 to 2020 and led the team in Asia Pacific, Europe and Latin America to enhance cross-regional operation experience and talent exchange, focusing on mobile product development, promotion and business, and exploring new market collaboration opportunities to help Verizon Media accelerate its growth in the international market. Ms. Rose Tsou has over 5 years of necessary work experience for the business of the Company, and does not have any circumstances defined in the Article 30 of the Company Act. Currently, Ms. Rose Tsou is the Independent Director of Sercomm Corp. (since 2017 till now).	During the two years before being elected and during the term of office, Ms. Rose Tsou does not have any circumstances defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2
Audrey Tseng	Ms. Audrey Tseng used to work at PricewaterhouseCoopers Taiwan and served as CPA for 35 years. She has been engaged as the external CPA for several large group companies. She specializes in multinational finance, tax planning, mergers, divisions, corporate governance, industrial development and business strategies, and has extensive practical experience in financial risk assessment and management.	During the two years before being elected and during the term of office, Ms. Audrey Tseng does not have any circumstances	3



Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Audrey Tseng	Ms. Audrey Tseng has accounting expertise and over 5 years of necessary work experience for the business of the Company. Ms. Audrey Tseng also passed the national examination and obtained CPA certification does not have any circumstances defined in the Article 30 of the Company Act. Ms. Audrey Tseng has been serving as Independent Director of ASUSTeK Computer Incorporation (since 2022 till now), Independent Director of Coretronic Corporation (since 2022 till now), Independent Director of Bionime Corporation (since 2022 till now), and Adjunct Professor at National Yang Ming Chiao Tung University.	defined in the Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	

Note 1: Professional qualification and experience: To state the professional qualifications and experience of individual directors and supervisors. If he/she is a member of the Audit Committee and has accounting or financial expertise, his/her accounting or financial background and work experience should be stated. Meanwhile, this section should also indicate whether there is any circumstance defined in Article 30 of the Company Act.

Note 2: The status of independence of independent directors should be provided to state that they are independent including but not limited to whether the person, spouse, relatives within the second degree serve as directors, supervisors or employees of the Company or its affiliates, the shares and proposition of shareholding held by the person, spouse, relatives within the second degree (or under others' names), whether to serve as a director, supervisor or employee of a company that has a specific relationship with the Company (please refer to Subparagraph 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and disclose the amount of remuneration they received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

2. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of the Directors:

Policy: The Board of Directors of the Company has approved the enactment of the Corporate Governance Best Practice Principles, and the Directors Elections Regulations have been approved through its shareholders' meeting. According to the Paragraph 3, Article 20 of the Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be diverse, such as having different professional backgrounds, working fields or genders, etc., and the board members shall have the knowledge, skills, and competence necessary to perform their duties. According to Article 3 of the Directors Elections Regulations, when selecting the Company's directors, the overall composition of the Board of Directors should be taken into consideration. The members of the Board of Directors must generally possess the knowledge, skills, and competence needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership, and decision-making ability.

Goal: In order to allow its highest governance body to enhance their comprehensive knowledge on economic, environmental and social issues and keep on improving the ability of risk management of its Board of Directors, the Company aims to organize at least 6 hours of directors' training sessions each year and invite internal or external lecturers to give lectures. The Company also actively cooperate with the Financial Supervisory Commission R.O.C. to promote Corporate Governance 3.0 - Sustainable Development Roadmap. In 2022, the Company added two female directors (including independent directors) with accounting expertise and abilities. Besides, the Company will propose to the Annual General Shareholders' Meeting for approval of the amendments to its Directors Elections Regulations in 2023 to take diversity of the composition of the Board of Directors, such as having different genders, ages, races, nationalities, cultures, professional backgrounds, and working fields, etc., into consideration when nominating and selecting the Company's directors.

Achievement: In 2022, the Company invited the directors to participate in the internal directors' training sessions on "Latest developments and revision trends of international taxation and domestic taxation" and "Net-zero emissions, carbon neutrality and corporate compliance". In 2022, two additional female directors were elected,



so the Board of Directors are now made up of 12 directors. The percentage of the non-employee directors was 58% (60% in 2021), the percentage of independent directors was 42% (40% in 2021), and the percentage of the female directors (including independent directors) was 25 % (10% in 2021), with 25% of the directors at the age between 50~59 years old (20% in 2021), 42% at the age between 60~69 years old (40% in 2021), 25% at the age between 70~79 years old (30% in 2021), and 8% at the age between 80~89 years old (10% in 2021). The Company's newly elected directors have brand management and marketing communications expertise, and its newly elected independent director has expertise in the fields of accounting, finance, business management and corporate governance, etc.

Diversity of the Board of Directors' members has been implemented as shown below:

Diversity Items Name	Title	Gender	Nationality	Age	Employee	Years as an independent director	Professional Background	GICS Industry Work Experience (Note)
Yancey Hai	Chairman	Male	TW / US	70~79 years	N	0	International Business Management	Y
Mark Ko	Vice-Chairman	Male	TW	60~69 years	Y	0	Control Engineering	Y
Bruce CH Cheng	Director	Male	TW	80~89 years	N	0	Electrical Engineering	Y
Ping Cheng	Director	Male	TW	60~69 years	Y	0	Business Management	Y
Simon Chang	Director	Male	TW	60~69 years	Y	0	Business Management and Electrical Engineering	Y
Victor Cheng	Director	Male	TW	50~59 years	Y	0	Electrical Engineering	Y
Shan-Shan Guo	Director	Female	TW	50~59 years	Y	0	Brand Management and Marketing Communication	Y
Ji-Ren Lee	Independent Director	Male	TW	60~69 years	N	7	Business Management and Industrial Engineering	Y
Shyue-Ching Lu	Independent Director	Male	TW	70~79 years	N	2	Electrical Engineering and communication	N
Jack J.T. Huang	Independent Director	Male	TW	70~79 years	N	2	Law	Y
Rose Tsou	Independent Director	Female	TW	50~59 years	N	2	Business Management and Mass Communication	N
Audrey Tseng	Independent Director	Female	TW	60~69 years	N	1	Accounting, Finance, Business Management and Corporate Governance	N

Note: The industry is classified according to the first level of the Global Industry Classification Standard (GICS).

Diversity Items Name	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Leadership	Ability to make decisions
Yancey Hai	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Mark Ko	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Bruce CH Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ping Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Simon Chang	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Victor Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Shan-Shan Guo	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ji-Ren Lee	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent



Name	Diversity Items	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Leadership	Ability to make decisions
Shyue-Ching Lu		Excellent	Good	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Jack J.T. Huang		Excellent	Good	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Rose Tsou		Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Audrey Tseng		Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent

(2) Independence of the Board of Directors:

Policy: The Directors Election Regulations have been approved by resolution of the shareholders' meeting of the Company in accordance with Article 192-1 of the Company Act on the candidate nomination system for electing directors (including independent directors) in. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates, and the number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be fewer than half of the total number of directors. In addition, the Rules and Procedures of the Meeting of Board of Directors have been approved by the Board of Directors of the Company to require any director or a juristic person represented by a director who is an interested party with respect to any agenda item shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director must not participate in discussion or voting on that agenda item shall enter recusal during discussion and voting on that item, and shall not act as another director's proxy to exercise voting rights on that matter.

Goal: To enhance the effectiveness of the Board of Directors so as to implement an effective board governance system, the Company has established the Audit Committee and the Compensation Committee, composed of all independent directors. Through professional division of duties and an independent and impartial position, the committees assist the Board in decision-making, with the goal of enhancing oversight and management functions and promoting sound corporate governance. In 2022, an additional independent director was elected in compliance with the relevant regulations promulgated by the Financial Supervisory Commission R.O.C.

Achievement: The Company adopted the candidate nomination system in its 2022 election of directors. 58% (7) of the directors were non-employees (60% in 2021), and 42% (5) of the directors were independent directors, (40% in 2021), 25% (3) of the directors had family relationship within the second degree of kinship representing (30% in 2021), and there was no any family relationship within the second degree of kinship between independent directors or independent directors and directors, which was in compliance with Paragraphs 3 and 4, Article 26-1 of the Securities and Exchange Act. None of the independent directors had any circumstances defined in Article 30 of the Company Act, and all of them met the relevant regulatory requirements promulgated by the Financial Supervisory Commission R.O.C. Regarding the conflicted directors' recusals from agenda items, please refer to the section of "Implementation of Corporate Governance" in the third chapter of "Corporate Governance Report" in this annual report.



3.2.2 Management team

April 15, 2023

Title Name	Nationality Gender	Effective Date (Note 1)	Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Shareholding by Nominee Arrangement (Note 2)		Managers who are Spouses or Within Two Degrees of Kinship			Note
			Shares	%	Shares	%	Shares	%	Title	Name	Relation	
Chairman of Strategic Steering Committee Mark Ko	TW Male	August 16, 2012	807,630	0.03	0	0.00	0	0.00	-	-	-	-
CEO and Vice-Chairman of Strategic Steering Committee Ping Cheng	TW Male	June 28, 2012	55,640,093	2.14	0	0.00	0	0.00	-	-	-	-
President, COO and Branch Manager Simon Chang	TW Male	July 3, 2017	903,811	0.03	517	0.00	0	0.00	-	-	-	-
Corporate CFO Beau Yu	TW Male	August 1, 2021	0	0.00	0	0.00	0	0.00	-	-	-	-
Chief Corporate Governance Officer Shalin Chen	TW Female	April 29, 2019	2,105	0.00	0	0.00	0	0.00	-	-	-	-

Note 1: The members in management team have taken office from the effective date to date.

Note 2: The number of shares held as of April 15, 2023, the book closure starting date of the annual general shareholders' meeting.

Title Name	Experience (Education)	Other Position (Note)
Chairman of Strategic Steering Committee Mark Ko	<u>Selected Education:</u> Bachelor in Control Engineering, National Chiao Tung University <u>Selected Past Positions:</u> Former President and COO, Delta Electronics, Inc.	Director, Delta Greentech (China) Co., Ltd., etc.
CEO and Vice-Chairman of Strategic Steering Committee Ping Cheng	<u>Selected Education:</u> Bachelor in Business Administration, California State University, East Bay (Formerly known as California State University, Hayward) <u>Selected Past Positions:</u> Former Senior Vice-President and President in Greater China Area, Delta Electronics, Inc.	Chairman, Delta Greentech (China) Co., Ltd., etc.
President, COO and Branch Manager Simon Chang	<u>Selected Education:</u> EMBA, Chung Yuan Christian University <u>Selected Past Positions:</u> Former Senior Vice-President and General Manager of the Industrial Automation Business Group, Delta Electronics, Inc.	Director, Betacera Inc., etc.
Corporate CFO Beau Yu	<u>Selected Education:</u> MBA, University of South Australia and Bachelor in Accounting, Chinese Culture University <u>Selected Past Positions:</u> Former CFO, Delta Electronics (Thailand) Public Company Limited	Director, Delta Electronics Int'l (Singapore) Pte. Ltd., etc.
Chief Corporate Governance Officer Shalin Chen	<u>Selected Education:</u> Bachelor in Accounting, Chung Yuan Christian University <u>Selected Past Positions:</u> Former Director, PricewaterhouseCoopers Taiwan	Supervisor, Cyntec Co., Ltd.

Note: Please refer to the section of the "Information of Directors, Supervisors and Presidents of Affiliates" for other positions in other companies held by the management team of the Company.



► 3.3 Remuneration paid during the most recent fiscal year to directors, the presidents and vice-presidents

3.3.1 Remuneration paid to directors and independent directors

		Directors Remuneration								Unit: NT\$1,000	
Title	Name (Note 1)	Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors(C) (Note 3)		Allowances (D) (Note 4)		Amount and Ratio of total A, B, C and D to Net Income (Note 10)	
		The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements
Director	Bruce CH Cheng										
	Yancey Hai										
	Mark Ko										
	Ping Cheng	0	0	0	0	31,520	33,317	2,405	2,441	33,925	35,757
	Simon Chang									0.10%	0.11%
Independent Director	Victor Cheng										
	Shan-Shan Guo										
	(Note 12)										
	Shyue-Ching Lu										
	JH-Ren Lee										
Independent Director	Rose Tsou	0	0	0	0	16,000	17,000	0	36	16,000	17,036
	Jack J. T. Huang									0.05%	0.05%
	Audrey Tseng										
(Note 12)											



Title	Name	Remuneration Received as Employee						Remuneration from Invested Companies Other Than Subsidiaries or Parent Company (Note 11)			
		Salary, Bonus and Special Allowance (E) (Note 5)	Pension (F)		Employee Bonus (G) (Note 6)				Amount and Ratio of total A, B, C, D, E, F and G to Net Income (Note 10)		
			The Company	All Companies in the Consolidated Financial Statements (Note 7)		The Company	All Companies in the Consolidated Financial Statements (Note 7)			The Company	All Companies in the Consolidated Financial Statements
				Cash	Stock						

Independent Director	Shyue-Ching Lu								
	Ji-Ren Lee								
	Rose Tsou	0	0	0	0	0	0	0	17,036
	Jack J.T. Huang								0.05%
	Audrey Tseng								0
(Note 12)									

- Directors and Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:
Pursuant to Article 30 of the Article of Incorporation of the Company, if the Company makes a profit for the current year, the Board of Directors shall resolve on the allocation of at least 3% of the profit as employee compensation and no more than 1% as the compensation for directors. Remuneration for directors of the Company shall be evaluated by the Compensation Committee according to their respective participation in the operation of the Company and value of contribution, the practice of the Company's core values, familiarity with the goals and missions of the Company, awareness of the duties of a director, management and communication of internal relationship, director's professional and continuing education as well as internal control. The Board of Directors is authorized to determine their remuneration according to the evaluation conducted by the Compensation Committee and general standard in the same industries. For example, the Chairman should be responsible for the board operations and corporate governance evaluation results, the connection of shareholders' interests, the achievement rate of the Company's long-term strategic goals, the accomplishment of RE 100 and other ESG indicators. Remuneration for independent directors may be different from non-independent directors. The remuneration for the independent director who is serving as the chairperson of a functional committee can be higher than other independent directors.
- In addition to the above remuneration, director remuneration shall be disclosed when received from companies listed in the consolidated financial statements and reinvestment companies in the most recent year to compensate for their services, such as being independent consultants, etc.: None.



Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Items of Remunerations (A+B+C+D)		First Seven Items of Remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in The Consolidated Financial Statements (Note 9) H	The Company (Note 8)	Parent Company and All Invested Companies (Note 9) I
Below NT\$1,000,000	Ping Cheng, Simon Chang, Victor Cheng, Shan-Shan Guo	Ping Cheng, Victor Cheng, Shan-Shan Guo	-	-
NT\$1,000,000 (incl.) to NT\$2,000,000 (not incl.)	-	Simon Chang	-	-
NT\$2,000,000 (incl.) to NT\$3,500,000 (not incl.)	Rose Tsou, Jack J.T. Huang, Audrey Tseng	Rose Tsou, Jack J.T. Huang, Audrey Tseng	Rose Tsou, Jack J.T. Huang, Audrey Tseng	Rose Tsou, Jack J.T. Huang, Audrey Tseng
NT\$3,500,000 (incl.) to NT\$5,000,000 (not incl.)	Mark Ko, Shyue-Ching Lu, Ji-Ren Lee	Mark Ko, Shyue-Ching Lu, Ji-Ren Lee	Shyue-Ching Lu, Ji-Ren Lee	Shyue-Ching Lu, Ji-Ren Lee
NT\$5,000,000 (incl.) to NT\$10,000,000 (not incl.)	Bruce CH Cheng	Bruce CH Cheng	Bruce CH Cheng	Bruce CH Cheng
NT\$10,000,000 (incl.) to NT\$15,000,000 (not incl.)	-	-	-	-
NT\$15,000,000 (incl.) to NT\$30,000,000 (not incl.)	Yancey Hai	Yancey Hai	Yancey Hai, Victor Cheng, Shan-Shan Guo	Yancey Hai, Victor Cheng, Shan-Shan Guo
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)	-	-	Mark Ko	Mark Ko
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)	-	-	Ping Cheng, Simon Chang	Ping Cheng, Simon Chang
Above NT\$100,000,000	-	-	-	-
Total	12 persons	12 persons	12 persons	12 persons

Note 1: The names of the directors shall be listed separately (the legal person shareholder shall be listed with both its name and the representative's name), and directors and independent directors should be listed separately. The amount of each payment shall be disclosed in a summary manner.

Note 2: The remuneration of directors in the latest year (including directors' remuneration, duty allowances, severance, bonuses, rewards, etc.).

Note 3: The amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to the expenses incurred by directors to perform relevant duties including transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the directors in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, gas and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or personal expenses. If there is a driver, please note the company's payment for the driver, but not included in remuneration.

Note 5: Refers to the salaries, duty allowances, severance, bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the directors' act concurrently as employees including the president, vice-presidents, other managers and employees in the most recent year. The nature and cost of the assets provided, the actual prices or fair market values of the rent, gas and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or personal expenses. If there is a driver, please explain the Company's payment for the driver in the footnote, but not included in remuneration. The salary expenses recognized in accordance with IFRS 2 "Share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth shall also count towards the remuneration.

Note 6: If the directors act concurrently as employees (including the president, vice-presidents, other managers and employees) who receive employee remuneration (including stock and cash), the amount of employee bonus approved by the Board of Directors in the latest year shall be disclosed. If it is impossible to be estimated, the year's estimated amount will be calculated based on the proportion of the actual distribution amount last year. And Annexed Form 1-3 shall be filled out.

Note 7: Total amount of remuneration paid to the directors by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 8: Total amount of remuneration paid to the directors by the Company, with disclosure of the directors' names in the corresponding brackets.

Note 9: Total amount of remuneration paid to each directors of the Company by all companies (including the Company) in the consolidated financial statements, with disclosure of the names of the directors in the corresponding brackets.

Note 10: Net Income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 11: a. This column should clearly be filled out with the remuneration amount related to invested companies other than the subsidiaries or the parent company for directors of the Company.

b. If the directors of the Company receive the remuneration from the invested companies other than the subsidiaries or the parent company, the remuneration shall be merged with Column I of the Table of Remuneration Ranges; and the name of the column shall be changed to "Parent Company and All Invested Companies".

c. Remuneration refers to the emoluments (including employees, directors and supervisors emoluments) and business handling expenses, etc., for the directors of the Company as directors, supervisors or managers of invested companies other than the subsidiaries or the parent company.

Note 12: Having taken office on June 14th, 2022, the disclosure of his/her remuneration starts from the date of assumption of office.

❖ The content of the remuneration disclosed in this Table is different from the concept of the Income Tax Act. Therefore, the purpose of this Table is only for information disclosure but not for withholding tax.

3.3.2 Remuneration paid to supervisors: Not applicable.



3.3.3 Remuneration paid to the President and Vice-Presidents

Unit: NT\$1,000														
Title	Name	Salary (A) (Note 2)		Pension(B)		Bonus and Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Amount and Ratio of total (A), (B), (C) and (D) to Net Income (%) (Note 8)		Remuneration from Invested Companies Other Than Subsidiaries or Parent Company (Note 9)
		The Company	All Companies in The Consolidated Financial Statements (Note 5)	The Company	All Companies in The Consolidated Financial Statements (Note 5)	The Company	All Companies in The Consolidated Financial Statements (Note 5)	The Company	All Companies in The Consolidated Financial Statements (Note 5)	The Company	All Companies in The Consolidated Financial Statements (Note 5)			
Chairman of Strategic Steering Committee CEO and Vice-CEO	Mark Ko													
Chairman of Strategic Steering Committee President, COO and Branch Manager	Ping Cheng	30,334	30,334	412	412	1,062	1,098	143,642	0	156,650	0	175,450	188,494	60
												0.54%	0.58%	

❖ Job positions equivalent to the president and vice-presidents (ex: presidents, CEO, executive presidents, etc.) should be disclosed whatever their titles are.

Unit: NT\$1,000



Table of Remuneration Ranges

Range of Remuneration Paid to the President and the Vice-Presidents	Names of the President and the Vice-Presidents	
	The Company (Note 6)	All companies in The Consolidated Financial Statements (Note 7) E
Below NT\$1,000,000	-	-
NT\$1,000,000 (incl.) to NT\$2,000,000 (not incl.)	-	-
NT\$2,000,000 (incl.) to NT\$3,500,000 (not incl.)	-	-
NT\$3,500,000 (incl.) to NT\$5,000,000 (not incl.)	-	-
NT\$5,000,000 (incl.) to NT\$10,000,000 (not incl.)	-	-
NT\$10,000,000 (incl.) to NT\$15,000,000 (not incl.)	-	-
NT\$15,000,000 (incl.) to NT\$30,000,000 (not incl.)	-	-
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)	Mark Ko	Mark Ko
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)	Ping Cheng, Simon Chang	Ping Cheng, Simon Chang
Above NT\$100,000,000	-	-
Total	3 persons	3 persons

Note 1: The names of the president and the vice-presidents shall be separately listed, and the respective amounts of payment shall be disclosed in a summary manner.

Note 2: This refers to the emoluments, duty allowances and severance of the president and the vice-presidents in the most recent year.

Note 3: This refers to the bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the president and the vice-presidents in the most recent year. The nature and cost of the assets provided, the actual prices or fair market values of the rent, gas and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or personal expenses. If there is a driver, please explain the Company's payment to the driver in the footnote, but not included in remuneration. The salary expenses recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates and restricted stock awards, and participating in cash capital increase and subscription of shares shall also be included in the remuneration.

Note 4: The amount of employee bonus (including stock and cash) to the president and the vice-presidents as approved by the board of directors in the most recent year. If it is impossible to be estimated, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. And Annexed Form 1-3 shall be filled out.

Note 5: Total amount of remuneration paid to the president and vice-presidents by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 6: Respective total amounts of remuneration paid to the president and the vice-presidents by the Company with disclosure of the names of the president and the vice-presidents in the corresponding brackets.

Note 7: It shall disclose the respective total remuneration amounts paid to the president and the vice-presidents of the Company by all companies (including the Company) in the consolidated financial statements, with disclosure of the names of the president and the vice-presidents in the corresponding brackets.

Note 8: Net income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 9: a. This column should clearly state the remuneration amount paid to the president and the vice-presidents of the Company by invested companies other than the subsidiaries or the parent company

b. If the president or the vice-presidents of the Company receive emoluments from the invested companies other than the subsidiaries or the parent company, the remuneration shall be merged with Column E of the Table of Remuneration Ranges; and the name of the column shall be changed to "Remuneration from the parent company and invested companies".

c. Remuneration refers to the emoluments (including employee, director and supervisor's emoluments) and business handling expenses, etc. paid to the president and the vice-presidents of the Company as directors, supervisors or managers of invested companies other than the subsidiaries.

❖ The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this Table is only for information disclosure but not for withholding tax.



3.3.4 Names of management team members who received employee bonus and distributed amounts

Unit: NT\$1,000

Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Percentage of the Total to Net Income (%)
Chairman of Strategic Steering Committee	Mark Ko				
Managers					
CEO and Vice-Chairman of Strategic Steering Committee	Ping Cheng	0	175,804	175,804	0.54%
President, COO and Branch Manager	Simon Chang				
Corporate CFO	Beau Yu				
Chief Corporate Governance Officer	Shalin Chen				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary manner.

Note 2: The amount of employee bonus (including stock and cash) to the managers as approved by the board of directors in the most recent year. If it is impossible to be estimated, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. Net income refers to the profit after income tax in the most recent year; if the International Financial Reporting Standard has been adopted, the net income refers to the profit after income tax of the parent company only financial statements in the most recent year.

Note 3: The application scope of "managers" in accordance with the Order No. 0920001301 issued by the Financial Supervisory Commission, R.O.C. (Taiwan) on March 27, 2003 is as follows:

- (1) President and equivalent
- (2) Vice-president and equivalent
- (3) Assistant vice president and equivalent
- (4) Head of finance department
- (5) Head of accounting department
- (6) Other person who have the authority to manage affairs and sign for the company

Note 4: If the directors, presidents or vice-presidents received employee bonus (including stock and cash), relevant information shall be provided in this Table, apart from Table 1-2.

3.3.5 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements in the most recent two years to the directors, the president and the vice-presidents of the Company and analysis and description of remuneration policies, standards, packages and the procedure for determining remuneration, and their linkage to operating performance and future risk exposure.

3.3.5.1. Analysis of total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements in the most recent two years to the directors, the president and the vice-presidents of the Company

The Company

Unit: NT\$1,000

Year	Total Remuneration to the Directors, the President and the Vice-Presidents	The Proportion of Total Amount to Profit after Income Tax (%)
2021	241,696	0.90%
2022	260,911	0.80%

All Consolidated Companies

Unit: NT\$1,000

Year	Total Remuneration to the Directors, the President and the Vice-Presidents	The Proportion of Total Amount to Profit after Income Tax (%)
2021	262,136	0.98%
2022	283,292	0.87%



3.3.5.2. The Company's remuneration policies, standards, packages and the procedure for determining remuneration, and their linkage to operating performance and future risk exposure.

Pursuant to Article 30 of the Article of Incorporation of the Company, if the Company makes a profit for the current year, the Board of Directors shall resolve on the allocation of at least 3% of the profit as the employee compensation and no more than 1% as the compensation for directors. Remuneration for directors of the Company shall be evaluated by the Compensation Committee according to their respective participation in the operation of the Company and value of contribution, the practice of the Company's core values, familiarity with the goals and missions of the Company, awareness of the duties of a director, management and communication of internal relationship, director's professional and continuing education as well as internal control. The Board of Directors is authorized to determine their remuneration according to the evaluation conducted by the Compensation Committee and general standard in the same industries. For example, the Chairman should be responsible for the board operations and corporate governance evaluation results, the connection of shareholders' interests, the achievement rate of the Company's long-term strategic goals, the accomplishment of RE 100 and other ESG indicators. Remuneration for independent directors may be different from non-independent directors. The remuneration for the independent director who is serving as the chairperson of a functional committee can be higher than other independent directors.

The compensation of the Company's managers is determined according to their duties, ranks, professional abilities, and with reference to the salary standard in the same industries. Bonuses are highly related to the Company's operation results and performance. The managers' compensation is based on the annual scores on the executives' salary performance indicators (including annual ROE, annual net margin, annual revenue achievement rate, annual strategic focus, and ESG, etc.) in reference to the peer group average before being proposed. After deliberation by the Compensation Committee, the proposal would then be submitted to the Board of Directors for approval.



► 3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

A total of 7 (A) meetings of the Board of Directors (inclusive of 5 meetings held after June 14, 2022) were held in 2022 and 2023 till the printing date of the annual report. The attendance of the directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note 1 and 2)	Remarks
Chairman	Yancey Hai	7	0	100%	-
Vice-Chairman	Mark Ko	7	0	100%	-
Director	Bruce CH Cheng	7	0	100%	-
Director	Ping Cheng	7	0	100%	-
Director	Simon Chang	7	0	100%	-
Director	Victor Cheng	7	0	100%	-
Director	Shan-Shan Guo	5	0	100%	New director Elected on June 14, 2022
Independent Director	Ji-Ren Lee	7	0	100%	-
Independent Director	Shyue-Ching Lu	7	0	100%	-
Independent Director	Jack J. T. Huang	7	0	100%	-
Independent Director	Rose Tsou	7	0	100%	-
Independent Director	Audrey Tseng	5	0	100%	New independent director Elected on June 14, 2022

Note 1: Should any director resign before the end of the fiscal year, his/her resignation date shall be stated in the remark, and his/her attendance rate (%) shall be calculated based on the number of meetings of the Board of Directors and the/her actual attendance during their term of office.

Note 2: Should there be director re-election before the end of the fiscal year, both of the new director and the former director shall be disclosed. Meanwhile, the remark column should indicate that he/she is a new, former or re-elected as well as the election date. The attendance rate (%) shall be calculated based on the number of meetings of the Board of Directors and his/her actual attendance during their term of office.

The attendance of independent directors at each meeting of the Board of Directors in 2022 and 2023 till the printing date of the annual report is as follows:

Title	Name	19th Term						
		6th	7th	8th	9th	10th	11th	12th
		2022.2.24	2022.4.28	2022.7.28	2022.10.27	2022.12.29	2023.2.22	2023.4.27
Independent Director	Ji-Ren Lee	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Shyue-Ching Lu	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Jack J. T. Huang	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Rose Tsou	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Audrey Tseng	-	-	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person

Other items to be disclosed:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit

Committee, so Article 14-3 of the Securities and Exchange Act shall not be applicable. Please refer to the chapter of Audit Committee in the Annual Report.

- (2) Other matters involving objections or reservations expressed by the independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

2. With respect to recusals of directors from motions due to a conflict of interest, the directors' names, contents of motion, causes for recusal and voting should be specified:

- (1) Board of Directors' meeting on February 24, 2022

Proposal: To approve the recommendation on the Company's 2021 Chairman's compensation

Conflicted directors recusing from the motion: Yancey Hai

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for Chairman of the Board Mr. Yancey Hai who shall not participate in discussion or voting, the rest of attending directors unanimously approved this motion.

- (2) Board of Directors' meeting on April 28, 2022

Proposal: To approve the recommendation on the Company's 2022 managers' compensation

Conflicted directors recusing from the motion: Yancey Hai, Mark Ko, Ping Cheng and Simon Chang

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for Directors, Mr. Yancey Hai, Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang, who shall not participate in voting on managers' compensation, and Mr. Victor Cheng, who temporarily left the meeting, the rest of attending directors unanimously approved this motion.

- (3) Board of Directors' meeting on July 28, 2022

Proposal: To approve the release from non-competition restrictions on the Company's managers

Conflicted directors recusing from the motion: Mark Ko, Ping Cheng and Simon Chang

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for the directors who are the interested party and shall not participate in discussion or voting, the rest of attending directors unanimously approved, without prejudice to the interests of the Company, the release from non-competition restrictions on Mr. Ping Cheng serving as the Chairman in Delta Electronics (Chongqing) Ltd., Mr. Simon Chang serving as a director in Delta Electronics (Chongqing) Ltd. and Mr. Mark Ko serving as a director in Ancora Semiconductors Inc.

- (4) Board of Directors' meeting on October 27, 2022

Proposal: To approve the recommendations on the Company's 2022 directors' compensation

Conflicted directors recusing from the motion: The directors did not participate in the discussion or the voting on their own compensation.

Contents of motion, causes for recusal and voting: Except for the directors who did not participate in discussion or voting on their own compensation and Director Victor Cheng, who left temporarily, the rest of directors who could participate in the voting unanimously approved this motion upon the chairperson's consultation.

Proposal: To approve the release from non-competition restrictions on the Company's managers

Conflicted directors recusing from the motion: Simon Chang

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for Director Mr. Simon Chang who shall not participate in voting on this motion and Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang who left temporarily, the rest of the attending directors unanimously approved on the premise that there would be no prejudice to the interests of the Company to release from the non-competition restrictions on Mr. Simon Chang serving as a director in Delta Energy Technology Puhuan (Shanghai) Co., Ltd.



(5) Board of Directors' meeting on February 22, 2023

Proposal: To approve the recommendations on the Company's 2022 Chairman's compensation

Conflicted directors recusing from the motion: Yancey Hai

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for the Chairman of the Board Mr. Yancey Hai who shall not participate in discussion or voting, the rest of attending directors unanimously approved this motion.

(6) Board of Directors' meeting on April 27, 2023

Proposal: To approve the recommendation on the Company's 2023 managers' compensation

Conflicted director(s) recusing from the motion: Mark Ko, Ping Cheng and Simon Chang

Contents of motion, causes for recusal and voting: Pursuant to Article 206 of the Company Act, except for Directors Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang, who shall not participate in voting on managers' compensation, and Director Ms. Shan-Shan Guo, who temporarily left, the rest of attending directors unanimously approved this motion.

3. Evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the Company's board of directors and board members are disclosed as below:

Implementation of evaluation of the Board of Directors	
Evaluation Cycles	The Company shall conduct an internal board performance evaluation at least once a year and one by an external independent professional institution or a panel of external experts and scholars at least once every three years.
Evaluation Periods	Internal board performance evaluation: From January 1, 2022 to December 31, 2022. External board performance evaluation: From January 1, 2022 to December 31, 2022.
Evaluation Scopes	The scope of the internal evaluation includes the board as a whole, individual directors, the audit committee and the compensation committee. The scope of the evaluation by an external independent professional institution includes the board as a whole (exclusive of functional committees, such as the audit committee and the compensation committee).
Evaluation Methods	Internal evaluation of the board, self-evaluation by each board member, peer evaluation, and evaluation by engaging external professional institutions, experts, or other appropriate methods.
Evaluation Procedures	A. The criteria for evaluating the performance of the Company's board of directors includes the following five aspects: 1. Participation in the operation of the Company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. B. The criteria for evaluating the performance of the board members, whether conducting by the board members themselves or among peers, includes the following six aspects: 1. Familiarity with the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the Company; 4. Management and communication of internal relationship; 5. The director's profession and continuing education; and 6. Internal control. C. The criteria for evaluating the performance of the audit committee includes the following five aspects: 1. Participation in the operation of the Company; 2. Awareness of the duties of the audit committee; 3. Improvement of quality of decisions made by the audit committee; 4. Makeup of the audit committee and election of its members; and 5. Internal control.



Implementation of evaluation of the Board of Directors	
	D. The criteria for evaluating the performance of the compensation committee includes the following four aspects: 1. Participation in the operation of the Company; 2. Awareness of the duties of the compensation committee; 3. Improvement of quality of decisions made by the compensations committee; and 4. Makeup of the compensation committee and election of its members.
Evaluation Results (Internal)	The performance evaluation of the Company's Board of Directors including functional committees for the year of 2022 was conducted by the Investor Services using internal questionnaires and was completed on February 22, 2023 (evaluation period was from January 1st, 2022 to December 31st, 2022), and the results were submitted to the Board of Directors for discussion and improvement on April 27, 2023. The evaluation results: A. The overall average score of the self-evaluation on the performance of the board of directors was 4.97 out of 5; the overall average score of the self-evaluation on the performance of the board members was 4.86 out of 5. The results show that six aspects and all the index were improved compared with the previous year. Among those aspects, the aspect of "management and communication of internal relationship" saw significant improvement. However, the aspect of "participation in the operation of the Company" got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores. B. The overall average score of the self-evaluation on the performance of the Audit Committee was 4.95 out of 5. The results show that the aspect of "makeup of the audit committee and election of its members" has significant improvement with high satisfaction from all the audit committee member. However, the aspect of "awareness of the duties of the audit committee" got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores. C. The overall average score of the self-evaluation on the performance of the Compensation Committee was 4.95 out of 5. The results show that the aspect of "makeup of the compensation committee and election of its members" has significant improvement, but the aspect of "improvement of the decision-making quality of the Compensation Committee" got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores. The Company's handling of and future improvement: A. The Company plans to propose the amendments to the Delta Risk Management Policy in reference to the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies, and invites the directors and the independent directors to participate in important meetings held by the Company from time to time so that their directorships can gain an understanding on the existing and potential risks of the Company and provide timely and appropriate oversight and guidance. B. The Company has proposed improvement on the decision-making quality of the Compensation Committee by uploading meeting materials onto the dedicated platform for the Compensation Committee members so that all of them can review the materials in advance. Meanwhile, the meetings would start earlier in order to ensure sufficient discussion time for new topics when necessary. The overall performance of the Board of Directors, the Audit Committee and the Compensation Committee was deemed effective.
Evaluation Results (External)	The performance evaluation of the Company's Board of Directors for the year of 2022 was conducted by the Taiwan Institute of Ethical Business (with the evaluation period from January 1, 2022 to December 31, 2022). The institute assigned 3 executive committee members: Ching Ping Shao, Yang Tsong Tsai, and Yueh Ping Yang to perform the evaluation. There was no relationship between the institute including the executive committee members and the Company that might affect its independence, and the Company obtained a declaration of independence from the Institute. The institute conducted the evaluation via acquiring the Company's internal regulations, records, questionnaires, and onsite individual interviews based on the four following dimensions: I. Board professionalism and duties; II. Board effectiveness in decision making; III. The importance attached to internal controls by the Board of Directors; and V. The attitude of the Board of Directors towards sustainable operation. The Taiwan Institute of Ethical Business has issued the



Implementation of evaluation of the Board of Directors	
Evaluation Results (External)	report of the Board performance evaluation on February 1st, 2023 and reported to the Board of Directors on February 22, 2023. Overall evaluation conclusion: A. The Board members provided diverse opinions from different perspectives and fully discussed them in the meetings of the Board of Directors. B. The Board of Directors established a risk policy and managed the group financial and business operation in a systematic way, so the board members could effectively stay on top of the group's overall information, find out abnormal situation immediately and strengthen the management and oversight of corporate risks. C. The Board of Directors learned about, continued to promote and oversee the development of sustainable management through the Sustainability Committee and the Talent Development Committee. Advice Suggestions for optimization: A. Enhance the communication frequency between the management and directors. B. Keep reviewing the appropriateness of the incentive scheme. C. Change the dedicated unit handling the whistle-blowing system and consider setting up an external hotline. The Company's handling and future improvement: A. The Company holds a number of important meetings from time to time and invites the directors to participate in order to increase opportunities for communication between the management and directors. B. The new incentive scheme of the Company has been approved by the Board of Directors at the end of 2022. C. The Company will consider appropriate adjustments to the level of the unit handling whistle-blowing cases according to the nature and impacts of the events so as to increase its independence.

4. Measures taken during this and the most recent fiscal year to strengthen the functionality of the Board (e. g, establishment of the Audit Committee and enhancing information transparency) and evaluate the implementation of such measures.

For the measures taken to strengthen the functionality of the Board and evaluate the implementation of such measures of the Company, please refer to "3.4.2 Audit Committee", "3.4.3 Discrepancies between the Company's implementation of corporate governance and the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such discrepancies, if any", and "3.4.4 Compensation Committee" in the "Implementation of Corporate Governance" section in this annual report.

The Company has always maintained a consistent attitude of information transparency. Important resolutions made by the Board of Directors are posted on the Market Observation Post System immediately after the Board of Director's meetings to safeguard the interests of shareholders. In addition, regular investor conferences are held to enhance investors' recognition of the Company.



3.4.2 Audit Committee

The Company has established the Audit Committee that is composed of all of its independent directors pursuant to the laws and regulations. The Audit Committee shall convene at least once every quarter, and may call a meeting at its discretion whenever necessary. The annual work priorities of the Audit Committee include supervising the fair presentation of the Company's financial statements, the selection and termination of CPAs and their independence and performance, the effectiveness of the Company's internal control, the Company's compliance with relevant laws and regulations and the Company's existing or potential risks. The independent directors review the internal audit reports submitted by the auditing department on a monthly basis, and the chief auditor reports major findings in meetings of the Audit Committee and the meetings of the Board of Directors. Furthermore, the independent directors individually communicate with the chief auditor at least once every quarter about major audit findings, and individually communicates with the CPAs about governance issues discovered during their audit and review on the Company's consolidated financial statements (including parent company only financial statement on an annually basis). Relevant information on the communication including methods for the communication, items and results has been disclosed on the Company's website under the section of "Communication between Independent Directors, Internal Auditors and CPAs."

A total of 7 (A) meetings of the Audit Committee (inclusive of 5 meetings held after June 14, 2022) were held in 2022 and 2023 till the printing date of the annual report. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note 1, 2)	Remarks
Independent Director (Convener and Chairman)	Ji-Ren Lee	7	0	100%	Hasn't served more than 3 consecutive terms
Independent Director (Member)	Shyue-Ching Lu	7	0	100%	Hasn't served more than 3 consecutive terms
Independent Director (Member)	Jack J. T. Huang	7	0	100%	Hasn't served more than 3 consecutive terms
Independent Director (Member)	Rose Tsou	7	0	100%	Hasn't served more than 3 consecutive terms
Independent Director (Member)	Audrey Tseng	5	0	100%	New independent director Elected on June 14, 2022 Hasn't served more than 3 consecutive terms

Note 1: Should any independent director leave office before the end of the fiscal year, the date on which he/she leaves office shall be indicated in the remarks, and their attendance rate (%) shall be calculated based on the number of audit committee meetings and the actual attendance during their term of office.

Note 2: Should there be any re-elections of independent director before the end of the fiscal year, both of the new and the former independent directors shall be disclosed and the remarks column shall indicate that the independent director is new, former, or re-elected with the re-election date. Their attendance rate (%) shall be calculated based on the number of audit committee meetings and the actual attendance during their term of office.

Other items to be disclosed:

- If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, independent directors' objections, reservations or major advice suggestions, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinions should be specified:
 - Matters referred to Article 14-5 of the Securities and Exchange Act:



Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
The 6th of the 4th term Audit Committee Meeting (2022.02.24)			
1. To approve the Company's 2021 annual final accounting books and statements	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
2. To approve the distribution of the Company's 2021 employees' and directors' compensation	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
3. To approve the short-form merger with the Company's 99.97% owned subsidiary, Allied Material Technology Corp.	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
4. To engage the Company's CPAs for the fiscal year of 2022 and evaluate their independence	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
5. To approve the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter Rules, and Procedures of the Meeting of Board of Directors	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
6. To approve the assessment of the effectiveness of the Company's 2021 internal control system	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
7. To approve the Company's 2021 Internal Control System Statement	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.



Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
The 7th of the 4th term Audit Committee Meeting (2022.04.28)			
1. To approve the Company's 2022Q1 final accounting books and statements	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion
2. To approve the amendments to the Company's Corporate Governance Best Practice Principles	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
3. To approve the amendments to the Company's Article of Incorporation	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
4. To approve the amendments to the Company's Shareholders' Meeting Rules and Procedures	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
5. To approve the amendments to the Company's Operating Procedures of Acquisition or Disposal of Assets	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
6. To approve the amendments to the Company's Operating Procedures of Fund Lending	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
The 8th of the 4th term Audit Committee Meeting (2022.07.28)			
1. To approve the Company's 2022Q2 final accounting books and statements	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.



Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
2. To approve the disposal of the Company's Chunli Plant 2	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
3. To approve the amendment to the Company's internal control process	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
The 9th of the 4th term Audit Committee Meeting (2022.10.27)			
1. To approve the Company's 2022Q3 consolidated financial statements	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
2. To approve the Company's shareholding restructuring	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
3. To approve the amendments to the Company's Rules and Procedures of the Meeting of the Board of Directors	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
4. To approve the amendments to the Company's Procedures for Handling Material Inside Information	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
5. To approve the amendments to the Company's Ethical Corporate Management Best Practice Principles	None	After the Committee Member Lu suggested a revision, all members discussed and unanimously approved this motion, and will submit it to the Board of Directors for discussion.	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion as revised by the Audit Committee, upon the consultation of the Chairman of the Board.



Contents of Agenda	Objections, Reservations or Major Advice	Contents of Resolutions	The Company's Response to the Audit Committee's Opinion
6. To approve the Company's 2023 internal audit plan	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
The 10th of the 4th term Audit Committee Meeting (2022.12.29)			
1. To approve the changes and increase of cost for the expansion construction of the Company's Taipei Head Office	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
The 11th of the 4th term Audit Committee Meeting (2023.02.22)			
1. To approve the Company's 2023 corporate business plan	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
2. To approve the distribution of the Company's 2022 employees' and directors' compensation	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
3. To approve the group's investment restructuring	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
4. To approve the group's shareholding restructuring	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
5. To approve the increase of investment in DESS from DET	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.



Contents of Agenda	Any objections, reservations or major advice from Independent Directors	Contents of Resolutions	The Company's response to the Audit Committee's opinion
6. To evaluate the independence and competency of the CPAs engaged by the Company	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
7. To approve the amendments to the Delta Risk Management	None	After the chair consulted all the attending committee members, all committee members unanimously agreed not to discuss this motion.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously agreed not to discuss this motion.
8. To approve the amendments to the Company's Corporate Governance Best Practice Principles	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
9. To approve the assessment of the effectiveness of the Company's 2022 internal control system	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
10. To approve the Company's 2022 Internal Control System Statement	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
The 12th of the 4th term Audit Committee Meeting (2023.04.27)			
1. To approve the Company's 2023Q1 consolidated financial statements	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	The Chairman of the Board Yancey Hai left temporarily, and, upon the consultation of the Vice Chairman Mark Ko acting as Chairman, all attending Directors unanimously approved this motion.
2. To approve the amendments to the Company's Information Security Policy	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
3. To approve the amendments to the Company's Shareholders Meeting Rules and Procedures	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.



Contents of Agenda	Any objections, reservations or major advice from Independent Directors	Contents of Resolutions	The Company's response to the Audit Committee's opinion
4.To approve the amendments to the Company's Director Election Regulations	None	After the chair consulted all the attending committee members, all committee members discussed and unanimously passed this motion and submitted it to the Board of Directors for approval.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.

(1) Other agenda items which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. Should any independent director recuse themselves from the motions due to a conflict of interest, the independent directors' names, contents of motion, causes for recusal and voting should be specified: None
3. Communication between the independent directors, the Company's Chief Auditor and the CPAs (including the Company's material financial or business issues, methods for communication and results.)
 - (1) The independent directors review the internal audit reports submitted by the auditing department on a monthly basis, and the Chief Auditor reports major findings in meetings of Audit Committee and the meetings of Board of Directors. The Chief Auditor holds discussions solely with the Audit Committee about recent findings on a quarterly basis and communicates issues addressed by the Audit Committee members after the audit reports are submitted every month. If necessary, relevant executives would be invited to attend meetings. Their conclusions and suggestions would be compiled and reported by the chief internal auditor in the meetings of Audit Committee and Board of Directors. The instructions of the Audit Committee and Board of Directors would serve as the guidelines for implementation.
 - (2) According to Auditing Standards Bulletin No.39 "Communications with Those Charged with Governance" and Letter No.0930105373 issued by the Securities and Futures Commission on March 11, 2004, a CPA should compile information relevant to governance items in his/her auditing or reviewing of the Company's consolidated financial statements (including parent company financial statement annually) every quarter during the planning and completion stages and communicates the matters solely with the Audit Committee either in writing or in person.

Communication between the independent directors and the Company's Chief Auditor and CPAs in 2022 and 2023 until the printing date of the annual report:

Date	Type	Material Communication Items with Chief Internal Auditor	Material Communication Items with the CPAs	Results
2022.02.24	The 6th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2021 Q4	The CPAs explained to the Audit Committee members the result of their audit on the 2021 consolidated and parent only financial statements and communicated with the Audit Committee.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members.
2022.04.28	The 7th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2022 Q1	The CPAs explained to the Audit Committee members the result of their audit on the 2022 Q1 consolidated and parent only financial statements and communicated with the Audit Committee.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members.



Date	Type	Material Communication Items with Chief Internal Auditor	Material Communication Items with the CPAs	Results
2022.07.28	The 8th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2022 Q2	The CPAs explained to the Audit Committee members the result of their audit on the 2022 Q2 consolidated and parent only financial statements and communicated with the Audit Committee.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members.
2022.10.27	The 9th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2022 Q3 The Audit Committee suggested the Company to implement systematic improvements in the process control of Data Loss Prevention (DLP) and address instances of DET non-compliance with internal controls through enhanced control measures at the departmental level.	The CPAs explained to the Audit Committee members the result of their audit on the 2022 Q3 consolidated and parent only financial statements and communicated with the Audit Committee. Considering the economic downturn, the Audit Committee suggested enhancing the audit on inventory and accounts receivable, and considering whether the matter should be included as Key Audit Matters.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members. Internal Auditors: The Audit Committee members' suggestions have been properly responded and actively handled. CPA: The Audit Committee members' suggestions would be followed.
2023.02.22	The 11th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2022 Q4 The Audit Committee recommended strengthening the management of the Thai factory and advises that responsible executives should present the project report at an Audit Committee meeting when necessary.	The CPAs explained to the Audit Committee members the result of their audit on the 2022 consolidated and parent only financial statements and communicated with the Audit Committee.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members. Internal Auditors: Audit Committee members' suggestions have been properly responded and actively handled. CPA: Per comprehensive consideration, there is no need to include the inventory and account receivable as key audit matters.
2023.04.27	The 12th of the 4th term of Audit Committee Meeting	Report and communication on audit report of 2023 Q1	The CPAs explained to the Audit Committee members the result of their audit on the 2023 Q1 consolidated and parent only financial statements and communicated with the Audit Committee.	The matters have been reviewed or approved by the Audit Committee without any objection from the Audit Committee members.



3.4.3 Discrepancies between the Company's implementation of corporate governance and the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such discrepancies, if any

3.4.3.1. Corporate governance and code of ethics

Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Has the Company set up and disclosed its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies?	√		The Board of Directors of the Company has approved the establishment of the Corporate Governance Best Practice Principles, which has been disclosed on the Company's official website (www.deltaww.com) and MOPS.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
2. The Company's shareholding structure and shareholders' rights				
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations and has implemented the procedures?	√		The Board of Directors of the Company has approved the establishment of the Corporate Governance Best Practice Principles. In addition, the Company has designated personnel as spokesman and acting spokesman, investor services unit, investor relations unit, and their contact information have been disclosed on the Company's official website, so the shareholders can express their opinions by phone or email. The Company will then process them according to relevant procedures.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
(2) Does the Company have knowledge of its major shareholders and the beneficial owners of those shareholders?	√		The Company acquire the knowledge of its major shareholders through the registers of shareholders on the end of its book closure date and the monthly report of changes in the number of shares held at the last day of the previous month by shareholders who hold more than 10% of the total outstanding shares of the Company. There is no major shareholder that actually controls the Company. The list of the Company's top 10 shareholders is disclosed in the annual report and on the Company's official website (www.deltaww.com).	
(3) Has the Company established and implemented risk management and firewall system between itself and the affiliated companies?	√		The Company has established the Operating Procedures of Acquisition or Disposal of Assets; the Operating Procedures of Fund Lending; and the Operating Procedures of Endorsement and Guarantee by resolutions of its shareholders' meetings, and has also has established the Related Party Transaction Management Procedures and the Supervisor and Management in Subsidiaries, etc. in order to build relevant risk controls and firewall mechanisms.	
(4) Has the Company established internal rules against company insiders trading with undisclosed information?	√		The Board of Directors of the Company has approved the Ethical Corporate Management Best Practice Principles, the Code of Conduct, and the Procedures for Handling Material Inside Information that require the Company's personnel to recuse themselves from conflicts of interest related to their	



Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			duties and prohibit them from using or leaking undisclosed information in order to prevent insider trading. As stipulated in its Corporate Governance Best Practice Principles, the Company prohibits any insider having been informed of the Company's financial position and performance through the financial statements from trading their own shares within the trading window closure period, i.e., 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements. The Company holds related training courses for current directors, officers and employees at least once a year, and new employees are required to attend relevant training conducted by the HR department during the orientation. The training courses has included a reminder for insiders of the Company who have been informed of the financial position and performance of the financial statements not to trade their own shares within the trading window closure period, i.e., 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements. The Company has uploaded the online courses onto its internal system. For the year 2022, advocacy courses were conducted for its current directors, officers and employees during the period from January 1 to December 31 2022. All Delta members can take the online courses at any time and return for the annual training without any specific start date. In 2022, a total of 82,007 people completed the training worldwide, with a completion rate of 97% and a total of 10,934 hours covering insider trading prevention and the Procedures for Handling Material Inside Information, etc.	
3. Composition and responsibilities of the Board of Directors				Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
(1) Has the Board of Directors of the Company established a diversity policy with specific management goals and has adequately implemented it?	√		The Board of Directors of the Company has established the Corporate Governance Best Practice Principles, and the Directors Elections Regulations have been approved by resolution of its shareholders' meeting. According to Paragraph 3, Article 20 of the Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration, such as having different professional backgrounds, working fields or genders, etc. Meanwhile, the Directors shall have the knowledge, skills, and experience necessary to perform their duties. According to Article 3 of the Directors	



Evaluation Items	Implementation Status		Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No		Summary
				Elections Regulations, when selecting the Company's directors, the overall composition of the Board of Directors should be taken into consideration. The members of the Board of Directors must generally possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership, and decision-making ability, etc. The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors. The Company will propose to the Annual General Shareholders' Meeting the approval of the amendments to its Directors Elections Regulations in 2023 to take into consideration the diversity of the composition of the Board of Directors, such as having different genders, ages, races, nationalities, cultures, professional backgrounds and working fields, etc. for nominating and selecting the Company's directors. Regarding the diversity policy of the Board of Directors, specific management targets and implementation, please refer to the section of "Directors" in the annual report.
(2) Has the Company voluntarily established other functional committees in addition to the Compensation Committee and the Audit Committee?	√			The Company has set up the Strategic Steering Committee for analyzing and discussing major issues related to Company strategies, operations, organization, and providing advice and suggestions to the Board of Directors as references for decision-making and implementing. The Company also formed the Delta ESG Committee, please refer to the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies in the annual report for its functions. In 2020, the Company also established the Delta Group Risk Management Policy, and the Company will consider setting up the Risk Management Committee in 2023.
(3) Has the Company established a standard to evaluate the performance of the Board, implemented such evaluation annually, submitted the performance evaluation results to the Board of Directors and used them as a reference when determining the remuneration of individual directors and nominations for election?	√			The Board of Directors of the Company has established the Rules of Performance Evaluation of the Board of Directors, which stipulate that the internal evaluation of the performance of the Board, individual Board members, the Audit Committee, and the Compensation Committee shall be conducted at least once a year. Besides, an external performance evaluation of the Board shall be conducted by external independent professional institutions or a panel of external experts and scholars at least once every three years. The Company submits the report containing the criteria for evaluating and scoring, record and submit the evaluation results to the Board of Directors, and use the



Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(4) Does the Company regularly evaluate the independence of the CPAs?	√		results as reference for determining the individual directors' compensation and nomination for the following terms. For the results of the latest evaluation (implemented in 2023 with the evaluation period from January 1, 2022, to December 31, 2022), please refer to the section of "Board of Directors" in the annual report. The finance department of the Company has evaluated the CPAs' independence in 2022 and obtained the declaration of independence issued by the CPAs, and the evaluation result was submitted to the Audit Committee and the Board of Directors on February 24, 2022. Please see the criteria for CPA independence evaluation as detailed in Note 1-1. The Board of Directors of the Company has approved the Corporate Governance Best Practice Principles in 2023, and requires that regular (at least once a year) evaluations on the independence and competency of the CPA engaged by the Company be conducted after consulting the Audit Quality Indicators. Meanwhile, the conclusion shall be submitted to the Audit Committee and the Board of Directors for approval. The finance department of the Company consulted the Audit Quality Indicators to evaluate its external auditors' independence and competency in 2023 and its conclusion was that the CPAs met the Company's independence and competency standards and were therefore qualified to be engaged the Company. Besides, the Company also obtained the declaration of independence issued by the CPAs. The evaluation results were submitted to, and approved by, the Audit Committee and the Board of Directors on February 24, 2022. The criteria for CPA independence and list of major items for competency evaluation are detailed in Note 1-2.	
4. Has the Company appointed an appropriate number of competent corporate governance personnel and the Chief Corporate Governance Officer responsible for corporate governance affairs (including but not limited to providing information for directors and supervisors to discharge their duties, assisting directors and supervisors in compliance, handling work related to meetings of the Board of Directors and shareholders' meetings, and producing the minutes of Board meetings and shareholders' meetings)?	√		The Company appointed the director of its finance department to concurrently serve as the Chief Corporate Governance Officer. The Chief Corporate Governance Officer has served in a managerial position that handled TWSE/ TPEX Listed stock affairs and corporate governance matters in a public company for over 3 years. The Chief Corporate Governance Officer and the Investor Services unit are responsible for dealing with the following matters: 1. Handling matters relating to Board meetings and shareholders Meeting; 2. Producing minutes of Board meetings and shareholders meetings; 3. Assisting in on boarding and continuous development of directors;	



Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			4. Furnishing information required for business execution by directors; 5. Assisting directors with legal compliance; and 6. Reporting the results of whether the qualifications of independent directors comply with relevant laws and regulations when nominating and electing directors and during their term of office. 7. Conducting matters related to changes of directors. 8. Other matters described or established in the articles of incorporation or contract. The Company's Chief Corporate Governance Officer has performed the assigned tasks and participated 12 hours of training in 2022, and the detail of her training sessions are shown in Note 2.	
5. Has the Company established communication channels, created a dedicated section on its corporate website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), and appropriately handled all of the CSR issues they care about?	√		Delta values communication with stakeholders. We regularly implement the procedure of materiality analysis, confirms Corporate Governance and adjusts key sustainable issues, demonstrates ESG Best-Practice Principles for influence and responds to stakeholder expectations and TWSE/ TPEX Listed suggestions. Delta has defined 6 major stakeholders Companies including employees, customers, suppliers, investors and shareholders, media, and communities. Delta adopts diverse channels (e.g. annual ESG report, online questionnaire and csr@deltaww.com, an E-mail address managed by dedicated personnel, etc.) and sets up a dedicated webpage of ESG (https://esg.deltaww.com) to communicate with its stakeholders and also identify key issues of concern to stakeholders through stakeholder survey on sustainability issues and take the necessary actions to enhance the content of our information disclosures. The results of communication with stakeholders for the fiscal year of 2022 were reported to the Board of Directors on February 22, 2023. For stakeholder concerns and communication, please also refer to Chapter 3 Stakeholder Communication in the ESG Report.	
6. Has the Company engaged a professional shareholder service agency to deal with shareholder affairs?	√		The Company has engaged CTBC Bank Co., Ltd. to deal with shareholder affairs.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
7. Information Disclosure (1) Does the Company establish a corporate website to disclose both financial standings and the status of corporate governance?	√		The Company has built a public website (www.deltaww.com) to disclose both financial standings and the status of corporate governance regularly.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies



Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)?	√		The Company has built an English website (www.deltaww.com). The Corp. Communication, Investor Services and Investor Relations are responsible for collecting and disclosing relevant information in the section of "Investors" in accordance with relevant rules. Meanwhile, the Company created a spokesman system, which is responsible for public communication. The entire process of the investors' conferences of the Company is streamed live, and relevant information and audio/video files are disclosed on the Company's website.	
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2 and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	√		The Company announces and reports the annual financial statements within two months after the end of each fiscal year. Meanwhile, it announces and reports its Q1, Q2 and Q3 financial statements as well as monthly operation results before the prescribed deadlines required by the laws and regulations.	
8. Is there any other information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, training records of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies and the purchase of insurance for directors and supervisors, etc.)?	√		1. Regarding information on employee rights and interests and employee care, please refer to Chapter 4 "ESG" and 6.5 "Labor Relations" in Chapter 6 "Overview of Business Operations" in the annual report. 2. Regarding information on investor relations, supplier relations and rights of stakeholders, please refer to Chapter 4 "ESG" in the annual report. 3. Regarding training records of directors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies and the purchase of liability insurance for directors and supervisors, please refer to the supplementary information below. Please also refer to 8.6 "Risks during the most recent fiscal year and as they stood on the printing date of the annual report" in Chapter 8 "Review and Analysis of Financial Position and Financial Performance, and Risks Assessment" in the annual report for the implementation of risk management policies and risk evaluation measures.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved. The Company ranked among top 5% in the 9th term (2022) of Corporate Governance Evaluation, and explanation for items that didn't receive points are listed below: (1) The Company will consider setting up a risk management committee and merge with Audit Committee to form the Risk and Audit Committee in 2023, and its composition, responsibilities and operations will be stipulated in the Delta Risk Management Policy. (2) The Company will continue to assess and consider feasible solutions to improve upon the items that did not receive points.				



Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	

10. If the Company has established Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please describe the actual implementation and deviations from the company's principles:

The Company has established the Corporate Governance Best Practice Principles in accordance with the Corporate Governance best Practice Principles for TWSE/TPEX Listed Companies and the principles were approved by the Board of Directors for the implementation of corporate governance and the further pursuit of maximization of shareholders' equity and the Company's sustainable operations. For corporate governance, please refer to the "Corporate Governance Report" section in the annual report. The actual implementation is not significantly different from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Note 1-1: Items for assessment of the CPA's independence for the year 2022 are shown below.

Evaluation Items	Evaluation Result	Compliant with Independence?
1. Does the CPA have a direct or significant indirect relation with the Company in financial interests?	No	Yes
2. Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Does the CPA or any member of the audit team serve as the Company's director, supervisor, managerial officer or a key position with significant influence on the auditing process during the audit period?	No	Yes
5. Does the CPA provide non-audit service which could directly impact the auditing process for the Company?	No	Yes
6. Does the CPA act as a broker for the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute?	No	Yes
8. Does the CPA have kinship with the Company's directors, supervisors, managerial officers or any post with significantly influence on the auditing work?	No	Yes

Note 1-2: Items for evaluation of the CPA's independence and competency for the year 2023 are shown below.

Evaluation Items	Evaluation Result	Compliant with competency and Independence?

Scope A: Profession

1. Do the senior auditors have sufficient audit experience to carry out the audit work?	Yes	Yes
2. Do the CPA and the senior auditors receive sufficient training every year to continuously acquire professional knowledge and skills?	Yes	Yes
3. Does the firm maintain enough senior human resources?	Yes	Yes
4. Does the firm have enough professionals to support the audit team?	Yes	Yes

Scope B: Quality Control

1. Is the CPA's workload too heavy?	No	Yes
2. Is the input of audit team members in each audit stage appropriate?	Yes	Yes
3. Does the EQCR CPA devote enough time to review audit cases?	Yes	Yes
4. Does the firm have sufficient manpower on quality control to support the audit team?	Yes	Yes

Scope C: Independence

1. Does the CPA have a direct or significant indirect relation with the Company in financial interests?	No	Yes
2. Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes



Evaluation Items	Evaluation Result	Compliant with competency and Independence?
4. Does the CPA or members of the audit team serve as the Company's director, supervisor, managerial officer or occupied a key position with significant influence on the auditing process during the audit period?	No	Yes
5. Does the CPA provide non-audit service which could impact the auditing process for the Company?	No	Yes
6. Does the CPA act as a broker for the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute?	No	Yes
8. Does the CPA have kinship with the Company's directors, supervisors, managerial officers or any post with significantly influences on the auditing work?	No	Yes
Scope D: Monitor		
1. Are the accounting firm's quality control and audit cases implemented in accordance with relevant laws and regulations?	Yes	Yes
Scope E: Creativity		
1. In order to improve audit efficiency and ensure audit quality, does the accounting firm have innovation capabilities, specific plans and active implementation?	Yes	Yes

Note 2: Training sessions attended by the Chief Corporate Governance Officer in 2022 are shown below:

Institution of Training	Name of the Training Session	Period of Training		Hours of Training
		Start	End	
Accounting Research and Development Foundation	Discussion on How Independent Directors Properly Exercise Their Powers from the Securities and Exchange Act- Also Talk about Audit Committee	2022/06/20	2022/06/20	3
Accounting Research and Development Foundation	Analysis of common deficiencies in "financial report review" and important internal control rules	2022/09/12	2022/09/12	6
Accounting Research and Development Foundation	Analysis of the concept of "Climate-Related Information Disclosure" of ISSB S2	2022/10/18	2022/10/18	3

3.4.3.2. Continuing education/training of directors

Title	Name	Date of training	Name of the training session	Hours of training
Chairman	Yancey Hai	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Vice-Chairman	Mark Ko	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Bruce CH Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Ping Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Simon Chang	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0



Title	Name	Date of training	Name of the training session	Hours of training
Director	Simon Chang	2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Victor Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	2022 insider trading prevention advocacy seminar	3.0
		2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
Director	Shan-Shan Guo	2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/11/03	Fubon Insurance ESG Trends and Risk Management Seminar	3.0
		2022/11/16	Basis for the preparation and disclosure of ESG reports - highlights of IFRS ISSB S1 and S2 standards	3.0
		2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
Independent Director	Ji-Ren Le	2022/06/01	Corporate governance and securities regulations	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/08/04	What's new in tax and securities laws	1.50
		2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
Independent Director	Shyue-Ching Lu	2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/08/03	Investigation Bureau - corporate anti-corruption thinking, experience and case sharing	3.0
		2022/10/07	Risks and opportunities of climate change and net-zero emission policies for business operations	3.0
Independent Director	Jack J. T. Huang	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/08/09	How to deal with the U.S.-China trade and geopolitical conflict	3.0
		2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
Independent Director	Rose Tsou	2022/06/24	Audit Committee advanced practice sharing - towards 3.0 (best practices for Audit Committee Convenors)	3.0
		2022/09/29	Reference guidelines for the regulations governing the exercise of powers of Independent Directors and Audit Committee and seminar for directors and supervisors seminar	3.0
		2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/03/23	Corporate governance and securities regulations	3.0
		2022/07/20	Corporate sustainability governance from a risk perspective - from corporate governance to ESG	3.0
Independent Director	Audrey Tseng	2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/10/31	ESG industry trends and opportunities	3.0
		2022/10/31	ESG trend and impact	3.0
		2022/11/10	How companies can effectively protect their brand value from trademark cases	3.0



3.4.3.3. Continuing education/training of management

Vice-Chairman Mark Ko, Director Ping Cheng, Director Simon Chang, and Chief Corporate Governance Officer, Shalin Chen are the managers of the Company. The training courses related to corporate governance that the managers attended are disclosed in the table above, titled "Continuing education/training of directors" and "Training sessions attended by the Chief Corporate Governance Officers in 2022".

The training sessions attended by the Company's Chief Finance Officer and Principal Accounting Officer are listed below:

Title	Name	Date of training	Name of training session	Hour of training
Corporate CFO	Beau Yu	2022/01/24	Relevant legal responsibilities and case analysis of "competition for management rights" in companies	3.0
		2022/03/09	Relevant regulations and common deficiencies in the preparation of corporate financial reports	3.0
		2022/04/07	Case analysis of false financial reports and how to see key information in financial reports	3.0
		2022/05/19	How to analyze the key financial information of enterprises and strengthen the ability of crisis early warning	6.0
		2022/07/25	Analysis of the latest annual IFRS Q&A	3.0

The training sessions attended by the Chief Auditor are listed below:

Title	Name	Date of training	Name of training session	Hour of training
Chief Auditor	Louis Lin	2022/10/21	Common deficiencies in internal audit and internal control of Taiwanese subsidiaries and case analysis	6.0
		2022/12/07	How to use digital technology to explore and improve operating procedures and fraud detection - discussion on audit practice	6.0

3.4.3.4. The implementation status of risk management policy and risk assessment

The Company always adopts preventive measures for enterprise risk management in the aspects of building rigid internal control system along with regular and irregular internal audits. In addition, there are various functional committees and crisis management teams to handle risk management. The Board of Directors of the Company approved the establishment of the Delta Group Risk Management Policy on July 29, 2020. Regarding the implementation status, please refer to Chapter 8.6 for risks during the most recent fiscal year and as they stood on the printing date of the annual report.

3.4.3.5. The implementation status of consumer protection or customer policy

Per a policy of Customer First, it is implemented according to the Consumer Protection Act and internal rules. Delta adopts the following steps when developing products so as to ensure product quality and protect consumer rights. Meanwhile, the company has created a section of "Product/services" on its official website to protect consumer rights.:

1. Through Delta's quality management department, we ensure the incoming product inspection, and conduct functional testing and burn-in before the product leaves the factory to ensure the quality of the product.
2. To obtain certification of product safety regulations through qualified third-party laboratory testing.
3. When product quality problems occur at the customer's end, carry out return and repair according to RMA process to protect consumer rights.
4. Protect customer information from disclosure, sign NDAs during the development process, and control photographic equipment on production lines to protect customer rights.



3.4.3.6. Liability insurance purchased for directors and supervisors of the Company

Since January 1, 2005, the Company has been providing all directors and supervisors with liability insurance.

The summary of the liability insurance policies purchased in 2022 are listed below:

Insured Individuals	Insurance Company	Insured amount	Insured Period
	(1) Chubb Insurance Company of North America, Taiwan Branch		
Directors,	(2) Fubon Insurance Co., Ltd.,		From: July 1, 2022
Supervisors and	(3) Shinkong Insurance Co., Ltd.	US\$25,000,000	To: December 31, 2023
Managers	(4) Mingtai Fire & Marine Insurance Co., Ltd		
	(5) Cathay Century Insurance Co., Ltd.		

Note: The original liability insurance policies of directors and supervisors expired on June 30 2022. (The insurance period was from January 1 2021 to June 30 2022) The new insurance policy period was from July 1 2022 to December 31 2023 and the insured amount increased from US\$20 million to US\$25 million.

3.4.4 The composition, duties, and operation of the Compensation Committee

The Board of Directors of the Company set up the Compensation Committee and its Charter in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter. The Charter states the Committee shall establish and regularly review the performance evaluation and policy, system, standards and structure relevant to compensation of directors and managerial officers periodically and also evaluate the compensation of directors and managerial officers periodically. The Committee shall faithfully perform its duties with the attention of a good manager and submit the recommendations to the Board for discussion. With approval of the Board of Directors on July 29, 2021, Independent Director Mr. Shyue-Ching Lu was appointed the convener and chairman of the 5th term of the Compensation Committee.

1. Information of Members of the Compensation Committee

Criteria		Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of Compensation Committee
Title	Name			
Independent Director (Convener and Chairman)	Shyue-Ching Lu	Mr. Shyue-Ching Lu was the Director at the Telecom Labs of Ministry of Transportation and Communications Republic of China (MOTC) in 1986; the Director General in the Department of Posts and Telecommunications at Ministry of Transportation and Communications Republic of China (MOTC) in 1993; the Director of the Institute of Telecommunications at MOTC; the Deputy Director at Telecommunications at MOTC in 1994; the CEO of Chunghwa Telecom Co., Ltd. in 1996; and the Chairman of Chunghwa Telecom Co., Ltd. in 2008. In 2013, he retired from the Chunghwa Telecom Co., Ltd. Mr. Shyue-Ching Lu has a professional background and extensive experience in information and communication industry and information security, and was awarded the Professor Emeritus of National Yang Ming Chiao Tung University.	During the two years before being elected and during the term of office, Mr. Shyue-Ching Lu does not have any circumstances defined in Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation .	2



Title	Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of Compensation Committee
Independent Director	Ji-Ren Lee		Mr. Shyue-Ching Lu has over 5 years of necessary work experience for the business of the Company. Mr. Shyue-Ching Lu has been the Compensation Committee Member in Radium Life Tech Co., Ltd. since 2016 to date and the Compensation Committee Member in MiTAC Holdings Corporation since 2015 to date. Mr. Ji-Ren Lee was the Associate Dean in the Department of Management and the Executive Director in EMBA Program at National Taiwan University from 2005 to 2008. He was also the Director in the Creativity and Entrepreneurship Program at National Taiwan University from 2013 to 2020. After retirement in 2020, Mr. Ji-Ren was awarded the Professor Emeritus of International Business from National Taiwan University. Mr. Ji-Ren Lee has a business strategy, risk management and finance background and experiences and over 5 years of necessary work experience for the business of the Company. In 1982, Mr. Ji-Ren Lee served as Assistant Manager in Yulon Motor Co., Ltd., which was deemed as work experience related to the Industrials Sector in the Global Industry Classification Standard (GICS). Mr. Ji-Ren Lee has been the Compensation Committee Convener and Chairman of ACER Incorporated since 2014, the Compensation Committee Member in MediaTek Inc. since 2015, the Compensation Committee Convener and Chairman in VIVOTEK, Inc since 2018 and the Compensation Committee Convener and Chairman in Airoha Technology Corp. since 2022.	Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange During the two years before being elected and during the term of office, Mr. Ji-Ren Lee does not have any circumstances defined in Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	4
Independent Director	Rose Tsou		Ms. Rose Tsou was the General Manager at Yahoo Taiwan from 2000 to 2007, and she was promoted to Managing Director of Yahoo Asia Pacific in 2007, managing media content, digital advertising and e-commerce businesses, and was the head of International at Verizon Media from 2018 to 2020. She led the team in Asia Pacific, Europe and Latin America to enhance the cross-regional operation experience and talent exchange, focusing on mobile product development, promotion and business, and exploring new market cooperation opportunities to help Verizon Media accelerate its growth in the international market. Ms. Rose Tsou has over 5 years of necessary work experience for the business of the Company. Ms. Rose Tsou has been the Compensation Committee Convener and Chairman in Sercomm Corp. since 2017 and a Compensation Committee Member in Ipevo Corporation since 2021.	During the two years before being elected and during the term of office, Ms. Rose Tsou does not have any circumstances defined in Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	2



Title	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of Compensation Committee
Independent Director	Jack J.T. Huang	Mr. Jack J.T. Huang was honored S.J.D. from Harvard University in 1983, and was the Attorney-at-Law at Jones Day Taipei Office and the Honorary Chairman at Taiwan M&A and Private Equity Council. Mr. Jack J.T. Huang has practical experience in law and over 5 years of necessary work experience for the business of the Company. In January, 2020, Mr. Jack J.T. Huang served as Special Advisor of the CEO in Yulon Group, which was deemed as the work experience related to the Industrials Sector in the Global Industry Classification Standard (GICS). Mr. Jack J.T. Huang once served as an adjunct practical teacher in the Department of Law of the National Taiwan University College of Law and an adjunct visiting associate professor at Soochow University. Mr. Jack J.T. Huang also passed the national examination and obtained a lawyer's certificate. Mr. Jack J.T. Huang has been the Compensation Committee Convener and Chairman in WPG Holding Limited since 2014 and the Compensation Committee Member in CTCI Corporation since 2014, and serves as an adjunct teacher in the College of Management of National Taiwan University and the Department of Business Administration of National Chengchi University.	During the two years before being elected and during the term of office, Mr. Jack J.T. Huang does not have any circumstances defined in Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	2
Independent Director	Audrey Tseng	Ms. Audrey Tseng used to work at PricewaterhouseCoopers Taiwan and served as CPA for 35 years. She has been engaged as the external CPA for several large group companies. Specialized in multinational finance, tax planning, mergers, divisions, corporate governance, industrial development and business strategies, Ms. Audrey Tseng has extensive experience in financial risk evaluation and management. Ms. Audrey Tseng has accounting experiences and over 5 years of necessary work experience for the business of the Company. Ms. Audrey Tseng also passed the national examination and obtained a CPA's certificate. Ms. Audrey Tseng has been the Compensation Committee Member in Coretronic Corporation since 2022, a Compensation Committee Member in Bionime Corporation since 2022 and serves as Adjunct Professor at National Yang Ming Chiao Tung University.	During the two years before being elected and during the term of office, Ms. Audrey Tseng does not have any circumstances defined in Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	2

Note 1 : Professional Qualification and Experience: describe professional qualification and work experience for each member of the Compensation Committee.

Note 2 : Independence Status: describe independence status for each member of the Compensation Committee including but not limited to: If the person, spouse, relative within the second degree of kinship is a director, supervisor or an employee of the Company or any of its affiliates; the shareholding held by the person, spouse, relative within the second degree of kinship (or held by the person under any other's name) and the percentage; if the person, spouse, relative within the second degree of kinship is a director, supervisor or an employee of specified company or institution that has a financial or business



relationship with the company. (Please refer to Subparagraphs 5–8 in Section 1 of Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the cumulative compensation received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years.

2. Information of Compensation Committee Operations

- (1) The 5th term of the Compensation Committee has 5 members.
- (2) The tenure of 5th term of the Company's Compensation Committee : July 29, 2021 to July 18, 2024. A total of 6 (A) meetings of the 5th term of the Compensation Committee was held from 2022 to 2023 until the publication date of the annual report. Membership and attendance were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note 1 and Note 2)	Remarks
Convener and Chairman (Independent Director)	Shyue-Ching Lu	6	0	100%	None
Member (Independent Director)	Ji-Ren Lee	6	0	100%	None
Member (Independent Director)	Rose Tsou	6	0	100%	None
Member (Independent Director)	Jack J.T. Huang	6	0	100%	None
Member (Independent Director)	Audrey Tseng	4	0	100%	New Independent Director Elected on July 28, 2022

Note 1: Should any compensation committee member leave office before the end of the fiscal year, the date on which he/she leaves office shall be indicated in the remarks, and their attendance rate (%) shall be calculated based on the number of compensation committee meetings and the actual attendance during their term of office.

Note 2: Should there be any new appointment of compensation committee member before the end of the fiscal year, both of the new and the former compensation committee members shall be disclosed and the remarks column shall indicate that the member is new, former, or re-elected with the re-election date. Their attendance rate (%) shall be calculated based on the number of compensation committee meetings and the actual attendance during their term of office.

3. Other items to be disclosed:

(1) Discussion Items and Resolutions of Compensation Committee

Date of Compensation Committee Meetings	Discussion Item	Resolution
February 24, 2022 The 3rd of the 5th term	1. Proposal for the recommendation on 2021 Chairman's compensation.	1. Passed by all members unanimously for Chairman's KPI indicators and compensation after revising the wording for long-term strategic indicator to launching ESG's self-advocacy indicator RE100 in 2022.
	2. The distribution of 2021 employees and directors' compensation.	2. Passed by all members unanimously.
April 21, 2022 The 4th of the 5th term	1. Proposal for the recommendation on 2022 managers' compensation.	1. Passed by all members unanimously.
	2. Proposal for the amendment to the managers' KPI indicators.	2. Passed by all members unanimously.
	3. Proposal for the percentage of distribution as 2022 employees' compensation	3. Passed by all members unanimously.
	4. Proposal for the amendments to the long-term incentive plan for key positions for 2023~2025.	4. Passed by all members unanimously to continue executing the long-term incentive plan for 3 years and to discuss at the next meeting after assessment and design of the new incentive plan.



Date of Compensation Committee Meetings	Discussion Item	Resolution
October 27, 2022 The 5th of the 5th term	5. 2021 Compensation Committee performance evaluation report.	5. HR and the Convener communicated in advance in terms of the agenda of the meeting, the content of the materials and the discussion time required for the meeting, and suggested using the confidential document platform for communication with members before the meeting.
	1. Proposal for the recommendation on 2022 directors' compensation.	1. Passed by all members unanimously. Only the following suggestions are provided for the HR department: (1) Please design the principles and calculation formula for director remuneration based on the following two points and industry benchmarks: – Director remuneration should be linked to company performance. – Executive directors and independent directors have equivalent responsibilities and should receive equal pay. There should not be significant discrepancies in their rewards. (2) In terms of recusing oneself from the voting on one's own remuneration, recusal should only be necessary if there is a potential conflict of interest that could cause prejudice to the Company. Please seek legal advice on this matter.
December 29, 2022 The 6th of the 5th term	1. Proposal for the amendment to the Company's long-term incentive plan	1. Passed by all members unanimously with a request for HR to add the following: (1) Increase the differentiation of this long-term incentive in terms of total incentive. (2) Determine whether there have been any changes in the ratio of the compensation of top executives to the median salary, and compare it with industry standards.
February 22, 2023 The 7th of the 5th term	1. Proposal for the recommendation on 2022 Chairman' compensation.	1. Passed by all members unanimously with a request for HR to confirm the definitions of the fixed compensation and remuneration for the Chairman of the Board.
	2. Proposal for the distribution of 2022 employees and directors' compensation	2. Passed by all members unanimously.
April 26, 2023 The 8th of the 5th term	1. Proposal for the recommendation on 2023 managers' compensation.	1. Passed by all members unanimously.
	2. Proposal for the percentage of distribution as 2023 employees' compensation.	2. Passed by all members unanimously.
	3. 2022 Compensation Committee performance evaluation report.	3. The 2022 improvement plan has effectively strengthened the effectiveness of the Compensation Committee, and a committee member suggested that HR department arrange a meeting to explain relevant personnel procedures to help the committee members better understand the Company's operations.

(2) The Company's Board of Directors of the latest year adopted all the recommendations of Compensation Committee as they were.

(3) The Company's Compensation Committee of the latest year did not have any objection or reservation with a record or written statement against the resolutions.

3.4.5 Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies"

Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Summary	
1. Has the Company established a governance structure to promote sustainable development and set up an exclusively (or concurrently) dedicated unit to promote sustainable development, and has the Board of Directors authorized senior management to deal with and supervised the promotion of sustainable development?	√		The ESG Committee is the highest-level sustainability management unit of Delta. Since its establishment in 2007, it has been continuously transformed in response to sustainability trends. Furthermore, Delta created the position of CSO in 2019 for the promotion and in-depth sustainable development of the Company. The implementation results are reported to the Board of Directors on a quarterly basis. The ESG Committee has Mr. Bruce Cheng, founder and honorary Chairman of Delta, as the honorary chairperson and Mr. Yancey Hai, Chairman of Delta, as the chairperson. The committee is composed of board members including the Vice-Chairman, the CEO, the COO as well as the CSO and top executives from regional and functional management. It has subordinate assistance and execution units, including various task forces and the Corporate Sustainability Development Office. In addition, the Delta Electronics Foundation (Foundation) is invited to attend the meetings. Among them, the Corporate Sustainability Development Office serves as the secretariat and is responsible for studying and analyzing international sustainable development trends, gaining an in-depth understanding of stakeholders' needs to identify materials issues, and taking measures to adjust and mitigate the potential impacts on the Company's operations caused by material issues, such as climate change. The Corporate Sustainability Development Office jointly draws up strategies and implementation plans with each functional sub-committee and prepares and submits an ESG report to Delta's ESG Committee before publishing it per year. The CSO reports the sustainable development project implementation results and future work plans to the Board of Directors on behalf of the ESG Committee. A total of four meetings were held during 2022. The proposals reported at the meetings included: (1) sustainable development issues and project progress reporting, (2) internationally important rating analysis; (3) stakeholders' material issues of concern; and the (4) international initiative process. The Board of Directors reviews and oversees the progress of sustainable development strategies and various projects and provides necessary guidance.	Compliant with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies
2. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with	√		Delta's ESG Committee defines the Company's major stakeholders pursuant to AA1000 Stakeholder Engagement Standard (AA1000 SES), as well as domestic and international trends in sustainable development and our operational needs, including employees, investors, media, clients, suppliers, communities (research institutions, non-profit organizations, communities, and other relevant stakeholders). Meanwhile, the	Compliant with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies



Promoted Items	Implementation Status (Note 1)		Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	
the materiality principle, and formulated relevant risk management policies or strategies? (Note 2)			
	Committee reports the communication with stakeholders to the Board of Directors (once per year). For the year 2023, communication with stakeholders and response were reported to the Board of Directors on February 22, as follows:		
	Counter-party of communication	Communication platform	Response method
	Employees	• Labor-management meetings (quarterly) • Welfare Committee (from time to time) • Employee engagement survey (every two years) • The Company's intranet and external websites (from time to time) • Employee opinion mailbox (from time to time) • Various units and departments' communication and working meetings (from time to time) • Occupational Safety and Health Committee (quarterly) • Corporate ESG website and ESG report (annually) • Corporate website and financial report (annually) • Participation in investor forums (from time to time)	• Raising of opinions internally • Labor-management meetings and relevant meetings on employee benefits
	Investors	• Annual general meeting (annually) • Visits by institutional shareholders (from time to time) • Shareholder service email (from time to time) • Personal visits to institutional shareholders (from time to time) • Investor conference (quarterly) • Press release (from time to time) • Press conference (from time to time)	• External investor conference
	Media	• Media interview (from time to time) • Delta's public relations officer (from time to time) • Participation in major events (from time to time) • Social media (from time to time)	• Press release • Video release • Media interview • Social media



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)												
	Yes	No	Summary													
			<table><tr><th>Counter-party of communication</th><th>Communication platform</th><th>Response method</th></tr><tr><td rowspan="7">Customers</td><td> - Corporate ESG website and ESG report (annually) - Regular review meeting with clients (annually) - Distributor conference and business platform (annually) - Customer satisfaction survey (annually) - Delta's bi-monthly newsletter (every two months) - Audit by clients (from time to time) - Corporate website (from time to time) </td><td> - Customer satisfaction questionnaire </td></tr><tr><td rowspan="4">Suppliers</td><td> - Corporate ESG website and ESG report (annually) - Supplier education and training (annually) - Supplier EC platform (monthly) - Environmental hazardous substances management platform (monthly) - Climate change-related initiatives and alliances' events (from time to time) </td><td> - Supplier education and training </td></tr><tr><td rowspan="5">Communities*</td><td> - Corporate ESG website and ESG report (annually) - Delta Electronics Foundation's website (from time to time) - Energy volunteers and climate salon (from time to time) - Low-carbon Lifestyles blog and IC Broadcasting (from time to time) - Facebook and Peopo (from time to time) - Online training courses for Green Collar Architects and energy efficiency management personnel (regularly) </td><td> - Collaboration with social charity groups - Volunteer service - Social media </td></tr></table>	Counter-party of communication	Communication platform	Response method	Customers	- Corporate ESG website and ESG report (annually) - Regular review meeting with clients (annually) - Distributor conference and business platform (annually) - Customer satisfaction survey (annually) - Delta's bi-monthly newsletter (every two months) - Audit by clients (from time to time) - Corporate website (from time to time)	Customer satisfaction questionnaire	Suppliers	- Corporate ESG website and ESG report (annually) - Supplier education and training (annually) - Supplier EC platform (monthly) - Environmental hazardous substances management platform (monthly) - Climate change-related initiatives and alliances' events (from time to time)	Supplier education and training	Communities*	- Corporate ESG website and ESG report (annually) - Delta Electronics Foundation's website (from time to time) - Energy volunteers and climate salon (from time to time) - Low-carbon Lifestyles blog and IC Broadcasting (from time to time) - Facebook and Peopo (from time to time) - Online training courses for Green Collar Architects and energy efficiency management personnel (regularly)	- Collaboration with social charity groups - Volunteer service - Social media	
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Customers	- Corporate ESG website and ESG report (annually) - Regular review meeting with clients (annually) - Distributor conference and business platform (annually) - Customer satisfaction survey (annually) - Delta's bi-monthly newsletter (every two months) - Audit by clients (from time to time) - Corporate website (from time to time)	Customer satisfaction questionnaire														
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Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Summary	

* Communities include research institutions, non-profit organizations, communities, and others.

Delta and our subsidiaries communicate with internal and external stakeholders by multiple means and have established the three major steps of identification, analysis, and confirmation accordance with the principles of GRI Standards 2021 to identify and analyze Delta's and our subsidiaries' material issues, while taking corresponding and necessary measures to enhance information disclosures.

The Company's Board of Directors has adopted the Delta Corporate Social Responsibility Best Practice Principles, which have clearly defined the four main principles of: implementing corporate governance, developing a sustainable environment, maintaining social welfare, and enhancing the corporate sustainability information disclosures. As per the material ESG issue analysis results, if there are issues related to Delta's risks, they will be included in Delta's risk management process for risk assessment. Delta's risk management system is operated in a qualitative or quantitative manner through risk identification, risk assessment, risk control, risk monitoring, and communication. In the environmental aspect, Delta strives to promote environmental protection and energy conservation based on its business mission of "To provide innovative, clean, and energy-efficient solutions for a better tomorrow". The Company's Corporate Sustainability Development Office has identified possible risks and impacts of climate change on business operations, and developed adoption and mitigation strategies as well as an execution plan, which include SBTs, reduction of greenhouse gas emissions, energy conservation, water conservation, and waste reduction. In the social aspect, Delta values the balanced development of employees and is committed to providing a safe and healthy work environment. We identify potential risks in daily operating activities of all departments and continuously enhance prevention mechanisms, such as engineering control and operations management. We also conduct risk control by regularly identifying hazards and performing risk assessments. In addition, we are committed to developing and manufacturing products in compliance with international environmental protection regulations. We have established a product-related substance management system and management regulations. We also engage in discussions with employees from different departments regarding materials, quality, and procurement, and regularly conduct evaluation of our supply chain management (environmental, social, and governance) as well as ESG sustainability assessment to identify suppliers with high risk, while auditing and providing guidance to them. In the governance aspect, the Board of Directors approved the Delta Group Risk Management Policy in 2020 for risk management and execution. We have also appointed the Chief



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Summary	
Corporate Governance Officer to assist our directors with compliance with laws and regulations. Please refer to Chapter IV of this Annual Report for more details.				
3. Environmental issues				Compliant with the
(1) Has the Company established environment management systems based on its industrial characteristics?	√		Our overall plants all comply with the local national environmental laws and regulations and have obtained the ISO14001 environmental management system and ISO14064-1 greenhouse gas emission certifications. Meanwhile, several main plants have obtained the energy conservation system certifications, as listed below. We have included these systems (i.e., energy conservation and carbon reduction, reduction of greenhouse gas emissions, water conservation and waste reduction) in our policy. Main plants which have obtained the environmental management system certifications: Dongguan Plant: ISO14001: 2015 (Valid from July 13, 2020 through July 12, 2023) Wujiang Plant: ISO14001: 2015 (Valid from November 30, 2021 through November 29, 2024) Taoyuan Plant 1: ISO14001: 2015 (Valid from April 7, 2023 through April 6, 2026) Taoyuan Plant 2: ISO14001: 2015 (Valid from January 10, 2021 through January 10, 2024) Cyntec Hsinchu Plant: ISO14001: 2015 (Valid from June 21, 2020 through September 4, 2025) Main plants which have obtained the environmental management system certifications: Cyntec Hsinchu Plant: ISO 50001 (Valid from August 20, 2021 through March 3, 2024) Dongguan Plant: GB/ T23331-2012/ ISO 50001: 2011 (Valid from August 10, 2022 through August 9, 2025) Wujiang Plant: GB/ T23331-2012/ ISO 50001: 2011 (Valid from October 23, 2021 through May 8, 2025)	Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with low environmental impacts?	√		We continue to implement energy management and renewable energy applications as well as recycle electricity, heat, water, and packaging materials. We also improve the energy resource use efficiency through energy conservation, water conservation, waste reduction, and green design. Meanwhile, we adopt green packaging materials, including corrugated fiberboard/cardboard, paper boxes, and wooden boxes, for transportation, and recycle and reuse discarded packaging materials.	



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)															
	Yes	No	Summary																
(3) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	√		We identify climate change risks and opportunities in accordance with the TCFD framework announced by the Financial Stability Board, conduct a complete assessment again every three years, and update them per year. We completed the latest climate risk assessment in the beginning of 2023. We compiled each BG and each functional group's experiences, analyzed material climate risks from 22 climate risks, and examined the paths, examples, impacts, and likelihood of such impacts, as well as the impact on our finances. To reduce such risks, we identified feasible opportunities and management approaches at the same time. The main results are summarized in the implementation of relevant climate actions under the publicly listed companies' climate-related information and the 2022 Delta ESG report.																
(4) Has the Company calculated its GHG emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, carbon reduction, GHG and water consumption or other waste management?	√		The Company has long been practicing its mission of "To provide innovative, clean, and energy-efficient solutions for a better tomorrow." We continue to implement energy conservation and carbon reduction measures within the organization and improve the performance of energy and resource efficiency, waste reduction, and pollution prevention. Details are disclosed in the Delta Electronics ESG Report. We have joined CDP since 2010 and disclosed greenhouse gas emissions; 100% of Delta's overall production plants have passed the ISO 14064-1 verification per year since 2017. Please refer to Section 5.2 Climate Change of the 2022 Delta Electronics ESG Report. The overall emission data of Delta production plants in 2021 and 2022 is as follow: <table><tr><th>Category</th><th>2021</th><th>2022</th></tr><tr><td>GHG Emissions Scope1+Scope2 (Metric ton-CO2e) Location-based</td><td>433,256</td><td>374,988</td></tr><tr><td>GHG Emissions Scope1+Scope2 (Metric ton-CO2e) Market-based</td><td>151,015</td><td>142,225</td></tr><tr><td>Tap Water Consumption (Megaliters)</td><td>4,103.5</td><td>3,922.1</td></tr><tr><td>Total Waste Generation (Metric tons)</td><td>49,230.0</td><td>50,460.7</td></tr></table>	Category	2021	2022	GHG Emissions Scope1+Scope2 (Metric ton-CO2e) Location-based	433,256	374,988	GHG Emissions Scope1+Scope2 (Metric ton-CO2e) Market-based	151,015	142,225	Tap Water Consumption (Megaliters)	4,103.5	3,922.1	Total Waste Generation (Metric tons)	49,230.0	50,460.7	
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Total Waste Generation (Metric tons)	49,230.0	50,460.7																	
4. Social issues				Compliant with the															
(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Labor and Human Rights?	√		The Company complies with relevant labor laws and regulations. We have formulated employee policies and relevant management rules based on international labor and human rights standards, including the RBA Code of Conduct, Universal Declaration of Human Rights, International Labor Office Tripartite Declaration of Principles, and OECD Guidelines for Multinational Enterprises; and have implemented a fair employment system. We have disclosed the policies in the Corporate Governance	Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies															



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Summary	
			section of the Company's official website and disclosed the management results in the annual ESG Report and the modern slavery statement. Please refer to (1) Human rights, employee rights, and employee care under 1. Pursuit of a balanced interest among stakeholders in Chapter IV. Corporate Sustainability and Section 6.6 Human rights protection of the 2022 Delta ESG Report.	
(2) Has the Company formulated and executed reasonable employee benefits measures (including remuneration, leaves, and other benefits), and had the operating performance or results properly reflected in employee compensation?	√		The Company's compensation packages are above those of the technology industry and talents are retained through a competitive compensation structure. We also pay special attention to the employee salary design of reasonableness and relevance between the company's business performance and employee salary. Delta continues to be listed in the Taiwan High Compensation 100 Index in 2022. To increase the birth rates and help ease working parents' parenting pressure, Delta Taiwan has begun to pay out childcare allowances per month since October 2022. By the end of 2022, we have paid out a childcare allowance of up to US\$12,300 per child to a total of 2,234 babies born to Delta employees. To effectively retain manufacturing talents, Delta raised all employees' salaries based on their annual performance. The pay increase offered by our plants in China was about 6% to 8%, while it was 3% to 5% offered by the remaining plants. We raised indirect labor's fixed salary in our manufacturing plants in China. In addition to the fixed monthly salary, we offered three bonuses: year-end, performance, and dividends to our employees in Taiwan. Regarding paid leave, we provide paid personal leave and annual paid leave, which are better than legal requirements, including travel leave and a travel subsidy of NT\$10,000. In addition, we attach great importance to diversity and equality in the workplace. Our female employees account for 50.6% of all employees, while female managers account for 32% of all managers. Please refer to Section 6.2 Diversity and inclusion and Section 6.5 Competitive salary and benefits in the 2021 Delta ESG Report.	
(3) Has the Company provided employees with a safe and healthy work environment as well as offered classes on safety and health to employees on a regular basis?	√		Providing a safe and healthy work environment to employees is one of Delta's most basic obligations as a corporate citizen. Our overall production plants have all passed the ISO 45001 certification. To create a friendly work environment, we continue to improve the employee experience, encourage all members to join training programs, enhance the autonomy of all employees, and support and practice the concept of diversity and inclusion based on the Employee-Empower-Earth (3E) strategy. To improve workers' safety and health knowledge and disaster response skills, we offer education and training courses on safety and health in accordance with laws and regulations and operational needs. We also raise employees' awareness of hazards in the work environment and enhance their	



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Abstract Illustration	
			knowledge and concepts of safety and health required for disaster prevention by means of emails, posters on bulletin boards, or safety quizzes to avoid occupational accidents. The 2022 injury incidence rate was 0.95%, which was mainly attributable to crush or smash injuries. To manage machinery and equipment at the source, we require the installation of safety devices when purchasing machinery, which is listed as a daily inspection item.	
(4) Has the Company established effective career and competence development and training plans?	√		In terms of skills improvement and career support, our occupational development committees around the world constantly strive to improve all professional skills of all the company's functions. We also accelerate the development of personnel at all levels through job rotation, the key talent development program, the emerging talent development program, and the New Business Department (NBD) talent development program. To allow employees who have the potential for being promoted to key management positions to have the required expatriate and rotation experience before promotion, we have divided the experience criteria into three major categories: cross-function, cross-organization, and cross-region. We drew up the global expatriate and rotation policy in 2022 and officially announced it in January 2023. Please refer to 2. Talent attraction and retention under 1. Pursuit of a balanced interest among stakeholders in Chapter IV Corporate Sustainability and 6.4 Talent learning and development of the 2022 Delta ESG Report.	
(5) Does the Company comply with relevant regulations and international standards in terms of customer health and safety, customer privacy, and marketing and labeling of products and services and formulate relevant consumer protection policies and complaint procedures?	√		All the Company's products are in compliance with international safety or environmental standards. We also label relevant information, such as compliance, on products or packaging in accordance with environmental regulations at the destination of the shipment. In addition, we indicate information related to conformity with environmental certifications or labels, such as the US Energy Star or 80 PLUS, on product labels to be in line with clients' requirements for green product marketing. We also have product contact points and customer service emails in place and have formulated a product safety and warranty policy to protect clients' and consumers' rights and interest. The company's customer service (https://www.deltaww.com/zh-TW/customerService) is available on the Company's official website. Delta abides by the personal data protection policy, is committed to protecting the personal data collected from clients, and takes the initiative to inform them of the use of the collected personal data.	
(6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on	√		We have formulated the Delta Supplier Code of Conduct in alignment with international supply chain management development trends, clients' requirements, and local laws and regulations, and it is based on our years of experience in promoting corporate sustainability. It regulates suppliers'	



Promoted Items	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the Reason(s)
	Yes	No	Summary	
issues, such as environmental protection, occupational safety and health, or labor rights, and the implementation results?			compliance with local regulatory requirements and internationally applicable codes of conduct (such as the Responsible Business Alliance (RBA) Code of Conduct) in the aspects of climate change, labor rights, health and safety, environment, ethics, and management systems. We support the suppliers to implement the improvement measures according to the results of the due diligence research.	
5. Has the Company referred to the internationally accepted report preparation standards or guidelines for its preparation of ESG or other reports which disclose the Company's non-financial information? Has the aforementioned reports obtained a third-party assurance or verification statement?	√		The Company's ESG report has been verified and assured by a third party. The third-party verification statement and assurance report are expected to be received in July, 2023. (1) Guarantee: The Company engaged SGS Taiwan to verify the report in accordance with the core options of GRI Standards and high-level assurance of AA1000 AS v3 Type II. In addition, Delta obtained SGS's assurance according to the Sustainability Accounting Standards Board (SASB) standard. (2) Assurance: The Company engaged PwC Taiwan to conduct limited assurance on specific key performance information in accordance with ISAE3000.	Compliant with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies
6. If the Company has stipulated its own sustainable development principles according to the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies, please describe the implementation by the Company and deviations from the prescribed best practices: The Company has formulated the Delta Corporate Social Responsibility Best Practice Principles, which is implemented in day-to-day operations in terms of corporate governance, sustainable environment, social welfare, and ESG information disclosure, etc. Please see Chapter III Corporate Governance Report of this Annual Report for the information on corporate governance and Chapter IV Corporate Sustainability of this Annual Report for the information on sustainable environment, social welfare, and ESG information disclosure.				
7. Other material information that can help to understand how sustainable development is promoted in the Company: Please see Chapter 4 Corporate Sustainability of this Annual Report for more information.				
Note 1: If "Yes" is checked under Implementation Status, please state specifically the important policies, strategies, and measures adopted and the implementation status. If "No" is checked under Implementation Status, please explain the deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies and the reasons for such deviations, and state the plans for adopting relevant policies, strategies, and measures in the future. Note 2: The materiality principle refers to environmental, social, and corporate governance issues which have significant influence on the Company's investors and other stakeholders. Note 3: For more details on the disclosure method, please refer to the sample annual reports provided on the website of the Corporate Governance Center of the Taiwan Stock Exchange.				

3.4.6 Fulfillment of ethical corporate management and deviation from the “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies”

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				Compliant with Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies
(1) Does the Company have a Board approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policies?	√		Based on the business philosophy of honesty, transparency and responsibility of the Company, Delta's Board of Directors has approved the TWSE/ TPEX Listed establishment of the Ethical Corporate Management Best Practice Companies Principles to set up a good operation mode with clear establishment of integrity policies. Besides, all board members must sign the statement on ethical corporate management, which expects and requires the board and senior management to actively implement the ethical corporate management policy into internal management and business activities. The principles are detailed in the Corporate Governance section under Investors on the Company's website. The implementation of ethical corporate management for the year is also disclosed in the ESG report as well.	
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scopes of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies?	√		The Company has set up risk assessment mechanisms for unethical behavior. ● The Company has set up the Risk Assessment and Prevention Plan for Ethical Corporate Management to implement its ethical corporate management policy, set up a risk control mechanism, regularly analyze and evaluate business activities with higher risk of dishonest conduct within the scope of business, and strengthen relevant preventive measures in order to reduce existing and potential risks. ● The Company has created the Risk Assessment Form for Ethical Corporate Management and requested its business and functional units to conduct annual risk assessments, while taking internal and external audit records into account. A total of 34 Risk Assessment Forms (100% response rate) were completed in 2022 with corresponding control measures drafted and implemented, including requiring the employees to familiarize themselves with relevant laws and internal regulations of the Company, as well as regular monitoring with regard to illegal use of non-authorized software, etc. ● The Prevention Program established by the Company includes preventive measures against the following : a. Offering and acceptance of bribes. b. Illegal political donations	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?			c. Improper charitable donations or sponsorship d. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits e. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights f. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacturing, provision, or sale of products and services g. Prohibition of unfair competition ● "Delta Group Code of Conduct" expressly states that Delta members should abide by all applicable anti-bribery and anti-corruption regulations, expressly refuse to offer or accept any form of illegitimate benefits, and avoid dealing with business partners who operate dishonestly, nor shall them offer illegal political donations, restrict or impede fair competition, or infringe intellectual property rights by unfair means. Charitable donations or sponsorships shall comply with the Management Procedures for Handling Charitable Donations or Sponsorships. ● Article 8 of the Delta Corporate Social Responsibility Best Practice Principles declares the non-tolerance of bribery or corruption and avoidance of engaging in unfair competition.	
			The Company has stated the operating procedures, behavioral guidelines, punishment for violation, and complaint system in the unethical behavior prevention scheme. ● The Delta Group Code of Conduct sets the standard operating procedures and behavioral guidelines for all stakeholders of the Company, as a commitment to implementing its ethical corporate management policy. ● The Policy of whistleblowing system for employees and relevant whistleblowers to report any illegal or violation of code of conduct or ethical corporate management behaviors to ensure the legal rights of the whistleblowers and relevant persons. ● The Policy of rewards and punishments state the punishments for violating the Ethical Corporate Management Best Practice Principles and the Delta Group Code of Conduct. ● Regularly review and revise the above-mentioned relevant measures based on the implementation status, so as to prevent dishonest behaviors. This year, certain internal regulations the policy of	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	

whistleblowing system were revised based on practical and operational needs.

Reporting via email for employees and other

stakeholders: HR.GRIEVANCE@deltaww.com; HR885@deltaww.com

Reporting via email for suppliers: 885@deltaww.com

Policies mentioned above can be found in the Human Resources section of the Company's internal website or the Corporate Governance section under Investors of the Company website.

2. Implementation of ethical corporate management

Compliant with Ethical Corporate

(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?

√

The Company adequately implements integrity record assessment of its business partners. Management Best Practice Principles for

● The Delta Group Code of Conduct clearly regulates the following TWSE/ TPEX Listed Companies principles:

a. Before establishing business relationships with others, the Company shall evaluate the legitimacy, integrity, and operational policy of the other entities, and whether there are any records of dishonesty, to ensure that the business operations of such entities promote integrity as well as transparency, and will not demand, offer or receive bribes.

b. When the Company interacts with others, it should fully understand the status of the other party's ethical corporate management, and strive to incorporate the principle of integrity into the contract. If any party's business activities involve dishonesty, it should immediately inform and cooperate with the investigation, and the other party may unconditionally terminate or cancel the contract at any time.

● Using the Delta Supplier Code of Conduct as an important guideline, the Company adequately implements ethical corporate management in supply chain management:

a. In addition to product liability and confidentiality clauses, the procurement contract has also incorporated clauses in the Supplier Code of Conduct-Responsible Business Alliance Code of Conduct aspects, environmental protection, conflict minerals, fair competition and antitrust, etc.

b. Hierarchical management of continuously trading suppliers is carried out, and regular supplier ESG questionnaires are conducted to investigate their potential risks in labor, health and safety, environment, integrity and ethics, and management systems, and identify high-risk suppliers for systematic tracking, auditing and requirements for improvement.



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	√		In order to improve the ethical corporate management, the Company established the Ethical Management Committee as a dedicated unit to promote the ethical corporate management of the Company, as approved by resolution of the Board of Directors on October 27, 2022. The Ethical Management Committee shall report to the Board of Directors annually on the Ethical management policy, the unethical behavior prevention scheme, and its implementation status. On February 22, 2023, the Ethical Management Committee reported to the Board of Directors on the implementation of the Company's ethical corporate management policy in year 2022.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	√		- In order to prevent conflicts of interest, the Company has formulated the Delta Group Code of Conduct to identify, monitor and manage the risks of dishonest behaviors that may result from conflicts of interest. The regulations expressly stipulate that Delta members should avoid conflicts of interest related to their positions, and shall not engage in any business, investment or activities that may conflict with the interests of Delta Group. In addition, appropriate channels are provided internally for directors, managers and other stakeholders to voluntarily declare whether they have a potential conflict of interest with the Company. - Article 15 of the Rules and Procedures of the Meeting of the Board of Directors and Article 31 of the Corporate Governance Best Practice Principles state the regulations of directors' conflicts of interest and the strict prohibition of improper channeling of profits between the Company's stakeholders and shareholders. - The operations of related party transactions, insider trading and the mechanisms for handling and disclosure of material inside information are regulated respectively in the Internal Control Procedures for Related Party Transactions, the Control Procedures for Preventing Insider Trading, and the Procedures for Handling Material Inside Information. - In order to implement the code of conduct to avoid conflict of interest, each new employee is required to make a conflict of interest declaration upon reporting to work, and existing employees are reminded to make the declaration in the annual announcement. 164 employees completed the declaration voluntarily in 2022 (162 employees declared the names of their friends and relatives inside the company, and 2 employees reported their own or their relatives' participation in the Company's business transactions).	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments accordingly to prevent unethical conduct, or hire outside CPAs to perform the audits?	√		If a conflict of interest relationship is not reported in accordance with the Company's regulations, the Company will impose penalties in accordance with the Regulations on Reward and Punishment depending on the severity of the situation. - The financial reports of the Company are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and the announcements of the interpretations approved by the Financial Supervisory Commission. - The design and effectiveness of implementation of the internal controls of the Company is determined based on the Regulations Governing Establishment of Internal Control System by Public Companies and is supported by a self-monitoring mechanism. Internal auditors regularly inspect the compliance with the internal control system, including its adherence to measures preventing unethical conduct. Through self-evaluation procedures, we ensure the effectiveness of our internal control systems, which serves as the basis for issuing the Internal Control System Statement. - The Company's 2022 audit plan, assessment of the effectiveness of the internal control systems, and Internal Control System Statement were submitted to the Board of Directors for approval on October 28, 2021, and February 22, 2023, respectively. The 2023 audit plan was submitted to the Board of Directors for approval on October 27, 2022. Meanwhile, the assessment of the effectiveness of the internal control systems and the Internal Control System Statement for the fiscal year 2023 will be submitted for approval by the Board of Directors in 2024.	
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	√		The Company's HR Department arrange relevant trainings to promote the implementation of ethical corporate management: New employees are required to participate in the orientation training for newcomers related to ethical corporate management. All employees return to the ethical corporate management/code of conduct/human rights policy advocacy course through our online education platform every year, including explanations on the prohibition of insider trading and internal material information handling procedures, etc. The Company also holds physical ethical corporate management courses from time to time. In 2022, a total of 82,007 people in the Delta Group around the globe participated in online training courses related to the topics mentioned above with a training completion rate of 97.0%.	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
			- Regularly review and adjust the content of the training courses to strengthen the advocacy of preventing dishonest behavior. In 2022, the online course "Anti-Corruption and Trade Secrets" was conducted for supervisors to enhance the understanding of the regulations of insider trading and criminal liability under Section 157-1 of the Securities and Exchange Act to prevent dishonest acts in order to strengthen the awareness for dishonest behavior with practical cases. - The Company's advocacy efforts related to ethical corporate management operations include: listing honesty and integrity as a value and ability assessment item in employee performance evaluation, publishing an annual announcement on the regulations of conflict of interest recusal and reminding colleagues to take the initiative to fill in the declaration form, and conducting ethical corporate management risk assessment with each unit every year. - For suppliers, the Company refers to the Responsible Business Alliance Code of Conduct as the main framework, and pushes the suppliers to practice sustainable development in major aspects such as labor, occupational safety and health, environment, ethics and management systems. Based on the Delta Supplier Code of Conduct, education and training materials are provided and supplier's commitment to integrity are signed.	
3. Operation of the whistle-blowing system of the Company				Compliant with Ethical Corporate Management Best
(1) Does the Company establish both a practical reward and whistle-blowing systems, integrity hotline and appropriate personnel in charge to the reported object?	√		The Delta Group Code of Conduct and the Delta Group Management Practice Principles for Measures of the Whistle-blowing System stipulate the set up of a reporting TWSE/ TPEX Listed channel for employees, suppliers, and other external stakeholders. Companies Managed by designated personnel, the reporting system is for reporting matters or violations against human rights, behavior principles, or ethical corporate management principles. In addition to reporting to the head of the unit in which the member belongs to, as well as to the head of the Audit Department, head of the HR Department or head of the Legal/IP Department, a report can also be sent through the Company's local email address. If any whistle-blowing case is confirmed true and has made a significant contribution or resulted in significant financial benefits, the whistle-blower will be rewarded appropriately. Reporting via email for employees and other stakeholders: HR.GRIEVANCE@deltaww.com ; HR885@deltaww.com Reporting via email for suppliers: 885@deltaww.com	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	√		The Delta Group Management Measures of the Whistle-blowing System stipulates the following procedures: ● The whistle-blower or his/her agent shall submit a compliant in writing or verbally with specific fact and sufficient information of the alleged behavior or incidents against human rights, behavior principles or ethical corporate management. Delta members may choose to remain anonymous when reporting a violation of another member. However, the Company encourages Delta members to provide their identity when making a report to facilitate communication and investigation. ● The whistle-blowing case shall be closed within one month and may be extended for one month if necessary. In the conclusion of the case, the whistle-blower shall be replied to through the "Reply Form for Whistle-blowing Event", unless the whistle-blower does not provide any contact information nor respond. If the whistle-blower is not satisfied with the resolution, he or she may fill out the "Record Form of Whistle-blowing Event" within 10 days from the date of receiving the reply and provide new reasons and new evidence with facts. The case shall then be handled by another handling unit rather than the first handling unit, which would be designated by the CEO of the Company. Only one application for reconsideration is allowed. ● The Company will handle any whistle-blowing case confirmed by investigation in accordance with laws and related disciplinary regulations of the Company. If any material violation is identified or is likely to cause serious damage to the Company, the handling unit shall report the case to the Audit Committee. ● The parties involved in the whistle-blower case and related personnel responsible for handling the case are obliged to keep it confidential and prevent the whistle-blower from being treated unfairly, retaliated against or threatened. Violators shall be punished in accordance with the company's disciplinary regulations.	
(3) Does the Company take measures to protect whistle-blowers from being mistreated due to whistleblowing?	√		The Delta Group Code of Conduct and the Delta Group Management Measures of the Whistle-blowing System expressly stipulate that the whistle-blower may choose to remain anonymous. The handling unit will keep the whistle-blower information strictly confidential, and will only disclose it to specific persons to meet investigation needs. Meanwhile, reasonable preventive and protective measures will be applied to protect the whistle-blower from revenge or mistreatment.	



Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Reason(s)
	Yes	No	Summary	
4. Strengthening information disclosure				Compliant with Ethical Corporate
Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	√		The Ethical Corporate Management Best Practice Principles, the Code of Management Best Conduct and the Corporate Social Responsibility Best Practice Principles Practice Principles for are disclosed on the Company's website in the Corporate Governance TWSE/ TPEX Listed section under Investors. In addition, relevant and reliable information on Companies ethical corporate management is also disclosed in the annual report and the Delta ESG Report.	
5. If the Company has established its ethical corporate management policies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies, please describe any discrepancy between the policies and their implementation:				Compliant with Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (i.e., the status of the Company's efforts to review and amend the ethical corporate management practices):				None.

3.4.7 If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched

Please refer to the dedicated section of "Investors" on the Company's website (www.deltaww.com) for corporate governance best practice principles, major resolutions of the Board of Directors and material information, etc.

3.4.8 Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance

1. On the internal and external websites of the Company, there are also dedicated sections for the implementation of corporate governance, where rules and regulations related to corporate governance are available for download and serve as references for both insiders and outsiders.
2. In addition, the Company also promptly discloses material information to the public and hold investor conferences periodically.
3. In the 2022 climate change report published by CDP (formerly known as the Carbon Disclosure Project), the Company was awarded a double A List rating on two environmental issues (i.e., "climate change" and "water security management"). In the 2022 Dow Jones Sustainability Indices (DJSI) evaluation, the Company's overall performance in the social dimension ranked in the 100% percentile in the global electronic equipment industry, which shows that the Company continues to strengthen its people-oriented core value amid the global trend of energy conservation and carbon reduction. In addition, the Company has not only been selected as the best international brand in Taiwan for the twelfth year, but its brand value has also increased by another 8% since 2021, reaching US\$426 million, a record of ten consecutive years of growth. In 2023, the Company also ranked among top 5% of listed companies in the 9th term of Corporate Governance Evaluation by the Taiwan Stock Exchange.

3.4.9 Internal control system implementation

3.4.9.1. Statement on Internal Control

Delta Electronics, Inc.
Internal Control System Statement

Date: February 22, 2023

Based on the findings of a self-evaluation, Delta Electronics, Inc. states the following in regards to its internal control system during the year 2022:

1. The Company is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and the managers of the Company. The Company has established the system for the purpose of guaranteeing the effectiveness and efficiency of the operation (including profitability, performance, asset security, etc.), the reliability, timeliness and transparency of reporting, and full compliance with relevant laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three aforementioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities. Each component includes a number of items. Please see the Regulations for rules of the aforementioned items
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid internal control criteria.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance on our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations
6. This Statement is an integral part of the Company's annual report for the current period and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors in their meeting held on February 22, 2023, with all of its twelve attending directors affirming the content of this Statement.

Delta Electronics, Inc.



Chairman: Yancey Hai



President: Simon Chang



3.4.9.2. If CPAs are engaged to review the internal control system, their report shall be disclosed: None.



3.4.10 For the most recent fiscal year or during the current fiscal year up to the printing date of the annual report, disclose any disciplinary actions imposed in accordance with the law upon the Company or its internal personnel, as well as disciplinary actions imposed by the Company upon its internal personnel for violations of internal control system provisions, and the result of such disciplinary actions that may have caused significant impact on shareholders' equity or securities prices, content of the disciplinary actions, and principal deficiencies, then specify any corrective actions taken

It did not occur any sanctions imposed in accordance with the law upon the Company and its internal personnel and the result of such sanctions that may have caused significant impact on shareholders' equity or securities prices in 2022 and as of the date of publication of the annual report.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings for the most recent fiscal year or during the current fiscal year up to the printing date of the annual report

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2022.02.24 The 6th of the 19th term	1. To approve the Company's 2022 corporate business plan	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	2. To approve the recommendation on the Company's 2021 Chairman's compensation	Pursuant to Article 206 of the Company Act, except for Chairman of the Board Mr. Yancey Hai who shall not participate in discussion or voting, the rest of attending directors unanimously approved this motion.
	3. To approve the distribution of the Company's 2021 employees' and directors' compensation	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	4. To approve the Company's 2021 annual final accounting books and statements	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	5. To approve the distribution of the Company's 2021 earnings	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	6. To approve the short-form merger with the Company's 99.97% owned subsidiary, Allied Material Technology Corp.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	7. To approve the issuance of the Company's domestic unsecured ordinary corporate bond	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	8. To approve the assessment of the effectiveness of the Company's 2021 internal control system	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	9. To approve the Company's 2021 Internal Control System Statement	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	10. To engage the Company's CPAs for the fiscal year of 2022 and evaluate their independence	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	11. To approve the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter Rules, and Procedures of the Meeting of Board of Directors	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	12. To approve the election of a director and an independent director of the Company	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	13. To approve the convening of the Company's 2022 Annual General Shareholders' Meeting	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.



Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2022.04.28 The 7th of the 19th term	1. To approve the recommendation on the Company's 2022 managers' compensation	Pursuant to Article 206 of the Company Act, except for Directors, Mr. Yancey Hai, Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang, who shall not participate in voting on managers' compensation, and Mr. Victor Cheng, who temporarily left the meeting, the rest of attending directors unanimously approved this motion.
	2. To approve the amendment to the Company's managers' KPI indicators	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	3. To approve the percentage of distribution as the Company's 2022 employees' compensation	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	4. To approve the amendment to the Company's 2023~2025 long-term incentives	Upon the consultation of the Chairman of the Board, the Board unanimously agreed not to discuss this motion.
	5. To approve the Company's 2022Q1 final accounting books and statements	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	6. To approve the amendments to the Company's Corporate Governance Best Practice Principles	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	7. To approve the amendments to the Company's Article of Incorporation	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	8. To approve the amendments to the Company's Shareholders' Meeting Rules and Procedures	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	9. To approve the amendments to the Company's Operating Procedures of Acquisition or Disposal of Assets	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	10. To approve the amendments to the Company's Operating Procedures of Fund Lending	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	11. To approve the Company's review on the nominated directors (including independent directors)'s qualification	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	12. To approve the proposing of the release from non-competition restrictions on directors in the Company's general shareholders' meeting.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	13. To approve the convening of the Company's 2022 Annual General Shareholders' Meeting (additional agenda items)	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
2022.07.28 The 8th of the 19th term	1. To approve the disposal of the Company's Chunli Plant 2	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	2. To approve the appointment of Independent Director Audrey Tseng as a member of the 5th term of the Company's Compensation Committee	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	3. To approve the amendment to the Company's internal control process	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	4. To approve the Company's 2022Q2 final accounting books and statements	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	5. To approve the release from non-competition restrictions on the Company's managers	Pursuant to Article 206 of the Company Act, except for the directors who are the interested party and shall not participate in discussion or voting, the rest of attending directors unanimously approved, without prejudice to the interests of the Company, the release from non-competition restrictions on Mr. Ping Cheng serving as the Chairman in Delta Electronics



Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2022.07.28 The 8th of the 19th term		(Chongqing) Ltd., Mr. Simon Chang serving as a director in Delta Electronics (Chongqing) Ltd. and Mr. Mark Ko serving as a director in Ancora Semiconductors Inc.
	6. To approve the proposing of the release from non-competition restrictions on directors in the Company's general shareholders' meeting.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	1. To approve the amendments to the Company's Ethical Corporate Management Best Practice Principles	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion as revised by the Audit Committee, upon the consultation of the Chairman of the Board.
	2. To approve the Company's 2022Q3 consolidated financial statements	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
	3. To approve the Company's shareholding restructuring	Except for Director Mr. Victor Cheng, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
	4. To approve the recommendations on the Company's 2022 directors' compensation	Except for the directors who did not participate in discussion or voting on their own compensation and Director Mr. Victor Cheng, who left temporarily, the rest of directors who could participate in the voting unanimously approved this motion upon the consultation of the Chairman of the Board.
2022.10.27 The 9th of the 19th term	5. To approve the Company's 2023 internal audit plan	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
	6. To approve the amendments to the Company's Rules and Procedures of the Meeting of the Board of Directors	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
	7. To approve the amendments to the Company's Procedures for Handling Material Inside Information	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.
	8. To approve the release from non-competition restrictions on the Company's managers	Pursuant to Article 206 of the Company Act, except for Director Mr. Simon Chang who shall not participate in voting on this motion and Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang who left temporarily, the rest of the attending directors unanimously approved on the premise that there would be no prejudice to the interests of the Company to release from the non-competition restrictions on Mr. Simon Chang serving as a director in Delta Energy Technology Puhuan (Shanghai) Co., Ltd. upon the consultation of the Chairman of the Board.
	9. To approve the proposing of the release from non-competition restrictions on the directors in the Company's general shareholders' meeting	Except for Director Mr. Victor Cheng and Independent Director Mr. Jack J. T. Huang, who left temporarily, the rest of attending directors unanimously approved this motion upon the consultation of the Chairman of the Board.



Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2022.12.29 The 10th of the 19th term	1. To approve the amendment to the Company's 2023~2025 Long-term Incentives Scheme	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	2. To approve the changes and increase of cost for the expansion construction of the Company's Taipei Head Office	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	1. To approve the Company's 2023 corporate business plan	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	2. To approve the recommendations on the Company's 2022 Chairman's compensation	Pursuant to Article 206 of the Company Act, except for the Chairman of the Board Mr. Yancey Hai who shall not participate in discussion or voting, the rest of attending directors unanimously approved this motion.
	3. To approve the distribution of the Company's 2022 employees' and directors' compensation	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	4. To approve the Company's 2022 annual business report and financial reports	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	5. To approve the distribution of the Company's 2022 earnings	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
2023.02.24 The 11th of the 19th term	6. To approve the group's investment restructuring	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	7. To approve the group's shareholding restructuring	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	8. To approve the increase of investment in DESS from DET	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	9. To approve the issuance of the Company's domestic unsecured ordinary corporate bond	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	10. To approve the assessment of the effectiveness of the Company's 2022 internal control system	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	11. To approve the Company's 2022 Internal Control System Statement	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	12. To approve the amendments to the Company's Corporate Governance Best Practice Principles	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	13. To approve the amendments to the Company's Article of Incorporation	The Board unanimously approved this motion upon a revision suggestion from independent directors.
	14. To evaluate the independence and competency of the CPAs engaged by the Company	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	15. To approve the proposing of the release from non-competition restrictions on directors in the Company's general shareholders' meeting.	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
2023.04.27 The 12th of the 19th term	16. To approve the convening of the Company's 2023 Annual General Shareholders' Meeting	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	1. To approve the recommendation on the Company's 2023 managers' compensation	Pursuant to Article 206 of the Company Act, except for Directors Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang, who shall not participate in voting on managers' compensation, and Director Ms. Shan-Shan Guo, who temporarily left, the rest of attending directors unanimously approved this motion.



Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2023.04.27 The 12th of the 19th term	2. To discuss the percentage of distribution as the Company's 2023 employees' compensation	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	3. To approve the Company's 2023Q1 consolidated financial statements	The Chairman of the Board Yancey Hai left temporarily, and, upon the consultation of the Vice-Chairman Mark Ko acting as Chairman, all attending Directors unanimously approved this motion.
	4. To approve the amendments to the Company's Information Security Policy	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	5. To approve the amendments to the Company's Shareholders Meeting Rules and Procedures	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	6. To approve the amendments to the Company's Director Election Regulations	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.
	7. To approve the convening of the Company's 2023 Annual General Shareholders' Meeting (additional agenda items)	Upon the consultation of the Chairman of the Board, all attending Directors unanimously approved this motion.

Major resolutions of Shareholders' Meetings		
Date of Shareholders' Meetings	Proposal	Resolutions
June 14, 2022 Annual General Shareholders' Meeting	1. Adoption of the Company's 2021 Annual Final Accounting Books and Statements	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,141,070,768, among which 1,420,178,252 was exercised by electronic transmission; the number of voting rights for rejection was 1,521,118; the number of invalid votes was 0; the number of voting rights for abstention was 187,908,134; and 91.87% of the total voting rights voted for approval when votes were cast).
	2. Adoption of the Company's 2021 Earnings Distribution	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,144,594,509, among which 1,423,701,993 was exercised by electronic transmission; the number of voting rights for rejection was 112,676; the number of invalid votes was 0; the number of voting rights for abstention was 185,792,835; and 92.02% of the total voting rights voted for approval when votes were cast).
	3. Discussion of the Amendments to the Company's Articles of Incorporation	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,076,557,538, among which 1,355,665,022 was exercised by electronic transmission; the number of voting rights for rejection was 39,263,730; the number of invalid votes was 0, the number of voting rights for abstention is 214,678,752; and 89.10% of the total voting rights voted for approval when votes were cast).



Major resolutions of Shareholders' Meetings											
Date of Shareholders' Meetings	Proposal	Resolutions									
June 14, 2022 Annual General Shareholders' Meeting	4. Discussion of the Amendments to the Company's Shareholders' Meeting Rules and Procedures	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,091,705,874, among which 1,370,813,358 was exercised by electronic transmission; the number of voting rights for rejection was 24,202,628; the number of invalid votes was 0; the number of voting rights for abstention was 214,591,518; and 89.75% of the total voting rights voted for approval when votes were cast).									
	5. Discussion of the Amendments to the Company's Operation Procedures of Acquisition or Disposal of Assets	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,122,060,394, among which 1,401,167,878 was exercised by electronic transmission; the number of voting rights for rejection was 111,893; the number of invalid votes was 0; the number of voting rights for abstention was 208,327,733; and 91.05% of the total voting rights voted for approval when votes were cast).									
	6. Discussion of the Amendments to the Company's Operating Procedures of Fund Lending	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval was 2,121,894,187, among which 1,401,001,671 was exercised by electronic transmission; the number of voting rights for rejection was 126,964; the number of invalid votes was 0; the number of voting rights for abstention was 208,478,869; and 91.04% of the total voting rights voted for approval when votes were cast).									
	7. Election of a Director and an Independent Director of the Company	Election Result: 1 Director and 1 Independent Director were elected as below: <table><tr><th>Title</th><th>Name</th><th>Votes Received</th></tr><tr><td>Director</td><td>Shan-Shan Guo</td><td>1,821,298,833</td></tr><tr><td>Independent Director</td><td>Audrey Tseng</td><td>1,882,941,983</td></tr></table>	Title	Name	Votes Received	Director	Shan-Shan Guo	1,821,298,833	Independent Director	Audrey Tseng	1,882,941,983
	Title	Name	Votes Received								
Director	Shan-Shan Guo	1,821,298,833									
Independent Director	Audrey Tseng	1,882,941,983									
8. Discussion of the Release from Non-competition Restrictions on Directors	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,330,500,020 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,923,426,050, among which 1,202,533,534 was exercised by electronic transmission, the number of voting rights for rejection is 29,923,325, the number of invalid votes is 0, the number of voting rights for abstention is 377,150,645, and 82.53% of the total voting rights voted for approval when votes were cast).										

Implementation for the Resolutions in 2022 Annual General Shareholders' Meeting:

1. Adoption of the 2021 Annual Final Accounting Books and Statements

Resolution: Approved.

2. Adoption of the 2021 Earnings Distribution



Resolution: Approved. The cash dividends for the 2021 earnings distribution amounted to NT\$14,286,488,310, and were distributed to the shareholders. According to the number of shares issued and entitled to the distribution totaling 2,597,543,329, the cash dividends of approximately NT\$5.5 per share shall be distributed. The Board of Director authorized the Chairman to set the record date as July 5, 2022, and the cash dividend distribution date as July 28, 2022.

3. Discussion of the Amendments to the Company's Articles of Incorporation

Resolution: Approved and disclosed on the Company website and Market Observation Post System (MOPS) as well as implemented per the shareholders' amended articles.

4. Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures

Resolution: Approved and disclosed on the Company website and Market Observation Post System (MOPS) as well as implemented per the shareholders' amended rules.

5. Discussion of the Amendments to the Operation Procedures of Acquisition or Disposal of Assets

Resolution: Approved and disclosed on the Company website and Market Observation Post System (MOPS) as well as implemented per the shareholders' amended procedures.

6. Discussion of the Amendments to the Operating Procedures of Fund Lending

Resolution: Approved and disclosed on the Company website and Market Observation Post System (MOPS) as well as implemented per the shareholders' amended procedures.

7. Discussion of the Release from Non-competition Restrictions on the Directors

Resolution: Approved the release from Non-competition Restrictions on the following Director holding important positions in other companies by a resolution of the Annual General Shareholders' Meeting.

Name of Independent Director	Positions in Other Companies	Positions
Audrey Tseng	HanchorBio (Cayman)	Director
	AP Biosciences Inc.	Representative of Corporate Director
	Bonraybio Co., Ltd.	Representative of Corporate Director
	T-E Pharma Holding (Cayman)	Director
	Onward Therapeutics SA (Switzerland)	Independent Director

3.4.12 Where, during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report, a director expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion was recorded or prepared as a written declaration, disclose the principal content thereof: None.

3.4.13 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report, of the Company's Chairman, General Manager, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Chief Corporate Governance Officer and Chief Research and Development Officer: None.



► 3.5 Information on CPA professional fees

3.5.1. Audit fees and non-audit fees paid to the certified public accountants, to the accounting firm of the certified public accountants, and/or to any affiliated enterprise of such accounting firm and details of non-audit services

Unit: Thousand New Taiwanese Dollars

Name of CPA firm	Name of CPA		Audit periods	Audit fees	Non-audit fees	Total	Remarks
Pricewaterhouse Coopers	Hsiao, Chun-Yuan	Chou, Chien-Hung	2022.01.01~ 2022.12.31	20,550 (Note)	7,675	28,225	Other non-audit fees include consultations on taxes and compliance audit, ESG report consultations, report on transfer pricing, master file and country-by- country report services, etc.

Note : Including the fees for the review of financial statements of invested companies.

3.5.2. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

3.5.3. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

► 3.6 Information on replacement of certified public accountant:

3.6.1 Regarding the former certified public accountant

Date of replacement	April 28, 2022			
Reason for replacement	The change in the certified public accountant for the three months ended March 31, 2022 was mainly due to the internal organizational adjustment of the accounting firm			
Specifying whether it was the certified public accountant that voluntarily ended the engagement or declined further engagement, or the Company that terminated or discontinued the engagement	situation parties	Certified public accountant	The Company	
		voluntarily ended the engagement	NA	NA
		terminated or discontinued the engagement	NA	NA
If the former certified public accountant issued an audit report expressing other than an unqualified opinion during the 2 most recent years, furnish the opinion and reason		NA		
Indicate whether there was any disagreement between the company and the former certified public accountant	Yes	-	accounting principles or practices	
		-	financial report disclosure	
		-	auditing scope or procedure	
		-	others	
	No	V		
	Describe in detail:	-		
Other information for disclosure (pursuant to 4~7 of item 1 of paragraph 6 of article 10 of the regulations)		None		



3.6.2 Regarding the successor certified public accountant

Name of the accounting firm	Pricewaterhouse Coopers
Name of the certified public accountants	Hsiao, Chun-Yuan and Chou, Chien-Hung
Date of engagement	February 24, 2022
If prior to the formal engagement of the successor certified public accountant, the Company consulted the newly engaged accountant regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the company's financial report, the Company shall state and identify the subjects discussed during those consultations and the consultation results	NA
Written views from the successor certified public accountant on different opinions previously issued by the former certified public accountant	NA

3.6.3 The content of the reply letter from the former certified public accountant pursuant to subparagraph 1 and item 5-3 of subparagraph 2 of paragraph 6 of article 10 of the regulations: None.

- 3.7 Where the Company's chairperson, presidents, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held :
None.



- **3.8 Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report**

3.8.1 Change in Shareholdings Holding by Directors, Management and Shareholders with 10% Shareholdings or More

Title	Name	2022		Current year up to April 15, 2023	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (decrease) (Note 1)	Pledged holding increase (decrease)
Chairman	Yancey Hai	0	0	0	0
Vice-Chairman/ Chairman in Strategic Steering Committee	Mark Ko	0	0	0	0
Director/ Honorary Chairman	Bruce CH Cheng	0	0	0	0
Director/ CEO and Vice-Chairman in Strategic Steering Committee	Ping Cheng	0	0	0	0
Director/President, COO and Branch Manager	Simon Chang	0	0	0	0
Director	Victor Cheng	0	0	0	0
Director (Note 2)	Shan-Shan Kuo	0	0	0	0
Independent Director	Ji-Ren Lee	0	0	0	0
Independent Director	Shyue-Ching Lu	0	0	0	0
Independent Director	Jack J. T. Huang	0	0	0	0
Independent Director	Rose Tsou	0	0	0	0
Independent Director (Note 2)	Audrey Tseng	0	0	0	0
Corporate CFO	Beau Yu	0	0	0	0
Chief Corporate Governance Officer	Shalin Chen	0	0	0	0
Shareholder holding more than ten percent of the total shares	DEICO INTERNATIONAL LTD.	0	0	0	0

Note 1 : No. of shares held increase (decrease) as of the book closure date for the 2023 AGM.

Note 2 : The Company's shareholders elected an additional director and an additional independent director at the Annual General Meeting on June 14, 2022. The information of changes in shareholding in 2022 is disclosed from June 14, 2022.

3.8.2 Stock transfers to related parties: None.

3.8.3 Pledge of stock rights to related parties: None.



► 3.9 Relationship information, if any one among the Company's 10 largest shareholders is a related party or a relative within the second degree of kinship of another

April 15, 2023

Name (Note 1)	Shareholding		Spouse's / minor's shareholding (Note 2)		Shareholding by nominee arrangement (Note 2)		Specify the names and relations of the top-10 shareholders who are related-parties or spouse or kindred within the 2nd degree of kinship (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relation	
DEICO INTERNATIONAL LTD.	267,556,280	10.30%	0	0	0	0	None	None	None
Representative: Jiao Fan	0	0	0	0	0	0	None	None	None
DELTRON HOLDING LTD.	218,211,168	8.40%	0	0	0	0	None	None	None
Representative: Syue-Huei Ye	0	0	0	0	0	0	None	None	None
Chung-Hua Cheng (Also known as Bruce CH Cheng)	81,878,039	3.15%	24,097,633	0.93%	0	0	Ping Cheng, Victor Cheng	Father and sons	None
New Labor Retirement Pension Fund	74,469,938	2.87%	0	0	0	0	None	None	None
Government of Singapore	70,583,833	2.72%	0	0	0	0	None	None	None
Ping Cheng	55,640,093	2.14%	0	0	0	0	Bruce CH Cheng, Victor Cheng	Father and son, brothers	None
An Cheng (Also known as Victor Cheng)	50,344,764	1.94%	1,023,482	0.04%	0	0	Bruce CH Cheng, Ping Cheng	Father and son, brothers	None
Labor Insurance Fund	35,598,358	1.37%	0	0	0	0	None	None	None
Labor Retirement Reserve Fund (The Old Fund)	31,201,284	1.20%	0	0	0	0	None	None	None
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	30,042,356	1.16%	0	0	0	0	None	None	None

Note 1: Top ten shareholders are listed and the names along with the names of their representatives are also listed for institutional shareholders.

Note 2: The shareholding ratio should be calculated based on all the shares under one's name, spouse, minor children or those purchased under the name of others on his/her behalf.

Note 3: The relationship between all shareholders listed, including juridical and natural persons is disclosed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.



► **3.10 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and managers, and any companies controlled either directly or indirectly by the Company**

December 31, 2022; Unit: shares · %

Affiliated Company (Note 1)	Shareholding by the Company		Shareholding of directors, supervisors, managers or enterprises under their direct or indirect control		Total Shareholding	
	Shares	%	Shares	%	Shares	%
Delta Networks Holding Ltd.	83,800,000	100.00%	0	0.00%	83,800,000	100.00%
Delta Electronics (Netherlands) B.V.	128,492,272	100.00%	0	0.00%	128,492,272	100.00%
Cyntec Co., Ltd.	2,341,204,333	100.00%	0	0.00%	2,341,204,333	100.00%
DelBio Inc.	21,761,836	100.00%	0	0.00%	21,761,836	100.00%
Delta Electronics Capital Company	391,967,176	100.00%	0	0.00%	391,967,176	100.00%
Delta Electronics Int'l (Singapore) Pte. Ltd.	45,234,240	100.00%	0	0.00%	45,234,240	100.00%
Delta International Holding Limited B.V.	67,680,000	100.00%	0	0.00%	67,680,000	100.00%
Delta Electronics (Thailand) Public Company Limited	69,128,140	5.54%	726,463,336	58.25%	795,591,476	63.80%
Delta America Ltd.	2,100,000	10.26%	18,374,182	89.74%	20,474,182	100.00%
VIVOTEK Inc.	49,128,058	56.75%	0	0.00%	49,128,058	56.75%
Chunghwa SEA Holdings	880,000	44.00%	0	0.00%	880,000	44.00%
Delmind Inc.	21,000,000	70.00%	0	0.00%	21,000,000	70.00%
Ancora Semiconductors Inc.	37,000,000	67.03%	4,000,000	7.25%	41,000,000	74.28%

Note1: Long-term Investment accounted based on equity-method.

4. Corporate Sustainability

Delta adheres to the business mission of "to provide innovative, clean and energy-efficient solutions for a better tomorrow". Since Delta was established, we have focused on energy-saving technology and are committed to combining business operations with sustainable goals. We not only insist on investing in research and development of innovative technologies but also strive to improve resource use efficiency and product sustainability. We put a great deal of emphasis on supply chain management, spare no effort to cultivate talents, and attach importance to information security and privacy protection, while taking into account environmental, social, and economic development. Delta has set up an ESG Committee, with Mr. Bruce Cheng, founder and honorary chairman of Delta, as the honorary chairman of the committee and Chairman Yancey Hai as the committee chairman. The committee consists of board members, including the vice chairman, CEO and COO, chief sustainability officer (CSO), as well as top executives from regional and functional management. The committee meetings are held on a quarterly basis, strategically incorporating the Company's core capabilities to continue to enhance Delta's sustainable development capabilities. Delta has formally established the position of CSO to promote sustainable development, align our strategies with the UN's Sustainable Development Goals (SDG), facilitate effective communication with stakeholders, and create higher added value. In addition, Delta has formulated the Corporate Social Responsibility Principles in compliance with applicable laws and regulations under the approval of the Board of Directors. These principles clearly define the key principles, including corporate governance implementation, sustainable environment development, social welfare maintenance, and the strengthening of information disclosure, to fulfill the Company's corporate sustainable development.

In the environmental aspect, we are committed to "reporting climate change information in mainstream reports as a fiduciary duty", "adopting a science-based emissions reduction target", "responsible corporate engagement in climate policy", "transitioning to electric vehicles and expanding charging facilities", and "100% renewable energy" in response to the We Mean Business international initiatives proposed by CDP, The Climate Group, and the World Business Council for Sustainable Development (WBCSD). We achieved the science-based targets (SBTs) we set ahead of schedule in 2021. Our years of proactive endeavors in carbon reduction have raised the proportion of renewable energy consumed at our global operating sites to 55%. Building on this experience, Delta further joined the global RE100 renewable energy initiative and is committed to achieving "100% renewable" and carbon neutrality at its global operating sites by 2030. Moreover, we have responded to the 1.5°C pathway to reduce carbon emissions and curb global warming and have set the goal of achieving net-zero at global operating sites by 2050. Delta was officially recognized by the Science Based Targets initiative (SBTi) in 2022 as the first in the high-tech hardware equipment industry in Asia and the 125th enterprise in the world to have passed SBTi's net-zero science-based target review. Furthermore, we have adopted an internal carbon pricing mechanism (US\$300 per metric ton) to facilitate the achievement of our RE100 and net zero goals. Meanwhile, we support energy conservation and carbon reduction projects and the acquisition of renewable electricity, encourage investment in negative carbon technologies and innovative low-carbon technologies, and have formally included biodiversity in the Company's ESG strategies, to respond to UN SDGs with our practical actions and core capabilities. In addition, through the continuous implementation of the Task Force on Climate-Related Financial Disclosures (TCFD), we evaluate and analyze our climate change risks and opportunities to identify our business direction and actively build a business presence in the electric vehicles and energy storage market. We also strive to motivate our supply chain to align itself with international standards and conserve energy, and lead our suppliers to conduct carbon inventory. In 2021, eight of Taiwan's leading technology companies, including Delta, jointly launched the Taiwan Climate Partnership. Last year, Chairman Yancey Hai was elected as the first chair of the alliance at a general meeting of representatives. We hope that this organization can work with more international advocacy organizations and assist with the supply chain's low-carbon transition, thereby enhancing its competitiveness through collaboration between like-minded partners on this platform.

On the social front, we attach great importance to the development of work-life balance, actively promote the employer brand, continue to implement accelerated talent development programs, and facilitate interdepartmental learning and collaboration, while providing opportunities for job rotation or assignment to different business units or global operating sites, to enable our employees to continue their career development. We also spare no effort to participate in social charity. The videos on the DeltaMOOCx online learning platform launched by the Delta Electronics Foundation in 2014 have exceeded 18 million views, benefiting countless employees and students. The foundation also began to engage in coral restoration in 2021 and has successfully transplanted coral seedlings to the Chaojing Bay Marine Protected Area, achieving the goal of restoring a thousand reefs ahead of schedule by the end of 2022. For stakeholders to better understand our efforts, Delta takes part in external seminars and forums to share our experience and we issue the Delta Electronics ESG Report annually to publicly announce our ESG performance.

We proactively align our strategies with the SDGs published by the UN in 2015. In addition to our environmental, social, and governance goals which correspond to 169 subgoals under 17 SDGs, we have set another seven goals in alignment with the SDGs based on material issues, about which stakeholders are concerned: 4. Quality Education; 7. Affordable and Clean Energy; 9. Industry, Innovation, and Infrastructure; 11. Sustainable Cities and



Targeted SDGs	Delta's Alignment with SDGs
	High-quality education for all. Shaping the development of talent and improvement of knowledge. Delta is promoting education and life-long learning in four aspects: Promoting basic subject education; promoting environmental education, such as energy, water resources, and green buildings; assisting in improving educational opportunities in developing countries; establishing talent cultivation mechanisms within the company to move toward lifelong learning.
	Constructing a reliable and sustainable clean energy system is one of our global priorities. Delta is dedicated to developing solar power generation systems and renewable energy solutions, and discovering new business models therefrom. Meanwhile, we provide affordable renewable energy solutions to underdeveloped regions to help more people obtain sustainable modern energy.
	Accelerating industrial innovation as well as assisting in the construction of resilient infrastructure is one of the best solutions for companies facing the dual pressures of climate change and sustainable development. Delta has implemented an internal incentive system to continuously accumulate innovative energy and provide diversified energy-saving solutions to global clients. Such solutions are applied in the smart manufacturing and low-carbon transportation fields.
	As the scale of urbanization continues to grow and populations are increasingly concentrated, sustainable cities have become the keys to balancing human well-being and environmental and social sustainable development. To collectively develop sustainable cities with our stakeholders, we actively adopt and promote green buildings and provide green building solutions, including building automation solutions and energy infrastructure.
	Sustainable consumption and production are the foundations for sustainable business operations. Delta is dedicated to our corporate mission of "to provide innovative, clean, and energy-efficient solutions for a better tomorrow." We have incorporated sustainable consumption and production models into our daily operations through green production measures, local procurement, supplier ESG audits, and the promotion of green buildings, factories, and offices, and green operation concepts.
	Responding to climate change and its impact properly and taking countermeasures are major challenges for a company's sustainable business strategy. We respond to climate risk by taking adaptation and mitigation measures and continue to identify climate change opportunities. In addition, we are committed to "reporting climate change information in mainstream reports as a fiduciary duty", "adopting a science-based emissions reduction target", "responsible corporate engagement in climate policy," "transitioning to electric vehicles and expanding charging facilities", and "100% renewable energy" to take actions from within the Company.
	As global citizens, companies cannot shy away from joining global partnerships to facilitate sustainable development. With participation in international conferences on climate change as the core, we provide our views on sustainable development to the international community and increase industrial exchange opportunities. Furthermore, the Company promotes global partnerships by taking practical actions through our commitments to international initiatives, thereby influencing our value chain.

Communities; 12. Responsible Consumption and Production; 13. Climate Action; and 17. Partnerships for the Goals. Delta's key strategies for our alignment with the SDGs are explained below.

Please refer to the following sections for Delta's pursuit of a balanced interest among stakeholders, dedication to environmental protection and energy conservation, and expansion of social participation. Please refer to Chapter III. Corporate Governance of this Annual Report for information on corporate governance.

► 4.1 A balanced interest between all stakeholders

4.1.1 Human rights, employee rights, and employee care



- 4.1.1.1. Delta is committed to complying with the International Bill of Human Rights, and the local laws and regulations in which Delta operates the business. We have established the Delta Group Human Rights and Employment Policy to convey the importance we attach to global human rights. This policy covers Delta's employees, subsidiaries, business partners, suppliers, and contractors and serves as the basic standard for all employees to observe at work and in their business activities. We have also signed the Modern Slavery Act Transparency Statement under the British Modern Slavery Act. We are committed to facilitating labor-management communication and human rights friendly management. In addition, we offer education and training to enhance human rights standards

through online courses, which enables employees to understand their rights and the Company's human rights policies. All the members of Delta Group are familiar with the Delta Group Human Rights and Employment Policy and the Delta Group Employee Code of Conduct as each new employee and current employee are required to undergo orientation and annual training in various areas such as integrity and ethical management, human rights standards, and code of conduct. During 2022, there were 82,007 participants in the Group worldwide that completed the above courses, and the training completion rate reached 97.0%.

4.1.1.2. Talent attraction and retention



Commitments

In the face of the volatile global economy and the uncertain international political and economic conditions, Delta's talent strategy identifies organizational needs and talent trends so that necessary action plans are adjusted flexibly in real time. A diverse and inclusive friendly workplace, competitive remuneration, a learning plan with development potential, and regular employee engagement surveys are established to retain employees and build a closer partnership.

Key Initiatives for the Alignment with SDGs

(1) Diverse and inclusive employment

Our global plants and operations are staffed with multinational personnel that encourage a diverse workforce to contribute with their strengths.

(2) Global collaboration to attract international talents

Delta promotes post-pandemic talent solutions, and integrates industry, government, academic resources for virtual and physical recruitment events, provides a quality workplace, and offers competitive remuneration, which has resulted in a 7.4% increase in global recruitment acceptance rate compared to the previous reporting year.

(3) Competitive remuneration

To attract and retain the best talents and reward our employees for their outstanding performance, we offer competitive remuneration and benefits better than legal requirements. To keep high-performing colleagues and recruit outstanding talents, we raise all employees' pay on an annual basis and provide a higher fixed salary for indirect labor at manufacturing plants in China.

(4) Developing a friendly workplace and promoting a comprehensive health program

To create a friendly work environment, we continue to improve the employee experience, encourage all members to join training programs, enhance the autonomy of all employees, and support and practice the concept of diversity and inclusion based on the Employee-Empower-Earth (3E) strategy.

Future Plans

With a focus on sustainable talent development, we will strengthen our employer brand image, launch new global recruitment core concepts such as "Keep Exploring" and "R&D Yourself", and hold employer brand promotion events around the world. We have offered three master's programs for the industry and provided R&D scholarships and pre-employment opportunities to outstanding students. We have also established joint R&D centers with top domestic universities in Taiwan to focus on the research of artificial intelligence (AI), smart manufacturing, electric vehicles, energy storage, as well as information and communications. During 2022, a total of over 56 professors and 179 PhD and master's students conducted 41 research projects.

4.1.1.3. Talent learning and development



Commitments

As talents are the Company's most valuable assets, we are committed to staff training and development, establishing a sound system as the benchmark in the market, and developing online courses that enable learning to transcend the constraints of time, space, and the pandemic. Delta also continues to implement key talent

succession, key talent transformation and training, and key training program development. We are strengthening our organizational core capabilities in response to future trends and changes, and are enhancing our talent capability to boost our competitive advantages.

Key Initiatives for the Alignment with SDGs

(1) Key talent team and transformation drivers

The "Leadership Development Committee" was established by senior management and senior managers for talent planning and review from the perspective of business strategy and business development, to enhance the readiness of key talents. Tens of young talents were selected globally, and we offered them solutions-related development training with a focus on "multi-talents" and "sales skills".

(2) Key training programs and diverse learning resources

In line with our strategic transformation, Delta has designed three key training elements: "leadership", "professionalism," and "business capabilities". We continue to promote a digital learning model and an internal knowledge management platform to assist employees in quickly acquiring the required knowledge and to further facilitate knowledge sharing and reuse.

(3) Performance feedback and employee engagement

Through comprehensive performance management, we closely link organizational goals, individual goals, and talent development, which improves business performance. We also listen to employees' voices, adjust organizational efficiency based on engagement survey results, convey the Group's transformation direction through physical and online activities, and enhance positive behavior through competency plans to ensure that our organization is able to keep up with development needs.

Future Plans

We will continue to facilitate NBD as the key to ensuring Delta's growth momentum for the next 50 years. We launched the three-year NBD Pioneering Leaders Training Program in the middle of 2021 in the hope that more outstanding and innovative talents will join our NBD team. We will also continue to implement digital learning programs through a variety of learning channels and knowledge sharing platforms, thereby facilitating the rapid development and increase of digital courses in various fields.

4.1.1.4. Occupational health and safety



Commitments

We value the safety and health of the work environment and are committed to creating a safe and healthy workplace.

Key Initiatives for the Alignment with SDGs

- Promote a safety and health management system with a focus on prevention to ensure workers' safety at work
- Conduct regular safety inspections in the workplace

Future Plans

We will continue to enhance staff safety and health awareness and promote a safety culture in the workplace to achieve our zero incident goals.

4.1.2. Investor relations

Delta holds an investor conference per quarter to announce quarterly financial performance and operating conditions to allow its management directly disclose the Company's long-term strategic plans and future development trend to institutional investors and the media. We also provide an online streaming broadcast service in both Chinese and English on Delta's website, making it more convenient for all domestic and

overseas investors to stay up-to-date with the Company's latest information firsthand.

In recent years, major global investment institutions have continued to pay attention to enterprises' strategies, potential risks, and opportunities in their pursuit of sustainable business development. Delta has been selected for the Dow Jones Sustainability™ World Index for 12 consecutive years and was awarded double "A" for "Climate Change" and "Water Security". Delta was also included in sustainability indexes, including the FTSE4Good TIP Taiwan ESG Index and the MSCI Taiwan ESG Leaders Index.

4.1.3. Client and supplier relations

4.1.3.1 Beyond client expectations



Commitments

With "Smarter. Greener. Together." as our brand commitment, we have integrated our core capability in power and electronics and advanced energy conservation technology to provide cleaner, more efficient, and reliable total energy saving solutions to our clients, thereby reducing resource consumption and GHG emissions and creating higher value for clients. In the future, we will conduct satisfaction surveys through third-party clients. Delta offers a one-stop-shop solution to clients through innovative research and development.

Key Initiatives for the Alignment with SDGs

- Participate in iconic exhibitions to promote Delta's solutions
- Improve client relations management

Future Plans

1. Conduct client satisfaction and importance surveys in diverse methods to narrow the service gap and enhance client satisfaction.
2. Establish ISO 9000 online Chinese and English e-learning courses for distributors to improve their service quality.

4.1.3.2. Supplier sustainability management



Commitments

We view our suppliers as long-term partners. We believe that competitive quality, technology, delivery, and cost are also the basic requirements for a supplier. We will place more emphasis on the governance, environmental, and social aspects of our supply chain in the future. The aim is for suppliers to be not merely Delta's business partners but also partners in our promotion of sustainability.

Key Initiatives for the Alignment with SDGs

- Supplier ESG risk management
- Supplier climate change actions
- Supplier sustainability interactions and ESG issues cooperation

Future Plans

1. Establish an ESG audit management mechanism with reference to RBA standards to identify high-risk suppliers and implement improvement measures.
2. Actively collaborate on ESG issues with key suppliers

4.1.4. Accumulate innovative energy



Commitments

With innovation as a focus of corporate culture, our innovation and R&D investment will account for at least 8% of Delta's total revenue. We strive to improve the conversion efficiency of our core products.

Key Initiatives for the Alignment with SDGs

- Delta's internal innovation mechanism.
- Open innovation and exchange of the latest technologies
- Intellectual property rights applications

Future Plans

1. Continue to be an innovation pioneer in the market.
2. Encourage employees to take part in R&D of innovative technologies.
3. Facilitate interdepartmental collaboration and innovation.

4.1.5. Information security management



Commitments

Ensure the information security of Delta's IT infrastructure, information application systems, and products; and clients' data security for Delta to be the information security paragon among global electronics manufacturers.

Key Initiatives for the Alignment with SDGs

- Information security organizational structure
- Formulation of information security policies and procedures.

Future Plans

Expand the scope of ISO 27001 information security standard certification and continue to raise employees' awareness of information security

► 4.2 Dedication to environmental protection and energy conservation

We strive to live up to Delta's business mission in our daily operations and we have incorporated climate change into one of the major risks for our sustainable business development. In addition to paying close attention to the developing trends of global climate change, we are enhancing and broadening our R&D strengths based on potential opportunities identified from climate change and we are actively transforming the Company into a green energy-saving solution provider. Besides the continuous promotion of renewable energy applications, energy recycling and reuse, and the reduction of waste, Delta focuses on specific actions to protect the environment and save energy, including developing eco-friendly and energy-efficient products and solutions, actively responding to climate change, implementing energy management at operational sites, and carrying out water resource and waste reduction management. Please refer to the Delta Electronics ESG Report for the detailed implementation results.

4.2.1. Development of environmentally friendly and energy-saving products and solutions



Commitments

With the vision of energy conservation and environmental protection, Delta continues to enhance our products' energy efficiency and actively develop renewable energy solutions through technical innovations. The Company has introduced the concept of Life Cycle Assessment and emphasizes green designs that mitigate environmental impact to realize product responsibility and green consumption.

Key Procedures and Methods in Promoting SDGs

- Continue to improve product energy efficiency.
- Provide green innovations of products/services.
- Actively develop photovoltaic systems and renewable energy solutions.

Future Plans

- Continue to enhance product energy efficiency, and facilitate global clients in energy conservation.
- Introduce the green circular economy concept to all products, extend product life cycles, and optimize the product recycling mechanism.
- Expand the scope of reusable energy and continue to cultivate automation solutions to provide better services for our clients.

4.2.2. Proactive response to climate change



Commitments

Specific Achievements on the “We Mean Business” Initiative

- Disclosure of climate change information.
- Responsible corporate engagement in climate policy
- Adoption of a science-based emissions reduction target
- Transition to electric vehicles and expansion of charging facilities.
- 100% renewable energy

Key Initiatives for the Alignment with SDGs

- Establish and achieve SBTs in response to the 1.5°C pathway
- Identify climate change risks, build competencies to adapt to climate risks, and further mitigate possible climate risks.
- Participate in international initiatives and identify and develop climate change opportunities.

Future Plans

- Decrease electricity intensity and carbon emissions to achieve SBTs.
- Introduce an internal carbon pricing mechanism step-by-step, and assess the impact on operations by assigning costs to carbon emissions—from setting carbon prices to launching testing projects.

4.2.3. Implementing energy management at manufacturing plants



Commitments

Delta will expand the scope of management to new plants, R&D/office buildings, and data centers, with commitments to reducing the power consumption intensity of plants and buildings by 20% and the power consumption of non-IT equipment in the data centers by 37.5% by 2025 with 2020 as the base year. We will implement energy efficiency management of air-conditioning and ventilation systems, air compressors, injection molding machines, and lighting systems, as well as burn-in energy-saving projects, such as energy recovery and process improvement.

Key Initiatives for the Alignment with SDGs

- Expand the scope of energy management, set concrete targets and take action.
- Develop products and solutions with high energy efficiency.
- Implement and promote green production plants and office buildings.

Future Plans

- Continue to promote energy-saving projects to increase the energy use rate
- Continue to fulfill our commitment that all production plants and offices must be green buildings.

4.2.4. Water and waste management



Commitments

A stable water supply and resource shortages due to climate change have become global issues. To fulfill our social responsibility and respond to these global environmental issues, we have not only achieved the target of

reducing water intensity by 30% in 2020 but also further promise to our reduce water intensity by 10% by 2025 with 2020 as the base year. We have also set a target of achieving 100% waste conversion rate by 2025. We are taking on challenges arising from environmental sustainability issues with other global enterprises.

Key Procedures and Methods in Promoting SDGs

- Continue to improve the assessment methods and mitigate water risks
- Set reduction targets and improve the water usage monitoring system
- Promote source reduction and improve water recycling and reuse rates.
- Significantly reduce waste and environmental impact through prevention, reduction, recycle, and reuse.

Future Plans

- Continue to identify water risks and formulate corresponding measures to enhance the ability to respond
- Continue to reduce water resource consumption and reuse water resources and establish a water management system
- Continue to conduct supply chain management, properly dispose of waste, and improve resource use rate

► 4.3. Expanding social participation

In addition to providing quality products and services to support better quality of life for all, Delta actively participates in environmental and education-oriented social welfare activities. We have kept abreast of major global environmental issues and climate trends over the years and have guided society to move toward the goal of net zero through communication, education, initiatives, research projects, and exhibitions. We will develop projects based on the three main topics of energy conservation and climate education, promotion of green buildings and low-carbon transportation, and talent cultivation to facilitate the low-carbon transition in the industrial, construction, and transportation sectors. Meanwhile, we strive to implement coral restoration and marine protection projects.

4.3.1. Popularizing green buildings and low-carbon vehicles equipment

To continue our commitment to green schools, Delta Electronics Foundation once again integrated energy conservation and renewable energy solutions into a local community and invested in the construction of a preschool affiliated to the MinChuan Elementary School in the Namaxia District, which was completed and went into operation in 2022. According to the Sixth Assessment Report (AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC), the Y.S. Sun Green Building Research Building donated by Delta Electronics Foundation is recognized as a prominent example of low-energy buildings in the world. To provide more accurate micro-climate data to increase the energy efficiency of the air-conditioning system, the Delta Electronics Foundation adopted an energy efficiency target tool developed by UC Berkley to create "Taiwan BETTER" on the GreenBIM platform. In terms of promoting vehicle electrification, we continue to promote the importance of low-carbon vehicles and improving air for traffic around elementary schools through lesson plans.

4.3.2. Promoting energy conservation and climate education

Delta Electronics Foundation established a coral restoration greenhouse dedicated to climate adaptation, adopted self-developed LED lights and PLC control equipment, and trained volunteers to obtain monitoring certificates. As such, we successfully grew 1,200 coral seedlings and held the first Action Hub at COP27 and a side event with a Spanish island government and a well-known energy think tank to share our experience in reinforcing grid resilience. Meanwhile, to arouse public concern about marine protection issues, Delta Electronics Foundation produced two 8K ultra-high-definition environmental documentary films "Life in the Coral Reefs" and "Swimming with Humpback Whales," both of which won the Gold Remi Awards at the Houston International Film Festival. In addition, at "Earth Pulsing", Delta's film festival, BBC's "Planet Earth II" was performed in conjunction with an ecological video concert, with over 6,500 participants. Moreover, "Earth Pulsing - Ecology and Art Exhibition" was held at Asia University with 100% renewable electricity used, and it attracted more than 10,000 visitors. The Delta Electronics Foundation continues to disseminate new knowledge on climate and energy through various media channels, such as the Low-carbon Lifestyles blog and IC Broadcasting. The blog's articles received a total of 5.95



million views, and social media posts reached a total of 13.23 million people. We continue to train green talents for the industry and offer training courses for energy management personnel. In 2022, a total of 2,300 people signed up for such courses.

4.3.3. Proactive talent development

DeltaMOOCx is the Massive Online Open Courses (MOOCs) free course platform established by the Delta Electronics Foundation for high school/engineering programs and university automation programs. As of 2022, the number of views of the online courses on the platform exceeded 1.8 million. This platform has maintained its leading position in the completeness of automation courses in the Mandarin online education industry. Delta has long cultivated high-quality talents through scholarships. As of 2022, a total of 138 outstanding students from Northern Thailand have received scholarships, and hundreds of masters and PhD students and academic talents have received our scholarships to further study environmental issues in other countries.



► 4.4 Others

Climate-related actions

Project	Implementation
1. Describe the Board of Directors and the management's oversight and governance on climate-related risks and opportunities.	Board of Directors • Board members have long been concerned about climate change and have a comprehensive understanding of its importance and impact. Therefore, when deliberating on significant capital investments, the Board of Directors is able to take climate change issues such as low-carbon sustainability, construction of green buildings, solar energy facilities, green energy investment of the investment targets, into consideration. • The Chief Sustainability Officer reports to the Board of Directors on trends relating to climate change on a quarterly basis, as well as Delta's climate management progress, including important trends, key data, greenhouse gas reduction management, external evaluation results, and overall implementation effectiveness of the ICP budget. Management • The Delta Environmental, Social and Governance Committee (ESG Committee) is directly supervised by the Board of Directors and is the highest-level unit monitoring climate risks and opportunities within Delta. The committee consists of a number of board members, including the founder of Delta, the chairman, the vice chairman, the CEO, and the COO, as well as CSO and top operations executives of regions and functions. • The ESG Committee directly governs ten sub-committees or projects, including the inclusion of SBT, RE100, and EV100 into carbon management. Its Energy Conservation, Water Conservation, and Waste Reduction Committee monitors the implementation of energy conservation, water conservation, or waste reduction projects in plants, green buildings, or data centers. Its Supply Chain ESG Committee coordinates and conducts supply chain greenhouse gas inventories and climate change responses.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	In terms of risk groups, the current risks related to policies and regulations are mostly short-term risks, such as domestic and foreign greenhouse gas reduction requirements, carbon tax collection and related regulations, selection criteria for customers changing suppliers, greenhouse gas reduction requirements for suppliers, the increasing severity of extreme weather events, and others. Delta's plants around the world are not within the scope of carbon tax or compulsory carbon trading management, and our products are not directly regulated. That said, once regulated, it may lead to increased operating costs, increased administrative expenses, insufficient supply of renewable power, lack of policy transparency, failing to respond in time, or even being fined. Medium-term risks such as voluntary norms, uncertainties in regulations and policies, mandatory regulations for products and services, replacement of products and services by other low-carbon products and services, the cost of transitioning to low-carbon technologies, changes in product specifications by customers, increased raw material costs, consumers switching to low-carbon products, changes in rainfall patterns, drastic changes in weather patterns, and increased average temperatures, include technical risks, market risks, some physical risks, and some policy and regulatory risks. The low-carbon period will bring business opportunities, but the technical needs brought about by climate change and the assessment of technical feasibility cannot be based on past experience, so there may be errors. In addition, the technical layout requires a certain amount of time and capital investment, which may cause risks such as misjudging industry trends and drawn-out payback. Long-term risks such as renewable energy regulations, encountering litigations, failure to invest in new technologies, lack of climate change contribution by the company, ESG ratings affecting investors and banks' willingness to invest, industry stigma, negative climate change



Project	Implementation
	news affecting the Company's image, and the rise of average sea level, may result in ineffective strategies with long-term investment costs already sunk in, or increased risk severity due to lack of adaptation measures.
3. Describe the financial impact of extreme weather events and transformative actions.	Physical risks may lead to material or cargo transportation interruption, an impact on employee commuting, reduction of employee productivity due to high temperatures, suspension of production lines due to flooding or water outage, as well as an increase in the air-conditioning cost of chillers in the plants, the cost of flood control measures, higher building maintenance frequency and maintenance costs. Self-generation of solar energy for self-use is one of Delta's renewable power strategies, while weather pattern changes result in changes in the amount of sunshine, or extreme temperatures may lead to wildfires, increasing air pollutants and affecting the performance of solar panels. This will all affect the amount of renewable power generated. Transition actions will lead to an increase in expenditure or liabilities or a decrease in capital, cause an impact on or have assets scrapped, or result in financing setbacks due to the adoption of adjustment and mitigation measures or investment in low-carbon business development. However, a successful transition can also create long-term profits and lead to sustainable business development. Delta invested approximately US\$120 million in 2022 through its internal carbon pricing mechanism to promote investment in renewable energy and energy technology development and resources management, and low-carbon innovation and initiatives. In addition, Delta took climate change factors into account, particularly in the areas of uninterruptible power system (UPS) and electric vehicle components (Auto Power), to analyze possible climate-related financial impacts. For a detailed analysis of climate risks and financial impacts, please refer to Chapter 5 of the 2022 ESG Report.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Climate change is one of the official issues of risk management of Delta Electronics, Inc. It has been integrated into overall risk management through regular risk identification, assessment, control, supervision and communication and other management procedures. Due to the unique nature of climate change, the Board of Directors has also appointed the Sustainability Committee to be responsible for identifying and managing climate risk opportunities under the TCFD framework and driving relevant response measures and solutions.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used, please refer to Chapter 5 of the ESG Reports of previous years.	Delta selects important topics for scenario analysis and management each year and discloses the monetary amounts of all impacts in the CDP questionnaire. For the scenarios, parameters, assumptions, analysis parameters, assumptions, analysis factors and major financial impacts used, please refer to Chapter 5 of the ESG Reports of previous years.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Delta's management indicators include internal carbon fund implementation efficiency, RE100 achievement rate, and SBT achievement status. These are achieved through promoting energy-saving solutions, introducing renewable electricity, promoting green buildings, investing in carbon reduction and permanent carbon removal, internal carbon pricing to levy carbon fees, and investing in low-carbon innovations, and others. Key practices include actively implementing carbon reduction goals. Delta has established a climate-related product classification tree based on product characteristics, customer application methods, and reference to the EU Taxonomy. In addition to quantifying low-carbon revenue and costs for the current year, Delta has also set annual expenditure targets for investment-driven renewable power and energy technology development, energy resource management, and low-carbon innovation and initiatives.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be	Since 2021, Delta has officially introduced an internal carbon fee mechanism. The internal carbon price is set at \$300 per metric ton based on the internal and external carbon costs of



Project	Implementation
stated.	global manufacturing plants, including regulatory penalties, emission trading prices, international enterprise benchmark cases, as well as the Company's investment in renewable energy solutions and purchase costs of renewable electricity. This price is consistent with the expected carbon price of 1.5°C by 2030 as stated in the IPCC Sixth Assessment Report and has been reported to the Board of Directors and implemented by the Sustainability Committee. The internal carbon fee facilitates our efforts to achieve the RE100 and net zero goals, as support for the implementation of our energy conservation and carbon reduction projects and the acquisition of renewable electricity. In addition, we promote the investments in negative carbon, low-carbon, and innovative technologies, continue to explore business opportunities from technologies, and provide information to business units for decision making and the integration of carbon cost management.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	For the progress of various indicators achieved, please refer to Chapter 5 and Chapter 7 of the 2022 ESG Report.
9. Greenhouse gas inventory and assurance	For greenhouse gas inventory data, please refer to Chapter 5 of the 2022 ESG Report.



5. Capital and Shares

► 5.1 Capital and shares

5.1.1 Source of capital

April 27, 2023/ Unit: Shares, NTS\$1,000

Year, month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
1971.04	10	30,000	300,000	30,000	300,000	Incorporation	-
1972.04	10	100,000	1,000,000	100,000	1,000,000	capital increase by cash	700,000
1973.07	10	300,000	3,000,000	300,000	3,000,000	capital increase by cash	2,000,000
1975.08	10	500,000	5,000,000	500,000	5,000,000	capital increase by cash	2,000,000
1977.08	10	1,000,000	10,000,000	1,000,000	10,000,000	capital increase by cash	5,000,000
1978.11	10	2,000,000	20,000,000	2,000,000	20,000,000	capital increase by cash	10,000,000
1979.08	10	4,000,000	40,000,000	4,000,000	40,000,000	capital increase by cash	16,100,000
						capitalization of retained earnings	3,900,000
1982.08	10	8,000,000	80,000,000	8,000,000	80,000,000	capital increase by cash	34,000,000
						capitalization of retained earnings	6,000,000
1984.11	10	16,000,000	160,000,000	16,000,000	160,000,000	capital increase by cash	60,000,000
						capitalization of retained earnings	20,000,000
1985.11	10	19,500,000	195,000,000	19,500,000	195,000,000	capital increase by cash	3,000,000
						capitalization of retained earnings	32,000,000
1987.11	10	52,000,000	520,000,000	52,000,000	520,000,000	capital increase by cash	130,000,000
						capitalization of retained earnings	195,000,000
1988.07	10	78,500,000	785,000,000	78,500,000	785,000,000	capitalization of retained earnings	265,000,000
							1988.07.14(77) Tai-Tsai-Tzeng (1) No.08647
1988.11	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	capital increase by cash	215,000,000
							1988.10.27(77) Tai-Tsai-Tzeng (1) No.09250
1989.09	10	125,000,000	1,250,000,000	125,000,000	1,250,000,000	capitalization of retained earnings	250,000,000
							1989.07.31(78) Tai-Tsai-Tzeng (1) No.01541
1990.09	10	179,000,000	1,790,000,000	138,600,000	1,386,000,000	capitalization of retained earnings	136,000,000
							1990.07.28(79) Tai-Tsai-Tzeng (1) No.01755
1991.12	10	179,000,000	1,790,000,000	152,460,000	1,524,600,000	capitalization of retained earnings	138,600,000
							1991.10.02(80) Tai-Tsai-Tzeng (1) No.02842



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
1992.08	10	229,000,000	2,290,000,000	167,706,000	1,677,060,000	capitalization of retained earnings	152,460,000 1992.07.14(81) Tai-Tsai-Tzeng (1) No.01583
1992.12	10	229,000,000	2,290,000,000	170,620,786	1,706,207,860	exercise of warrants for common stocks	29,147,860 1993.01.08(82) Tai-Tsai-Tzeng (1) No.84152
1993.08	10	268,000,000	2,680,000,000	191,800,000	1,918,000,000	capitalization of retained earnings	211,792,140 1993.07.13(82) Tai-Tsai-Tzeng (1) No.29964
1993.12	10	268,000,000	2,680,000,000	203,301,496	2,033,014,960	exercise of warrants for common stocks	115,014,960 1994.01.10(83) Tai-Tsai-Tzeng (1) No.50111
1994.08	10	320,000,000	3,200,000,000	245,600,000	2,456,000,000	capitalization of retained earnings	422,985,040 1994.07.22(83) Tai-Tsai-Tzeng (1) No.32166
1994.12	10	320,000,000	3,200,000,000	246,360,671	2,463,606,710	exercise of warrants for common stocks	7,606,710 1995.01.05(84) Tai-Tsai-Tzeng (1) No.55114
1995.07	10	360,000,000	3,600,000,000	297,800,000	2,978,000,000	capitalization of retained earnings	514,393,290 1995.06.17(84) Tai-Tsai-Tzeng (1) No.36040
1995.12	10	360,000,000	3,600,000,000	298,010,250	2,980,102,500	exercise of warrants for common stocks	2,102,500 1996.01.03(85) Tai-Tsai-Tzeng (1) No.67056
1996.07	10	500,000,000	5,000,000,000	362,000,000	3,620,000,000	capitalization of retained earnings	639,897,500 1996.07.01(85) Tai-Tsai-Tzeng (1) No.40315
1996.12	10	500,000,000	5,000,000,000	362,522,704	3,625,227,040	exercise of warrants for common stocks	5,227,040 1997.01.04(86) Tai-Tsai-Tzeng (1) No.76507
1997.07	10	500,000,000	5,000,000,000	446,702,490	4,467,024,900	capitalization of retained earnings	784,772,960 1997.06.25(86) Tai-Tsai-Tzeng (1) No.50062
						exercise of warrants for common stocks	57,024,900 1997.07.24(86) Tai-Tsai-Tzeng (1) No.59606
1998.01	10	500,000,000	5,000,000,000	457,457,125	4,574,571,250	exercise of warrants for common stocks	107,546,350 1998.01.05(87) Tai-Tsai-Tzeng (1) No.96405
1998.07	10	900,000,000	9,000,000,000	560,685,771	5,606,857,710	capitalization of retained earnings	1,005,428,750 1998.06.12(87) Tai-Tsai-Tzeng (1) No.51669
						exercise of warrants for common stocks	26,857,710 -
1998.12	10	900,000,000	9,000,000,000	561,908,458	5,619,084,580	exercise of warrants for common stocks	12,226,870 -
1999.07	10	900,000,000	9,000,000,000	734,534,144	7,345,341,440	capitalization of retained earnings	1,233,915,420 1999.06.11(88) Tai-Tsai-Tzeng (1) No.54830
						exercise of warrants for common stocks	492,341,440 -
1999.12	10	900,000,000	9,000,000,000	747,599,319	7,475,993,190	exercise of warrants for common stocks	130,651,750 -



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
2000.02	10	900,000,000	9,000,000,000	748,424,552	7,484,245,520	exercise of warrants for common stocks	8,252,330 -
2000.07	10	1,400,000,000	14,000,000,000	954,446,384	9,544,463,840	capitalization of retained earnings	2,045,754,480 2000.06.05(89) Tai-Tsai-Tzeng (1) No.48759
						exercise of warrants for common stocks	14,463,840 -
2000.12	10	1,400,000,000	14,000,000,000	954,615,430	9,546,154,300	exercise of warrants for common stocks	1,690,460 -
2001.07	10	1,400,000,000	14,000,000,000	1,189,460,000	11,894,600,000	capitalization of retained earnings	2,348,445,700 2001.06.05(90) Tai-Tsai-Tzeng (1) No.135239
2002.07	10	1,680,000,000	16,800,000,000	1,387,879,000	13,878,790,000	capitalization of retained earnings	1,984,190,000 2002.06.06 Tai- Tsai-Tzeng (1) No.09100130199
2003.06	10	1,680,000,000	16,800,000,000	1,480,273,000	14,802,730,000	capitalization of retained earnings	923,940,000 2003.05.21 Tai- Tsai-Tzeng (1) No.0920122376
2004.07	10	2,000,000,000	20,000,000,000	1,585,560,000	15,855,600,000	capitalization of retained earnings	1,052,870,000 2004.06.01 Tai- Tsai-Tzeng (1) No.0930124290
2004.12	10	2,000,000,000	20,000,000,000	1,585,971,952	15,859,719,520	conversion of convertible bonds to shares	4,119,520 2005.01.25 Ching Shou Shang Tzu No.09401008870
2005.03	10	2,000,000,000	20,000,000,000	1,607,386,628	16,073,866,280	conversion of convertible bonds to shares	214,146,760 2005.04.19 Ching Shou Shang Tzu No.09401065160
2005.06	10	2,000,000,000	20,000,000,000	1,778,516,162	17,785,161,620	conversion of convertible bonds to shares	586,826,570 2005.07.12 Ching Shou Shang Tzu No.09401128700
						capitalization of retained earnings	1,124,468,770 -
2005.09	10	2,000,000,000	20,000,000,000	1,822,749,878	18,227,498,780	conversion of convertible bonds to shares	442,337,160 2005.10.17 Ching Shou Shang Tzu No.09401204370
2005.12	10	2,000,000,000	20,000,000,000	1,830,381,534	18,303,815,340	conversion of convertible bonds to shares	76,316,560 2006.01.16 Ching Shou Shang Tzu No.09501008160
2006.02	10	2,000,000,000	20,000,000,000	1,840,422,412	18,404,224,120	conversion of convertible bonds to shares	100,408,780 2006.03.08 Ching Shou Shang Tzu No.09501040200
2006.06	10	2,300,000,000	23,000,000,000	1,969,445,000	19,694,450,000	capitalization of retained earnings	1,290,225,880 2006.07.06 Ching Shou Shang Tzu No.09501138590
2007.07	10	2,300,000,000	23,000,000,000	2,106,417,250	21,064,172,500	capitalization of retained earnings and capital reserves	1,369,722,500 2007.07.31 Ching Shou Shang Tzu No.09601182190
2008.07	10	2,500,000,000	25,000,000,000	2,185,045,600	21,850,456,000	capitalization of retained earnings and capital reserves	786,283,500 2008.08.04 Ching Shou Shang Tzu No.09701193390
2009.07	10	2,500,000,000	25,000,000,000	2,253,523,956	22,535,239,560	capitalization of retained earnings and capital reserves	684,783,560 2009.07.30 Ching Shou Shang Tzu No.09801167570



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
2010.03	10	2,500,000,000	25,000,000,000	2,257,309,043	22,573,090,430	conversion of warrants to shares	37,850,870 2010.03.25 Ching Shou Shang Tzu No.09901056170
2010.05	10	2,700,000,000	27,000,000,000	2,383,486,207	23,834,862,070	shares conversion conversion of warrants to shares	1,231,926,960 2010.05.11 Ching 29,844,680 Shou Shang Tzu No.09901092450
2010.09	10	2,700,000,000	27,000,000,000	2,384,547,770	23,845,477,700	conversion of warrants to shares	10,615,630 2010.09.02 Ching Shou Shang Tzu No.09901197530
2010.10	10	2,700,000,000	27,000,000,000	2,390,056,623	23,900,566,230	conversion of warrants to shares	55,088,530 2010.10.18 Ching Shou Shang Tzu No.09901234240
2011.01	10	2,700,000,000	27,000,000,000	2,395,076,043	23,950,760,430	conversion of warrants to shares	50,194,200 2011.01.20 Ching Shou Shang Tzu No.10001010690
2011.04	10	2,700,000,000	27,000,000,000	2,401,054,458	24,010,544,580	conversion of warrants to shares	59,784,150 2011.04.15 Ching Shou Shang Tzu No.10001075110
2011.07	10	2,700,000,000	27,000,000,000	2,402,028,048	24,020,280,480	conversion of warrants to shares	9,735,900 2011.07.19 Ching Shou Shang Tzu No.10001162540
2011.10	10	2,700,000,000	27,000,000,000	2,403,193,369	24,031,933,690	conversion of warrants to shares	11,653,210 2011.10.14 Ching Shou Shang Tzu No.10001238570
2012.01	10	2,700,000,000	27,000,000,000	2,403,405,806	24,034,058,060	conversion of warrants to shares	2,124,370 2012.01.16 Ching Shou Shang Tzu No.10101010510
2012.04	10	2,700,000,000	27,000,000,000	2,406,173,262	24,061,732,620	conversion of warrants to shares	27,674,560 2012.04.18 Ching Shou Shang Tzu No.10101068730
2012.07	10	2,700,000,000	27,000,000,000	2,408,757,282	24,087,572,820	conversion of warrants to shares	25,840,200 2012.07.24 Ching Shou Shang Tzu No.10101145400
2012.10	10	2,700,000,000	27,000,000,000	2,417,141,304	24,171,413,040	conversion of warrants to shares	83,840,220 2012.10.19 Ching Shou Shang Tzu No.10101216820
2013.01	10	2,700,000,000	27,000,000,000	2,421,199,989	24,211,999,890	conversion of warrants to shares	40,586,850 2013.01.21 Ching Shou Shang Tzu No.10201014220
2013.04	10	2,700,000,000	27,000,000,000	2,426,016,226	24,260,162,260	conversion of warrants to shares	48,162,370 2013.04.19 Ching Shou Shang Tzu No.10201070540
2013.07	10	2,700,000,000	27,000,000,000	2,427,364,489	24,273,644,890	conversion of warrants to shares	13,482,630 2013.07.17 Ching Shou Shang Tzu No.10201144080
2013.10	10	2,700,000,000	27,000,000,000	2,430,399,411	24,303,994,110	conversion of warrants to shares	30,349,220 2013.10.18 Ching Shou Shang Tzu No.10201214470
2014.01	10	2,700,000,000	27,000,000,000	2,437,543,329	24,375,433,290	conversion of warrants to shares	71,439,180 2014.01.23 Ching Shou Shang Tzu No.10301012580
2016.01	10	2,700,000,000	27,000,000,000	2,597,543,329	25,975,433,290	capital increase by cash	1,600,000,000 2016.01.19 Ching Shou Shang Tzu No.10501008930



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
2019.04	10	4,000,000,000	40,000,000,000	2,597,543,329	25,975,433,290	-	2019.04.26 Ching - Shou Shang Tzu No.10801045020

Note: There is no capital increased by assets other than cash.

April 27, 2023

Types of Shares	Authorized Capital			Remarks
	Issued shares	Unissued Shares	Total	
Common Shares	2,597,543,329 shares (Note 2)	1,402,456,671 shares	4,000,000,000 shares (Note 1)	Listed company's shares

Note 1: The Company's authorized capital is 4,000,000,000 shares, whereby, 100,000,000 shares reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

Note 2: As of April 27, 2023, the issued shares are 2,597,543,329 common shares at par value of NT\$ 10 per share.

Information for Shelf Registration: None.

5.1.2 Shareholder structure

April 15, 2023

Shareholders Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	1	59	656	95,406	1,963	98,085
Number of Shares Held	14,300,000	123,405,257	295,745,204	420,426,590	1,743,666,278	2,597,543,329
Shareholding Percentage	0.55%	4.75%	11.39%	16.19%	67.12%	100.00%

Note: Shares as of April 15, 2023, the book closure date for the 2023 AGM.

5.1.3 Diffusion of ownership

April 15, 2023

Shareholding Range		Number of shareholders	Number of Shares Held	Shareholding Percentage
1 to	999	51,321	9,451,826	0.36%
1,000 to	5,000	39,126	69,364,878	2.67%
5,001 to	10,000	3,375	25,134,303	0.97%
10,001 to	15,000	1,066	13,205,182	0.51%
15,001 to	20,000	512	9,207,315	0.35%
20,001 to	30,000	534	13,324,675	0.51%
30,001 to	40,000	270	9,482,176	0.37%
40,001 to	50,000	178	8,093,021	0.31%
50,001 to	100,000	482	35,109,600	1.35%
100,001 to	200,000	370	52,631,121	2.03%
200,001 to	400,000	301	85,069,662	3.28%
400,001 to	600,000	129	64,509,873	2.48%
600,001 to	800,000	71	49,969,788	1.92%
800,001 to	1,000,000	59	52,523,296	2.02%
1,000,001 and more		291	2,100,466,613	80.87%
Total		98,085	2,597,543,329	100.00%

Note: Common shares, the Company did not issue preferred shares.



5.1.4 List of major shareholders (Name, number of shares held and shareholding percentage of Top-10 Shareholders)

April 15, 2023

Name of Major Shareholders	Shares	Number of Shares Held (Note)	Shareholding Percentage
DEICO INTERNATIONAL LTD.		267,556,280	10.30%
DELTRON HOLDING LTD.		218,211,168	8.40%
Chung-Hua Cheng (Also known as Bruce CH Cheng)		81,878,039	3.15%
New Labor Retirement Pension Fund		74,469,938	2.87%
Government of Singapore		70,583,833	2.72%
Ping Cheng		55,640,093	2.14%
An Cheng (Also known as Victor Cheng)		50,344,764	1.94%
Labor Insurance Fund		35,598,358	1.37%
Labor Retirement Reserve Fund (The Old Fund)		31,201,284	1.20%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds		30,042,356	1.16%

Note: Actual number of shares held.

5.1.5 Market price for the past 2 fiscal years, together with the Company's net worth per share, earnings per share, dividends per share, and related information

Item	Year	2021	2022	Current Year up to April 27, 2023 (Note 8)
Market price per share (Note 1) (Note 11)	Highest	335.00	306.50	323.50
	Lowest	234.50	210.50	271.50
	Average	282.70	260.57	294.15
Net worth per share (Note 2)	Before distribution	59.59	71.91	74.41
	After distribution	54.09	(Note 9)	(Note 9)
Earnings per share	Weighted average shares	2,597,543,329	2,597,543,329	2,597,543,329
	Earnings per share (Note 3)	10.32	12.58	2.66
	Cash dividends	5.5	9.84 (Note 10)	
Dividends per share (Note 11)	Stock Dividends			
	Appropriated from	-	-(Note 10)	
	Stock Retained Earnings			
	Stock Dividends			
	Appropriated from	-	-(Note 10)	
	Capital Reserve			
	Accumulated unpaid dividends (Note 4)	-	-	
Return on Investment	Price-earnings ratio (Note 5)	27.11	20.67	
	Price-dividend ratio	50.86	26.43	
	(Note 6 and Note 10)			
	Cash dividend yield (Note 7 and Note 10)	1.97%	3.78%	

✦ The average closing price for the year of 2021 is NT\$279.73 and the average closing price for the year of 2022 is NT\$260.04.

Note 1: The highest and lowest market prices for each year is provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2: Filled in the number of the issued shares at year end and it will be approved at the following year's shareholders' meeting to fill in.

Note 3: If it is necessary to adjust retroactively due to situations such as the distribution of stock dividends, the earnings per share before and after the adjustments should be listed.

Note 4: If the conditions of the equity issuance require that unpaid dividends of the current year is to be accumulated and paid out in a later year with earnings, the accumulated unpaid dividends shall be disclosed separately.

Note 5: Price-earnings ratio = Average closing price for the year / earnings per share.



Note 6: Price-dividend ratio = Average closing price for the year / cash dividend per share.

Note 7: Dividend yield = Cash dividend per share / average closing price for the year.

Note 8: Listed net worth per share and earnings per share are according to the report reviewed by CPA in the latest quarter of the date of the publication of this annual report. Other columns show information for the current year as of the date of the publication of the annual report.

Note 9: The earnings distribution proposal for 2022 has not yet been presented for approval at the shareholders' meeting; therefore, it is not listed.

Note 10: This has been approved by the Board of Directors on February 22, 2023. However, as of April 27, 2023, the publication date of the annual report, it has not yet been presented for approval at the shareholders' meeting.

In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as, buyback of shares for transfer or cancellation, domestic capital increase by cash, and employee stock options), it is proposed that the Board of Directors be authorized to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Note 11: Regarding the stock dividends appropriated from retained earnings, the distributed shares will be retrospectively adjusted per the market price per share and cash dividends as follows:

Market price per share

		Unit: NT\$	
		Year	
Item		2021	2022
Market price per share	Market price per share before adjustment	282.70	260.57
	Market price per share after retrospective adjustment (Note2)	282.70	260.57

Cash dividends

		Unit: NT\$	
		Year	
Item		2021	2022
Cash dividends		5.5	9.84 (Note 1)
Cash dividends after retrospective adjustments (Note 2)		5.5	(Note 3)

Note 1: This has been approved by the Board of Directors on February 22, 2023. However, as of April 27, 2023, the publication date of this annual report, it has not yet been presented for approval at the shareholders' meeting.

Note 2: There is no stock dividend in 2021 and the payout ratio is 0%; therefore, there is no calculation based on retrospective adjustment.

Note 3: The earnings distribution proposal for 2022 has not yet been presented for approval at the shareholders' meeting; therefore, it is not listed.

5.1.6 Company's dividend policy and implementation thereof

5.1.6.1. Dividend policy provided in the articles of incorporation

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company;
4. Setting aside or reversing a special reserve according to relevant regulations when necessary;
5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends. The proposed of earnings distribution shall be set by the Board of Directors and submitted to shareholders' meetings for resolving. As the Company is at a stage of stable growth, and considering the benefits of shareholders, stability of financial condition and business development, the amount of dividends distributed to shareholders shall be no less than 60% of the distributable earnings of the current year and no less than 15% of the shareholder's dividends shall be in the form of cash.

5.1.6.2. The dividend distributions proposed at the most recent shareholders' meeting

The cash dividends for the year of 2022 is NT\$25,559,826,358 to be distributed to shareholders. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of approximately NT\$9.84 per share will be distributed. The Board of Directors of the Company has authorized

the Chairman to set as record date on which the proposed cash dividend would be distributed according to the shareholding ratio of shareholders appeared in the register of shareholders on the designated record date of distribution after the approval of the Annual General Shareholders' Meeting. In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as , buyback of shares for transfer to cancellation, domestic capital increase by cash , and employee stock options), it is proposed that the Board of Directors be authorized the Chairman to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

5.1.6.3. If a material change in dividend policy is expected, provide an explanation:

It is expected to discuss the amendments to the dividend policy stipulated in the Company's articles of incorporation at the 2023 Annual General Shareholders' Meeting as below:

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company;
4. Setting aside or reversing a special reserve according to relevant regulations when necessary;
5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends.

The Company is at a stage of stable growth, and the benefits of shareholders, stability of financial condition and business development shall be considered when it comes to dividend distribution. In view of its future capital expenditure and reinvestment plans, the amount of dividends distributed to shareholders should not be less than 50% of its net profit after tax of the year, of which cash should account for more than 15% of the dividends distributed to shareholders.

5.1.7 **Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting**

The shareholders' meeting did not approve distribution of stock dividends, and the Company does not need to disclose financial forecast for year 2023 according to regulations, so this is not applicable.

5.1.8 **Compensation of employees and directors**

5.1.8.1 Information relating to compensation of employees and directors, as set forth in the Company's Articles of Incorporation

If the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors. If the Company has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation and reported in the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive the abovementioned compensation, may be specified by the authorized Board of Directors or the person authorized by the Board of Directors.

5.1.8.2 The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

- (1) The estimated amount of compensation for employees and directors for the current period is based on the profitability for the current year. The relative estimate shall be made in accordance within the rate



range specified in the Articles of Incorporation, among which the recommendation on the percentage of distribution as employees' compensation has been approved by the Board of Directors.

- (2) Basis of calculating the number of shares allotted for stock dividends: N/A
- (3) When there is a difference between the actual allotment amount and the estimated amount, it is classified as the profit and loss of the following year.

5.1.8.3 Distribution of compensation of employees and directors approved in the Board of Directors meetings

- (1) The Board of Directors has passed the resolution on February 22, 2023 that the earnings in 2022 will be distributed as follows:

According to the Company's Articles of Incorporation, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors.

Proposed cash compensation for employees: NT\$3,103,244,182

Proposed directors' compensation: NT\$47,520,000

The discrepancy for the employees and directors' compensation in cash between the amount that the Boards of Directors approved and the estimated figure for the fiscal year to be recognized was NT\$7,488,000 because the directors' compensation was calculated upon the actual results of KPI criteria. The discrepancy will be adjusted to the year 2023 profit and loss.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period and total employee compensation: N/A

5.1.8.4 The actual distribution of compensation for employees and directors in the previous fiscal year

- (1) According to the resolution of the Board of Directors on February 24, 2022, for the annual earnings of 2021, NT\$2,545,648,687 of the profit was allocated to employees as cash compensation and NT\$44,600,000 to directors as compensation.
- (2) The discrepancy for the employees and directors' compensation in cash between the amount that the actual distribution and the estimated figure for the fiscal year were recognized as NT\$400,000 because directors' compensation is calculated upon the actual results of KPI criteria. The discrepancy will be adjusted to the year 2022 profit and loss.

5.1.9 Status of the Company repurchasing its own shares: None.



► 5.2 Status of issuance of corporate bonds:

Unit: NTS1,000

Type of corporate bonds	Domestic Unsecured Bond (111-1)		Domestic Unsecured Bond (111-2)
	Tranche A	Tranche B	
Issuance Date	2022/04/07	2022/04/07	2022/10/05
Denomination	1,000		1,000
Offering Price	At Par		At Par
Total Amount	5,900,000	700,000	5,000,000
Coupon	0.85%	0.90%	1.45%
Tenure & Maturity Date	5 years Maturity : 2027/04/07	7 years Maturity : 2029/04/07	3 years Maturity : 2025/10/05
Guarantor	None		None
Trustee	CTBC Bank Co., Ltd.		CTBC Bank Co., Ltd.
Underwriter	CTBC Bank Co., Ltd.		KGI Securities Co. Ltd.
Legal Counsel	True Honesty International Law Offices		True Honesty International Law Offices
Auditor	PricewaterhouseCoopers, Taiwan		PricewaterhouseCoopers, Taiwan
Repayment	Bullet Repayment		Bullet Repayment
Outstanding	5,900,000	700,000	5,000,000
Redemption or Early Repayment Clause	None		None
Covenants	None		None
Credit Rating Agency, Rating Date and Rating Result	N/A		N/A
Other Rights of Bondholders	Amount of converted or exchanged common shares, GDRs or other securities as of the publication of the Annual Report		N/A
	Conversion Right		None
Dilution Effect and Other Adverse Effects on Existing Shareholders	None		None
Custodian	None		None



Type of corporate bonds		Domestic Unsecured Bond (112-1)		Domestic Unsecured Bond (112-2)	
		Tranche A		Tranche B	
Issuance Date		2023/01/12		2023/04/27	
Denomination		1,000		1,000	
Offering Price		At Par		At Par	
Total Amount		5,000,000		3,000,000	
Coupon		1.83%		1.43%	
Tenure & Maturity Date		3 years Maturity : 2026/01/12		3 years Maturity : 2026/04/27	
Guarantor		None		None	
Trustee		CTBC Bank Co., Ltd.		CTBC Bank Co., Ltd.	
Underwriter		KGI Securities Co. Ltd.		Yuanta Securities Co., Ltd.	
Legal Counsel		True Honesty International Law Offices		True Honesty International Law Offices	
Auditor		PricewaterhouseCoopers, Taiwan		PricewaterhouseCoopers, Taiwan	
Repayment		Bullet Repayment		Bullet Repayment	
Outstanding		5,000,000		3,000,000	
Redemption or Early Repayment Clause		None		None	
Covenants		None		None	
Credit Rating Agency, Rating Date and Rating Result		N/A		N/A	
Other Rights of Bondholders	Amount of converted or exchanged common shares, GDRs or other securities as of the publication of the Annual Report	N/A		N/A	
	Conversion Right	None		None	
Dilution Effect and Other Adverse Effects on Existing Shareholders		None		None	
Custodian		None		None	

► **5.3 Status of preferred shares:** None.



► 5.4 Status of issuance of global depository receipts

Items		Date of issuance	March 29, 2005
Date of issuance		March 29, 2005	
Place of issuance and trading		Place of issuance: Luxembourg Trading: Luxembourg Stock Exchange	
Total amount		Approximately USD 134,666,000	
Unit offering price		USD 8.4166	
Units issued		16,000,000 units	
Source of securities represented		Shares held by shareholders Bruce CH Cheng and Yi-Ying Hsieh	
Amount of securities represented		80,000,000 shares	
Rights and obligations of GDR holders		Same as shareholders holding common stocks	
Trustee		N/A	
Depository Bank		BNY Mellon	
Custodian Bank		Mega International Commercial Bank	
Outstanding balance (Note 1)		563,192.4 units	
Distribution of expenses incurred from issuance and the outstanding period of the GDRs		All expenses incurred during the GDR issuance are included in the underwriting fees and borne by the international lead underwriter. Related costs of information disclosure and other expenses are borne by the shareholders. The underwriting and depository contracts for the issuance of GDRs shall be governed	
Important stipulations on the depository contract and by the laws of the UK and the State of New York (USA). However, the approval of GDR custodial agreement		issuance is subject to the regulations and legal restrictions set forth by the Republic of China.	
Market price per unit (Note 2)	2022	Highest	US\$54.00
		Lowest	US\$35.40
		Average	US\$43.52
	Current year to April 15, 2023	Highest	US\$51.50
		Lowest	US\$44.40
		Average	US\$47.98

Note 1: Issuance of 16,000,000 units of global depository receipts on March 29, 2005; plus 353,370.4 units of stock dividends issued on August 8, 2005, 254,559.0 units of stock dividends issued on July 19, 2006, 156,112.2 units of stock dividends issued on August 15, 2007, 20,564.2 units of stock dividends issued on August 15, 2008 and 157,244.6 units of stock dividends issued on August 14, 2009, totaling 16,941,850.4 units. As of April 15, 2023, investors had redeemed a total of 38,393,249.0 units and requested for reissuance of 22,014,591.0 units; therefore, there are 563,192.4 units remaining in the market.

Note 2: Source: Luxembourg Stock Exchange

► 5.5 Status of employee share subscription warrants

5.5.1 Unexpired employee subscription warrants issued by the Company in existence as of the date of publication of the annual report: None.

5.5.2 Names of top-level company executives and top ten employees holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives and employees as of the date of publication of the annual report: None.

► **5.6 Status of new restricted employee shares:** None.

► **5.7 Status of issuance of new shares in connection with mergers or acquisitions:** None.

► **5.8 Implementation of the capital allocation plans**

5.8.1 For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned



benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement: None.

- 5.8.2** Plans for the funds usage under the plans referred to in the preceding subparagraph have been realized for the period as of the quarter preceding the date of publication of the annual report.

6. Overview of Business Operations

► 6.1 A description of the business

6.1.1. Scope of business

Delta is dedicated to providing innovative, clean and energy-efficient solutions to create a better tomorrow. As a world-class provider of power management solutions worldwide, Delta has maintained its position as a market leader in switched-mode power supplies and thermal solutions. Since its establishment, Delta has been serving customers globally by offering professional design and extensive manufacturing experience as well as high power conversion efficiency and complete power management systems. Its key business solutions for information, communication, commercial, industrial, medical, energy-saving and renewable energy applications have been recognized and widely adopted by market leaders. Since 2010, Delta has been engaged in system integration as a component supplier, while capitalizing on its excellent capability in technology and integration. It has also provided customers with efficient solutions such as industrial automation, building automation, data center solutions, communication & power solutions, smart energy solutions, display & monitoring solutions, and electronics vehicle solutions in order to promote resource integration and services and improve productivity for its customers, while reducing environmental impact and encouraging the customers to uphold Delta's business philosophy; namely, "To provide innovative, clean, and energy-efficient solutions for a better tomorrow". Delta's top three business areas include manufacturing and sale of "Power Electronics" including components, power and system, fans and thermal management, electronics vehicle solutions, Innergie consumer products, etc.; "Automation" including industrial automation and building automation, etc.; and "Infrastructure" including ICT infrastructure, energy infrastructure & industrial solutions, video conferencing solutions, and display solutions such as Vivitek, DP, etc. In 2022, the proportions of Delta's three major business areas were as follows: Power Electronics Business (59%), Automation Business (14%), and Infrastructure Business (27%).

In order to fulfill its commitment to stakeholders, Delta launched the "Smarter. Greener. Together." brand campaign in 2012. The Company believes that technological innovation and collaboration can provide a clean and energy-efficient system to create a better tomorrow. It utilizes brand awareness strategies and promotional activities like advertisements, international exhibitions, dealer conferences, etc., in order to create shared value through its brand commitments and expand its brand's global influence. The Delta brand has long been supported by customers, distribution partners and end users. It has also been recognized as one of Taiwan's top 20 international brands for eleven consecutive years.

New products planned for development

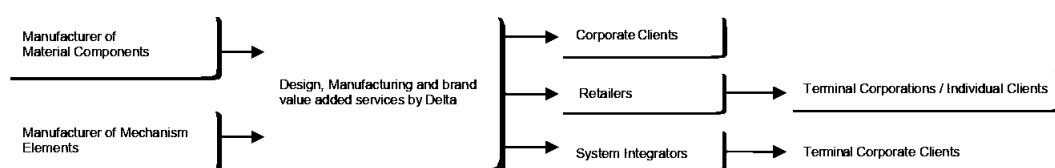
In recent years, Delta has been actively promoting comprehensive corporate transformation, in 2022, 6% of its products' revenue are contributed by an external network of distributors, from information technology and consumer electronics to industrial products, from OEM to own brand and from components and parts to system solutions. Delta allocates around 6-9% of our revenue for research and development every year for the continuous development of new products and new technologies. We hope to accelerate the speed of the company's transformation and strengthen our long-term competitiveness in future markets through enhancing corporate innovation capabilities continuously. For details, please refer to "Research and development work to be carried out in the future, and further expenditures expected for research and development work" in "The section on risks".

6.1.2. Industry overview

6.1.2.1 The current status and development of the industry, the various development trends for products and competition Delta has business operations in consumer electronics, automobile electronics, industrial

automation, building automation, medical, communication, renewable energy, etc. The competition and development of the industries cannot be generalized due to the diversity of the industries it belongs to. In 2022, the global market was affected by the monetary tightening policy of major nations, high inflation rate worldwide, and pandemic lockdowns in some countries, causing turnoils in the macro environment. On the other hand, the unbalance in the supply chain resulting from the pandemic has been relieved, and various changes in the business environment have led to variations in the development of different industries.

6.1.2.2 The links between the upstream, midstream, and downstream segments of the industry supply chain



6.1.3. An overview of the company's technologies and its research and development work

In terms of the new application fields, Delta has presence in the markets of data centers, Internet of Things, electric vehicles, and renewable energy, etc. Its technologies such as integration of software and hardware and big data analysis focus on providing solutions and products with learning capabilities. Meanwhile, it has made plans to apply these to other fields, such as energy management, by building relevant core capabilities.

A listing of technologies and/or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Power Electronics:

Power and System business group continues to lead advanced technology, and has developed a variety of high efficiency, high power density, compact size and low noise AC/DC and DC/DC switching power supplies, power adapters, DC/DC converters and battery chargers which are widely used in various applications including data centers, 5G communications, networking systems, server computers, workstation computers, desktop computers, portable computers, office equipment, consumer appliances, smart home devices, video gaming, power tools , medical, industrial , power backup equipment and more fields.

For fans and heat conduction products, the development of various high efficiency and high reliability fan and cooling product solutions have been completed, including application on desktop computers, servers, laptops, data centers, cloud equipment, communication systems, game consoles, consumer electronics, industrial Inverter / motor driver and vehicle-mounted air-conditioning HVAC, car lights and seats; heat dissipation products include heat pipes, vapor chambers, and closed / open loop controlled water cooling system and solutions and CDU, cooling distribution unit solution, energy-saving smart ventilation fans, heater fans and ceiling fan for buildings.

In the field of Electric Vehicle Power Electronics, the currently developing products or projects include on-board charging modules, electric distribution boxes to provide three-in-one power electronics integrated design, bi-directional on-board charging modules, AC mains conversion DC to charge high-voltage batteries, and DC/DC converter modules. In terms of traction inverters, there are EV traction inverters, on-board power converters, 3 in 1 power electronics integrated module, and 4 in 1 power electronics integrated modules, EV integrated traction inverter modules, 48V mild hybrid EV integrated traction inverter modules. The electric motors include high torque density traction motors for hybrid drive system, high speed traction motor for BEV drive system, rare earth-free traction motor, and 800V high power traction motor. In recent years, the demand for charging handling capability of on-board

charging modules became greater. Three phase AC input to charge 800V battery is an important requirement of current products. 800V DC/DC modules have been successfully developed as well. Regarding to dual traction inverters, the 800V inverter is being developed as a next-generation product.

Automation:

In the field of Industrial Automation, we have completed the development of the following products: CP2000-L Delta Fan/Pump Vector Control Drive Lite series, C2000-R liquid cooling drive, AMBC Maglev Controller, EB-3000 advanced Close-loop Elevator drive, E-Mobility BTDS1 standard battery-powered motor drive (48V), E-scooter Powertrain System (Side mounted), Networked Small PLC series, EtherCAT motion controller with 8 axes, Economic 7", 10" HMI, Economic Smart Power Meter, Compiled PLC Runtime on Drive (Corner), Slim Type Multi-Channel Modular Temperature Controller, Pulse Heat Reflow Power Supply, Structured Light 3D Measurement System, 3D ToF Industrial Smart Camera, Passive component surfaces inspection machine, Multi-axis inductor winding machine, Semiconductor wafer defect inspection machine, Injection molding machine Solution (EtherCAT Base), High speed odd-shape inserting mounting machine, Digital Twin Virtual System Development, ASD-A3 200V Servo Drive 4.5kW~15kW, ASD-A3 400V Servo Drive 400W~15kW, ASD-E3 200V Servo Drive 100W~3kW, ASD-B3 Low voltage 24V Servo Drive 50W, ASM-B3H 200V High-inertia -Servo motor 200W/400W/750W(F60/F80), ASM-E3 200V Servo motor 100W~3kW (F40/F60/F80/F130/F180), ASM-E3M 200V Servo motor 100W~750W (F40/F60/F80), AGV Loco Motor (200W), AGV Turn motor (300W), AGV Life motor (400W), AGV Loco Integrated Motor Drive For AC Servo (200W), Reducer-integrated motor For AC Servo (Ratio1~100), 4-Axis SCARA robot, Reach 600 mm, Max. payload 6kg, 4-Axis SCARA robot, Reach 1000 mm, Max. payload 22kg, RTM (Rapid Transformable Machine) – SMST Auto. Inserting Machine, RTM (Rapid Transformable Machine) – GLST Auto. Dispensing & Gluing Machine, RTM (Rapid Transformable Machine) – SWST Auto. Screwing Machine, Edge AI Inference Platform, SMT Mounter Real-Time Engineering Data Analysis System, SMT AOI Auto Defect Classification System, and Lightweight Distributed Computing Platform DevOps Technology.

Building Automation covers three major areas: BMS/iBEMS energy management system solutions, indoor air quality solutions (IAQ) and surveillance automation solutions. BMS/iBEMS Energy Management System Solutions include Cloud Based Building Management System Service Solutions and Factory Energy Management. Delta's enteliCloud is a cloud-based software as a service (SaaS) platform for building management that integrates operations, scheduling, alarm management, and data storage. With real-time updates of building data on enteliCloud, managers can make better-informed decisions and avoid outdated information leading to incorrect decisions.. Another feature is the management of renewable energy, which combines energy consumption and helps manage renewable energy sources. The factory energy management system provides the following functions: group/factory structure configuration, customization of the instrument ledger, instrument addition, migration, and parameter modification, virtual point support, customization of energy statistical dimensions, year-on-year and quarter-on-quarter data query, energy baseline multiple regression analysis and alarm. The Indoor Air Quality Solution IAQ has inherited the successful experience of UNOnext/UNOcentral/UNOweb. With feedback from customers and dealers, Delta has developed a new air quality sensor named UNOlite. This device has adopted an opto-acoustic CO2 sensor and has minimal detection drift and vibration proof. In terms of surveillance automation solutions, Face Access Management System has been developed to provide an easy way to identify employees through their faces, and automatic alerts make corporate personnel management process easier. MFA (Multifactor authentication) provides double authentication function to provide more security in important places. In terms of lighting solutions, for the COVID-19 era, by using the non-harmful characteristics of USHIO 222nm UVC light source and developing the corresponding light module control techniques, several antibacterial products suitable for various environments have been developed. In the part of indoor lighting, Active-Healthy lighting has been developed. According to international researches, different light frequencies and wavelengths that can be integrated into indoor lighting, so people can



also have the chance to improve health while using indoor lighting.

Infrastructure:

In the field of ICT Infrastructure, we have developed High power density 3kW Wind charger; High efficiency 1.8kW single-phase charger; High efficiency power boost 57V 3KW DC/DC converter; AC/DC Dual input high efficiency 2.9kW charger; High efficiency 600W Inverter; Small power 1-3kVA high performance UPS ; Medium power 20-40kVA built-in battery standalone UPS; Medium power 80-200kVA modular UPS with integrated solution; High reliability 800A STS; High density 63A rack mounted intelligent PDU; Large data center 30kW RowCool (DXW); WiFi 6e Tri-band Home Router/AP; 1G/2.5G Enterprise 30W/60W PoE switch; Intel Based SDWAN vCPE; and 200G/400G/800G Datacenter Spine/Leaf Switch.

Under Energy Infrastructure and Industrial Solutions business group, we continue to develop and launch EV charging solutions ranging from cordsets, AC chargers, DC fast chargers, ultra-fast chargers, high power chargers to bi-directional chargers to continue to fulfill the various EV Charging needs. The breadth of our product portfolio, performance, and slimness are the best in the industry. The trend of solar inverters is moving toward high efficiency, light weight, and low cost and requires monitoring capability. Moreover, the high power string inverters are replacing central inverters gradually. To increase the self-consumption rate of commercial and residential buildings and allow storage to come with solar plus storage, Delta has launched a hybrid inverter to fulfill this market need. In response to industrial demands, Delta invests in developing precision electronic measuring instruments and factory automation test systems under our own brand. We provide one-stop solutions by integrating accurate testing equipment and energy recovery systems into a testing software platform developed by Delta. Our goal is to create an efficient and flexible automated testing solution. We focus on the Electricity Trading Platform (ETP) for frequency regulation auxiliary services. We design long-duration MW grid-connected energy storage solutions that support frequency regulation and energy transfer applications. We adopt MW power conditioning systems (PCS), LFP MWh battery systems, and DeltaGrid® energy management system to integrate and manage energy storage system operation. ESS stabilizes grid frequency through energy management by detecting changes in power grid frequency. In addition, in terms of commercial and industrial applications, we have completed the development of an "integrated energy storage system (250kW/945kWh)", which can be quickly installed, flexibly expanded, and integrated with a complete solution for solar charging and storage. The new DeltaGrid EVM has been added to the DeltaGrid management system to provide a cloud-based backend system for EV charging stations. It also has smart energy management functions, which can be integrated with energy storage and solar energy systems for power regulation, to optimize charging services, operating, and energy efficiency.

Regarding Display Solutions, we have three major product lines: commercial projectors, large venue projectors and lens modules. In commercial projector product line, a 5,000lm 1-chip DLP 4K projector has been developed and commercialized. In large venue projector product line, we developed a separate light source (Satellite) series models that support brightness from 10,000lm to 40,000lm with solid state light sources. Combine it with 3-Chip DLP engines, the product line covers resolutions WUXGA and 4K-UHD projectors that provide an excellent flexibility to end customers for different applications. Besides that, this technology is extended to 8K resolution projectors in preparation for future product development needs. In lens module product line, a 12 Mega pixels 180° fish eye lens module is ready for the surveillance market and to be integrated into the security systems used in the locations such as banks, airports, shopping malls, etc. In parallel to that, we also developed a lens module for 45 mega pixel camera to be used for AOI (Automated Optical Inspection) in the manufacturing process, such as automobile, electronic element, semiconductor, printing, food and pharmaceutical etc. industries.

Research and development expenses during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Research and development expenses in 2022: NT\$31,769,981 thousand

Research and development expenses until the latest quarter of the annual report for 2023: NT\$7,671,553 thousand

6.1.4. The Company's long- and short-term business development plans

For short-term plans, we will develop new products and devote our time and resources into the development and application of vertical integration and systematic solutions continuously. Moreover, we will strive to enhance product quality and cost control, improve on automated production, comply with advanced eco-friendly regulations, reduce product design time, reduce the period from order to delivery and expand the flexibility for global delivery.

In the long-term, we will devote our time and resources into enhancing research and development efficiency, strengthening the registration and effectiveness of patents, expanding product applications and reducing production costs. In addition, we will also exert great efforts in our fields of endeavor including car electronics, medical electronics, industrial automation, building automation, infrastructure for information and communication and infrastructure for energy, etc.

► 6.2 An analysis of the market as well as the production and marketing situation

6.2.1. Market analysis

The main clients of Delta are all international vendors. Product sales and business development are distributed all over the world. The main business of Delta can be divided into three categories: Power Electronics, Automation and Infrastructure. An overview analysis of each of these business categories is given below:

6.2.1.1. Power Electronics

As one of the core businesses in Delta, the Power Electronics Business has not only led the market in switching power supply, DC brushless motor technology, thermal solution, and critical micro components, but also expanded product application in various markets, such as the industrial, medical, household, satellite, and information and communication facilities. As an expert in global power management and thermal solutions, Delta has been largely recognized by the EPA due to its high-quality products and energy efficiency and has continuously won the ENERGY STAR® Partner of the Year for 7 consecutive years and the Sustained Excellence Award, the top reward for energy star, for 5 consecutive years.

6.2.1.2. Automation

Delta's automation products and solutions not only support global clients to build a more flexible and reliable smart manufacturing line but also helps them to achieve sustainable development goals to conserve energy and reduce carbon. Taking the automation of fluid-mechanics equipment as an example, the equipment controlling liquid or air is very important in business operations, civil use, and the country's infrastructure. However, operating large amounts of fluid-mechanics equipment for a long time requires lots of electricity. Delta has provided a solution to support customers in improving their product performance and energy consumption. Aside from this, the administrators can also monitor every equipment operating situation and the electric consumption for each end site through the back-end management platform and set the best strategy for energy consumption and have saved significant energy.

6.2.1.3. Infrastructure

After the western countries lifted their pandemic restrictions and the global supply chain eased up, Delta made good progress in telecom power, ICT infrastructure, energy storage business, and EV charging business in 2022. To support the G20 and B20 meetings in Pulau Bali, Indonesia, Delta set up 250 DC and AC chargers to offer charging services for nearly a thousand electric vehicles. Compared to its competitors, Delta can provide a full series of charging solutions to fulfill charging needs of electric buses, electric cars, and electric scooters, and is also able to connect the back-end system and the software, improving the



efficiency of the charging stations.

6.2.2. Usage of the Company's main products

Main product	Usage
Power Electronics - Power and System	1. Switching Power Supply: A device that converts AC or DC to one or more sets of DC power outputs for powering electronic equipment. Its characteristics include small size, light weight, and high efficiency, and it is gradually replacing linear power supply as the mainstream power supply. Its application scope covers various types of information and consumer products, industrial control systems, and automatic testing equipment, etc. 2. Power Adapter: A portable power supply device that converts input AC power into a set of high-power stable DC voltage. The power adapter provides high power conversion efficiency, high power density, small size and several power protection features. It is wide used on portable computers, wearable devices, mobile power, consumer devices, etc. 3. DC Converter Module: The product is a DC power module to convert DC input voltage to a specified and stable DC output voltage. The DC converter module provides high power conversion efficiency, high power density and several power protection features. It is wide used on data center, networking systems, server computers, workstation computers, electric vehicles, aerospace equipment, etc. 4. Battery Swapping System: High-efficiency mini battery charging station with the capability to charge multiple batteries simultaneously. It can be used in indoor and outdoor environments.
Power Electronics - Components	1. Power Choke: With advanced knowledge and expertise in the technology of Metal Powder Processing, Micro-Powder Molding and Coil Forming, CPBG provided the foundation for the production of a complete series of High Saturation, Low DCR, and highly efficient Power Chokes. 2. High Power Magnetic Component: With the most professional technical expertise in design and manufacturing of high-power magnetics, this line of products includes AC-DC power supply transformers, DC-DC converter transformers, planar transformers, power chokes, filter chokes, and reactors for base stations, datacenters, servers, and industrial and automotive applications. 3. Chip Resistors and Current Sensing Resistors: In response to the slim and light trend for handheld devices and high density installation demands, CPBG has developed a series of current sensing resistors characterized with miniaturization, high precision, and low TCR. 4. Power Module: CPBG offers high power-density DC-DC modules by integrating active and passive components for the on-board applications covering consumer, datacenters, and automotive segments. 5. Optical Transceiver Module: The device includes precision optical coupling, packaging, heat dissipation, and design for high-speed digital signal integration. 6. 5G mmWave antenna module: Mechanical design for the OPEN-RAN system application running at outdoor lighthouse 5G mmWave application.
Power Electronics - Electronic Vehicle Solutions	1. EV on board charging module: Input range 110~240VAC, Convert AC to DC to charge HV battery for PHEV and BEV. 2. EV auxiliary inverter: Invert 12VDC to 110/220VAC for electrical appliances. 3. DC/DC modules: Adopted in EV, HEV. Convert HVDC to 12V charging the vehicle's entire power system. 4. EV integrated on board charging module (Combo): combines OBCM and DCDC Converter module, including the functions of converting AC to DC to charge HV battery on EV and high-to-low voltage DC conversion 5. EV traction inverter: A device that converts the DC power supply into variable voltage and frequency AC power to drive the vehicle motor according to the power demand of the vehicle. Its scope of applications covers electric vehicles and hybrid vehicles. 6. EVCC (Electric Vehicle Charging Controller): It is a device that converts the DC power into variable DC voltage according to the power demand of the vehicle to supply the motor driver in the vehicle. Its application range includes electric vehicles and hybrid vehicles. 7. EV traction motor: Provides drive and regenerative braking for hybrid electric vehicles; provides motive power for pure electric vehicles. 8. Mild hybrid EV integrated traction inverter module system: This module is adopted to assist the stop and start function of ICE vehicle. It is used in 48V battery.
Power Electronics - Fans & Thermal Management	The cooling fans and modules are used in personal computers, game consoles and notebook computers, cloud equipment, communication equipment, servers, industrial equipment, automobiles, and energy-saving intelligent ventilation fans and heating fans for buildings.



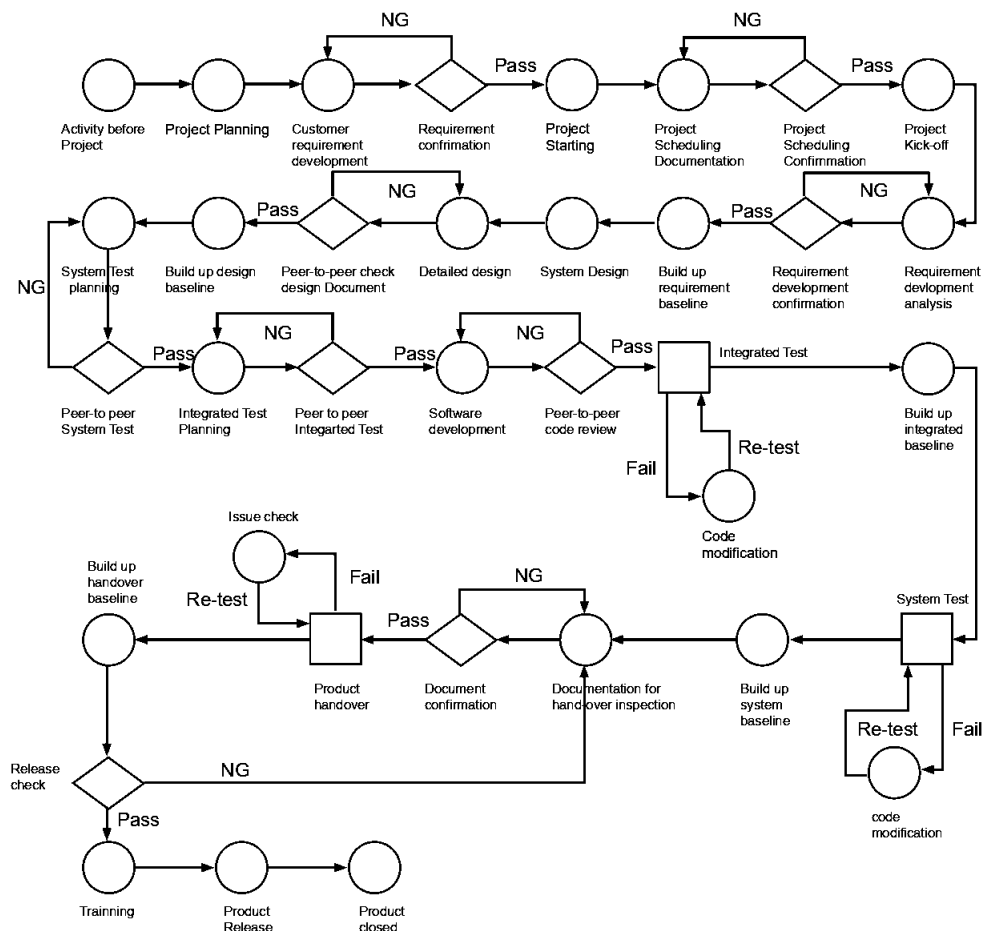
Main product	Usage
Automation - Industrial Automation	Industrial automation solutions provide factories with an automated and integrated system for automating production and manufacturing processes.
Automation - Building Automation	1. O3 Edge, the edge computing sensor: Built-in multi-sensor (Temperature, Humidity, Light Level, Acoustic, and Presence) with computing capability. Supports various standard protocols. (BACnet Secure Connect, BACnet/IP, MQTT, BLE, EnOcean) 2. Smart building iBMS Platform: BMS communicates with various subsystems to obtain various information, coordinate the operation of the subsystems and can easily monitor the operation of each subsystem. 3. Meeting Room Management System: It provides complete real-time meeting room usage status and convenient reservation settings. 4. enteliCloud: Cloud-based building management system, supports remote control, equipment and facility management, visual platform, scheduling management, alarm management, renewable energy management and data storage. 5. Energy and carbon integration and factory energy management system: Assists the group and the factories in analyzing the power consumption and carbon emission of the factory production lines, establishes a production line baseline for forecasting and abnormal warning, defines energy statistical dimensions, conducts year-on-year comparisons, and assists the site to conduct carbon inventory through the management system. 6. UNOnext: Used in UNO Clear Zone System, it serves as the control core for indoor air quality detection and adjustment. 7. UNOnext BACnet MS/TP: It's UNOnext equipped with BACnet MS/TP, making it easy to link to mainstream building management system. 8. UNOLite: UNOLite is the new generation of IAQ multifunctional sensor, that serves as the intelligent control core to regulate air quality.
Automation - Surveillance Automation	1. Video Management System: It can record ONVIF (Open Network Video Interface Forum) formatted ipcam streams and provide real-time video monitoring, video playback, e-map, event alert, event query, privilege control and device management...etc. It can be combined with a video wall to automatically rotate the video on a large screen, which is suitable for video surveillance in buildings, factories, stations, etc. 2. Electronic fence warning system: The combined video surveillance management system will display the image and e-map. The video surveillance system can display the video and e-map...etc. on the workstation screen or TV wall. 3. Parking Lot Management System: The combination of super wide angle license plate recognition and RFID technology provides plus and minus 60 degrees wide angle recognition, improving the efficiency of entrance and exit control, achieving the goal of fully automated management of parking lots, and providing visitor vehicle reservation function, which can effectively manage the efficiency of parking lot use. 4. Access Control System: RFID detection and face recognition are used to provide sophisticated access control.
Automation - Lighting Solutions	1. Small-sized high-efficiency portable antibacterial device: Small-sized and portable device for non-harmful UVC application. It can quickly sterilize the surface of the personal belongings (mask, mobile phone, wallet etc.). It can be used as a small-scale air antibacterial device to reduce the risk of infection. 2. High-efficiency antibacterial device for automobiles: Antibacterial for the air in the car, reducing the risk of infection and provide a safe and secure environment in the car. 3. Bluetooth smart IoT healthy luminaries: Realize smart IoT function through Bluetooth Mesh between luminaries and realize LBS (Location-Based Service) applications by using Bluetooth beacons. 4. High Efficacy and Flicker-free LED Tube Light: For the use of tube light in indoor lighting applications. High efficacy is for more energy saving and lower carbon emissions. 5. The BIC wireless positioning and emergency assistance system: (1) Positioning and electric fence system: Positions the wearable device to ensure personal safety. Different wearable devices can be set for different entry areas with the electric fence function. (2) Health and safety of wearers: Emergency call notification system and medical care by wearable devices. It actively detects the wearer's heart rate, blood pressure and other physical data. Automatic alarm system allows personnel to be rescued immediately
Infrastructure - ICT Infrastructure	Provides complete infrastructure solutions mainly for enterprises, telecom operators and data centers. The power and thermal management solutions include telecom power system, controller, cabinet, heat exchanger, network equipment, UPS, and remote monitor and control system. We also provide the standard network communication equipment for telecom operators



Main product	Usage
	and data centers include telecommunications, enterprise-grade and data center switches, wireless routers, and SD-WAN routers.
Infrastructure - Display Solutions	1. Projector: To project data or video image for home theaters, classrooms, business meeting, digital ads, and simulation and control room, theme park applications. 2. Lens Module: Used for surveillance and monitoring critical areas, automatic optical inspection (AOI) applications.
Infrastructure - Energy Infrastructure and Industrial Solutions	1. EV Charging Solution: EV charging products (Electric Vehicle Supply Equipment) consist of AC chargers, DC chargers, and Bi-directional chargers. The alternating current (AC) power is sent to the electric vehicle through the solution in either AC or direct current (DC) form to charge the vehicle's onboard power battery. Alternatively, the energy stored in the vehicle's battery can be discharged in a reverse direction to power a load. 2. Single phase hybrid energy storage system with V2H function: New generation of hybrid energy storage system with V2H function which complies with JET's latest power grid regulations and Chademo specifications. 3. 350kW High Efficiency String inverter: Suitable for large solar ground power stations. The advantages of the high power inverters are reduced building cost and easy to setup and maintain. The 350kW solar inverter supports remote monitoring through Bluetooth, PLC, photovoltaic string monitor, and IV curve checkups, etc., greatly reducing the building and maintenance costs. 4. KW PCS for energy storage system: KW PCS, mainly used in industrial and commercial applications. 5. MW PCS for energy storage system: MW PCS, mainly used in conjunction with new energy (wind or photovoltaic) to Grid, through the storage inverter access, can enable the grid to accommodate more new energy. It can also work independently to enhance the stability of the power grid. 6. Grid-tied Energy Storage System: MW Grid-tied ESS, including MW PCS, MWh battery system, and self-developed energy management system, can provide grid assistance services for applications such as power plants, grid frequency regulation, and large-scale renewable energy power plants. It can play a role in power plant rescue, grid frequency regulation, and smoothing of renewable energy to stabilize the grid. 7. A charging service platform (Delta Grid): The advanced version of the Delta Grid EVM software platform serves as a charging service platform to CPO for charging station operation. In the meanwhile, a mobile APP has been developed for EV owners to fulfill their needs for searching charging services, site navigation, starting/stopping the charging session, and payments. 8. Industrial equipment solutions: Industrial equipment solutions provide test equipment and automatic test systems required for testing during production. Its purpose is to provide functions and negotiations for automatic testing purposes during product production, and to program different test conditions to confirm product quality. 9. Medical Device: The main product categories include three major areas. Consumer medical products include home care, healthcare, wearable applications, etc.; in vitro diagnostic products include clinical chemistry, microbiological analysis, test reagents, etc.; and medical imaging products include optical imaging, medical diagnosis and radiography. 10. Development of multi-throughput, rapid and precise molecular detection platform for respiratory pathogens: The multi-throughput, rapid and precise molecular detection platform for respiratory pathogens is used for in vitro qualitative detecting the presence or absence of nucleic acids of common respiratory viruses in nasopharyngeal swabs, and can be used for clinical auxiliary diagnosis of patients with respiratory tract infections. 11. MicroCT: CT is a kind of X-Ray imaging method. In CT, X-ray images are taken from multiple angles. Reconstruction algorithms are used to generate virtual slices of specific scanned objects. The results can show the 3D three-dimensional structure inside the detection object accurately. 12. Veterinary X-ray machine: The machine uses X-ray imaging to produce different black and white contrast images on an image detector after the X-rays pass through the animal's body. 13. Medium Voltage Drives: The general purpose medium voltage drive with high performance vector control technique brings high speed accuracy and fast dynamic response which is suitable for various type of load including fans, pumps, compressors, mills, mixers, and so on. 14. Medium Voltage Solid-state Transformer: It is a device that converts medium voltage (11.4kV or 13.8kV) into one or more sets of isolated DC output power supplies. Its characteristics are small size, light weight, and high efficiency. In the future, it has the opportunity to replace the traditional low frequency silicon steel sheet transformer. Its scope of application will cover data centers, large-scale energy storage sites and electric vehicle charging stations, etc.

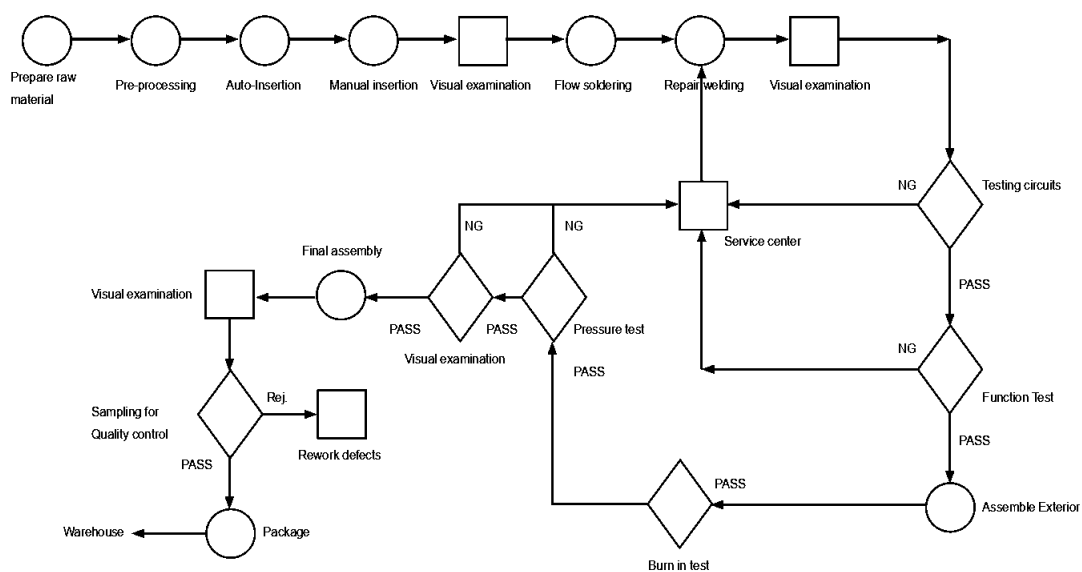
6.2.3 Manufacturing processes for the Company's main products

Development process for projects





Manufacturing process for products





6.2.4. Supply situation for the Company's major raw materials

The main materials in Delta's products come from semiconductor components, passive components, and partly mechanism elements. Delta has entered into annual procurement contracts with major suppliers for all elements, which allow its purchase costs to remain stable and the suppliers to plan for and maintain inventory level to meet production needs in 3 months and have several weeks of supply ready so as to ensure sufficient supply.

6.2.5. Information on major clients/suppliers who have accounted for at least 10% of sales/procurement in either of the past two years

6.2.5.1 The list of suppliers that provided more than 10% of total materials purchased for the Company in either of the two most recent fiscal years.

The business operation and products of Delta vary greatly, so a wide array of raw materials and suppliers are required. During the year 2021, 2022 and the first quarter of 2023, no supplier provided more than 10% of total materials Delta purchased.

6.2.5.2 The list of buyers that contributed to more than 10% of the total sales of the Company in either of the two most recent fiscal years.

The business operation of Delta spans across power electronics, automation and infrastructure with numerous products and a diverse clientele. During the year 2021, 2022 and the first quarter of 2023, no buyer made purchases that accounted for more than 10% of the total sales of Delta.

6.2.6. An indication of the production volume and the volume of units sold for the 2 most recent fiscal years

6.2.6.1 Production volume for the last two years

Unit: capacity and quantity in thousands, amount in NT\$ 1,000

Production Volume Main Products (or Departments)	2021			2022		
	Capacity (thousands)	Quantity (thousands)	Amount (NT\$ 1,000)	Capacity (thousands)	Quantity (thousands)	Amount (NT\$ 1,000)
Power Electronics	186,000,000	185,297,140	190,575,061	174,000,000	173,578,344	219,462,569
Automation	13,000	12,481	28,540,834	13,000	12,354	37,646,514
Infrastructure	21,000	20,569	59,891,516	24,000	23,652	79,705,672
Others	11,000	10,919	1,741,315	31,000	30,794	517,571
Total	186,045,000	185,341,109	280,748,726	174,068,000	173,645,144	337,332,326

6.2.6.2 Volume of units sold for the last two years

Unit: quantity in thousands, amount in NT\$ 1,000

Volume of Units Sold Main Products (or Departments)	2021				2022			
	Domestic Sales		Exports		Domestic Sales		Exports	
	Quantity (thousands)	Amount (NT\$ 1,000)	Quantity (thousands)	Amount (NT\$ 1,000)	Quantity (thousands)	Amount (NT\$ 1,000)	Quantity (thousands)	Amount (NT\$ 1,000)
Power Electronics	12,094,553	8,938,931	166,005,562	178,327,706	15,920,629	10,759,920	161,382,636	216,167,905
Automation	844	2,726,625	12,814	41,352,296	3,142	3,198,456	15,907	48,503,528
Infrastructure	831	4,413,120	52,561	73,376,364	1,811	4,604,517	29,417	93,627,624
Others	101	9,965	2,086	112,002	154	20,104	197	92,436
Total	12,096,329	16,088,641	166,073,023	293,168,368	15,925,736	18,582,997	161,428,157	358,391,493



► 6.3 The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

April 27, 2023

Fiscal year		2021	2022	January 1, 2023 to April 27, 2023 (Note)
Number of Employees	Technical staffs (Engineering)	5,746	6,517	6,636
	Management and sales staff (including marketing staffs)	2,072	2,368	2,291
	Operators (including production line collaboration staffs)	2,048	2,532	2,457
	Total	9,866	11,417	11,384
Average age		38	37.6	38.2
Average years of service		8.1	7.7	7.6
Distribution of education (%)	PhD	2.0%	2.0%	2.0%
	Master	44.6%	44.2%	44.0%
	Bachelor's Degree	34.5%	33.7%	34.6%
	Senior High School	12.0%	12.3%	11.5%
Below Senior High School		6.9%	7.8%	7.9%

Note: information of current fiscal year is provided up to the date of publication of the annual report.

► 6.4 Disbursements for environmental protection

6.4.1 List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents

The Company has not experienced any loss or imposed a fine by the environmental agencies due to environmental pollution related incidents.

6.4.2 Response measures

In relation to the environmental contributions of Delta, please see the section "Devotion to environmental and energy savings" in Chapter 4.

6.4.3 Environmental-related expenditures for now and in the future

For pollution prevention, energy saving and carbon emission reduction in factory sites, the projected major expenses on environmental protection for the next 3 fiscal years are as follows:

Unit: NTS 1,000

Project items	Estimated expenses for environmental protection	Expected outcomes
Exhaust gas treatment	3,984	Maintain the operational performance of treatment facilities to properly process exhaust gas and reduce the emission of toxic components from the exhaust gas to achieve environmental protection.
Wastewater treatment	18,889	Maintain the operational performance of the wastewater treatment facilities to monitor water quality of discharged wastewater and satisfy effluent standards
Waste treatment	47,469	Ensure proper treatment of production waste to reduce its impacts on the environment
Energy saving equipment installation	176,085	Lower the use of energy to reduce the emission of greenhouse gas
Other environmental protection expenses	7,874	Lessen environmental impacts to improve the quality of the environment

6.4.4 Information Regarding EU Restriction of Hazardous Substances (RoHS) Directive

Even before the topic of restricting the use of hazardous substances in products had attracted widespread attention, Delta realized that environmental issues were bound to be an important trend for the future. To further our contribution to environmental protection, we launched our first lead-free soldering production line in 2000 and formulated the Delta Management Standard for Environment-related Substances (10000-0162) in 2002. The management standard covers the EU RoHS Directive, recent REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), HF (Halogen Free), PFOS (Perfluorooctane sulfonic acid), and PAHs (polycyclic aromatic hydrocarbons), and is amended in accordance with the latest international developments when necessary.

In addition, we have taken the initiative to understand our clients' requirements. Delta optimizes the management of environment-related substances to ensure that all our products are in full compliance with applicable regulations or requirements by means of the ISO 14001 standard, QC080000 Hazardous Substance Process Management System, and Delta's Environment Related Substance (ERS) management platform.

All of Delta's production sites are equipped with the ISO14001 environmental management system or have passed the IECQ QC080000 hazardous substance process management certification, to ensure that Delta's hazardous substance management regulations and standards are consistent throughout the entire supply chain. Delta has established a complete set of internal hazardous substance control procedures, from material evaluation, and material number application, to production material number management. The process and documents throughout the process are managed and controlled with a product lifecycle management (PLM) system. Meanwhile, Delta has adopted Delta EC, a supplier exchange platform, as an interface to publish the latest hazardous substance management regulations. Subsequently, Delta will obtain suppliers' statements based on the material number and conduct new supplier evaluations as per the above management regulations.

In alignment with the development of Delta's diverse products, we continue to pay attention to various regulations on hazardous substances, such as the RoHS Directive, REACH, POPs Regulation, Global Automotive Declarable Substance List (GADSL), California Proposition 65 (Prop65), Safe Drinking Water and Toxic Enforcement Act, Toxic Substances Control Act (TSCA), and Chemical Substance Control Law (CSCL). We also continue to keep abreast of new regulations, as well as include them in our managerial regulations and implement them at least one year before such regulations are enforced.

► 6.5 Labor relations

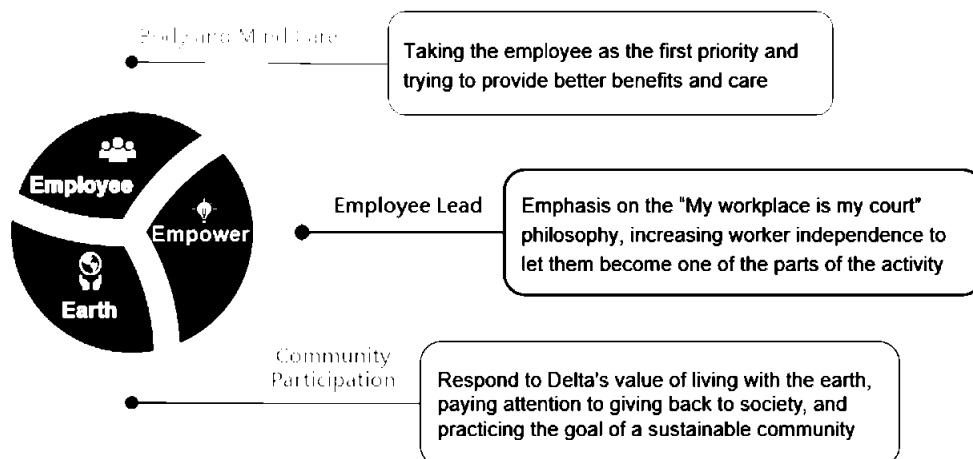
6.5.1 List any employee benefits plans, continuing education, training, retirement systems, and the status of their implementation as well as labor-management agreements, and measures for safeguarding employee rights and interests

6.5.1.1 Implementation of employee benefits plans

Delta is committed to promoting the physical and mental health of its employees, strengthening employee health empowerment and self-management through innovative and diverse group-based health promotion programs. With the 3Es as the spindle, Employee, Empower, Earth, we keep innovating employee experience, encouraging participation of all the staffs, and supporting and practicing the concept of integration in diversification for a new and friendly workplace. We won the following awards in 2022:

- (1) The best compensation and benefits company award and gender equality award for creating a friendly workplace and implementing the gender equality culture.
- (2) Taiwan I Sport enterprise Labels - for continuously establishing employee exercise habits and inculcating the spirit of sportsmanship.
- (3) MOEA Buying Power Public Welfare Prize and Public Welfare Third Prize- Combined the philosophy of public care and sustainable development to expand social influence.

Picture: 3E strategy



Benefits extended by the 3E main axes are as follows:

「Employee」: Taking the employee as the first priority and trying to provide better benefits and care.

- (1) Diverse communication channels between management and labor: Setting a physical mailbox and email address to receive opinions, holding regular meetings (manager and labor/ welfare meeting, and foreign workers meeting) to ensure the communication channels are open and consolidate the relationship between labor and management.
- (2) Employee care assistance program: Working with an external consulting company, Delta provided psychological counseling with personal privacy, giving full angels support for employee work-life balance; responded to the demands from different generations, implemented efficient communication in the workplace and increased manager awareness of risk management, and held 6 lectures on workplace communication, emotion control, and sexual harassment, with a total attendance of 2,187

employees; about 686 attendees were in the class entitled Step parenting for communicating with children and about happiness in the second half of life.

- (3) Special situation care: To help the employees feel comfortable about having their own family and reduce the stress of parenting, while increasing the birth rate in Taiwan, Delta has implemented the parenting allowance since October 1, 2022. The original NT\$2000 new born allowance was granted to those with 0-6 years old children, and each newborn was subsidized with a maximum NT\$380,000, wherein 2234 babies benefited as of the end of 2022, with the expenditure up to 63.8 times that of 2021, with an estimated annual expenditure cost of around NT\$162 million in the future. Delta continuously promoted a pregnancy-friendly environment and implemented mother and child programs attended by about 130 person-times, among which 7 employees were immediately reassigned their job responsibilities and environment after work risk assessment to help pregnant and postpartum colleagues work with peace of mind. Delta has also made a Podcast for interviewing foreign workers to assist the foreign workers to adapt to different environments and languages, and a special celebration for foreign workers were held among Taiwanese, Thai, and Vietnamese cultures to show the care of Delta.

「Empower」: Emphasis on the “My workplace is my court” philosophy, increasing worker independence to let them become one of the parts of the activity.

- (1) Innovative worker experience: In response to the pandemic, physical activities were held digitally and through smart planning to continue the online sports classes of 2021 by establishing an online “Delta Triathlon Competition” for the first time in 2022, where group competitions were organized to encourage the attendees to take up challenges online without time and place restrictions. The competition also planned activities for employees who were more than 50 years old, hoping that everyone could participate in the activity. The activity received 1286 registrants, breaking historic records; a total loss of 1085.5KG achieved during the competition, providing support to the sports trend in technology with real actions.
- (2) Building diverse and co-integration philosophy: Delta promotes the values of gender equality and diversity and won the best compensation and benefits award and the gender equality award in Taoyuan in 2022. Lectures on the topic of “Different ways of thinking in your mental journey” were organized throughout the year, with a total of 1461 attendees that praised the company’s commitments to being in a diverse group inclusive of different perspectives, bringing a new perspective for employees and enriching their learning resources. This roots the employee experience of participation into a part of their personal life and brings hope to the next generations.
- (3) Enhancing engagement: Instilled with the spirit of sportsmanship, Delta has held various competitions such as ball games, marathons, and biking events to respond to the needs of different groups and generations. In addition, Delta has expanded its activities and held the “Power Dragon Boat Competition” for the first time in 2022, being the only business holding a dragon boat competition, and showing the Delta culture of innovation and pursuit of excellence. There were a total of 22 teams, with around 300 employees joining the competition. Moreover, one-third of female employees participated in the competition, more than 30 foreign workers from Thailand and Vietnam participated in the game. Meanwhile, the clubs were motivated to gather manpower and resources to connect with company activities, demonstrating the Delta team’s response to sports events as a whole and its culture of diverse collaboration.

「Earth」: Respond to Delta’s value of living with the Earth, paying attention to giving back to the

society, and practicing the goal of a sustainable community.

- (1) Revitalization of local communities: Delta keeps participating in green purchasing, continually holding island walking activities and the spring trips to increase the local voice and support revitalization of local communities to protect the beauty of Taiwan altogether. Delta has won the "Social Innovation Products and Services Procurement" second prize for three consecutive years. In 2022, as it combined concepts of public care and sustainability of resources, Delta has constantly collaborated with different sectors and expanded its societal impact, and has won the Ministry of Economic Affairs Buying Power Public Welfare Prize and the Public Procurement third prize.
- (2) Light Up! Light up the dream and create a new life together: The company's charitable donation projects continued for 4 consecutive years, from donating good quality used items to helping 15 charities collect more than 5300 items, and getting more than NT\$160,000 of donations, bringing together the power of many to achieve resource transformation and dream fulfillment and creating a better living environment.

6.5.1.2 Continuing education, training and development

Delta expects to see its employees attain professional growth and contribute to the Company's success. The Company has been investing more resources and strengthening its development mechanism while expanding internal learning channels. Delta encourages employees to actively take courses through different training sessions. After receiving the National Talent Development Award in 2018, Delta was nominated for the HR Distinction Award in 2019, and awarded Taiwan Corporate Sustainability Award – Excellence in Practice for Talent Development from 2020 to 2022. Furthermore, the Company received three awards in the 2022 GLOBE Business Excellence Awards: "Achievement in Use of Blended Learning" Gold Award, "Achievement in Learning Technology Implementation" Silver Award, and "Achievement in Most Innovative Learning and Development" Silver Award. Delta is proactively transforming from an OEM manufacturer to a commercial brand and solution provider. In order for its talents to access learning and development resources when the organization is expanding, transforming, and improving its technologies, Delta has successfully helped its employees improve their capabilities and itself to transform successfully through "Evaluation and Cultivation of Highly Skilled Personnel", "Focused Training in Solution Business for Young Talents", and "Three Major Strategies in Focused Training", thereby setting the tone for the discovery and cultivation of new business talents, and continue launching relevant internal recruitment plans in 2022 in response to the Company's major strategies.

- (1) Continuous investment in employees' professional development: The total training expense reached NT\$11.56 million in 2022. Compared with the previous year, although the pandemic reduced the number of external training opportunities, Delta actively encouraged more self-run courses and continued developing and introducing online course resources in order to provide continuous and effective learning for employees.
- (2) Three major strategies in focused training: Delta has classified its company strategies into three learning points: "Leadership", "Professionalism", and "Sales & Marketing Capabilities". Through the Leadership Development Committee (LDC) and the Global Training Committee, we redefined a new training and development framework based on the competencies required at each level.
 - a. Leadership: To respond to the company's transformation strategy and its new version of leadership quality (Leader Quality), learning and structure were adjusted for all levels in terms of leadership, and digital working abilities. Meanwhile, Delta announced its six global business



regions should follow this new development to plan the courses and provide learning resources accordingly. The senior executives were encouraged to teach at least one physical or online course to share their knowledge in accordance with the Mentor Administrative Rules, and the achievement rate of senior managers reached 96% in 2022.

- b. Professionalism: In 2022, 11 global core grades (Global Supply Chain, Total Quality Management, IT, HR, Power Electronics, Software & Firmware, Organization, Strategic Marketing, Global Manufacturing, Finance, and Legal/IP) implemented courses based on the learning maps created based on the global professional functions, and completed 616 courses with a total of over 250,000 training hours and 71,707 trainee-times. At the end of 2022, the Corporate Communications Function Unit established the Sustainability Committee and the Global Learning Map, and became the 12th member of the Global Grades Committee.
 - c. Sales & Marketing Capabilities: The Global Sales & Marketing Training Committee has developed 11 courses in accordance with the selling process including e-courses for marketing consultants, branding, and marketing, reaching a total of 3,251 learning hours. In 2022, DMS has improved the search function, helping employees to retrieve key knowledge and manage documents from the 220 thousand entries of data in the Sales Enablement community.
- (3) Provide diverse self-learning resources: Delta provides physical and online learning resources that are diverse and flexible through its website according to the needs of its employees.
- a. Technical seminars: Local and international scholars were invited for discussions and technology exchange with employees.
 - b. Online learning platform: Delta Academy, a globally shared learning platform, collects management courses from domestic and foreign professors and Delta-produced courses to provide colleagues with online learning. In 2022, the platform has accumulated a total of 332,166 users worldwide, with an annual growth rate of 212%. The total number of non-repeating courses has reached 1,142, a 55% increase, including a total of 541 globally shared courses, a 26% increase from last year. The total number of person-times completing training throughout the year reached 253,778, a 31% increase from last year, indicating that Delta's global resource sharing has become more popular.
 - c. External learning resources: Delta covers all training and course fees for employees, enabling them to undergo external training so as to acquire knowledge from external sources.
 - d. Delta Podcast: Inheriting the diverse themes of "Celebrity Insights, Life Variety, and Self-Growth" from 2021, the podcast integrates learning into program interviews through employee experience sharing. The 10 podcasts uploaded have received positive responses, with a total of 3,784 listener-times, totaling 1,389 hours, and 1,697 colleagues have listened. In 2022, a new podcast theme, "Green Technology Charging Station," was published, accumulating 12,714 listens, enabling everyone to learn more about Delta's latest environmentally friendly technologies."
 - e. Online reading club: Breaking through the traditional forms of book clubs, 1.5-hour online sharing and self-reflection sessions were designed to make it easy for colleagues to complete a book, without being restricted by space, distance, and other limitations during the pandemic; and promoting and establishing a good reading culture among colleagues. In 2022, a total of 11 sessions were held with an overall satisfaction rating of 4.56.
- (4) Improve training quality: Delta continues to strengthen and integrate training resources to improve

both quality and quantity of its training sessions. In 2022, Delta made its best efforts in developing online courses and enriching the courses to improve the learning experience. The average time spent for online tutoring per person was 34% higher than in 2021.

Year	Number of training sessions (internal sessions)	Number of trained individuals (internal sessions)	Number of trained individuals (external sessions)	Average training hours per person	Total cost of training sessions (NT\$)
2022	1,570	169,071	5,276	11.9	11.56 million
2021	2,015	125,744	5,673	11.5	8.01 million
2020	1,583	121,105	6,730	11.8	8.45 million
2019	1,202	114,238	12,518	13.3	16.83 million

(5) Succession plan for top management: The Executive Meetings, attended by the Chairman, Vice-Chairman, CEO, and COO, are held to have regular discussions on talent selection, development planning and succession review of senior executives (including CEO and COO). Since 2008, the Company has launched a key talent development plan with the establishment of the "Leadership Development Committee (LDC)". Through regular meetings held twice a year, the committee passes resolutions for talent selection, promotion decisions, job rotations, and career development plans with respect to senior management (including CEO, presidents, senior vice-presidents and general managers, etc.) succession and confirms the proper implementation of said resolutions. CEO, COO and general managers of the business groups or functional heads with great performance are also in the list of consideration for the succession plan of the board members.

In addition, each business group and region has established a "Talent Development Committee (TDC)" in which top executives of every business group along with HR partners and high-level managers in each unit discuss and decide on the method of developing talents. A variety of training methods for LDC succession planning is provided, which include high-level assessment through one-on-one feedback delivered by external consultants and mentoring provided by senior supervisors. In 2019, Delta kept recruiting talents to develop its Solution Business. As of the completion of the program in June of 2022, about 48% of the talents were transferred to, or promoted in, the solutions business team. The New Business Development plan is one of the most important strategies for Delta's growth. Delta has launched a three-year NBD leader training project in 2022. The plan opened positions for the first time and the selection process was conducted in 3 stages. Eventually, dozens of staff members joined the plan. Its goal is to have the talents rotate to NBD or be promoted within the NBD team.

For key, high-potential, emerging talents, and new business leaders, Delta will continue to provide 360-degree assessment and feedback, internationally certified leadership assessments, global leadership camps, strategically focus competency enhancement courses, and online training programs according to the plan. In addition, major tasks and job rotation are carried out to increase their experience, accelerates their development, and help these key talents get ready. Succession planning for related positions will also prioritize appointment from this talent pool.

6.5.1.3 Implementation of the retirement system

- (1) The Company's retirement system is specified in the employee work rules and regulations, and is approved by the local authorities and announced to employees.
- (2) The criteria for retirement application and payment are based on the "Labor Standards Act" and "Labor Pension Act". The Company will deposit 2% of the monthly salaries and wages to the pension

reserve/special account of employees who qualify as retirees and seniors under the Labor Standards Act. The Company will also submit amounts equivalent to 6% of their total salaries and wages based on the "Monthly Contribution and Wages Classification of Labor Pension" to the employees' individual pension accounts. Employees who were hired beginning July 1, 2005 shall be covered under the "Labor Pension Act". Employees who were hired after July 1, 2005 may choose the pension scheme covered by either the Labor Standards Act or the Labor Pension Act within 5 years. If an employee fails to decide before the deadline, the pension scheme under the Labor Standards Act shall remain effective. As for overseas subsidiaries with the pension scheme as a defined contribution plan, funds will be deposited on a monthly basis in the forms of medical, and other social security benefits according to local government regulations.

- (3) The Company has appointed an actuary to provide details regarding the labor pension reserve fund in the actuarial report every year. By the end of each fiscal year, an estimated balance of labor pension reserve fund will be calculated. If the balance is insufficient to pay employees who are expected to retire in the next fiscal year, the Company will compensate for the difference and deposit the amount of difference to the special trust account in the Bank of Taiwan by the end of March next year.

- **Criteria for retirement application: (The same regulations apply to employees subject to the Labor Pension Act.)**

Voluntary retirement: a) The employee attains the age of 55 and has worked for 15 years. b) The employee has worked for more than 25 years. c) The employee attains the age of 60 and has worked for 10 years.

Compulsory retirement: a) The employee attains the age of 65. b) The employee is unable to perform his/ her duties due to disability.

- **Criteria for payment of workers' pension:**

Qualified employees under the Labor Standards Act: a) 2 paying periods is given for each full year of service rendered, and 1 base paying period is given for the remainders that are over 15 years for each full year of service rendered. The total number of paying periods shall be no more than 45. The length of service rendered is calculated based on half a year if less than 6 months and 1 year if more than 6 months. b) An additional 20% on top of the amount mentioned in the preceding subparagraph shall be given to workers who are forced to retire due to disability caused by performance of duty. The retirement pension specified in Subparagraph 1 of the preceding paragraph shall be equivalent to an employee's average monthly wage when the retirement is approved.

Qualified employees under the Labor Pension Act: The service period for employees covered under the Labor Standards Act shall be retained. Until the above criteria for retirement is met based on the total years of service rendered, the pension shall be paid according to the retained service period.

- **Retirement application procedure and pension payment:**

Employees who have met the above criteria for retirement should fill out an application form and obtain approval before undergoing the retirement procedure. The Company shall pay the pension within 30 days from the date of employees' retirement.

6.5.1.4 Working environment and employee safety protection measures

Delta considers the importance of providing a safe and healthy workplace as one of its basic corporate social responsibility. The Company has formed occupational safety and health management units and

personnel, and has established workplace safety and health protocols according to the Occupational Safety and Health Act and operational status of its factories. By implementing construction control and varieties of management, daily checks and cross-checks between factories, training and promotional campaign for workplace safety and health, operational environment monitoring, employee health checks, health management and improvement of information exchange, there have been systematic improvements in workplace safety and health performance. Since 2006 when Delta's new office buildings and factories were built, safety has been considered the first priority for the design. The buildings were also constructed by green building techniques aimed at creating "ecological, energy-saving, waste-reducing and healthy" workplaces. Delta's major manufacturing plants in Taiwan, China, and Thailand have passed occupational safety and health standard ISO 45001 certification. Taiwan Taoyuan Plant 1, 2, 3, 5, Pingjhen plant and Tainan plant also passed the Taiwan CNS 45001 TOSHMS certification. (The certifications are still valid in 2023)

6.5.1.5 Human rights and employee policy, employee code of conduct

Human Rights Policy

Human rights are deeply rooted in our values and applied in full scope of our operation. Delta adheres to international labor and human rights standards stated in "The UN Global Compact", "Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", "The OECD Guidelines for Multinational Enterprises", "Social Accountability International", "Responsible Business Alliance (RBA)", International Labor Office Tripartite Declaration of Principles (Declaration for Multinational Enterprises) international labor and human right standard, etc. and local operating guidelines. In response to the development trend of ESG, the company's added a "diversity and inclusion" provision to its human rights policy, strengthening a culture of diversity and inclusivity, focusing on gender equality and respect for different groups. Every year, a human rights risk assessment is conducted, and compliant factories carry out self-inspections and third-party evaluations for identified human rights issues. Based on the results of risk assessments and internal and external reviews, measures are taken to mitigate and correct deficiencies, and continuous improvement is pursued to achieve the objectives of risk management. Delta is also committed to complying with applicable labor and employment laws and international standards in all operating areas. Delta's Human Rights and Employee Policy covers all Delta employees, subsidiaries, business partners, suppliers, and contractors. Our Human Rights Principles includes: (1) Diversity; (2) Anti-discrimination; (3) Work hours, wages, and benefits; (4) Employment freedom; (5) Young labor; (6) Humane treatment; (7) Freedom of association; (8) Workplace health and safety; (9) Ethics; (10) Value chain responsibility.

Employee Code of Conduct

In order to provide better performance and more comprehensive products for our clients, Delta strictly follows legal and moral codes in maintaining company assets, rights and its image to ensure its sustainable operations and development. The Delta Group Code of Conduct applied to all members of Delta Electronics Inc., its affiliates, and subsidiaries including directors, supervisors, managers and employees.

The content of the Delta Group Code of Conduct includes: (1) Scope of Application and Ground Rules; (2) Conflict of Interest; (3) Receiving Gifts and Entertainment; (4) Business integrity; (5) Business Operation with Integrity; (6) Political Donations, Political Participation, and Charitable Donations; (7) Insider Trading; (8) Fair Competition; (9) Trade Secret, Intellectual Property, and Confidential Information; (10) Respect Personal Privacy; (11) Diversity, Fair Employment Opportunity, and Respect; (12) Discrimination and Harassment Prohibition; (13) Environment, Health, and Safety of Working Premises; (14) Using Company

Resources; (15) Compliance with Environmental Protection Rules; (16) Training, Propagating, Discipline and Whistleblower Channels.

Specific implementations:

- According to RBA human rights standards, Delta's human rights policy goals, human rights due diligence and mitigation measures, the Company improves its human rights-related systems and strengthen human rights protection measures year by year.
- In addition to conducting regular compliance reviews of labor laws and regulations, Delta also actively implements human rights standard inspections. It has independently conducted a total of 24 relevant internal assessments and accepted 101 external audits globally in 2022, with about 2.5% deficiency rate in the audit of human rights standards. Delta has also taken various mitigation measures based on the risk assessment results and addressed the deficiencies found in internal and external reviews.
- The Company sets the highest standards for itself and its suppliers to exceed industry-recognized practical standards. It is committed to following the RBA code of conduct, organizing supplier education and training courses from time to time to improve the performance of its suppliers in all respects of RBA. All qualified suppliers are required to sign the Delta Integrity Commitment, and Delta implements an anti-corruption policy and holds training courses from time to time through emails and its procurement platform. In order to effectively promote sustainable management across supply chains, Delta has integrated various global procurement systems and has formed a Supply Chain ESG Committee to organize committee meetings regularly for project progress review.
- To make all Delta Group members familiar with human rights and employee policies as well as the Delta Group Code of Conduct, every onboard employee and incumbent employees who accept repeat trainings every year need to attend education trainings including "Ethical Corporate Management, Human Rights Standards and Code of Conduct," etc. In 2022, a total of 82,007 people in Delta Group globally participated in online training courses related to the topics mentioned above with a training completion rate of 97%.
- To ensure compliance with its policies around the world, Delta formulated the Delta Group whistleblowing system and management measures and set up a formal global whistleblowing channel for employees, Delta suppliers, and other external stakeholders to report illegal and violation of Human Rights and Employee Policies, Code of Conduct or Ethical Corporate Management.

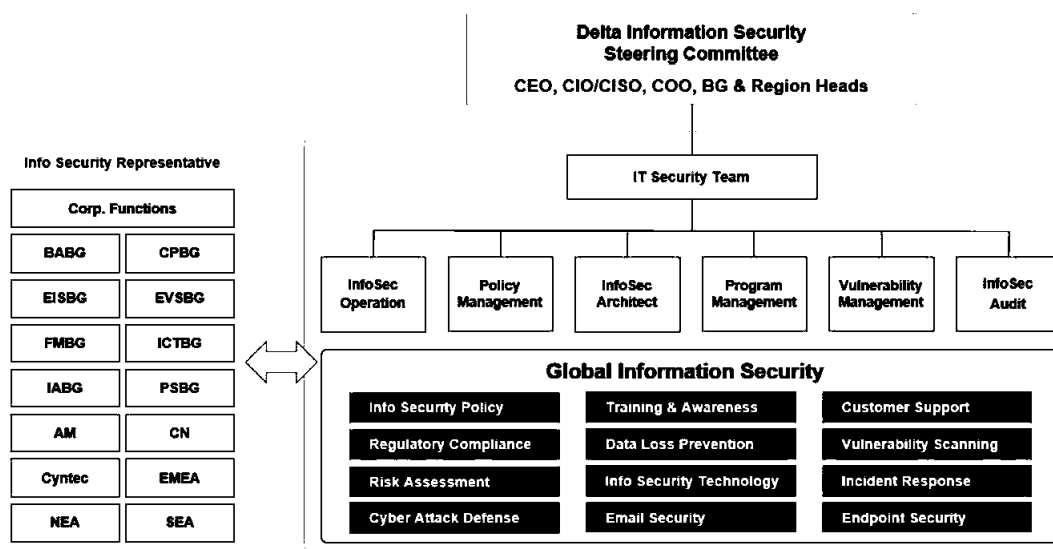
6.5.2 List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

Delta encourages a culture of diversity and inclusion, respecting the differences among employees, and combines multiple perspectives to strengthen the company's unique strengths. Delta values such diversity by hiring disabled members of the community, including various genders, and the minority. It monitors the implementation of such hiring practice every year, and enhances the relationship between management and employees, which has always been harmonious. Delta didn't have any loss from disputes between labor and management.

► 6.6 Cyber Security Management

6.6.1. Organizational Chart of Delta Information Security

The Company has set up an Information Security Steering Committee, chaired by the CEO and with its Chief Information Officer as the Chief Information Security Officer and senior executives from all global business groups and regions as Committee members. The Information Security Department has also been established to oversee Delta's information security and physical security planning and related audits, and to facilitate the operation of this Committee. Through quarterly management review meetings, the Information Security Committee reviews the results of information security risk analysis and the corresponding protective measures and policies adopted by the Company to ensure the suitability, appropriateness and effectiveness of the ongoing operation of the information security management system. The Chief Information Security Officer reports annually to the Board of Directors on the effectiveness of information security management and the direction of the information security strategy to ensure that information security policies and controls are implemented in Delta's business units around the world.



6.6.2. Delta Information Security Policy

The Company's information security policy covers the Company and its domestic and overseas subsidiaries and is based on the following guiding principles: "1. Maintain an appropriate level of information security to ensure the confidentiality, integrity, and availability of information assets; 2. All measures related to information operations shall ensure the security of the Group's information and prevent the leakage or loss of important information; 3. Maintain consistency in the Group's operational environment and information security, while considering both information security and information sharing; 4. Regularly implement information security education and training and strengthen information security policy advocacy". We also aim to establish firewalls, intrusion detection, anti-virus systems, and various internal control systems to enhance the company's ability to prevent external attacks and ensure the protection of internal confidential information, with the three main axes of information security protection: anti-virus, anti-hack, and anti-leakage. In order to effectively implement information security management, we hold monthly meetings with information security managers in overseas regions to review the applicability of information security policies and protection measures based on the management cycle of Plan-Do-Check-Act (PDCA), and report the effectiveness of implementation to the Information Security Committee on a regular basis.

In the "project phase", we focus on information security risk management. In order to strengthen information security,

the Company has introduced ISO27001 information security management system certification since 2007, so that the information system can operate under standard management norms to reduce security loopholes and production abnormalities caused by human error and continue to improve through annual review operations.

In the "execution phase", we have established a multi-layered information security protection mechanism, continued to introduce new information security risk control technologies, enhanced the efficiency of the detection and response procedures for various information security incidents through intelligent/automated mechanisms, and strengthened the information security and network security protection processes to safeguard the Company's critical assets.

In the "inspection phase", the effectiveness of information security management indicators is regularly monitored. The management system mentioned above undergoes an annual third-party review and audit. In addition, renowned cybersecurity companies are commissioned to conduct penetration testing to ensure our continuous improvement of information security management and defense capabilities.

In the "action phase", reviews and continuous improvements are carried out. When employees and contractors violate information security-related regulations and procedures, disciplinary actions are taken in accordance with the established guidelines. Ongoing cybersecurity educational trainings are conducted for all employees to enhance their awareness in information security. In 2022, a total of eight employees in Taiwan were disciplined for violating Delta Group's information security policies.

6.6.3. Specific management solutions

In order to achieve the information security policy and objectives and to establish a comprehensive information security protection, the management issues and specific management plan are as follows:

- Enhance information security defense capability: We regularly conduct system information security vulnerability analysis and penetration tests every year, and patch and repair them to reduce information security risks. Establish a network security incident response plan, evaluate the impact and loss according to the severity level of the incident, take corresponding notification and recovery actions, and execute regular information security incident response drills.
- Refine information security management procedures: In addition to continuously strengthening information security defense capabilities, we must also focus on management procedures and awareness. Establish a Cyber Security Framework (CSF) in accordance with NIST (National Institute of Standards and Technology) standards and set corresponding metrics. Employees are expected to comply with security requirements (e.g., strict control of mobile storage devices) and follow SOPs, and continuously conduct PDCA cycles for continuous improvement.
- Enhance network, endpoint and application security: Implement SIEM (Security Information and Event Management) system to aggregate and filter security events and logs from network protection systems (e.g., firewalls, intrusion detection systems) and critical systems for automated connectivity analysis and monitoring to detect and identify network security threats and attacks, and to provide real-time alerts according to predefined rules. We also optimize the overall information system network security compartmentalization, and in addition to multi-factor authentication for remote login of colleagues, multi-factor authentication protection is also provided for privileged account login to important hosts. The endpoint detection and protection capability of endpoint devices is enhanced by introducing the Endpoint Detection and Response (EDR - Endpoint Detection and Response) mechanism.
- Regulatory compliance and introduction of international security certification standards: To enhance the information security management and personal data protection mechanisms of the Company, as well as to ensure compliance with relevant regulatory requirements, we expanded the scope of ISO 27001 information



security standard certification to include the European region in the year 2022. In addition, we implemented the ISO 27701 personal data management system to strengthen personal data management security and obtained the international certificates of ISO 27001 with the expanded scope and ISO 27701 through external third-party verification in October 2022. The certificates are valid from October 2022 until August 2024. The Company will continue to strengthen the security protection of its information infrastructure and application systems and adequately implement mechanisms for data security and personal data protection.

- Risk Management: The Company utilizes the systematic risk management methods provided by ISO 27001 and ISO 27701 to identify, assess, and manage information security and personal data protection risks faced by the organization. These standards emphasize comprehensive risk assessments of information assets and personal data, as well as the development of corresponding risk management measures based on the assessment results. Additionally, we collaborate with large international information security companies to conduct comprehensive information security inspections, using their professional services so as to enhance advanced information security based on the objective results from third-party verification. We are also a member of TWCERT and regularly collect cybersecurity threat intelligence to take appropriate preventive measures to reduce potential risks to the Company.
- To strengthen employees' awareness of information security: In addition to annual information security awareness training for Delta employees worldwide, we also conduct phishing email drills and phishing email recognition awareness training for employees, and analyze the results of the drills to continuously improve the effectiveness of the drills.
- Epidemic Control: In response to the global COVID-19 pandemic, we strengthened the antivirus and information security measures for Work From Home (WFH), discouraged the use of public computers and networks for work purposes, and fulfilled the responsibility of protecting company information.

6.6.4. Information security management resources invested

Information security has become an important issue in the company's operation, and the information security management issues and resources invested are as follows:

- Dedicated manpower: We have a dedicated 14 people in the "Information Security Department", which are responsible for our information security planning, information security system operation, technology introduction and related audits to maintain and continuously strengthen information security. The Company has also established local information security representatives in various regions worldwide, holding monthly meetings to discuss information security-related matters.
- Education and Training: All newly hired employees complete information security educational training courses before starting with the Company and are required to sign the information security policy statement. Each year, professional technical and managerial staff around the globe are also required to complete annual information security educational training and pass relevant assessments. In the year 2022, a total of 40,986 person-times completed annual online and in-person information security training, achieving a coverage rate of approximately 100%. The information security department also periodically issues information security newsletters to inform employees about the latest information security risks, zero-day vulnerabilities, and more. Meanwhile, to enhance awareness of phishing emails among the staff members, the information security department conducts at least two social engineering phishing email drills for all global employees every year.

6.6.5. The impact of historically severe information security incidents and countermeasures

Delta was attacked by hackers in January 2022, causing abnormal operation of the Company's official website, Office



Automation for office works and relevant systems. After detecting the system abnormality, the IT department immediately notified the relevant internal units to activate the information security incident response mechanism and invited external information security experts to collaborate on the incident response to curb the spread of malware and attack methods. In addition, we also promptly located the affected systems and immediately recovered them. Therefore, this incident did not cause any significant impact or loss to the Company's overall operation. Meanwhile, the Company has reported the incident to the competent authorities and law enforcement agencies and published material information according to legal regulations.

The forensic analysis and investigation of the incident concluded that the hackers obtained the accounts of the Company's employees through social engineering, and then hacked the Company's computer system through the internet to launch the attack. In response to the increasing threat and risk of hacking attacks, Delta's information security unit has enhanced information security training and phishing email drills for Delta employees worldwide, optimized the suspicious email filtering mechanism, and continued to enhance the monitoring mechanism to detect network threats and strengthen security control measures for critical system services to reduce information security risks and prevent the recurrence of similar hacking attacks.

► 6.7 Intellectual Property Management Plan

Delta Electronics is committed to the research and development of advanced technology, and the enhancement of product competitive advantage. To protect research and development results and reduce operational risks, an intellectual property management system and a trade secret protection program are implemented, which serves as the foundation for each of Delta's internal units in its decision-making and execution of intellectual property related matters. To maintain Delta's brand value, Delta has applied for trademark registrations with its brands and main commercial logos according to Delta's scope of marketing, so that these Delta brands can be well protected, as explained below.

1. Patent protection policy

Delta's intellectual property management strategy mainly includes active protection of its own intellectual property and respecting the intellectual property of others. Over the years, Delta has been actively consolidating resources from its various internal units, promoting internal technical communication, undertaking patent strategy planning, strengthening patent portfolio, and revitalizing intellectual property to protect Delta's rights and interests. Delta values the quality of our patent applications, encourages and rewards inventors to protect innovations in Delta's products and technologies, and to improve competitiveness.

2. Trade secret protection policy

Trade secret is very important to leading position of technology, outstanding manufacturing, and the trust of customers. To well protect Delta's trade secret, Delta not only puts emphasis on the protection of particular intellectual property rights, but also manages the overall innovation of trade secret. Moreover, according to the Code of Conduct and employment agreement, employees are strictly required to protect and prohibited to improperly disclosing the company's trade secret.

3. Trademark protection policy

For Delta's main brand, Delta applies for trademark registration in various countries around the world in order to protect Delta's trademark rights. With market expansion or product line updates, Delta undertakes trademark portfolio review and applies for corresponding registration. Delta also carries out trademark monitoring and timely files opposition against confusingly similar third-party trademark applications to maintain the uniqueness and distinctiveness of Delta's trademark.

In the event that Delta learns of any third party's unlawful infringement of our intellectual property rights, including patents, trade secrets or trademarks, Delta will evaluate the adoption of necessary legal measures to protect Delta's interests.

● Implementation of Intellectual Property Management Plan:

Delta Electronics has reported intellectual property related matters to the 9th meeting of the 19th term of the Board of Directors (October 27, 2022).

Since its establishment, Delta has attached great importance to the management of intellectual property. For decades, Delta's professional Legal and Intellectual Property team has served its global business/R&D team. In recent years, the main implementation activities are as follows:

In 2016, inclusion of a "Patent Award" to the Delta Innovation Awards.

In 2017, upgrade of its patent management system.

In 2017, update of its patent management policy.

In 2018, establishment of its trademark management system.

In 2019, registration of trademarks in the mainland China Customs IPR protection database.

In 2020, update of its intellectual property reward policy.

In 2020, establishment of its patent management system in North America.

In 2021, update of its Information Security Policy and revision of its Reward and Punishment Rules.



In 2021, establishment of its Intellectual Property Management Policy to continuously maintain the combination of patent assets and operational goals.

In 2022, data inventory and classification; updating and announcement of the Delta Password Policy and the Delta Software Management Policy.

In 2022, establishment of its Intellectual Property Management Advisory Committee.

In 2022, establishment of "Free and Open Source Software" review process for software products.

- The current list of Intellectual Property assets are as follows:

1. Patents:

In 2022, Delta Electronics has applied for approximately 1,100 patents worldwide.

Up to the end of 2022, Delta Electronics has applied for approximately 22,000 patents worldwide. The total number of granted patents worldwide is more than 15,000.

2. Trade Secrets:

Till the end of 2022, Delta established the information security management mechanism. In addition to amending the relevant IT security policies, we also put emphasis on the importance of trade secret protection in the revised employment agreement, Code of Conduct, and supplier's purchase agreements. We hold trainings to facilitate colleagues' understanding of the importance of trade secret, and how to adopt the precautionary measures.

3. Trademark:

As of the end of 2022, Delta's main brand  **DELTA** trademark had been registered in 93 countries/ regions around the world, including Taiwan, Mainland China, the United States, the European Union, Japan, South Korea, India, Singapore and other major markets and regions across five continents.



► 6.8 Important contracts

Nature of the Contracts	Contracting Parties	Commencement and Expiration Dates	Major Content	Restrictive Clauses
Construction Contract	China Airlines Ltd.	Date of Commencement: August 8, 2022 Date of Completion: December 15, 2022	Delta undertook the replacement project of the central AC unit of the Minquan Building and related building in the China Airlines Songshan area.	None
Construction Contract	Best Power Service Corporation	Date of Commencement: September 1, 2022 Date of Completion: March 31, 2023	Delta contracted with Best Power Service Corporation to install the second phase solar system in its Pingjhen Plant.	None
Construction Contract	Yuexin Engineering Co., Ltd.	Date of Commencement: September 2, 2022 Date of Completion: January 31, 2023	Delta contracted with Yuexin Engineering for the VCB7 transformer substation in its Tainan Plant 2.	None
Construction Contract	Yuexin Engineering Co., Ltd.	Date of Commencement: November 7, 2022 Date of Completion: April 15, 2023	Delta contracted with Yuexin Engineering for electric power engineering work of the seventh-floor office area in its Tainan Plant 2.	None
Construction Contract	Dingzhan Engineering Co., Ltd.	Date of Commencement: December 15, 2022 Date of Completion: June 30, 2023	Delta contracted with Dingzhan Engineering for power distribution engineering work of the sixth-floor laboratory in its Tainan Plant 2.	None
Construction Contract	Haotter Engineering Co., Ltd.	Date of Commencement: March 9, 2022 Date of Completion: June 30, 2022	Delta contracted with Haotter Engineering to install electricity, air conditioning, air pressure, and lighting work in its Pingjhen Plant.	None
Construction Contract	Joyful Engineering Co., Ltd.	Date of Commencement: March 31, 2022 Date of Completion: July 29, 2022	Delta outsourced the partial canopy of Taoyuan Plant 2 construction to Joyful Engineering.	None
Construction Contract	Yuexin Engineering Co., Ltd.	June 1, 2022 to the completion of contract	Delta outsourced the electrical, mechanical and drainage works in the kitchen of the Ruey Kuang Building to Yuexin Engineering.	None
Construction Contract	Tech-Top Engineering Co., Ltd.	Date of Commencement: March 28, 2022 Date of Completion: May 30, 2022	Delta outsourced the power continuation of the MW ESS testing platform in the Delta Pingjhen Plant to Tech-Top Engineering.	None
Construction Contract	Growing Up Engineering Consultant Ltd.	Date of Commencement: December 15, 2022 Date of Completion: May 31, 2023	Delta outsourced the electrical engineering work (Tainan Plant 2 6-7F IABG construction project PART I (main system: compartment /air conditioning /electricity /fire protection /PCW / exhaust) to Growing up Engineering.	None
Construction Contract	Huiyu industrial co., ltd.	January 28, 2022 to expiration of construction warranty period	Public street light improvement project of Provincial Highway 1 in Hukou Township, Hsinchu County	None
Contracts of sale and purchase of real estate	Mu Tian Asset Management Consulting Co., Ltd.	Effective July 28, 2022	Delta disposed the land and building of its Chungli Plant 2.	None



Nature of the Contracts	Contracting Parties	Commencement and Expiration Dates	Major Content	Restrictive Clauses
Sale and Purchase Agreement	Yankey Engineering Co. Ltd.	September 13, 2022 to expiration of construction warranty period	Yankey Engineering Co., Ltd. purchased UPS from Delta.	None
Sale and Purchase Agreement	BES Engineering Inc.	January 10, 2022 to expiration of construction warranty period	BES Engineering Inc. purchased batteries, chargers, UPS, and auxiliary equipment from Delta.	None



7. Financial Highlights and Analysis

► 7.1 Financial statement for the most recent fiscal year

**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 combinationDescription

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 goodwillDescription

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 Cytotec 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		7,829,712	240,450,466	196,878,194	
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		6,037,882	185,423,340	168,234,116	
Total assets		\$ 13,867,594	\$ 425,873,806	\$ 365,112,310	

(Continued)



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, 2021
Current liabilities					
Short-term borrowings	6(12)	\$	67,625	\$	2,076,762
Financial liabilities at fair value	6(2)			\$	4,397,362
through profit or loss - current			2,417		74,232
Contract liabilities - current	6(21)		245,419		7,536,826
Notes payable			46		1,406
Accounts payable			2,041,216		62,685,739
Accounts payable - related parties	7		929		28,525
Other payables	6(13)		1,325,910		40,718,682
Current income tax liabilities			180,634		5,547,274
Other current liabilities	6(15)		206,577		6,343,982
Total current liabilities			<u>4,070,773</u>		<u>125,013,428</u>
Non-current liabilities					
Bonds payable	6(14)		377,727		11,600,000
Long-term borrowings	6(15)		1,066,016		32,737,342
Deferred income tax liabilities	6(28)		629,853		19,342,795
Lease liabilities - non-current			74,983		2,302,735
Other non-current liabilities	6(16)		309,682		9,510,321
Total non-current liabilities			<u>2,458,261</u>		<u>75,493,193</u>
Total liabilities			<u>6,529,034</u>		<u>200,506,621</u>
Equity					
Share capital	6(17)				
Common stock			845,830		25,975,433
Capital surplus	6(18)				
Capital surplus			1,606,049		49,321,767
Retained earnings	6(19)				
Legal reserve			1,054,585		32,386,305
Special reserve			526,432		16,166,722
Unappropriated retained earnings			2,146,120		65,907,358
Other equity interest					
Other equity interest		(	96,668)	(	2,968,678)
Equity attributable to owners of the parent			<u>6,082,348</u>		<u>186,788,907</u>
Non-controlling interest	4(3) and 6(20)		<u>1,256,212</u>		<u>38,578,278</u>
Total equity			<u>7,338,560</u>		<u>225,367,185</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	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		3,607,052	110,772,563	90,209,451
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		(2,257,693)	(69,333,739)	(58,844,710)
Operating profit		1,349,359	41,438,824	31,364,741
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		1,014	31,131	(262)
Total non-operating income and expenses		150,651	4,626,474	4,262,806
Profit before income tax		1,500,010	46,065,298	35,627,547
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>

(Continued)



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
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		16,665	511,774	(333,278)
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		542,141	16,649,152	(4,625,228)
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						Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock	Retained earnings			Gain (loss) on hedging instruments			
			Capital surplus	Legal reserve	Special reserve				
2021 New Taiwan Dollars									
		Balance at January 1, 2021	\$ 49,202,505	\$ 27,340,534	\$ 7,622,034	\$ 48,300,040	\$ 130,616	\$ 145,899,238	\$ 178,589,641
		Profit for the year	-	-	-	26,796,302	-	26,796,302	28,499,233
		Other comprehensive income (loss) for the year	-	-	-	89,231	(699)	(3,534,284)	(1,702,931)
		Total comprehensive income (loss) for the year	-	-	-	26,885,533	(699)	23,262,018	(4,958,506)
6(19)		Distribution of 2021 earnings	-	-	-	-	-	-	278,709
		Legal reserve	-	2,355,218	-	(2,355,218)	-	-	-
		Special reserve	-	-	4,921,174	(4,921,174)	-	-	-
		Cash dividends	-	-	-	(14,286,480)	-	(14,286,480)	(14,286,480)
		Change in ownership interests in subsidiaries	-	(110,388)	-	-	-	(110,388)	(110,388)
6(33)		Difference between consolidation and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-
		Changes in non-controlling interests	-	22,034	-	-	-	22,034	(166,370)
		Balance at December 31, 2021	\$ 25,975,433	\$ 49,114,151	\$ 12,543,208	\$ 53,622,701	\$ 129,917	\$ 154,786,522	(1,464,506)
2022 New Taiwan Dollars									
		Balance at January 1, 2022	\$ 25,975,433	\$ 49,114,151	\$ 12,543,208	\$ 53,622,701	\$ 129,917	\$ 154,786,522	\$ 186,124,658
		Profit for the year	-	-	-	32,665,728	-	32,665,728	36,990,738
		Other comprehensive income for the year	-	-	-	209,626	216,466	13,416,163	17,160,926
		Total comprehensive income for the year	-	-	-	32,875,354	216,466	46,081,891	54,151,664
6(19)		Distribution of 2021 earnings	-	-	-	-	-	-	8,069,773
		Legal reserve	-	2,688,553	-	(2,688,553)	-	-	-
		Special reserve	-	-	3,623,514	(3,623,514)	-	-	-
		Cash dividends	-	-	-	(14,286,479)	-	(14,286,479)	(14,286,479)
		Changes in ownership interests in subsidiaries	-	-	-	-	-	192,294	192,294
6(33)		Difference between consolidation and carrying amount of subsidiaries acquired or disposed	-	-	-	(643)	-	14,679	(125,911)
		Disposal of equity investments at fair value through other comprehensive income	-	15,322	-	-	-	-	(111,232)
		Changes in non-controlling interests	-	-	-	8,492	(8,492)	-	(703,720)
		Balance at December 31, 2022	\$ 25,975,433	\$ 49,321,767	\$ 16,166,722	\$ 65,907,358	\$ 129,917	\$ 186,788,907	\$ 225,367,185

(Continued)



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								Non-controlling interest	Total equity												
	Retained earnings			Other equity interest																		
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments														
Notes																						
2022 US Dollars																						
	\$	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
		-	-	-	-	-	-	-	-	1,063,684	-	-	-	-	-	-	-	1,063,684	140,833	-	1,204,517	
		-	-	-	-	-	-	-	-	6,825	422,992	7,049	-	-	-	-	-	436,866	121,940	-	558,806	
		-	-	-	-	-	-	-	-	1,070,509	422,992	7,049	-	-	-	-	-	1,500,550	262,773	-	1,763,323	
6(19)																						

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
CASH FLOWS FROM INVESTING ACTIVITIES				
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)
CASH FLOWS FROM FINANCING ACTIVITIES				
(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:

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



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

(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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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.	Eltekenenergy Services, S.A. de C.V.	"	100	100	
68	DHK and DIH/DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenenergy 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	\$ 11,507,594	\$ 5,466,028
Comprehensive income attributable to non-controlling interest	\$ 4,168,051	\$ 2,494,179
Dividends paid to non-controlling interest	\$ 665,450	\$ 1,364,066

	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	\$ 614,155	\$ 14,639
Comprehensive income attributable to non-controlling interest	\$ 284,074	\$ 14,557
Dividends paid to non-controlling interest	\$ 52,962	\$ 80,387



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	\$ 9,068,141	\$ 5,454,401

	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	\$ 1,044,823	\$ 994,898

(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

- 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.
- 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.
- 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

	December 31, 2022	December 31, 2021
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

Asset Items	December 31, 2022	December 31, 2021
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)
	<u>\$ 1,740,553</u>	<u>\$ 1,587,843</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,740,553 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						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 13,254	\$ 13,254	\$ 307,100	\$ -	\$ -	-
December 31, 2021						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 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:

	December 31, 2022	December 31, 2021
	Book value	Book value
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>
	Years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
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:

	Years ended December 31,	
	2022	2021
<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

At January 1, 2022	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
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)
	\$ 2,674,688	\$ 187,207	\$ 53,635,766	\$ 8,572,439	\$ 7,024,450	\$ 1,515,014	\$ 73,609,564
2022							
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	\$ 2,401,009	\$ 119,047	\$ 58,838,050	\$ 7,518,671	\$ 7,497,624	\$ 795,453	\$ 77,169,854
At December 31, 2022							
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)
	\$ 2,401,009	\$ 119,047	\$ 58,838,050	\$ 7,518,671	\$ 7,497,624	\$ 795,453	\$ 77,169,854

(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.



At January 1, 2021	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
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>2021</u>	<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>
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	\$ 2,674,688	\$ 187,207	\$ 53,635,766	\$ 8,572,439	\$ 7,024,450	\$ 1,515,014	\$ 73,609,564
<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 , , , , VIVITEK, 麗訊, , , , , , 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

	December 31, 2022	December 31, 2021
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

	December 31, 2022	December 31, 2021
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

	December 31, 2022	December 31, 2021
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

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

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

Issuance	Type of bonds	Issuance period	Total issuance amount	Coupon rate	Repayment term
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

Type of borrowings	December 31, 2022	December 31, 2021
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:

	December 31, 2022	December 31, 2021
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)	(\$ 3,284,452)	(\$ 3,531,841)



(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)
	(7,097,979)	3,363,846	-	(3,734,133)
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)
	310,177	136,073	-	446,250
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	(\$ 6,642,375)	\$ 3,522,719	(\$ 164,796)	(\$ 3,284,452)



	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)
	(7,368,206)	3,228,970	-	(4,139,236)
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)
	34,316	72,589	-	106,905
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	(\$ 6,871,348)	\$ 3,339,507	\$ -	(\$ 3,531,841)

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

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

(b) Redemption of GDRs

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

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

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

(d) After considering the stock dividend distribution year by year, as at December 31, 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
	<u>\$ 227,310,811</u>	<u>\$ 54,519,220</u>	<u>\$ 102,135,297</u>	<u>\$ 477,980</u>	<u>\$ 384,443,308</u>
	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
	<u>\$ 187,316,910</u>	<u>\$ 45,881,397</u>	<u>\$ 81,079,663</u>	<u>\$ 392,826</u>	<u>\$ 314,670,796</u>

B. Contract assets and liabilities

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

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

	Years ended December 31,	
	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
	7,177,447	769,790	(2,914)	-	231,130	8,175,453
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)
	(16,777,156)	(1,667,224)	(1,070,468)	172,053	-	(19,342,795)
	(\$ 9,599,709)	(\$ 897,434)	(\$ 1,073,382)	\$ 172,053	\$ 231,130	(\$ 11,167,342)



	2021				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired through business combinations
					December 31
Deferred tax assets:					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 630,031	\$ 202,327	\$ -	\$ -	\$ 832,358
Pension liability	469,162	(34,341)	1,734	-	436,555
Assets impairment	13,287	(6,072)	-	-	7,215
Depreciation difference between tax and financial basis	1,710,814	(473,012)	-	-	1,237,802
Others	3,256,231	700,108	25,217	-	4,385,437
Tax losses	392,180	(114,100)	-	-	278,080
	6,471,705	274,910	26,951	-	403,881
					7,177,447
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)
	(15,450,119)	(1,559,012)	204,793	27,182	- (16,777,156)
	(\$ 8,978,414)	(\$ 1,284,102)	\$ 231,744	\$ 27,182	\$ 403,881 (\$ 9,599,709)



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



(30) Share-based payment

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

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
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

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



(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:

	UI	March (Note)	Trihedral (Note)
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:

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

(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	\$ 15,322	\$ -	\$ 15,322	\$ 22,034
Unappropriated retained earnings	\$ -	(\$ 643)	(\$ 643)	\$ -

(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
Compower AS	Associate
Fujian Kaixin Construcion 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	<u>\$ 188,860</u>	<u>\$ 55,119</u>

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

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

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

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

D. Period-end balances arising from purchases of goods

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

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

E. Period-end balances arising from other transactions



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

	December 31, 2022	December 31, 2021
Other payables-related parties		
Associates	\$ 867	\$ -

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Short-term employee benefits	\$ 333,932	\$ 277,725
Post-employment benefits	737	599
	\$ 334,669	\$ 278,324

8. PLEDGED ASSETS

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

Pledged assets	Book Value		Pledge purpose
	December 31, 2022	December 31, 2021	
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
	477,276	557,568	
	\$ 886,156	\$ 1,094,936	

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:

	December 31, 2022	December 31, 2021
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>



	December 31, 2022	December 31, 2021
<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 amount (in thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)				
<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 amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,212	27.6600	\$ 15,827,372
USD:RMB (Note)	486,442	6.3720	13,454,978
USD:THB (Note)	326,474	33.3253	9,030,279
RMB:USD (Note)	878,872	0.1569	3,815,069
EUR:USD (Note)	97,120	1.1298	3,034,985
<u>Non-monetary items</u>			
USD:NTD	\$ 6,029,541	27.6600	\$ 166,777,109
THB:USD (Note)	55,524,751	0.0300	46,085,543
RMB:USD (Note)	9,969,549	0.1569	43,276,518
USD:THB (Note)	509,991	33.3253	14,106,364
NOK:USD (Note)	3,685,558	0.1134	11,556,213
THB:NTD	5,389,233	0.8300	4,473,063
EUR:USD (Note)	46,764	1.1298	1,461,366
CAD:USD (Note)	47,519	0.7802	1,025,452
<u>Financial liabilities</u>			
<u>Monetary items</u>			
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:

(Foreign currency: functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
<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	-
Financial liabilities			
<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.

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
<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	-
Financial liabilities			
<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:

	Not past due	1-90 days past due	91-180 days past due
<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	\$ 478	\$ 106,371	\$ 95,104
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	40.35%	98.79%	
Total book value	\$ 213,655	\$ 218,039	\$ 84,577,637
Loss allowance	\$ 86,204	\$ 215,411	\$ 503,568
	Not past due	1-90 days past due	91-180 days past due
<u>At December 31, 2021</u>			
Expected loss rate	0.00%	0.97%	20.85%
Total book value	\$ 60,175,037	\$ 7,029,700	\$ 268,016
Loss allowance	\$ 432	\$ 67,970	\$ 55,884
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	47.87%	94.43%	
Total book value	\$ 151,223	\$ 162,945	\$ 67,786,921
Loss allowance	\$ 72,388	\$ 153,870	\$ 350,544



- 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:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
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:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
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	1,268,503	-	472,050	1,740,553
	<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	\$ -	\$ 74,232	\$ -	\$ 74,232



<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 2,059,827	\$ -	\$ 1,135,347	\$ 3,195,174
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>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 41,371</u>	<u>\$ -</u>	<u>\$ 41,371</u>

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)

- 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.
- 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 this 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	Elek India 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



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	Elek 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 (Wuhan) 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	DEIT 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.	Elek 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 Greenitech (China) Co., Ltd.	Cytec Electronics (Wuhan) 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.	Cytec Electronics (Wuhan) 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.	Cytec 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	Vivtek USA, Inc.	Wellates 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



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	Yes	\$ 252,439	\$ 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
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 2

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 subsidiary to parent company	Provision of endorsements / guarantees by 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	Footnote 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	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 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
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 3

Securities held by Delta Electronics, Inc.	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
	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.	Betaera 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	Axer 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	UBIOCONN 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.	Mary 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	



Delta Electronics, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$500 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	Relationship with the investee	Balance as at January 1, 2022		Addition		Disposal		Balance as at December 31, 2022	
				Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	Gain (loss) on disposal	Amount
Delta Electronics (H.K.) Ltd.	Delta Electronics (Chongqing) Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	\$ -	-	\$ 886,098 (Note 1)	-	\$ -	-	\$ 886,098
Delta Electronics, Inc.	Arcore Semiconductor Inc.	Investments accounted for under equity method	Affiliated enterprise	-	-	37,000,000	386,576 (Note 2)	-	-	-	386,576
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	Investments accounted for under equity method	None	-	-	334	3,002,839 (Note 4)	-	-	-	3,002,839
ELITEK AS	Girderevren 8 AS	Investments accounted for under equity method	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	None	2,633,872	141,008	-	-	450,483	141,008	309,475	-
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	814,240	-	-	914,683	814,240 (Note 8)	(Note 6)	-
Cytec Holding (HK) Limited	Cytec Electronics (Shenzhen) Co., Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	8,697,390	-	-	8,656,231	8,697,390 (Note 8)	(Note 7)	-

Note 1: Delta Electronics (HK) 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 Arcore Semiconductor Inc. in the amount of \$870,000 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., Cedar Partners 602 LP Inc., Fair Oaks Founder LP and FOL F III LP.
Note 4: Delta International Holding Limited B.V. increased its investment in UI Acquisition Holding Co. in the amount of \$3,797,346 in July and September 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.
Note 5: ELITEK AS increased its investment in Girderevren 8 AS in the amount of \$840,355 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 (HK) Ltd. (DHEK) acquired a 49% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited (DNIHK). This transaction is resulted from the Group's adjustment in investment structure.
Note 7: Delta Electronics (HK) Ltd. (DHEK) acquired a 100% equity interest in Cytec Electronics (Shenzhen) Co., Ltd. from Cytec Holding (HK) Limited (CHEK). This transaction is resulted from the Group's adjustment in investment structure.
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, Land and buildings in New Jersey, U.S.A	Date of the event	Transaction amount	Status of payment in accordance with the contract terms	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 development	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			
Amertex, 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 (Wuhan) Co., Ltd.	The construction of WUHU Plant 3 and WUHU Logistics center	September 20, 2022	606,971	"	Suzhou Tongji Architecture Co., Ltd.	"	-	-	-	-	Price comparison and negotiation	"	"
Delta Electronics (Shanghai) Co., Ltd.	Buildings in Hangzhou City	October 17, 2022	411,736	"	Zhejiang Wangqianhuayang 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 Nether, Taipei	December 29, 2022	695,825 (806)	"	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
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 6

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

Table 7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	\$ 605,135	0.74	70 days after issuing invoice			\$ 61,756	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 (Wulin) 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		



						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)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pugan) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Networks (Dongguan) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue	Operating revenue



	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		
	Delta Electronics (Wuhan) 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 (Chanzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	785,661	13.37	70 days			194,763	15.78
	Delta Electronics (Chanzhou) 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
	Chanzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,992,711	55.83	70 days			298,083	55.21
	Chanzhou Delta Technology Co., Ltd.	Delta Electronics (Chanzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	511,203	14.30	70 days			128,614	23.82
	Chanzhou 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 (Wuhan) 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



						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)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Operating revenue	\$	70 days	Operating revenue	\$	70 days	Operating revenue	\$	70 days	Operating revenue	\$	70 days
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	154,623	70 days	Operating revenue	154,623	7.32	Operating revenue	154,623	70 days	Operating revenue	154,623	7.32
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	842,485	180 days	Operating revenue	842,485	10.35	Operating revenue	842,485	180 days	Operating revenue	842,485	10.35
Delta Electronics (Netherlands) B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	151,193	70 days	Operating revenue	151,193	3.14	Operating revenue	151,193	70 days	Operating revenue	151,193	3.14
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	675,107	70 days	Operating revenue	675,107	13.84	Operating revenue	675,107	70 days	Operating revenue	675,107	13.84
ELTEK AS	DELTA Electronics (Germany) GmbH	Affiliated enterprise	Operating revenue	134,576	70 days	Operating revenue	134,576	2.74	Operating revenue	134,576	70 days	Operating revenue	134,576	2.74
ELTEK AS	Delta Solihots (Finland) Oy	Affiliated enterprise	Operating revenue	660,281	70 days	Operating revenue	660,281	13.52	Operating revenue	660,281	70 days	Operating revenue	660,281	13.52
ELTEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	Operating revenue	586,233	70 days	Operating revenue	586,233	12.05	Operating revenue	586,233	70 days	Operating revenue	586,233	12.05
ELTEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	Operating revenue	102,935	70 days	Operating revenue	102,935	2.11	Operating revenue	102,935	70 days	Operating revenue	102,935	2.11
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	Operating revenue	308,162	70 days	Operating revenue	308,162	6.28	Operating revenue	308,162	70 days	Operating revenue	308,162	6.28
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	162,460	70 days	Operating revenue	162,460	3.35	Operating revenue	162,460	70 days	Operating revenue	162,460	3.35
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	399,428	70 days	Operating revenue	399,428	8.16	Operating revenue	399,428	70 days	Operating revenue	399,428	8.16
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	439,501	70 days	Operating revenue	439,501	0.17	Operating revenue	439,501	70 days	Operating revenue	439,501	0.17
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	Operating revenue	340,465	90 days after delivery	Operating revenue	340,465	0.15	Operating revenue	340,465	90 days after delivery	Operating revenue	340,465	0.15
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	151,440	90 days after delivery	Operating revenue	151,440	0.04	Operating revenue	151,440	90 days after delivery	Operating revenue	151,440	0.04
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA	Affiliated enterprise	Operating revenue			Operating revenue			Operating revenue			Operating revenue		



						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)	
Purchaser/seller		Counterparty	Relationship with the counterparty			Operating revenue	\$ 1,921,551	0.72	70 days			\$ 643,042	0.99	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	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 (Dongguan) Co., 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 Electronics (Jiangsu) 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 Networks (Dongguan) 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 (Wuhan) 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.	Delta Electronics (Changzhou) Co., Ltd.	Affiliated enterprise				Operating revenue	289,041	0.13	70 days			41,675	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise				Operating revenue	1,978,416	0.77	70 days			380,533	0.59	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cytac Co., Ltd.	Affiliated enterprise				Operating revenue	665,867	0.19	70 days			136,965	0.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cytac Electronics (Suzhou) Co., Ltd.	Affiliated enterprise				Operating revenue	133,429	0.03	70 days			37,722	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cytac Electronics (Wuhan) Co., Ltd.	Affiliated enterprise				Operating revenue	237,630	0.05	150 days			111,317	0.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise				Operating revenue	149,439	0.07	70 days			8,396	0.01	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise				Operating revenue	237,835	0.07	75 days after delivery			122,159	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection 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 India Pvt. Ltd.	Affiliated enterprise				Operating revenue	154,106	0.05	70 days			69,476	0.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise				Operating revenue								



						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)	
Purchaser/seller		Counterparty	Relationship with the counterparty			Operating revenue	\$ 2,403,506	0.91	70 days			\$ 684,322	1.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Delta Electronics (Japan) Inc.	Affiliated enterprise			Operating revenue								
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	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	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.	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.	ELITEK AS	ELITEK 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	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.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise			Operating revenue	827,298	0.31	70 days			285,936	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	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.	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.	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	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 (America) Ltd.	Delta Electronics (America) 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	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.	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	Delta Electronics (Vietnam) Company Limited	Affiliated enterprise			Operating revenue	197,680	0.06	70 days			35,770	0.06	



						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)	
	Purchaser/seller	Counterparty	Relationship with the counterparty			Operating revenue	\$ 1,315,491	28.68	70 days			\$ 544,613	39.08	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise			Operating revenue	1,772,755	38.85	70 days			409,260	29.37	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Slovakia) 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 (Slovakia) s.r.o.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise			Operating revenue	1,100,963	24.16	70 days			231,492	16.61	
Elek s.r.o.	ELITEK AS	ELITEK AS	Affiliated enterprise			Operating revenue	2,023,781	81.51	70 days			124,780	34.70	
Elek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	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	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.	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.	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.	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.	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.	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	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 (America) Ltd.	Delta Electronics (America) 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.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise			Operating revenue	356,467	0.41	70 days			66,257	0.26	



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

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

Table 8

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
				\$	0.89	Amount	Action taken		
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	\$ 617,756			-		\$ -	
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.	DEL 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 ELECTRONICS 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	



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.	Cytec Co., Ltd.	Affiliated enterprise	380,533	4.34	-	-	132,788	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cytec 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.	DEL 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.	Elek 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	



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 (Wuflu) Co., Ltd.	Affiliated enterprise	2,045,564	-	-		-	
Delta Electronics (Wudu) 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	



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.	Elekt s.r.o.	Affiliated enterprise	196,320	-	-	-	-	-
ELTEK AS	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	392,640	-	-	-	-	-
ELTEK AS	Elekt 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. (Stenzhen) 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
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 9

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	DEI 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	DEI 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



Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		
				General ledger account	Amount (Note 7)	Transaction terms (Note 6)
12	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 18,902,982	(Note 6)
13	Cyntec Holding (HK) Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	8,656,231	(Note 6)
						4.44
						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, 2021	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	\$ 76,736,633	\$ 2,344,331	\$ 2,365,371	Footnote 6
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,482	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	4,529,455	4,529,355	128,492,272	100.00	26,143,999	5,734,560	5,508,954	(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.	Cyutec 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	1,388,587	1,349,610	(Note 6)
Delta Electronics, Inc.	Delibo 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	17,506,291	(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.	Vivitek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,471,334	4,361,352	49,125,058	56.75	4,497,416	702,194	305,660	(Note 6)
Delta Electronics, Inc.	Chungghra SEA Holdings	Taiwan	Equity investments	8,800	8,800	880,000	44.00	8,349	(501)	(220)	(Note 6)
Delta Electronics, Inc.	Delmad 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	Total 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	\$ 136,658	\$ 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	842,563	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	1,066,624	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	91,531,101	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	271,107	(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	3,727,656	(12,081)	(109,581)	(Note 1)
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	U.S.A.	Equity investments	2,868,314	-	334	100.00	3,902,839	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	2,713,483	100.00	272,370	46,726	46,726	(Note 2)
Delta Electronics (H.K.) Ltd.	EltekEnergy International de México, S. de R.L. de C.V.	Mexico	Sales of power supplies and others	-	115,044	-	-	-	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.	Born 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	5,365,613	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	218,448	218,348	4,315,657	100.00	158,529	(45,169)	(45,169)	(Note 8)



Investor	Investee	Location	Main business activities	Total 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.	Amerline, LLC	U.S.A.	Design and production of dedicated lighting system and facilities	3,000,950	3,000,950		-	100.00	3,037,203	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.	Tihedra Engineering Limited	Canada	Graphic control software and related engineering services	1,095,465	1,095,565		51,495	100.00	1,219,426	120,760	91,056	(Note 8)
Delta America Ltd.	Delta Electronics (America) Ltd.	U.S.A.	Sales of electronic components	231,992	231,992		250,000	100.00	1,701,265	333,032	333,032	(Note 13)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	-	49,712		-	-	-	(3,290)	3,290	(Notes 15 and 16)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	36,743,035	36,743,035		534,479,106	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.	LoyTee 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)
Cymtec Co., Ltd.	Fairview Asset Ltd.	Cayman Islands	Equity investments	1,116,321	1,116,521		32,740,062	100.00	33,090,216	920,571	920,571	(Note 5)
Cymtec 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	428,521	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninteruptible 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)



Investor	Investee	Location	Main business activities	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	\$ 8,323,632	\$ 284,826	Footnote (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)	(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	153,253	1,733	(Note 16)
Vivonck Inc.	Onus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	48,094	985	(Note 11)
Vivonck Inc.	Realvion Investment Inc.	Taiwan	Venture capital company	173,696	173,696	17,369,635	100.00	189,486	43,204	(Note 11)
Vivonck Inc.	Vivonck Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	304,798	25,407	(Note 11)
Vivonck Inc.	Vivonck Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	15,241	2,444	(Note 11)
Vivonck Inc.	Vivonck (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,377	599	(Note 11)
Vivonck Holdings, Inc.	Vivonck USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	382,520	25,476	(Note 10)
Realvion Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,845	1,470	(Note 12)
Realvion Investment Inc.	Asterk Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	85,983	65,224	(Note 12)
Realvion 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	(Note 12)
Realvion Investment Inc.	Skyward INC.	Taiwan	Wholesale of electronic equipment	755	755	59,070	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 (HK.) Ltd.

Note 3: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (HK.) Ltd.

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

Note 5: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Networks, Inc.

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 share 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 Vivonck Holdings, Inc.

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

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

Note 13: The Company indirectly acquired 15.39% and 42.85% equity shares of Delta Electronics (Thailand) Public Company Limited through Delta Electronics Int'l (Singapore) Pte. Ltd., respectively, considering 2.54% equity shares held by the Company, the total ownership was 61.78%.

Note 14: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realvion 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
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 11

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) recognized 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							(Notes 3 and 13)
Investee in Mainland China													
Delta Electronics (Dongguan) Co., Ltd.	Main business activities: Manufacturing and sales of transformer and thermal products	\$ 4,296,636	Invested by DHEC	\$ 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 DHEC	480,410	-	-	480,410	2,060,748	100.00	2,038,637	7,093,192	-	(Notes 6 and 13)
Delta Electronics (Wuhan) Co., Ltd.	Manufacturing and sales of LED light sources, power supplies and others	4,115,140	Invested by DHEC	525,486	-	-	525,486	224,958	100.00	224,690	4,455,100	-	(Notes 7 and 13)
Delta Electronics (Changzhou) Co., Ltd.	Manufacturing and sales of transformers	1,934,730	Invested by DHEC	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 DHEC	12,524,455	-	-	12,524,455	1,724,744	100.00	1,710,921	11,749,704	-	(Note 13)
Delta Green (Taiping) Industries Co., Ltd.	Manufacturing and sales of transformers	139,116	Invested by DHEC	1,016,045	-	-	1,016,045	(8,697)	100.00	(8,697)	88,619	-	(Notes 9 and 13)
Delta Electronics (Huangpu) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	132,435	Invested by DHEC	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 DHEC	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 DHEC	259,760	-	-	259,760	1,126	100.00	1,126	198,045	-	(Note 13)
Cytec 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 DHEC	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 DHEC	1,372,932	-	-	1,372,932	116,526	100.00	115,474	1,863,529	675,620	(Notes 5 and 13)



Investor 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) recognized 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
Investor in Mainland China Delta Networks (Xiamen) Ltd	Main business activities 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	Paid-in capital \$ 65,106	Invested by DNEIS	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2022 \$ 21,497	Remitted to Mainland China -\$ Remitted back to Taiwan -\$	Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022 \$ 21,497	Net income (loss) of investee for the year ended December 31, 2022 \$ -	Ownership held by the Company (direct or indirect) 30.00	Investment income (loss) recognized by the Company for the year ended December 31, 2022 \$ 29,147	Book value of investments in Mainland China as at December 31, 2022 \$ 45,422	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022 \$ -	Footnote (Note 14)
DeBio (Wujiang) Co., Ltd	Manufacturing, wholesale and retail of medical equipment	122,840	Invested by DeBio	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 component, 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-HSC and DCSG	9,391,506	-	9,391,506	804,465	95.91	771,762	6,865,993	-	(Notes 4 and 12)
Cyotec Electronics (Wuhan) Co., Ltd	Technology services, development, consultation, exchange, transfer and promotion, manufacturing, wholesale and retail of electronic components, manufacturing and sales of mold, manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,504,790	Invested by DEIS	921,300	-	921,300	171,211	100.00	171,211	1,177,866	-	(Notes 13 and 20)
Fujian Kaxin 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)



Investor 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
					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 DITE	\$ -	\$ -	\$ -	\$ -	(\$ 98,416)	100.00	\$ 98,419	\$ 886,098	\$ -
Universal Instruments Mfg.(Shenzhen) Co., Ltd.	Precision automation solutions	1,27,884	Invested by an European Indeco Corporation U.A.	-	-	-	-	96,667	100.00	96,667	(86,522)	-

Note 1: The capital was translated based on the capital certified report of the investee company into New Taiwan Dollars at the average exchange rate of RMB 6.95660 to US\$1 and NT\$ 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, was translated into New Taiwan Dollars at the average exchange rate of NT\$ 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\$960 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\$2,181,212 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\$120,230 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\$59,230 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\$3,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$2,655 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 in 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: Invested through Delta Electronics (HK) Ltd.

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

Note 15: Invested through DeBio Inc.

Note 16: Invested through Amether 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\$198,460 thousand permitted by Investment Commission, the capitalisation of earnings of US\$35,000 thousand permitted by Investment Commission is excluded from Cytac Co., Ltd.'s amount of investment in Mainland China.

Note 20: Additionally, the application for the equity transfer to the Company's investee, Delta Electronics (HK) 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 21: Invested through European Indeco Corporation U.A.

Note 22: Remittance investment amount of US\$51



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
DeBio 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 NT\$30.71 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 "Regulations 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 DeBio Inc.'s 69% 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: DeBio Inc. remitted back the investment income of US\$785 thousand on August 23, 2022 from the investee company in Mainland China, DeBio (Wuyang) Co., Ltd. and was permitted by Investment Commission on September 29, 2022, which are deductible from DeBio Inc.'s accumulated amount remitted out of Taiwan to Mainland China.



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

Table 12		Shares	
Name of major shareholders		No. of shares held	Ownership (%)
DEICO INTERNATIONAL LTD.		267,556,280	10.30%
DELTRON HOLDING LTD.		218,211,168	8.40%



► 7.2 A parent company only financial statement for the most recent fiscal year

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY 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 parent company only balance sheets of Delta Electronics, Inc. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only 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 parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

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 parent company only financial statements section of our report. We are independent of the Company 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 Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only 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 Company's 2022 parent company only financial statements are stated as follows:

Investments accounted for under equity method

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. Such business acquisition was recognised as investment accounted for under the equity method in the balance sheet. 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 (including subsidiaries) - Impairment assessment of goodwill

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. 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, we consider 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 financial statements of certain investments accounted for under the equity method and information on investees disclosed in Note 13. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. These investments accounted for under the equity method amounted to NT\$31,866,553 thousand and NT\$24,832,494 thousand, constituting 11.10% and 10.15% of total assets as at December 31, 2022 and 2021, respectively, and the comprehensive income recognised from these

associates and joint ventures accounted for under the equity method amounted to NT\$8,588,314 thousand and NT\$2,420,288 thousand, constituting 18.64% and 10.40% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.



Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern;

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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 parent company only financial statements of Delta Electronics, Inc. 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Hsiao, Chun-Yuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2023

The accompanying parent company only 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 parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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



DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY 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)	\$ 62,148	\$ 1,908,576	\$ 1,157,090	
Financial assets at amortised cost – current	8	3,573	109,726	121,608	
Contract assets - current	6(19)	137,577	4,224,981	4,426,275	
Notes receivable, net	6(4)	785	24,120	20,511	
Accounts receivable, net	6(4)	304,420	9,348,724	5,544,419	
Accounts receivable - related parties	7	288,097	8,847,460	8,879,653	
Other receivables		4,116	126,404	87,055	
Other receivables - related parties	7	25,891	795,114	426,128	
Inventories	6(5)	302,140	9,278,702	7,095,719	
Prepayments		42,745	1,312,705	1,082,471	
Non-current assets held for sale	6(7)	-	-	320,551	
Other current assets		138	4,237	2,330	
Total current assets		1,171,630	35,980,749	29,163,810	
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	30,408	933,824	947,722	
Financial assets at fair value through other comprehensive income - non-current	6(3)	43,752	1,343,614	1,135,640	
Contract assets - non-current	6(19)	10,260	315,074	406,546	
Investments accounted for under the equity method	6(6)	7,092,313	217,804,951	184,416,439	
Property, plant and equipment	6(7)	897,539	27,563,418	24,975,829	
Right-of-use assets	6(8)	18,329	562,898	436,902	
Intangible assets	6(9)	33,410	1,026,018	1,907,000	
Deferred income tax assets	6(26)	30,780	945,264	713,673	
Other non-current assets	6(4)(10)	18,957	582,168	558,096	
Total non-current assets		8,175,748	251,077,229	215,497,847	
Total assets		\$ 9,347,378	\$ 287,057,978	\$ 244,661,657	

(Continued)



DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY 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, 2021
Current liabilities				
Short-term borrowings	6(11)	\$ -	\$ -	\$ 1,400,000
Contract liabilities - current	6(19)	83,444	2,562,573	2,455,259
Accounts payable		202,449	6,217,212	4,296,842
Accounts payable - related parties	7	357,611	10,982,225	7,242,026
Other payables	6(12)	517,794	15,901,462	13,576,568
Other payables - related parties	7	4,161	127,790	221,839
Current income tax liabilities	6(26)	72,761	2,234,481	1,350,426
Other current liabilities		15,763	484,074	377,331
Total current liabilities		1,253,983	38,509,817	30,920,291
Non-current liabilities				
Bonds payable	6(13)	377,727	11,600,000	-
Long-term borrowings	6(14)	1,049,061	32,216,656	43,303,780
Deferred income tax liabilities	6(26)	479,343	14,720,638	11,940,925
Lease liabilities - non-current		16,715	513,313	414,829
Other non-current liabilities	6(15)	88,201	2,708,647	3,295,310
Total non-current liabilities		2,011,047	61,759,254	58,954,844
Total liabilities		3,265,030	100,269,071	89,875,135
Equity				
Share capital	6(16)			
Common stock		845,830	25,975,433	25,975,433
Capital surplus	6(17)			
Capital surplus		1,606,049	49,321,767	49,114,151
Retained earnings	6(18)			
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)
Total equity		6,082,348	186,788,907	154,786,522
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		\$ 9,347,378	\$ 287,057,978	\$ 244,661,657

The accompanying notes are an integral part of these parent company only financial statements.



DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY 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
Operating revenue	6(19) and 7	\$ 2,690,911		\$ 82,637,878	\$ 66,921,116
Operating costs	6(5)(24) (25) and 7	(1,723,214)		(52,919,921)	(41,069,033)
Gross Profit		967,697		29,717,957	25,852,083
Operating expenses	6(24)(25)				
Selling expenses		(44,044)		(1,352,580)	(1,111,092)
General and administrative expenses		(107,397)		(3,298,161)	(2,990,395)
Research and development expenses		(512,696)		(15,744,908)	(13,255,339)
Expected credit impairment (loss) gain	12(2)	(1,201)		(36,872)	70,884
Total operating expenses		(665,338)		(20,432,521)	(17,285,942)
Operating profit		302,359		9,285,436	8,566,141
Non-operating income and expenses					
Interest income	6(20)	568		17,441	3,200
Other income	6(21)	34,544		1,060,832	991,186
Other gains and losses	6(22)	(9,687)		(297,475)	(34,675)
Finance costs	6(23)	(15,589)		(478,732)	(210,706)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	895,561		27,502,684	20,804,995
Total non-operating income and expenses		905,397		27,804,750	21,554,000
Profit before income tax		1,207,756		37,090,186	30,120,141
Income tax expense		(144,072)		(4,424,458)	(3,323,839)
Profit for the year		\$ 1,063,684		\$ 32,665,728	\$ 26,796,302
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	6(15)	\$ 344		\$ 10,565	(\$ 4,685)
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	6,772		207,974	(283,259)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		6,827		209,666	(46,271)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(68)		(2,113)	937
Other comprehensive income (loss) that will not be reclassified to profit or loss		13,875		426,092	(333,278)
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		532,058		16,339,507	(2,302,537)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		(82,654)		(2,538,309)	(1,103,262)
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss		(26,413)		(811,127)	204,793
Other comprehensive income (loss) that will be reclassified to profit or loss		422,991		12,990,071	(3,201,006)
Other comprehensive income (loss) for the year		\$ 436,866		\$ 13,416,163	(\$ 3,534,284)
Total comprehensive income for the year		\$ 1,500,550		\$ 46,081,891	\$ 23,262,018
Earnings per share					
Basic earnings per share		\$ 0.41		\$ 12.58	\$ 10.32
Diluted earnings per share		\$ 0.41		\$ 12.52	\$ 10.27

The accompanying notes are an integral part of these parent company only financial statements.



DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	Retained earnings				Other equity interest			
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments
2021 New Taiwan Dollars									
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616
Profit for the year		-	-	-	-	26,796,302	-	-	-
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	422,509	(699)
Distribution of 2020 earnings		-	-	-	-	-	-	-	-
Legal reserve	6(18)	-	-	2,355,218	-	(2,355,218)	-	-	-
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-
Cash dividends		-	-	-	-	(14,286,480)	-	-	(14,286,480)
Changes in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	(110,388)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,034	-	-	-	-	-	-
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,353	\$ 129,917
2022 New Taiwan Dollars									
Balance at January 1, 2022		\$ 25,975,433	\$ 49,114,151	\$ 25,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,353	\$ 129,917
Profit for the year		-	-	-	-	32,665,728	-	-	-
Other comprehensive income for the year		-	-	-	-	209,626	12,990,071	216,466	-
Total comprehensive income for the year		-	-	-	-	32,875,354	12,990,071	216,466	-
Distribution of 2021 earnings		-	-	-	-	-	-	-	-
Legal reserve	6(18)	-	-	2,688,553	-	(2,688,553)	-	-	-
Special reserve		-	-	-	3,623,514	(3,623,514)	-	-	-
Cash dividends		-	-	-	-	(14,286,479)	-	-	(14,286,479)
Changes in ownership interests in subsidiaries		-	192,294	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,322	-	-	(643)	-	-	-
Disposal of equity investment at fair value through other comprehensive income		-	-	-	-	8,492	-	(8,492)	-
Balance at December 31, 2022		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	\$ 2,530,216	\$ 568,379	\$ 129,917

(Continued)



DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Retained earnings					Other equity interest				Total equity
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments	
2022 US Dollars										
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	
Profit for the year	-	-	-	-	1,063,684	-	-	-	1,063,684	
Other comprehensive income for the year	-	-	-	-	6,825	422,992	7,049	-	436,866	
Total comprehensive income for the year	-	-	-	-	1,070,509	422,992	7,049	-	1,505,550	
Distribution of 2021 earnings	6(18)									
Legal reserve	-	-	87,547	-	(87,547)	-	-	-	-	
Special reserve	-	-	-	117,991	(117,991)	-	-	-	-	
Cash dividends	-	-	-	-	(465,206)	-	-	-	(465,206)	
Changes in ownership interests in subsidiaries	-	6,262	-	-	-	-	-	-	6,262	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	499	-	-	(21)	-	-	-	478	
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	277	-	(277)	-	-	
Balance at December 31, 2022	\$ 845,830	\$ 1,606,049	\$ 1,054,585	\$ 526,432	\$ 2,146,120	\$ 82,391	\$ 18,508	\$ 4,231	\$ 6,082,348	

The accompanying notes are an integral part of these parent company only financial statements.



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

	Notes	US Dollars 2022	New Taiwan Dollars 2022	New Taiwan Dollars 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax for the year		\$ 1,207,756	\$ 37,090,186	\$ 30,120,141
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(7)(8)(24)	69,626	2,138,222	1,841,913
Amortisation	6(9)(24)	18,873	579,598	604,213
Expected credit impairment loss (gain)	12(2)	1,201	36,872 (	70,884)
Interest expense	6(23)	15,589	478,732	210,706
Interest income	6(20)	(568) (	17,441) (	3,200)
Dividend income	6(21)	(1,847) (	56,716) (	62,230)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	(895,561) (	27,502,684) (	20,804,995)
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(22)	216	6,645 (	31,884)
Gain on disposal of property, plant and equipment	6(22)	(16,877) (	518,296) (	573)
Loss on right-of-use assets surrender in advance		1	16	74
Impairment loss on non-financial assets	6(9)(22)	13,584	417,151	-
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Contract assets		9,533	292,766 (	1,840,594)
Notes receivable	(	118) (	3,609)	13,621
Accounts receivable	(	125,311) (	3,848,312)	1,353,019
Accounts receivable - related parties		1,048	32,193 (	1,536,348)
Overdue receivables		233	7,147 (	9,961)
Other receivables	(	1,535) (	47,153) (	20,428)
Other receivables - related parties	(	12,015) (	368,986)	194,819
Inventories	(	71,084) (	2,182,983) (	2,680,120)
Prepayments		4,070	124,988 (	251,762)
Other current assets	(	62) (	1,907)	1,867
Other non-current assets		54	1,671	59,831
Net changes in liabilities relating to operating activities				
Contract liabilities		3,486	107,047	60,589
Accounts payable		62,515	1,919,843	1,377,919
Accounts payable - related parties		121,791	3,740,199 (	1,429,523)
Other payables		74,514	2,288,318	1,780,912
Other payables - related parties	(	3,063) (	94,049)	33,798
Other current liabilities		2,532	77,763 (	33,926)
Other non-current liabilities		25,521	783,745	12,322
Cash inflow generated from operations		504,102	15,480,966	8,889,316
Interest received		586	17,990	2,481
Dividends received		233,178	6,853,812	4,785,730
Interest paid	(	14,843) (	455,831) (	210,365)
Income taxes paid	(	52,996) (	1,627,508) (	1,446,926)
Net cash flows from operating activities		660,027	20,269,429	12,020,236

(Continued)



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

	Notes	US Dollars 2022	New Taiwan Dollars 2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Decrease in financial assets at amortised cost		\$ 345	\$ 10,608	\$ 27,360
Proceeds from capital reduction of financial assets at fair value through profit or loss		-	-	31,626
Proceeds from capital withdrawal liquidation of financial assets at fair value through profit or loss		81	2,479	-
Acquisition of financial assets at fair value through other comprehensive income		-	-	(14,710)
Acquisition of investments accounted for under the equity method		(25,730)	(790,182)	(144,336)
Acquisition of property, plant and equipment	6(7)	(113,374)	(3,481,711)	(3,876,435)
Proceeds from disposal of property, plant and equipment		25,211	774,219	11,673
Acquisition of intangible assets	6(9)	(14,888)	(457,196)	(1,172,488)
Cash inflow due to business combinations	6(28)	13,606	417,829	-
Proceeds from disposal of financial assets at fair value through profit or loss		155	4,774	-
(Increase) decrease in other non-current assets		(797)	(24,469)	15,517
Net cash flows used in investing activities		(115,391)	(3,543,649)	(5,121,793)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
(Decrease) increase in short-term borrowings	6(29)	(45,588)	(1,400,000)	1,400,000
Proceeds from long-term debt		2,001,447	61,464,441	40,067,024
Repayment of long-term debt		(2,362,474)	(72,551,565)	(35,381,689)
Lease principal repayment		(1,082)	(33,230)	(69,745)
Cash dividends paid	6(18)	(465,206)	(14,286,479)	(14,286,480)
Issuance of bonds payable	6(13)(29)	377,727	11,600,000	-
(Decrease) increase in refundable deposits		(24,990)	(767,461)	1,003,317
Net cash flows used in financing activities		(520,166)	(15,974,294)	(7,267,573)
Net increase (decrease) in cash and cash equivalents		24,470	751,486	(369,130)
Cash and cash equivalents at beginning of year		37,678	1,157,090	1,526,220
Cash and cash equivalents at end of year		<u>\$ 62,148</u>	<u>\$ 1,908,576</u>	<u>\$ 1,157,090</u>

The accompanying notes are an integral part of these parent company only financial statements.



DELTA ELECTRONICS, INC.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,

EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

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 is the global leader in power and thermal management solutions and is 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 Company'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 Company continues to develop innovative energy-efficient products and solutions. In recent years, the Company has transformed from a product provider towards a solution provider and the Company's business is segregated into power electronics business, automation business, and infrastructure business.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised 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 endorsed by the FSC and became effective from 2022 are as follows:

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



The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company'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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Company's financial condition and financial performance based on the Company's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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
Amendments 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 Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

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

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

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

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and 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 retranslated 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 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 Company 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 Company 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.

(4) 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 12 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 settle liabilities more than 12 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 settled within the normal operating cycle;

- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within 12 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.

(5) 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 Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) 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 Company 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. They 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 Company and the amount of the dividend can be measured reliably.

(7) 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 Company'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 Company'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.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company 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.

(9) 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 Company 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.

(10) Derecognition of financial assets

The Company 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 Company 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; however, the Company has not retained control of the financial asset.

(11) 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 director costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) 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.

(13) Investments accounted for under equity method /subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company (including structured entries). The Company controls and entity when the Company 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.



- B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.
- E. When the Company loses control of a subsidiary, the Company 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 would be required if the related assets or liabilities were disposed of. That is, when the Company 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.
- F. Associates are all entities over which the Company 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. The Company's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.
- G. The Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.

- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company'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.
- K. Upon loss of significant influence over an associate, the Company 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.
- L. When the Company 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.
- M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Cash surrender value of life insurance

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

(15) Property, plant and equipment

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

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. 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 Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.

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

(17) Intangible assets

- A. 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.
- B. Goodwill arising from a short-form merger with the subsidiary is recognised pursuant to Article 19 of Enterprises Mergers and Acquisitions Act.
- C. Intangible assets other than trademarks and goodwill, mainly computer software and patents, are amortised on a straight-line basis over their estimated useful lives, which are determined based on economic useful lives or contract terms.

(18) Impairment of non-financial assets

- A. The Company 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 should be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
- 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.

(19) 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 (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts payable

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, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial, they are measured subsequently at original invoice amount.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(22) 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.

(23) Bonds payable

Ordinary corporate bonds issued by the company 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'.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expense 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 Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan 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 plan 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.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, 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 employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) 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 operates and generates 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 parent company only 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 Company 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.

(26) 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.

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

- (a) The Company 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 customers' 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 Company 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 Company does not adjust the transaction price to reflect the time value of money.
- (c) The Company'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 is 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 Company 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 Company 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 Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

C. Revenue from licencing intellectual property

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



D. Incremental costs of obtaining a contract

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

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company 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 Company recognises expenses for the related costs for which the grants are intended to compensate or 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.

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

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company'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. The Company has no critical accounting judgments in applying accounting policies; and the critical accounting estimates and assumptions uncertainty information is addressed below:

Critical accounting estimates and assumptions

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment assessment of investments accounted for using equity method

The Company assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 3,043	\$ 1,959
Checking accounts and demand deposits	1,905,533	1,155,131
	<u>\$ 1,908,576</u>	<u>\$ 1,157,090</u>



A. The Company 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 Company's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	9,151	17,010
Hybrid instrument-convertible bonds	900,000	900,000
	939,994	947,853
Valuation adjustment	(6,170)	(131)
	\$ 933,824	\$ 947,722

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 6,645)	\$ 31,884

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

(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	164,044	164,044
	1,772,743	1,772,743
Valuation adjustment	(429,129)	(637,103)
	\$ 1,343,614	\$ 1,135,640

A. The Company 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 \$1,343,614 and \$1,135,640 as at December 31, 2022 and 2021, respectively.

B. For the years ended December 31, 2022 and 2021, the Company did not dispose any stock investments.



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	\$ 207,974	(\$ 283,259)

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 Company were \$1,343,614 and \$1,135,640, respectively.

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 24,120	\$ 20,511
Accounts receivable	\$ 9,397,107	\$ 5,557,030
Less: Allowance for uncollectible accounts	(48,383)	(12,611)
	<u>\$ 9,348,724</u>	<u>\$ 5,544,419</u>
Overdue receivables		
(shown as other non-current assets)	\$ 4,298	\$ 10,946
Less: Allowance for uncollectible accounts	(4,298)	(10,946)
	<u>\$ 9,348,724</u>	<u>\$ 5,544,419</u>

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

	December 31, 2022	December 31, 2021
Not past due	\$ 8,559,156	\$ 5,284,138
1 to 90 days	738,862	253,937
91 to 180 days	70,946	8,781
181 to 365 days	23,557	5,429
Over 366 days	4,586	4,745
	<u>\$ 9,397,107</u>	<u>\$ 5,557,030</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 \$6,850,725.



D. The Company 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 hedge to credit risk in respect of the amount that best represents the Company's notes receivable were \$24,120 and \$20,511, and accounts receivable were \$9,348,724 and \$5,544,419, respectively.

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

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 7,674,021	(\$ 2,286,998)	\$ 5,387,023
Work in process	875,645	-	875,645
Finished goods	3,186,901	(431,496)	2,755,405
Inventory in transit	260,629	-	260,629
	<u>\$ 11,997,196</u>	<u>(\$ 2,718,494)</u>	<u>\$ 9,278,702</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,643,756	(\$ 1,032,259)	\$ 4,611,497
Work in process	611,928	-	611,928
Finished goods	2,167,497	(416,468)	1,751,029
Inventory in transit	121,265	-	121,265
	<u>\$ 8,544,446</u>	<u>(\$ 1,448,727)</u>	<u>\$ 7,095,719</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 43,790,737	\$ 34,546,808
Loss on market value decline and obsolete and slow-moving inventories	1,396,935	369,426
Others	(79,345)	(65,311)
	<u>\$ 45,108,327</u>	<u>\$ 34,850,923</u>



(6) Investments accounted for under equity method

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

Investee	December 31, 2022		December 31, 2021	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta International Holding Limited B.V. (DIH)	100.00	\$ 76,736,635	100.00	\$ 67,930,550
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	60,943,728	100.00	43,913,221
Cyntec Co., Ltd. (Cyntec)	100.00	37,441,523	100.00	32,778,207
Delta Electronics (Netherlands) B.V. (DEN)	100.00	26,143,999	100.00	23,258,370
Delta Electronics (Thailand) Public Company Limited (DET) (Note 1)	5.54	5,098,854	5.54	4,473,063
Vivotek Inc. (Vivo)	56.75	4,497,416	55.09	4,110,543
Delta Electronics Capital Company (DECC)	100.00	3,937,867	100.00	4,024,563
Delta Networks Holding Limited (DNH)	100.00	2,160,582	100.00	1,839,478
Allied Material Technology Corp. (AMT) (Note 2)	-	-	99.97	1,585,464
Delta America Ltd. (DAL) (Note 3)	10.26	69,806	10.26	285,784
DelBio Inc. (DelBio)	100.00	183,797	100.00	208,627
Chunghwa SEA Holdings	44.00	8,349	44.00	8,569
Delmind Inc.	70.00	195,819	-	-
Ancora Semiconductors Inc.	67.03	386,576	-	-
		<u>\$ 217,804,951</u>		<u>\$ 184,416,439</u>

Note 1: The Company held 42.85% and 15.39% of the voting power of DET through DEIL-SG and DIH, respectively.

Note 2: AMT was dissolved after the merger with the Company on May 1, 2022.

Note 3: The Company held 89.74% of the voting power of DAL through DEN.

B. Share of profit/(loss) of subsidiaries and associates accounted for under equity method is shown as follows:

Investee	2022	2021
DEIL-SG	\$ 17,508,291	\$ 12,035,873
DEN	5,508,054	5,733,781
DIH	2,365,371	1,236,811
CYNTEC	1,349,610	964,114
DET	570,354	287,690
VIVO	305,660	5,510
DECC	(109,159)	552,543
Others	4,503	(11,327)
	<u>\$ 27,502,684</u>	<u>\$ 20,804,995</u>



- C. The financial statements of invests accounted for under the equity method were audited by other independent auditors.
- D. Information about subsidiaries of the Company is provided in Note 4(3) in the 2022 consolidated financial statements.



(7) Property, plant and equipment

	Land	Buildings and structures	Machinery equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1, 2022							
Cost	\$ 10,247,505	\$ 14,845,685	\$ 3,205,914	\$ 4,992,913	\$ 2,824,924	\$ 640,778	\$ 36,757,719
Accumulated depreciation and impairment	-	(3,006,914)	(2,216,462)	(4,069,805)	(2,488,709)	-	(11,781,890)
	\$ 10,247,505	\$ 11,838,771	\$ 989,452	\$ 923,108	\$ 336,215	\$ 640,778	\$ 24,975,829
2022							
Opening net book amount	\$ 10,247,505	\$ 11,838,771	\$ 989,452	\$ 923,108	\$ 336,215	\$ 640,778	\$ 24,975,829
Additions	-	141,852	410,323	846,575	311,402	1,771,559	3,481,711
Acquired through business combinations	465,687	678,505	-	-	597	-	1,144,789
Disposals	(75,929)	(159,586)	(15,267)	(4,215)	(926)	-	(255,923)
Transfers (Note)	(23,364)	463,231	574,515	148,148	35,716	(877,695)	320,551
Depreciation charge	-	(612,354)	(464,515)	(729,698)	(296,972)	-	(2,103,539)
Closing net book amount	\$ 10,613,899	\$ 12,350,419	\$ 1,494,508	\$ 1,183,918	\$ 386,032	\$ 1,534,642	\$ 27,563,418
At December 31, 2022							
Cost	\$ 10,613,899	\$ 18,563,215	\$ 3,868,177	\$ 5,778,840	\$ 3,365,930	\$ 1,534,642	\$ 43,724,703
Accumulated depreciation and impairment	-	(6,212,796)	(2,373,669)	(4,594,922)	(2,979,898)	-	(16,161,285)
	\$ 10,613,899	\$ 12,350,419	\$ 1,494,508	\$ 1,183,918	\$ 386,032	\$ 1,534,642	\$ 27,563,418



	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1, 2021							
Cost	\$ 10,247,505	\$ 8,527,286	\$ 2,873,420	\$ 4,645,129	\$ 2,600,921	\$ 4,618,499	\$ 33,512,760
Accumulated depreciation and impairment	-	(2,699,621)	(1,918,345)	(3,502,780)	(2,190,748)	-	(10,311,494)
	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>
2021							
Opening net book amount	\$ 10,247,505	\$ 5,827,665	\$ 955,075	\$ 1,142,349	\$ 410,173	\$ 4,618,499	\$ 23,201,266
Additions	-	74,980	412,404	418,523	201,345	2,769,183	3,876,435
Disposals	-	(230)	(10,623)	(7)	(240)	-	(11,100)
Transfers (Note)	-	6,255,660	47,574	71,318	51,801	(6,746,904)	(320,551)
Depreciation charge	-	(319,304)	(414,978)	(709,075)	(326,864)	-	(1,770,221)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>
At December 31, 2021							
Cost	\$ 10,247,505	\$ 14,845,685	\$ 3,205,914	\$ 4,992,913	\$ 2,824,924	\$ 640,778	\$ 36,757,719
Accumulated depreciation and impairment	-	(3,006,914)	(2,216,462)	(4,069,805)	(2,488,709)	-	(11,781,890)
	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>

Note: On October 1, 2021, the Board of Directors of the Company resolved to dispose a number of battery cell assembly equipment and transfer the equipment recognised 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.

A. The Company's property, plant and equipment are mainly owner-occupied.

B. No interest expense was capitalised on property, plant and equipment.



(8) Leasing arrangements - lessee

A. The Company leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 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:

	December 31, 2022	December 31, 2021
	Book value	Book value
Land	\$ 440,526	\$ 412,047
Buildings and structures	114,985	21,705
Transportation equipment	6,000	3,150
Other equipment	1,387	-
	<u>\$ 562,898</u>	<u>\$ 436,902</u>
	Years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Land	\$ 18,043	\$ 16,642
Buildings and structures	14,012	52,487
Transportation equipment	2,497	2,542
Other equipment	131	21
	<u>\$ 34,683</u>	<u>\$ 71,692</u>

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$160,694 and \$21,269, respectively.

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

	Years ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,106	\$ 5,389
Expense on short-term lease contracts	<u>\$ 74,276</u>	<u>\$ 54,827</u>

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$111,612 and \$129,961, respectively.

F. Extension options

(a) Extension options are included in the Company's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Company to effectively utilise the assets.

(b) In determining the lease term, the Company 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.

(9) Intangible assets

<u>At January 1, 2022</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,163	\$ 148,669	\$ 409,645	\$ 2,869,804	\$ 3,841,281
Accumulated amortisation and impairment	(26,340)	(103,749)	-	(1,804,192)	(1,934,281)
	<u>\$ 386,823</u>	<u>\$ 44,920</u>	<u>\$ 409,645</u>	<u>\$ 1,065,612</u>	<u>\$ 1,907,000</u>
<u>2022</u>					
Opening net book amount	\$ 386,823	\$ 44,920	\$ 409,645	\$ 1,065,612	\$ 1,907,000
Additions	-	13,784	-	443,412	457,196
Acquired through business combinations	-	-	13,793	-	13,793
Reclassifications	-	-	-	(355,222)	(355,222)
Amortisation	-	(10,429)	-	(569,169)	(579,598)
Impairment loss	-	-	(417,151)	-	(417,151)
Closing net book amount	<u>\$ 386,823</u>	<u>\$ 48,275</u>	<u>\$ 6,287</u>	<u>\$ 584,633</u>	<u>\$ 1,026,018</u>
<u>At December 31, 2022</u>					
Cost	\$ 413,163	\$ 162,453	\$ 423,438	\$ 1,497,414	\$ 2,496,468
Accumulated amortisation and impairment	(26,340)	(114,178)	(417,151)	(912,781)	(1,470,450)
	<u>\$ 386,823</u>	<u>\$ 48,275</u>	<u>\$ 6,287</u>	<u>\$ 584,633</u>	<u>\$ 1,026,018</u>
<u>At January 1, 2021</u>					
Cost	\$ 413,163	\$ 137,532	\$ 409,645	\$ 1,708,453	\$ 2,668,793
Accumulated amortisation and impairment	(26,340)	(84,856)	-	(1,218,872)	(1,330,068)
	<u>\$ 386,823</u>	<u>\$ 52,676</u>	<u>\$ 409,645</u>	<u>\$ 489,581</u>	<u>\$ 1,338,725</u>
<u>2021</u>					
Opening net book amount	\$ 386,823	\$ 52,676	\$ 409,645	\$ 489,581	\$ 1,338,725
Additions	-	11,137	-	1,161,351	1,172,488
Amortisation	-	(18,893)	-	(585,320)	(604,213)
Closing net book amount	<u>\$ 386,823</u>	<u>\$ 44,920</u>	<u>\$ 409,645</u>	<u>\$ 1,065,612</u>	<u>\$ 1,907,000</u>
<u>At December 31, 2021</u>					
Cost	\$ 413,163	\$ 148,669	\$ 409,645	\$ 2,869,804	\$ 3,841,281
Accumulated amortisation and impairment	(26,340)	(103,749)	-	(1,804,192)	(1,934,281)
	<u>\$ 386,823</u>	<u>\$ 44,920</u>	<u>\$ 409,645</u>	<u>\$ 1,065,612</u>	<u>\$ 1,907,000</u>



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

	Years ended December 31,	
	2022	2021
Operating costs	\$ 3,816	\$ 1,835
Selling expenses	32	427
Administrative expenses	172,101	162,808
Research and development expenses	403,649	439,143
	<u>\$ 579,598</u>	<u>\$ 604,213</u>

B. The Company acquired registered or under-application trademark rights such as **QUMI**, **vivitek**, **VIVITEK**, 麗訊 and 麗訊. The Company's 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 Company's cash-generating units identified according to operating segment:

	December 31, 2022	December 31, 2021
Goodwill:		
MES and others	<u>\$ 6,287</u>	<u>\$ 409,645</u>
Trademarks:		
Infrastructure business	<u>\$ 386,823</u>	<u>\$ 386,823</u>

D. Goodwill and trademarks with indefinite useful lives are allocated to the Company's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. An impairment is recognised when the carrying amount exceeds the recoverable amount calculated based on value-in-use. Value-in-use calculations take into account operating margin, growth rate and discount rate. Management determined budgeted operating margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant operating segments.

An impairment loss of \$417,151 was recognised for the year ended December 31, 2022 since the recoverable amount of the cash-generating unit, MES and others, was less than the carrying amount due to its operating revenue failing to meet expectations. The discount rates used in calculating value-in-use were 10.5% and 12.44% on December 31, 2022 and 2021, respectively.



(10) Other non-current assets

	December 31, 2022	December 31, 2021
Prepayments for business facilities	\$ 390,142	\$ 352,508
Cash surrender value of life insurance	28,106	35,934
Guarantee deposits paid	27,212	32,549
Financial assets at amortised cost - non-current	113,274	112,000
Others	23,434	25,105
	<u>\$ 582,168</u>	<u>\$ 558,096</u>

(11) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ -	\$ 1,400,000
Credit lines	\$ 4,058,372	\$ 1,853,389
Interest rate	<u>-%</u>	<u>0.50%</u>

(12) Other payables

	December 31, 2022	December 31, 2021
Salary, bonus and compensation payable	\$ 12,982,525	\$ 10,231,550
Others	2,918,937	3,345,018
	<u>\$ 15,901,462</u>	<u>\$ 13,576,568</u>

(13) Bonds payable

	December 31, 2022	December 31, 2021
Domestic unsecured corporate bonds	\$ 11,600,000	\$ -

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

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



(14) Long-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Credit loans	\$ 32,216,656	\$ 43,303,780
Credit lines	\$ 75,320,973	\$ 61,902,079
Interest rate range	0.935%~5.17%	0.31%~0.58%

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.

(15) Pensions

A. Defined benefit plan

- (a) The Company has 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 contributes 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 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 will make contribution for the deficit by next March.

- (b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 3,457,297)	(\$ 3,472,042)
Fair value of plan assets	2,088,616	2,038,970
Net defined benefit liability (shown as other non-current liabilities)	(\$ 1,368,681)	(\$ 1,433,072)



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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	(\$ 3,472,042)	\$ 2,038,970	(\$ 1,433,072)
Current service cost	(21,199)	-	(21,199)
Interest (expense) income	(23,792)	13,899	(9,893)
	(3,517,033)	2,052,869	(1,464,164)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	160,699	160,699
Change in financial assumptions	202,823	-	202,823
Change in demographic assumptions	(12)	-	(12)
Experience adjustments	(352,945)	-	(352,945)
	(150,134)	160,699	10,565
Pension fund contribution	-	40,361	40,361
Paid pension	198,810	(165,313)	33,497
Settlement	11,060	-	11,060
Balance at December 31	(\$ 3,457,297)	\$ 2,088,616	(\$ 1,368,681)



	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	(\$ 3,584,648)	\$ 1,959,017	(\$ 1,625,631)
Current service cost	(26,987)	-	(26,987)
Interest (expense) income	(10,619)	5,800	(4,819)
	(3,622,254)	1,964,817	(1,657,437)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	29,022	29,022
Change in financial assumptions	141,373	-	141,373
Change in demographic assumptions	(11,467)	-	(11,467)
Experience adjustments	(163,613)	-	(163,613)
	(33,707)	29,022	(4,685)
Pension fund contribution	-	191,792	191,792
Paid pension	183,919	(146,661)	37,258
Effect of business combination	-	-	-
Balance at December 31	(\$ 3,472,042)	\$ 2,038,970	(\$ 1,433,072)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's 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 has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of 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	1.3%	0.7%
Future salary increases rate	3.00%	3.00%

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 was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 79,327)	\$ 82,152	\$ 79,260	(\$ 76,954)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 85,387)	\$ 88,585	\$ 84,709	(\$ 82,119)

The sensitivity analysis above is 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 plan of the Company for the year ending December 31, 2023 amount to \$43,181.
- (g) As at December 31, 2022, the weighted average duration of the retirement plan is 9 years.

B. Defined contribution plan

Effective July 1, 2005, the Company has 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 contributes 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 plan of the Company for the years ended December 31, 2022 and 2021 were \$488,926 and \$408,253, respectively.

(16) 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 Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(b) Redemption of GDRs

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

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

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

(d) After considering the stock dividend distribution year by year, as at December 31, 2022, there were 577 thousand units outstanding, representing 2,885 thousand common shares of the Company's common stock.

(17) 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.

(18) 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 shareholders' bonus.



The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 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 cash dividends that is less than \$1 will be reversed to unappropriated retained earnings in accordance with the resolution of the shareholders during their meeting.

Information about the appropriation of earnings 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 proposed by the Board of Directors on February 22, 2023. Details are summarised below:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 3,288,320	
Appropriation for special reserve	13,198,044	
Cash dividends	25,559,826	\$ 9.84

As at February 22, 2023, the abovementioned 2022 earnings appropriation has not yet been approved by the stockholders.

(19) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 82,637,878	\$ 66,921,116

A. Disaggregation of revenue from contracts with customers

The Company 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	\$ 19,214,705	\$ 11,302,403	\$ 30,388,494	\$ 21,732,276	\$ 82,637,878
Timing of revenue recognition					
At a point in time	16,532,574	8,801,194	27,215,070	381,571	52,930,409
Over time	2,682,131	2,501,209	3,173,424	21,350,705	29,707,469
	\$ 19,214,705	\$ 11,302,403	\$ 30,388,494	\$ 21,732,276	\$ 82,637,878
	Year ended December 31, 2021				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 17,780,071	\$ 10,627,486	\$ 20,472,447	\$ 18,041,112	\$ 66,921,116
Timing of revenue recognition					
At a point in time	15,641,617	8,129,457	17,731,899	49,286	41,552,259
Over time	2,138,454	2,498,029	2,740,548	17,991,826	25,368,857
	\$ 17,780,071	\$ 10,627,486	\$ 20,472,447	\$ 18,041,112	\$ 66,921,116

B. Contract assets and liabilities

The Company 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.	\$ 2,455,259	\$ 2,394,670

(20) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 17,441	\$ 3,200

(21) Other income

	Years ended December 31,	
	2022	2021
Sample sales income	\$ 176,751	\$ 230,503
Rental income	79,067	33,501
Testing fee income	76,044	84,857
Mold fee income	60,052	15,467
Dividend income	56,716	62,230
Others	612,202	564,628
	\$ 1,060,832	\$ 991,186

(22) Other gains and losses

	Years ended December 31,	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 518,296	\$ 573
Net currency exchange (loss) gain	(348,624)	34,614
(Loss) gain on financial assets at fair value through	(6,645)	31,884
Impairment loss on non-financial assets	(417,151)	-
Miscellaneous expenses	(43,351)	(101,746)
	(\$ 297,475)	(\$ 34,675)

(23) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	\$ 478,732	\$ 210,706



(24) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 19,568,903	\$ 15,896,855
Depreciation charges on property, plant and equipment	2,103,539	1,770,221
Depreciation charges on right-of-use assets	34,683	71,692
Amortisation charges on intangible assets	579,598	604,213
	<u>\$ 22,286,723</u>	<u>\$ 18,342,981</u>

(25) Employee benefit expense

	Years ended December 31,	
	2022	2021
Post-employment benefits		
Defined contribution plan	\$ 488,926	\$ 408,253
Defined benefit plan	<u>31,092</u>	<u>31,806</u>
	520,018	440,059
Other employee benefits	<u>19,048,885</u>	<u>15,456,796</u>
	<u>\$ 19,568,903</u>	<u>\$ 15,896,855</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.

To attract talents from labour market, the overall salary positioning of the Company is superior to the benchmark of the technology industry. The salary structures are reviewed annually to maintain a highly competitive edge in motivating and retaining top talents by referring to the labour market salary survey and the industry salary benchmark. In addition to complying with the local labour laws and related salary regulations, the Company particularly focuses on the link between the Company's performance and employees' salary and the rational design of the salary based on these factors.

The remuneration of directors shall be assessed by the remuneration committee based on their participation in the operations of the Company and the value of their contribution to the Company, and shall be determined by referring to the industry salary benchmark. Independent directors may be remunerated differently from general directors. An independent director who serves as chairman of the functional committee may be remunerated higher than other independent directors. The management's salary is highly related to the Company's operating results and performance. The proposal of the management's salary is determined based on the evaluation of its key performance indicators and the industry salary benchmark.

The Company's employee salary includes monthly salary, bonus, and employee compensation. The standard salary of the employee is determined based on the position, educational experience,

professional knowledge, and market value. Starting salary and rewards do not vary according to gender, religion, political affiliation, marital status, etc. The annual salary increase budget is about 3 ~ 5% based on the principle that the employee's salary is in line with the market condition and fairness. The employees' compensation is, based on their position, contribution, and performance, offered to encourage the employees to focus on long-term contribution to and build mutual benefit and prosperity with the Company.

The remuneration of directors and management as well as the compensation of employees shall all be discussed and approved by the remuneration committee and then submitted to the Board of Directors for discussion and resolution.

- B. For the years ended December 31, 2022 and 2021, employees' compensation were accrued at \$3,103,244 and \$2,545,649, respectively; while directors' remuneration were accrued at \$55,008 and \$44,200, 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. The difference between directors' remuneration resolved by the Board of Directors and the amount recognised in the 2022 financial statements had been accounted for as change in accounting estimate and recognised in profit or loss of 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. The difference between directors' remuneration resolved by the Board of Directors and the amount recognised in the 2021 financial statements had been accounted for as change in accounting estimate 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.



(26) 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	\$ 2,787,711	\$ 1,952,291
Tax on undistributed surplus earnings	172,579	-
Prior year income tax overestimation	(441,385)	-
Total current tax	2,518,905	1,952,291
Deferred tax:		
Origination and reversal of temporary differences	1,905,553	1,371,548
Income tax expense	\$ 4,424,458	\$ 3,323,839

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

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit plan	\$ 2,113	(\$ 937)
Gain or loss on hedging instruments	-	(78)
Currency translation differences	811,127	(204,715)
	\$ 813,240	(\$ 205,730)

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	\$ 7,418,038	\$ 6,024,028
Effects from items adjusted in accordance with tax regulations	(1,890,540)	(1,914,487)
Effect from investment tax credits	(834,234)	(785,702)
Prior year income tax overestimation	(441,385)	-
Tax on undistributed surplus earnings	172,579	-
	\$ 4,424,458	\$ 3,323,839



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

	2022				
	January 1	Recognised in profit or loss	Recognised in comprehensive income other	Recognised in equity	December 31
Deferred tax assets:					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 243,126	\$ 249,742	\$ -	\$ -	\$ 492,868
Pension liability	282,463	(11,374)	(2,113)	-	268,976
Assets impairment	6,571	6,283	-	-	12,854
Others	181,513	(10,947)	-	-	170,566
	713,673	233,704	(2,113)	-	945,264
Deferred tax liabilities:					
- Temporary differences:					
Land value increment tax	(119,862)	-	-	-	(119,862)
Long-term equity investments	(11,405,185)	(2,111,655)	(811,127)	170,671	(14,157,296)
Others	(415,878)	(27,602)	-	-	(443,480)
	(11,940,925)	(2,139,257)	(811,127)	170,671	(14,720,638)
	(\$ 11,227,252)	(\$ 1,905,553)	(\$ 813,240)	\$ 170,671	(\$ 13,775,374)



	2021				
	January 1	Recognised in profit or loss	Recognised in comprehensive income other	Recognised in equity	December 31
Deferred tax assets:					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 191,519	\$ 51,607	\$ -	\$ -	\$ 243,126
Pension liability	320,975	(39,449)	937	-	282,463
Assets impairment	12,511	(5,940)	-	-	6,571
Others	151,198	30,315	-	-	181,513
	676,203	36,533	937	-	713,673
Deferred tax liabilities:					
- Temporary differences:					
Land value increment tax	(119,862)	-	-	-	(119,862)
Long-term equity investments	(10,411,074)	(1,226,086)	204,793	27,182	(11,405,185)
Others	(233,883)	(181,995)	-	-	(415,878)
	(10,764,819)	(1,408,081)	204,793	27,182	(11,940,925)
	(\$ 10,088,616)	(\$ 1,371,548)	\$ 205,730	\$ 27,182	(\$ 11,227,252)



D. The Company 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 \$9,027,005 and \$8,265,696, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(27) Earnings per share

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



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

(28) Business combinations

A. Business combinations of the Company for the year ended December 31, 2022 are as follows:

Based on the resolution of the Board of Directors on February 24, 2022, the Company consummated a short-form merger with the subsidiary, Allied Material Technology Corp., pursuant to Article 19 of the Enterprises Mergers and Acquisitions Act. The merger became effective on May 1, 2022, with the Company the surviving entity after the merger.

B. The book value of Allied Material Technology Corp. on the acquisition date is shown as follows:

	May 1, 2022
Accounts receivable, net	\$ 12
Other receivables	89
Property, plant and equipment	1,144,789
Intangible assets	13,793
Contract liabilities - current	(267)
Accounts payable	(527)
Other payables	(9,474)
Other non-current liabilities	(6,964)
Cash inflow arising from business combination	417,829
	<u>\$ 1,559,280</u>



(29) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2022	\$ 1,400,000	\$ -	\$ 43,303,780	\$ 44,703,780
Changes in cash flow from financing activities	(1,400,000)	11,600,000	(11,087,124)	(887,124)
At December 31, 2022	\$ -	\$ 11,600,000	\$ 32,216,656	\$ 43,816,656

	Short-term borrowings	Bonds payable	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2021	\$ -	\$ -	\$ 38,618,445	\$ 38,618,445
Changes in cash flow from financing activities	1,400,000	-	4,685,335	6,085,335
At December 31, 2021	\$ 1,400,000	\$ -	\$ 43,303,780	\$ 44,703,780

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Company
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Subsidiary
DEI Logistics (USA) Corp. (ALI)	"
Delta Electronics (Americas) Ltd. Company Limited (DET)	"
Cyntec Co., Ltd. (Cyntec)	"
Delta Electronics (Jiangsu) Ltd.	"
Delta Electronics (Japan), Inc.(DEJ)	"
Digital Projection Asia Pte Ltd.	Associate
Delta Networks (Xiamen) Ltd.	"
Bruce Cheng	Director of the Company



(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
Subsidiaries		
ALI	\$ 10,269,538	\$ 8,247,436
Others	6,423,928	3,416,952
Associates	5,482	4,698
Director of the Company	-	3,719
	<u>\$ 16,698,948</u>	<u>\$ 11,672,805</u>
	Years ended December 31,	
	2022	2021
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 20,303,726	\$ 16,839,802
Others	5,578,490	5,075,432
	<u>\$ 25,882,216</u>	<u>\$ 21,915,234</u>

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

B. Purchases

	Years ended December 31,	
	2022	2021
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 21,989,667	\$ 18,732,917
Others	447,587	331,374
Associates	81,255	18,288
Purchases of services and others:		
Subsidiaries	2,274,162	2,048,473
	<u>\$ 24,792,671</u>	<u>\$ 21,131,052</u>

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



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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Receivables from related parties:		
Subsidiaries		
ALI	\$ 3,532,586	\$ 3,138,970
DEIL-SG	1,959,034	3,415,571
Others	3,355,175	2,324,746
Associates	665	366
	<u>\$ 8,847,460</u>	<u>\$ 8,879,653</u>

The receivables from related parties arise mainly from sales transactions. The receivables are due 90 days after the date of sale for ALI and 75 days after the date of sale for the others. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

D. Period-end balances arising from purchases of goods

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 10,221,747	\$ 6,625,861
Others	749,807	609,492
Associates	10,671	6,673
	<u>\$ 10,982,225</u>	<u>\$ 7,242,026</u>

The payables to related parties arise mainly from purchase transactions and purchase of services 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		
Subsidiaries		
DEIL-SG	\$ 453,052	\$ 301,878
ALI	106,804	46,189
DEJ	213,234	-
Others	20,024	77,576
Associates	2,000	485
	<u>\$ 795,114</u>	<u>\$ 426,128</u>

The above pertain mainly to payments on behalf of others.



	December 31, 2022	December 31, 2021
Other payables-related parties:		
Subsidiaries		
DEIL-SG	\$ 69,984	\$ 162,592
Others	57,806	59,247
	<u>\$ 127,790</u>	<u>\$ 221,839</u>

The above pertain mainly to triangular trade collections on behalf of others.

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	\$ 306,489	\$ 261,406
Post-employment benefits	737	599
	<u>\$ 307,226</u>	<u>\$ 262,005</u>

8. PLEDGED ASSETS

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

Pledged assets	Book Value		Pledge purpose
	December 31, 2022	December 31, 2021	
Time deposits (shown as financial assets at amortised cost - current)	\$ 109,726	\$ 121,608	Warranty guarantee
Time deposits (shown as other non-current assets)	113,274	112,000	Performance guarantee
	<u>\$ 223,000</u>	<u>\$ 233,608</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:

	December 31, 2022	December 31, 2021
Costs of computer software	\$ 540,541	\$ 66,360
Property, plant and equipment	4,214,972	505,895
	<u>\$ 4,755,513</u>	<u>\$ 572,255</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. Information about the appropriation of 2022 earnings of the Company is provided in Note 6(18) E.



- B. On January 12, 2023, the Company issued the 2023 first unsecured ordinary corporate bonds in the amount of \$5,000,000.
- C. To strengthen networking solution capability, on February 1, 2023, the Company acquired 13,825 thousand shares of Atrust Computer Corp. (Atrust Computer) from its existing shareholders for 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 to obtain a 55% equity interest in Atrust Computer for a total consideration of approximately \$950 million.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 933,824	\$ 947,722
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,343,614	\$ 1,135,640
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,908,576	\$ 1,157,090
Notes receivable	24,120	20,511
Accounts receivable	18,196,184	14,424,072
Other receivables	921,518	513,183
Guarantee deposits paid	27,212	32,549
Financial assets at amortised cost	223,000	233,608
	<u>\$ 21,300,610</u>	<u>\$ 16,381,013</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 1,400,000
Accounts payable	17,199,437	11,538,868
Other accounts payable	16,029,252	13,798,407
Bonds payable	11,600,000	-
Long-term borrowings	32,216,656	43,303,780
Guarantee deposits received	364,315	1,131,776
	<u>\$ 77,409,660</u>	<u>\$ 71,172,831</u>
Lease liabilities (including current portion)	\$ 570,754	\$ 443,290

B. Financial risk management policies

The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. 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 manage its foreign exchange risk against the functional currency. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company uses forward foreign exchange contracts and foreign exchange swap contracts, transacted with Group treasury.
- iii. The Company's businesses involve some non-functional currency operations. 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 amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,369	30.710	\$ 17,577,440
EUR:NTD	23,124	32.720	756,621
<u>Non-monetary items</u>			
USD:NTD	\$ 5,407,188	30.710	\$ 166,054,750
THB:NTD	5,702,778	0.8941	5,098,854
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 577,496	30.710	\$ 17,734,912
EUR:NTD	17,433	32.720	570,413



	December 31, 2021		
	Foreign currency	Exchange	Book value
	amount (in thousands)	rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 502,569	27.660	\$ 13,901,047
<u>Non-monetary items</u>			
USD:NTD	\$ 4,961,222	27.660	\$ 137,227,403
THB:NTD	5,389,233	0.8300	4,473,063
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 587,769	27.660	\$ 16,257,702

- iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021 amounted to (\$348,624) and \$34,614, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 175,774	\$ -
EUR : NTD	1%	7,566	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 177,349	\$ -
EUR : NTD	1%	5,704	-



(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 139,010	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 162,577	\$ -

Price risk

- i. The Company'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 Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the price 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 \$338 and \$407, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$12,685 and \$10,605, 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

The Company's main interest rate risk arises from long-term borrowings and bonds payable. Borrowings issued at variable rates expose the Company 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 Company to fair value interest rate risk. The Company's borrowings mainly bear variable interest rates and bonds payable bear fixed interest rates. During 2022 and 2021, the Company's borrowings at variable rates were denominated in NTD and USD, and bonds payable at fixed rates were denominated in NTD. On 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 \$64,433 and \$86,608, 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 Company 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 Company's credit policy, each local entity in the Company 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 Company 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 Company 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 Company classifies customers' accounts receivable and contract assets in accordance with customer types. The Company applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.
- viii. The Company 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 on December 31, 2022 and 2021. On December 31, 2022 and 2021, the provision matrix of accounts receivable is as follows:

	Not past due	1-90 days past due	91-180 days past due
<u>At December 31, 2022</u>			
Expected loss rate	0.00%	1.93%	25.00%
Total book value	\$ 8,559,156	\$ 738,862	\$ 70,946
Loss allowance	\$ -	\$ 14,285	\$ 17,735
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	49.99%	100.00%	
Total book value	\$ 23,557	\$ 4,586	\$ 9,397,107
Loss allowance	\$ 11,777	\$ 4,586	\$ 48,383



	Not past due	1-90 days past due	91-180 days past due
<u>At December 31, 2021</u>			
Expected loss rate	0.00%	1.16%	25.00%
Total book value	\$ 5,284,138	\$ 253,937	\$ 8,781
Loss allowance	\$ -	\$ 2,956	\$ 2,195
	181-365 days past due	Over 366 days past due	Total
Expected loss rate	50.01%	100.00%	
Total book value	\$ 5,429	\$ 4,745	\$ 5,557,030
Loss allowance	\$ 2,715	\$ 4,745	\$ 12,611

- ix. Movements in relation to the Company 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	\$ -	\$ 12,611	\$ -	\$ 10,946	\$ 23,557
Reclassification	-	(4,111)	-	4,111	-
Provision for impairment	-	40,712	-	-	40,712
Reversal of impairment loss	-	-	-	(3,840)	(3,840)
Write-offs	-	(829)	-	(7,418)	(8,247)
Others	-	-	-	499	499
At December 31	\$ -	\$ 48,383	\$ -	\$ 4,298	\$ 52,681
	2021				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454
Acquired through business combinations	-	-	-	-	-
Reclassification	-	(10,245)	-	10,245	-
Reversal of impairment loss	-	(70,600)	-	(284)	(70,884)
Others	-	-	-	(13)	(13)
At December 31	\$ -	\$ 12,611	\$ -	\$ 10,946	\$ 23,557

For provisioned loss for the years ended December 31, 2022 and 2021, the reversal of (provision for) impairment losses arising from customers' contracts amounted to (\$36,872) and \$70,884, respectively.

(c) Liquidity risk

- Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- The table below analyses the Company'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:



Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accounts payable (including related parties)	\$ 17,199,437	\$ -	\$ -	\$ -
Other payables (including related parties)	16,029,252	-	-	-
Lease liabilities (including current portion)	57,441	52,280	98,717	362,316
Bonds payable	-	-	10,900,000	700,000
Long-term borrowings	-	30,411,656	1,805,000	-

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 1,400,000	\$ -	\$ -	\$ -
Accounts payable (including related parties)	11,538,868	-	-	-
Other payables (including related parties)	13,798,407	-	-	-
Lease liabilities (including current portion)	28,461	23,863	47,299	343,667
Long-term borrowings	-	37,354,080	5,949,700	-

- iii. The Company 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, short-term borrowings, other receivables, accounts payable, other payables and long-term borrowings 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	\$ 33,824	\$ -	\$ -	\$ 33,824
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value				
through other comprehensive income				
Equity instruments	1,268,502	-	75,112	1,343,614
	<u>\$ 1,302,326</u>	<u>\$ 900,000</u>	<u>\$ 75,112</u>	<u>\$ 2,277,438</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity instruments	\$ 40,658	\$ -	\$ 7,064	\$ 47,722
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value				
through other comprehensive income				
Equity instruments	1,060,528	-	75,112	1,135,640
	<u>\$ 1,101,186</u>	<u>\$ 900,000</u>	<u>\$ 82,176</u>	<u>\$ 2,083,362</u>

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

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

	<u>Listed shares</u>
Market quoted 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 Company 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 output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company'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 Company'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 parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- (e) The Company 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	2021
	Equity securities	Equity securities
At January 1	\$ 82,176	\$ 171,153
Losses recognised in other comprehensive income	- (	88,931)
Gains recognised in profit or loss	189	16,870
Acquired during the year	-	14,710
Proceeds from capital reduction	- (	31,626)
Disposals during the period	(4,774)	-
Others	(2,479)	-
At December 31	\$ 75,112	\$ 82,176

G. 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.

H. 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 (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 60,402	Most recent non-active market price	Not applicable	-	Not applicable
	14,710	Market comparable companies	Price to book ratio multiple	1.44~3.50 (1.98)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 82,176	Most recent non-active market price	Not applicable	-	Not applicable

- I. The Company'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. There was no such situation as of December 31, 2021. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 for the year ended December 31, 2022 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%	\$ -	\$ -	\$ 264	(\$ 264)



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: None.
- 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 table 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

Major shareholders information: Please refer to table 12.

14. OPERATING SEGMENT INFORMATION

Refer to the consolidated financial statements of the Company and subsidiaries for the operating segment information.



DELTA ELECTRONICS, INC.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022

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

Items	Summary	Amount	Note
Cash on hand and revolving funds		\$ 3,043	
Demand deposits		1,458,462	
Foreign exchange deposits	(USD 9,302 thousand, exchange rate: 30.710)	285,661	
	(JPY 250,835 thousand, exchange rate: 0.2324)	58,294	
	(HKD 3,352 thousand, exchange rate: 3.938)	13,202	
	(EUR 2,710 thousand, exchange rate: 32.720)	88,680	
	(RMB 92 thousand, exchange rate: 4.41451)	404	
Checking accounts deposits		830	
		<u>\$ 1,908,576</u>	



DELTA ELECTRONICS, INC.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022

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

Customer name	Summary	Amount	Note
A Company		\$ 1,754,591	
B Company		1,503,372	
C Company		503,225	
Others (Note)		5,635,919	The balance of each customer has not exceeded 5% of accounts receivable.
		9,397,107	
Less: Allowance for bad debts		(48,383)	
		<u>\$ 9,348,724</u>	

Note: The accounts receivable past due over one year amounted to \$4,586 for which the Company has recognised allowance for doubtful accounts.



DELTA ELECTRONICS, INC.
DETAILS OF INVENTORIES
DECEMBER 31, 2022

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

Items	Amount		Note
	Cost	Market value	
Raw materials	\$ 7,674,021	\$ 7,715,150	The net realisable value is the net market value.
Work in progress	875,645	875,645	"
Finished goods	3,186,901	3,366,523	"
Inventory in transit	<u>260,629</u>	<u>260,629</u>	"
	<u>\$ 11,997,196</u>	<u>\$ 12,217,947</u>	

Note: As at December 31, 2022, the amount of loss on market value decline and obsolete and slow-moving inventories is \$2,718,494.



DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Opening balance		Additions		Reductions		Ending balance		Market price or value per share				
	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Ownership (%)	Amount	Price (in NTD)	Total price	For collateralize and pledge	Footnote
Delta International Holding Limited B.V.	67,680	\$ 67,930,550	-	\$ 8,806,085	-	\$ -	67,680	100.00	\$ 76,736,635	\$ 1,133.82	\$ 76,736,635	None	
Cyntec Co., Ltd.	2,341,204	32,778,207	-	4,663,316	-	-	2,341,204	100.00	37,441,523	15.99	37,441,523	<i>ii</i>	
Delta Networks Holding Limited	83,800	1,839,478	-	321,104	-	-	83,800	100.00	2,160,582	25.78	2,160,582	<i>ii</i>	
Delta Electronics Int'l (Singapore) Pte. Ltd.	45,234	43,913,221	-	17,030,507	-	-	45,234	100.00	60,943,728	1,347.29	60,943,728	<i>ii</i>	
Delta Electronics (Thailand) Public Company Limited	69,128	4,473,063	-	625,791	-	-	69,128	5.54	5,098,854	742.10	51,300,200	<i>ii</i>	
Allied Material Technology Corp (Note2)	211,401	1,585,464	-	- (211,401)	(1,585,464)	-	-	-	-	-	-	-	
Delta Electronics Capital Company	350,000	4,024,563	41,967	-	- (86,696)	-	391,967	100.00	3,937,867	10.05	3,937,867	None	
Delta Electronics (Netherlands) B.V.	128,492	23,258,370	-	2,885,629	-	-	128,492	100.00	26,143,999	203.47	26,143,999	<i>ii</i>	
DeBio Inc.	21,762	208,627	-	-	- (24,830)	-	21,762	100.00	183,797	8.45	183,797	<i>ii</i>	
Delta America Ltd.	2,100	285,784	-	-	- (215,978)	-	2,100	10.26	69,806	33.24	69,806	<i>ii</i>	
Vivotec Inc.	47,692	4,110,543	1,436	386,873	-	-	49,128	56.75	4,497,416	197.00	12,581,696	<i>ii</i>	
Chungwa SEA Holdings	880	8,569	-	-	- (220)	-	880	44.00	8,349	9.49	8,349	<i>ii</i>	
Deinind Inc.	-	-	21,000	195,819	-	-	21,000	70.00	195,819	9.32	195,819	<i>ii</i>	
Aucera Semiconductors Inc.	-	-	37,000	386,576	-	-	37,000	67.03	386,576	10.45	386,576	<i>ii</i>	
Total		\$ 184,416,439		\$ 35,301,700		(\$ 1,913,188)			\$ 217,804,951		\$ 272,090,577		

Note 1: Shares in thousands.

Note 2: The investee was merged with the Company in 2022 and was dissolved after the merger with the Company in May 2022.



DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
AND ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to Note 6(7) disclosure.



DELTA ELECTRONICS, INC.
DETAILS OF LONG-TERM BORROWINGS
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Creditor	Summary	Ending balance	Contract period	Interest Rate	Collateralize or pledge	Note
Citibank	Credit Loans	\$ 2,821,300	2022.12.12~2024.12.11	1.46%~5.17%	None	-
DBS Bank, Ltd.	"	4,713,190	2022.09.01~2024.08.30	1.68%~5.09%	"	-
CTBC Bank Co., Ltd.	"	9,135,000	2022.10.01~2026.07.15	1.205%~1.59%	"	-
TFB Bank, Ltd.	"	280,000	2022.06.16~2024.06.16	1.38%	"	-
Mizuho Bank, Ltd.	"	8,080,000	2022.07.01~2024.07.01	1.48%~1.49%	"	-
Sumitomo Mitsui Banking Corporation	"	2,320,000	2022.06.01~2024.05.31	1.49%	"	-
Taishin International Bank	"	4,867,166	2022.08.23~2024.09.15	0.935%~1.135%	"	-
		<u>\$ 32,216,656</u>				

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DELTA ELECTRONICS, INC.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount				Carrying Amount	Repayment Term	Collateral	Note
					Total Issuance Amount	Repayment Paid	Ending Balance	Unamortized Premiums (Discounts)				
2022 first unsecured ordinary corporate bonds - Tranche A	CTBC Bank Co., Ltd.	2022/4/7	Note(1)	0.85	\$ 5,900,000	\$ -	\$ 5,900,000	\$ -	\$ 5,900,000	Principal is payable in full at maturity	None	
2022 first unsecured ordinary corporate bonds - Tranche B	CTBC Bank Co., Ltd.	2022/4/7	Note(1)	0.9	700,000	-	700,000	-	700,000	"	"	
2022 second unsecured ordinary corporate bonds	CTBC Bank Co., Ltd.	2022/10/5	Note(1)	1.45	5,000,000	-	5,000,000	-	5,000,000	"	"	

Note 1: Interest is repayable annually at simple coupon rate from the issuance date.



DELTA ELECTRONICS, INC.
DETAILS OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Power electronics	\$ 16,600,407	
Automation	10,197,475	
Infrastructure	28,670,423	
Others	<u>310,657</u>	
Sales revenue	55,778,962	
Service revenue	24,791,675	
Other operating revenue	<u>2,067,241</u>	
Total operating revenue	<u>\$ 82,637,878</u>	



DELTA ELECTRONICS, INC.
DETAILS OF OPERATING COST
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Amount</u>
Raw materials at beginning	\$ 5,763,418
Add: Materials purchased for the year	23,351,756
Less: Raw materials at the end	(7,674,021)
Raw materials in transit	(67,107)
Cost of raw material sales	(875,566)
Scrapped raw materials	(117,059)
Transferred to manufacturing or operating expenses	(191,625)
Direct materials	20,189,796
Direct labor	1,058,504
Manufacturing overhead	<u>2,526,570</u>
Manufacturing cost for the year	23,774,870
Add: Work in progress at the beginning	611,928
Less: Work in progress at the end	(875,645)
Cost of finished goods for the year	23,511,153
Add: Finished goods at the beginning	2,169,100
Finished goods purchases for the year	20,955,101
Less: Finished goods at the end	(3,186,901)
Finished goods in transit	(193,522)
Scrapped finished goods	(31,477)
Transferred to manufacturing overheads or operating expenses	(308,283)
Cost of goods manufactured and sold	42,915,171
Loss on market value decline and obsolete and slow-moving inventories	1,396,935
Others	(79,345)
Cost of goods sold	44,232,761
Cost of raw material sales	875,566
Cost of services	5,968,843
Other operating costs	<u>1,842,751</u>
Operating costs	<u>\$ 52,919,921</u>



DELTA ELECTRONICS, INC.
DETAILS OF MANUFACTURING OVERHEAD
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 978,831	
Depreciation	686,841	
Others	<u>860,898</u>	The balance of each expense account has not exceeded 5% of manufacturing overhead.
Total	<u>\$ 2,526,570</u>	



DELTA ELECTRONICS, INC.
DETAILS OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Wages and Salaries	\$ 969,498	
Freight	174,149	
Others	<u>208,933</u>	The balance of each expense account has not exceeded 5% of selling expenses.
Total	<u>\$ 1,352,580</u>	



DELTA ELECTRONICS, INC.
DETAILS OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 1,597,601	
Depreciation	655,141	
Others	<u>1,045,419</u>	The balance of each expense account has not exceeded 5% of general and administrative expenses.
Total	<u>\$ 3,298,161</u>	



DELTA ELECTRONICS, INC.
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 10,739,463	
Depreciation	780,753	
Others	4,224,692	The balance of each expense account has not exceeded 5% of research and development expenses.
Total	\$ 15,744,908	



DELTA ELECTRONICS, INC.
DETAILS OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Function	2022			2021		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Nature						
Employee benefit expense						
Salaries and Wages	\$ 4,011,218	\$ 13,306,562	\$ 17,317,780	\$ 3,107,967	\$ 10,877,764	\$ 13,985,731
Labor and Health insurance	253,256	760,312	1,013,568	210,433	671,650	882,083
Pension	51,327	468,691	520,018	40,702	399,357	440,059
Directors' remuneration	-	55,408	55,408	-	44,200	44,200
Others	308,532	353,597	662,129	252,324	292,458	544,782
Depreciation	686,841	1,451,381	2,138,222	650,071	1,191,842	1,841,913
Amortisation	3,816	575,782	579,598	1,835	602,378	604,213

Note: A. As at December 31, 2022 and 2021, the number of the Company's employees were 10,664 and 9,786 (excluding overseas employees), including 7 and 6 non-employee directors, respectively.

B. For the entity that its shares are listed on the Taiwan Stock Exchange or traded in the Taipei Exchange, the following additional disclosures are required:

- (a) The average employee benefit expense for the current year was \$1,831 thousand ('total employee benefit expense for the current year - total directors' remuneration / 'the number of employees in the current year - the number of non-employee directors'). The average employee benefit expense for the previous year was \$1,621 thousand ('total employee benefit expense for the previous year - total directors' remuneration' / 'the number of employees in the previous year - the number of non-employee directors').
- (b) The average employee salaries and wages for the current year was \$1,625 thousand (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors'). The average employee salaries and wages for the previous year was \$1,430 thousand (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors').
- (c) The variation in the adjustments of the average employee salaries and wages was 13.64%. ('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / 'the average employee salaries and wages for the previous year').
- (d) Please refer to Note 6(25)A. for the Company's compensation policy.



Delta Electronics, Inc.
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 December 31, 2022	Interest rate (Note 7)	Nature of loan (Note 6)	Amount of transactions with the borrower \$	Reason for short-term financing operating capital	Allowance for doubtful accounts \$	Collateral	Limit on loans granted to a single party \$	Ceiling on total loans granted \$	Footnote Note 5
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	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	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	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	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	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	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	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	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	Note 5
3	ELTEK AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	32,720	-	-	1.90%	2	-	Additional operating capital	-	None	-	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	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	Note 5



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 operating capital	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.	Ellek 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



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	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.
Provision of endorsements and guarantees to others
Year ended December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 2

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 subsidiary parent company to subsidiary	Provision of endorsements / guarantees by subsidiary company to parent	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELITEK 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 ELITEK AS's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 30% of ELITEK AS's net assets based on the latest audited or reviewed financial statements, and limit on endorsements single party is 30% of ELITEK 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.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 3

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.	Beiacer 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	



Delta Electronics, Inc.
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		Number of shares	Disposal			Balance as at December 31, 2022		Footnote
					Number of shares	Amount	Number of shares	Amount		Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Delta Electronics (HK) Ltd.	Delta Electronics (Chongqing) Ltd.	Investment's accounted for under equity method	Delta Electronics (Chongqing) Ltd.	Affiliated enterprise	-	\$ -	-	\$ 886,098 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 886,098	
Delta Electronics, Inc.	Ancora Semiconductors Inc.	Investment's accounted for under equity method	Ancora Semiconductors Inc.	Affiliated enterprise	-	-	-	37,000,000 (Note 2)	-	-	-	-	-	37,000,000	386,576
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	Investment's accounted for under equity method	(Note 3)	None	-	-	-	334 (Note 4)	-	-	-	-	-	100	3,002,839
ELITEK AS	Grøtvedtveien 8 AS	Investment's accounted for under equity method	Grøtvedtveien 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.	Investment's accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	-	-	-	-	914,683	814,240 (Note 8)	(Note 6)	-	-	-
Cyntec Holding (HK) Limited	Cyntec Electronics (Suzhou) Co., Ltd	Investment's 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, L.P., Francisco Partners Parallel Fund II, L.P., Celler 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: ELITEK AS increased its investment in Grøtvedtveien 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 (H.K.) 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.
Acquisition of real estate reaching NIS300 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 development	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 \$			
Anerlux, 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	"	CREFIL-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 Wangxinmiyong 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 Nsihu, 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.
Disposal 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 6

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

Table 7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics, Inc.	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.	Cyatec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	177,801	0.20	70 days			460	-	
Delta Electronics, Inc.	Cyatec 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			138,477	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 (Pugan) 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	



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 (Wufu) 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	



	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	
	ELITEK AS	ELITEK MEA DMCC	Affiliated enterprise	Operating revenue	151,193	3.14	70 days				103,342	9.72	
	ELITEK AS	DELTA Electronics (Germany) GmbH	Affiliated enterprise	Operating revenue	675,107	13.84	70 days				166,564	15.66	
	ELITEK AS	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	134,576	2.74	70 days				22,677	2.13	
	ELITEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	Operating revenue	660,281	13.52	70 days				157,672	14.82	
	ELITEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	Operating revenue	586,233	12.05	70 days				169,648	15.94	
	ELITEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	Operating revenue	102,935	2.11	70 days				55,759	5.24	
	ELITEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	308,162	6.28	70 days				26,771	2.52	
	ELITEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	162,460	3.35	70 days				21,177	1.99	
	ELITEK AS	Elek 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.	ELITEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	Affiliated enterprise	Operating revenue	151,440	0.04	90 days after delivery				118,745	0.18	



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		



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		



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.	Ellek 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 Pte. 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	



	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.
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
December 31, 2022

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

Table 8

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	\$ 1,033,014	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 ELECTRONICS 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	



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 (Hangsu) 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.	Elitek 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	



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	



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.	Elitek s.r.o.	Affiliated enterprise	196,320	-	-		-	
ELITEK AS	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	392,640	-	-		-	
ELITEK AS	Elitek 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.
Significant inter-company transactions during the reporting period
Year ended December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 9

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			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 7)	Transaction terms	
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



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

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.
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.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	37,441,523	1,288,587	1,349,610	(Note 6)
Delta Electronics, Inc.	DeBio 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	69,306	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	49,128,658	56.75	4,497,416	702,194	305,660	(Note 6)
Delta Electronics, Inc.	Chungwa SEA Holdings	Taiwan	Equity investments	8,800	8,800	880,000	44.00	8,349	(501)	(220)	(Note 6)
Delta Electronics, Inc.	Dehund 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.	Ancera 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	Ancera 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	5,000	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	1,62,729	(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.	ELITEK 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 (HK.) 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	183,795	2,733,483	100.00	272,570	46,726	46,726	(Note 2)
Delta Electronics (HK.) Ltd.	Elekenergy International de Mexico, 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 (HK.) 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	1,925,916	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)



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.	Trihedra 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)
Cytec 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)
Cytec 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	IDET 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)



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.	Onus 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.	Realvm 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)
Realvm 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)
Realvm Investment Inc.	Astek 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)
Realvm 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)
Realvm Investment Inc.	Skyvotek 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 (HK) 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 Holding Limited.

Note 5: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Cynsee 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 Realvm 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 Realvm 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.
Information on investments in Mainland China
Year ended December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 11

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		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						
Investee in Mainland China Delta Electronics (Dongguan) Co., Ltd.	Main business activities Manufacturing and sales of transformer and thermal products	\$ 4,296,636	Invested by DHK	\$ 5,121,671	-	-	\$ 905,674	100.00	\$ 921,727	\$ 6,006,329	\$ 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	-	-	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	-	-	224,958	100.00	224,690	4,455,100	-	(Notes 7 and 13)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,894,730	Invested by DHK	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	-	-	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	-	-	(8,697)	100.00	(8,697)	(88,619)	-	(Notes 9 and 13)
Delta Electronics (Pongran) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	132,435	Invested by DHK	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	-	-	5,824	100.00	5,824	175,172	-	(Notes 10 and 13)
Delta Electronics (Xian) Co., Ltd.	Sales of computer, peripheral equipment and software	242,798	Invested by DHK	259,760	-	-	1,126	100.00	1,126	198,045	-	(Note 13)
Cynte 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	-	-	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	-	-	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							
Investee in Mainland China Delta Networks (Xiamen) Ltd.	Main business activities 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 DNEHC	\$ 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, Broom and DCSG	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 DHC	921,300	-	-	921,300	171,211	100.00	171,211	1,177,866	-	(Notes 13 and 20)
Fujian Kaxin 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)



Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittances 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
					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	\$ -
Universal Instruments Mfg (Shenzhen) Co. Ltd.	Precision automation solutions	127,884	Invested by UI European Holdings, Cooperatief U.A.	-	-	-	-	96,667	100.00	96,667	(86,522)	-

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 Cytelco 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 Holdings, Cooperatief U.A.

Note 22: Remittances 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
DeIBio 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 NT\$36.71 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 DeIBio 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: DeIBio Inc. remitted back the investment income of US\$785 thousand on August 23, 2022 from the investee company in Mainland China, DeIBio (Wujiang) Co., Ltd., and was permitted by Investment Commission on September 29, 2022, which are deductible from DeIBio Inc.'s accumulated amount remitted out of Taiwan to Mainland China.



Delta Electronics, Inc.
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%



► 7.3 Audit Committee's review report for the most recent year's financial statement

Audit Committee's Review Report

Attention: Annual General Shareholders' Meeting of Delta Electronics, Inc. 2023

We, the Audit Committee of the Company have reviewed the business report, parent company only financial statements, consolidated financial statements and proposal for earnings distribution of the Company for the year 2022 in accordance with applicable laws and regulations and found the same have been complied with. We hereby report to the shareholders as described above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit Committee of Delta Electronics, Inc.

Convenor of the Audit Committee: Ji-Ren Lee

Date: February 22, 2023



► 7.4 Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years

7.4.1 Condensed Balance Sheet - Consolidated (Based on IFRSs)

Unit: NT\$1,000

Item	Year	Financial information for the past five fiscal years (Note 1)					Current year to March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current Assets		\$157,305,906	\$147,558,191	\$174,886,855	\$196,878,194	\$240,450,466	\$238,393,011
Property, Plants and Equipment (Note 2)		46,428,874	63,590,981	68,441,975	76,607,285	86,266,587	89,136,306
Intangible Assets		32,628,388	82,432,653	75,459,630	73,609,564	77,169,854	77,229,255
Other Assets (Note 2)		25,572,256	17,455,465	17,627,755	18,017,267	21,986,899	21,878,767
Total Assets		261,935,424	311,037,290	336,416,215	365,112,310	425,873,806	426,637,339
Current Liabilities	Before Distribution	80,628,980	85,726,160	94,023,501	108,169,477	125,013,428	117,211,011
	After Distribution	93,616,697	98,713,877	108,309,989	122,455,965	(Note 4)	(Note 4)
Non-Current Liabilities		41,845,536	50,956,688	63,803,073	70,818,175	75,493,193	75,587,349
Total Liabilities	Before Distribution	122,474,516	136,682,848	157,826,574	178,987,652	200,506,621	192,798,360
	After Distribution	135,462,233	149,670,565	172,113,062	193,274,140	(Note 4)	(Note 4)
Equity attributable to owners of the parent		130,271,159	140,156,877	145,899,338	154,786,522	186,788,907	193,275,674
Share Capital		25,975,433	25,975,433	25,975,433	25,975,433	25,975,433	25,975,433
Capital Surplus		48,397,067	49,103,331	49,202,505	49,114,151	49,321,767	49,321,767
Retained Earnings	Before Distribution	63,459,691	72,700,147	83,264,608	95,863,661	114,460,385	121,387,297
	After Distribution	50,471,974	59,712,430	68,978,120	81,577,173	(Note 4)	(Note 4)
Other Equity		(7,561,032)	(7,622,034)	(12,543,208)	(16,166,723)	(2,968,678)	(3,408,823)
Treasury Stock (Note 5)		-	-	-	-	-	-
Non-controlling interest		9,189,749	34,197,565	32,690,303	31,338,136	38,578,278	40,563,305
Total Equity	Before Distribution	139,460,908	174,354,442	178,589,641	186,124,658	225,367,185	233,838,979
	After Distribution	126,473,191	161,366,725	164,303,153	171,838,170	(Note 4)	(Note 4)

Note 1 : All financial data from 2018 to 2022 are audited by the CPA.

Note 2 : No asset revaluation was conducted in these stated fiscal years.

Note 3 : The latest financial reports reviewed by the CPA on the date of publication of the annual report April 27, 2023 is the financial report on March 31, 2023.

Note 4 : The earnings distribution for 2022 has not been approved by the shareholders' meeting, therefore the figures after distribution are not listed.

Note 5 : Not applicable to the Company.



7.4.2 Condensed Income Statements - Consolidated (Based on IFRSs)

Unit: NT\$1,000 (EPS=NT\$)

Item \ Year	Financial information for the most recent five years (Note 1)					Current year to March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Sales Revenue	\$237,017,809	\$268,131,397	\$282,605,493	\$314,670,796	\$384,443,308	\$92,859,244
Gross Profit	63,554,387	74,496,145	87,212,378	90,209,451	110,772,563	25,567,704
Operating Profit	18,166,723	19,408,790	31,425,804	31,364,741	41,438,824	8,406,588
Non-operating Income and Expenses	4,634,305	9,745,619	2,849,479	4,262,806	4,626,474	1,552,713
Profit before Income Tax	22,801,028	29,154,409	34,275,283	35,627,547	46,065,298	9,959,301
Profit from Continued Operations	18,648,584	23,927,756	27,384,339	28,499,233	36,990,738	7,971,081
Gain (Loss) from Discontinued Operations (Note 3)	-	-	-	-	-	-
Profit for the Year	18,648,584	23,927,756	27,384,339	28,499,233	36,990,738	7,971,081
Other Comprehensive Income (Loss) for the Year	602,036	(62,017)	(8,950,039)	(4,958,506)	17,160,926	(285,356)
Total Comprehensive Income for the Year	19,250,620	23,865,739	18,434,300	23,540,727	54,151,664	7,685,725
Profit Attributable to Owners of the Parent	18,193,093	23,117,797	25,485,231	26,796,302	32,665,728	6,907,725
Profit Attributable to Non- controlling Interest	455,491	809,959	1,899,108	1,702,931	4,325,010	1,063,356
Comprehensive Income Attributable to Owners of the Parent	18,813,838	22,165,228	18,689,957	23,262,018	46,081,891	6,486,767
Comprehensive Income Attributable to Non- controlling Interest	436,782	1,700,511	(255,657)	278,709	8,069,773	1,198,958
Earnings Per Share	7.00	8.90	9.81	10.32	12.58	2.66

Note 1: All financial data from 2018 to 2022 are audited by the CPA.

Note 2: The latest financial reports reviewed by the CPA on the date of publication of the annual report April 27, 2023 is the financial reports on March 31, 2023.

Note 3: The gain (loss) from discontinued operations are the net amount after deducting income tax.



7.4.3 Condensed Balance Sheet - Parent Company Only (Based on IFRSs)

Year		Financial information for the most recent five years (Note 1)					Unit: NTS1,000
		2018	2019	2020	2021	2022	Current year to March 31, 2023 (Note 2)
Item							
Current Assets		\$12,787,307	\$16,545,412	\$24,105,871	\$29,163,810	\$35,980,749	
Property, Plants and Equipment (Note 3)		14,686,584	19,793,789	23,201,266	24,975,829	27,563,418	
Intangible Assets		944,431	1,008,581	1,338,725	1,907,000	1,026,018	
Other Assets (Note 3)		148,613,876	164,456,369	176,679,099	188,615,018	222,487,793	
Total Assets		177,032,198	201,804,151	225,324,961	244,661,657	287,057,978	
Current Liabilities	Before Distribution	19,991,835	22,589,246	27,265,368	30,920,291	38,509,817	
	After Distribution	32,979,552	35,576,963	41,551,856	45,206,779	(Note 4)	
Non-Current Liabilities		26,769,204	39,058,028	52,160,255	58,954,844	61,759,254	
Total Liabilities	Before Distribution	46,761,039	61,647,274	79,425,623	89,875,135	100,269,071	
	After Distribution	59,748,756	74,634,991	93,712,111	104,161,623	(Note 4)	
Equity attributable to owners of the parent		-	-	-	-	-	NA
Share Capital		25,975,433	25,975,433	25,975,433	25,975,433	25,975,433	
Capital Surplus		48,397,067	49,103,331	49,202,505	49,114,151	49,321,767	
Retained Earnings	Before Distribution	63,459,691	72,700,147	83,264,608	95,863,661	114,460,385	
	After Distribution	50,471,974	59,712,430	68,978,120	81,577,173	(Note 4)	
Other Equity		(7,561,032)	(7,622,034)	(12,543,208)	(16,166,723)	(2,968,678)	
Treasury Stock (Note 5)		-	-	-	-	-	
Non-controlling interest		-	-	-	-	-	
Total Equity	Before Distribution	130,271,159	140,156,877	145,899,338	154,786,522	186,788,907	
	After Distribution	117,283,442	127,169,160	131,612,850	140,500,034	(Note 4)	

Note 1: All financial data from 2018 to 2022 are audited by the CPA.

Note 2: The latest financial data reviewed by the CPA on the date of publication of this annual report April 27, 2023, please see "7.4.1 Condensed Balance Sheet - Consolidated (Based on IFRSs)"

Note 3: No asset revaluation was conducted in these stated fiscal years.

Note 4: The earnings distribution for 2022 has not yet been approved by the shareholders' meeting, therefore the figure after distribution is not listed.

Note 5: Not applicable to the Company.



7.4.4 Condensed Income Statements - Parent Company Only (Based on IFRSs)

Unit: NT\$1,000 (EPS=NT\$)

Item \ Year	Financial information for the most recent five years (Note 1)					Current year to March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Sales Revenue	\$38,948,885	\$47,945,673	\$58,184,137	\$66,921,116	\$82,637,878	
Gross Profit	12,535,782	16,350,556	21,948,273	25,852,083	29,717,957	
Operating Profit	1,437,896	1,609,646	5,672,297	8,566,141	9,285,436	
Non-operating Income and Expenses	16,933,685	23,586,291	22,878,611	21,554,000	27,804,750	
Profit before Income Tax	18,371,581	25,195,937	28,550,908	30,120,141	37,090,186	
Profit from Continued Operations	18,193,093	23,117,797	25,485,231	26,796,302	32,665,728	
Gain (Loss) from Discontinued Operations (Note 3)	-	-	-	-	-	
Profit for the Year	18,193,093	23,117,797	25,485,231	26,796,302	32,665,728	
Other Comprehensive Income (Loss) for the Year	620,745	(952,569)	(6,795,274)	(3,534,284)	13,416,163	NA
Total Comprehensive Income for the Year	18,813,838	22,165,228	18,689,957	23,262,018	46,081,891	
Profit Attributable to Owners of the Parent	-	-	-	-	-	
Profit Attributable to Non-controlling Interest	-	-	-	-	-	
Comprehensive Income Attributable to Owners of the Parent	-	-	-	-	-	
Comprehensive Income Attributable to Non-controlling Interest	-	-	-	-	-	
Earnings Per Share	7.00	8.90	9.81	10.32	12.58	

Note 1: All financial data from 2018 to 2022 are audited by the CPA.

Note 2: The latest financial data reviewed by the CPA on the date of publication of this annual report April 27, 2023, please see "7.4.2 Condensed Income Statements - Consolidated (Based on IFRSs)"

Note 3: The gain (loss) from discontinued operations are the net amount after deducting income tax.

7.4.5 Names and opinions of external auditors over the past five years

Item \ Year	Names and opinions of external auditors over the past five years				
	2018	2019	2020	2021	2022
Names of the CPA	Lin, Yu-Kuan Chou, Chien-Hung	Lin, Yu-Kuan Chou, Chien-Hung	Lin, Yu-Kuan Chou, Chien-Hung	Lin, Yu-Kuan Chou, Chien-Hung	Hsiao, Chun-Yuan Chou, Chien-Hung
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion



► 7.5 Financial analyses for the past 5 fiscal years

7.5.1 Consolidated Financial Analysis - Based on IFRSs

Analysis Item (Note 3) \ Year (Note 1)		Financial Analysis for the Past Five Fiscal Years					Comments of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022		
Financial Structure (%)	Debt Ratio	46.76	43.94	46.91	49.02	47.08	NA	45.19
	Ratio of Long-term Capital to Property, Plant and Equipment	370.71	300.54	306.39	294.50	304.04	NA	301.63
	Current Ratio	195.10	172.13	186.00	182.01	192.34	NA	203.39
Solvency (%)	Quick Ratio	151.13	123.46	135.95	118.63	126.32	NA	132.34
	Interest Coverage Ratio	4,277.51	4,084.23	9,219.72	12,170.71	8,161.27	Comment 1	4,022.64
	Accounts Receivable Turnover (Times)	4.13	4.59	4.65	4.67	4.84	NA	4.51
Operating Performance	Average Collection Days	88.38	79.52	78.49	78.16	75.41	NA	80.93
	Inventory Turnover (Times)	4.76	4.58	4.02	3.57	3.28	NA	2.86
	Accounts Payable Turnover (Times)	4.42	4.84	4.53	4.43	4.67	NA	4.53
	Average Days in Sales	76.68	79.69	90.80	102.24	111.28	NA	127.62
	Property, Plant and Equipment Turnover (Times)	5.22	4.87	4.28	4.34	4.72	NA	4.24
	Total Assets Turnover (Times)	0.92	0.94	0.87	0.90	0.97	NA	0.87
	Return on Total Assets (%)	7.27	8.27	7.97	7.71	8.38	NA	6.67
Profitability	Return on Equity (%)	14.28	17.10	17.82	17.82	19.13	NA	14.54
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 7)	87.78	112.24	131.95	137.16	177.34	Comment 2	153.36
	Profit Ratio (%)	7.68	8.62	9.02	8.52	8.50	NA	7.44
	Earnings Per Share (NT\$)	7.00	8.90	9.81	10.32	12.58	NA	2.66
	Cash Flow Ratio (%)	29.36	48.89	49.83	26.18	37.22	Comment 3	50.38
Cash Flow	Cash Flow Adequacy Ratio (%)	103.11	90.33	93.31	76.06	79.09	NA	84.46
	Cash Reinvestment Ratio (%)	5.27	13.63	13.96	5.31	10.28	Comment 3	10.30
Leverage	Operating Leverage	3.41	3.75	2.70	2.80	2.62	NA	3.02
	Financial Leverage	1.03	1.04	1.01	1.01	1.01	NA	1.03

Comments of financial ratio difference exceeding 20% for the last two years:

Comment 1: The decrease in interest coverage ratio was mainly due to the increase in interest expenses.

Comment 2: The increase in pre-tax income to paid-in capital ratio was mainly due to the increase in pre-tax income.

Comment 3: The increase in cash flow ratio and cash reinvestment ratio was mainly due to the increase in cash flow from operating income.

Note 1: The financial analysis figures from 2018 to 2022 are audited by CPA.

Note 2: The latest financial reports reviewed by the CPA on the date of publication of the annual report April 27, 2023 is the financial reports on March 31, 2023 and it is included in the analysis.



Note 3: The calculation formulas of the analysis items are as below.

1. Financial Structure:

- (1) Debt Ratio= Total liabilities/Total assets
- (2) Ratio of Long-term Capital to Property, Plant and Equipment= (Total equity+ non- current liabilities)/Net Property, Plant and Equipment

2. Solvency:

- (1) Current Ratio= Current assets/Current liabilities
- (2) Quick Ratio= (Current assets-inventories-prepaid expenses)/Current liabilities
- (3) Interest Coverage Ratio= Income before tax and interest expenses/Current Interest expenses

3. Operating Performance:

- (1) Accounts Receivable (included accounts receivable and operating notes receivable) Turnover= Net sales/Average accounts receivable for each period (included accounts receivable and operating notes receivable)
- (2) Average Collection Days= 365/Accounts receivable turnover
- (3) Inventory Turnover= Cost of sale/Average inventories
- (4) Accounts Payable (included accounts payable and operating notes payable) Turnover= Cost of sales/Average accounts payable for each period (included accounts payable and operating notes payable)
- (5) Average Days in Sales= 365/Inventory turnover
- (6) Property, Plant and Equipment Turnover= Net sales/Net average of Property, Plant and Equipment
- (7) Total Assets Turnover= Net sales/Average of total assets

4. Profitability:

- (1) Return on Total Assets= [Net income after tax+ interest expense×(1 - tax rate)]/Average of total assets
- (2) Return on Equity= Net income after tax/Average of equity
- (3) Profit Ratio= Net income after tax/Net sales
- (4) Earnings Per Share = Net income attributable to owners-preferred share dividends/Weighted average of outstanding shares (Note4)

5. Cash Flow:

- (1) Cash Flow Ratio= Net cash flow from operating activities/Current liabilities
- (2) Cash Flow Adequacy Ratio= Net cash flow from operating activities in recently five years/Recently five years of (capital expenses+ increase in inventories+ cash dividend)
- (3) Cash Reinvestment Ratio= (Net cash flow from operating activities- cash dividends)/(Gross Property, Plant and Equipment+ long-term investments +other non-current assets+ working capital)

6. Leverage:

- (1) Operating Leverage= (Net sales - variable operating cost and expense)/Operating income (Note 6)
- (2) Financial Leverage= Operating income/(Operating income - interest expense)

Note 4: The calculation formula of the above earnings per share shall consider the following items for evaluation:

- 1. The evaluation shall be based on the weighted average number of common shares instead of the number of shares outstanding at the end of the year.
- 2. Capital increase by cash or treasury shares transaction shall be based on the issuance period of the shares and calculate the weighted average number of shares.
- 3. Increase of capital by transferring from retained earnings or by capital surplus shall be based on the proportion of capital increase when calculating the annual or the semiannual earnings per share of the previous year. The issuance period of shares does not be taken into consideration.
- 4. If the preferred share is a non-convertible accumulative preferred share, its annual dividend (whether paid or not) shall be deducted from the net income after tax, or increase the net loss after tax. If the preferred share is non-cumulative, in the case of net profit after tax, the preferred share dividend shall be deducted from the net profit after tax. It shall not be adjusted in the case if there is a loss.

Note 5: The cash flow analysis shall consider the following items for evaluation:

- 1. Net cash flow from operating activities refers to the net cash inflows from operating activities in the cash flow statement.
- 2. Capital expense refers to the number of cash outflows per year of capital investment.
- 3. The increase in inventory is only included when the ending balance is greater than the beginning balance. If the inventory is decreased at the end of the year, it is calculated as zero.
- 4. Cash dividends include cash dividends for common shares and preferred shares.
- 5. The gross property, plant and equipment value refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer shall classify various operating costs and operating expenses into non-current and current items. Any estimation or subjective judgment shall consider the reasonableness and consistency.

Note 7: If the Company issues shares without a par value or the face value the shares is not NT\$10, the above calculation of the proportion of the paid-up capital shall be based on the interests attributable to parent company in the balance sheet.



7.5.2 Parent Only Financial Analysis - Based on IFRSs

Analysis Item (Note 3)		Financial Analysis for the Last Five Years					Comments of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022		
Financial Structure (%)	Debt Ratio	26.41	30.55	35.25	36.73	34.93	NA	NA
	Ratio of Long-term Capital to Property, Plant and Equipment	1,069.28	905.41	853.66	855.79	901.73	NA	
Solvency (%)	Current Ratio	63.96	73.24	88.41	94.32	93.43	NA	
	Quick Ratio	51.62	52.66	69.17	67.87	65.93	NA	
	Interest Coverage Ratio	22,009.01	19,068.13	15,475.16	14,394.87	7,847.59	Comment 1	
	Accounts Receivable Turnover (Times)	4.77	5.38	4.88	4.66	5.05	NA	
Operating Performance	Average Collection Days	76.52	67.84	74.80	78.33	72.28	NA	
	Inventory Turnover (Times)	14.54	9.67	7.16	5.80	5.15	NA	
	Accounts Payable Turnover (Times)	3.26	3.34	3.34	3.55	3.68	NA	
	Average Days in Sales	25.10	37.75	50.98	62.93	70.87	NA	
	Property, plant and equipment Turnover (Times)	2.94	2.78	2.71	2.78	3.15	NA	
	Total Assets Turnover (Times)	0.23	0.25	0.27	0.28	0.31	NA	
Profitability	Return on Total Assets (%)	10.74	12.26	12.00	11.47	12.43	NA	
	Return on Equity (%)	14.28	17.10	17.82	17.82	19.13	NA	
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 4)	70.73	97.00	109.92	115.96	142.79	Comment 2	
	Profit Ratio (%)	46.71	48.22	43.80	40.04	39.53	NA	
	Earnings Per Share (NT\$)	7.00	8.90	9.81	10.32	12.58	Comment 3	
	Cash Flow Ratio (%)	34.40	43.75	30.00	38.87	52.63	Comment 4	
Cash Flow	Cash Flow Adequacy Ratio (%)	65.45	61.65	58.63	56.78	57.84	NA	
	Cash Reinvestment Ratio (%)	-3.77	-1.67	-2.34	-1.02	2.28	Comment 4	
Leverage	Operating Leverage	8.60	10.52	4.08	3.18	3.40	NA	
	Financial Leverage	1.06	1.09	1.03	1.03	1.05	NA	

Comments of financial ratio difference exceeding 20% for the last two years:

Comment 1: The decrease in interest coverage ratio was mainly due to the increase in interest expenses.

Comment 2: The increase in pre-tax income to paid-in capital ratio was mainly due to the increase in pre-tax income.

Comment 3: The increase in earnings per share was mainly due to the increase in profit for the year.

Comment 4: The increase in cash flow ratio and cash reinvestment ratio was mainly due to the increase in cash flow from operating income.

Note 1: The financial analysis figures from 2018 to 2022 are audited by CPA.

Note 2: The financial analysis reviewed by the CPA on the date of publication of this annual report April 27, 2023, please see 7.5.1 Consolidated Financial Analysis – Based on IFRS.

Note 3: The calculation formulas are based on the descriptions in the Note 3 in 7.5.1 Consolidated Financial Analysis – Based on IFRS.



Note 4: If the company issues shares without a par value or the face value the shares is not NT\$10, the calculation of the proportion of the paid-up capital shall be based on the interests attributable to parent company in the balance sheet.

► **7.6 The financial situation of the Company and its affiliates**

The Company and its affiliates have not incurred any financial or cash flow difficulties in last year and as of the date of publication of this Annual Report.



8. Review and Analysis of Financial Position and Financial Performance, and Risks Assessment

► 8.1 Financial position

Unit: NT\$ 1,000

Item	Year	December 31, 2022	December 31, 2021	Difference	%	Comment (Note)
Current assets		\$240,450,466	\$196,878,194	\$43,572,272	22	Comment 1
Property, plant and equipment		86,266,587	76,607,285	9,659,302	13	NA
Intangible assets		77,169,854	73,609,564	3,560,290	5	NA
Other assets		21,986,899	18,017,267	3,969,632	22	Comment 2
Total assets		425,873,806	365,112,310	60,761,496	17	NA
Current liabilities		125,013,428	108,169,477	16,843,951	16	NA
Non-current liabilities		75,493,193	70,818,175	4,675,018	7	NA
Total liabilities		200,506,621	178,987,652	21,518,969	12	NA
Share capital		25,975,433	25,975,433	-	-	NA
Capital surplus		49,321,767	49,114,151	207,616	-	NA
Retained earnings		114,460,385	95,863,661	18,596,724	19	NA
Other equity interest		(2,968,678)	(16,166,723)	13,198,045	(82)	Comment 3
Non-controlling interest		38,578,278	31,338,136	7,240,142	23	Comment 4
Total equity		225,367,185	186,124,658	39,242,527	21	Comment 5

Note: detailed analysis is not required when difference in the rate of variance is not more than 20% or the indicated amount is not more than NT\$ 10 million.

Comment 1: The increase in current assets was mainly due to the increase in cash flows from operating activities and cash in banks, the increase in accounts receivables from operating revenue and the increase in inventories.

Comment 2: The increase in other assets was mainly due to the increase in right-of-use assets, deferred income tax assets and other non-current assets.

Comment 3: The increase in other equity interest was mainly due to the decrease in exchange difference stated in financial statements of foreign operating organizations.

Comment 4: The increase in non-controlling interest was mainly due to the increase in net profit attributable to non-controlling interest and other comprehensive income.

Comment 5: The increase in total equity was mainly due to the increase in profit and the decrease in exchange difference stated in financial statements of foreign operating organizations.



► 8.2 Financial performance

Unit: NTS 1,000

Item \ Year	2022	2021	Difference	%	Comment (Note)
Operating revenue	\$384,443,308	\$314,670,796	\$69,772,512	22	Comment 1
Operating costs	273,670,745	224,461,345	49,209,400	22	Comment 1
Gross profit	110,772,563	90,209,451	20,563,112	23	Comment 1
Operating expense	69,333,739	58,844,710	10,489,029	18	NA
Operating profit	41,438,824	31,364,741	10,074,083	32	Comment 2
Non-operating income and expenses	4,626,474	4,262,806	363,668	9	NA
Profit before income tax	46,065,298	35,627,547	10,437,751	29	Comment 2
Income tax expense	9,074,560	7,128,314	1,946,246	27	Comment 3
Gain (Loss) from discontinued operations	-	-	-	-	NA
Profit for the period	36,990,738	28,499,233	8,491,505	30	Comment 2
Other comprehensive income (loss) for the period	17,160,926	(4,958,506)	22,119,432	(446)	Comment 4
Total comprehensive income for the period	54,151,664	23,540,727	30,610,937	130	Comment 5

Note: detailed analysis is not required when difference in the rate of variance is not more than 20% or the indicated amount is not more than NT\$ 10 million.

Comment 1: The increase in operating revenue, operating costs and gross profit was mainly due to the increase in shipments in response to the strong market demand, to the operating revenue, operating costs and gross profit were increased accordingly.

Comment 2: The increase in operating profit, profit before income tax and profit for the period was mainly due to the increase in gross profit.

Comment 3: The increase in income tax expense was mainly due to the increase in profit before income tax.

Comment 4: The increase in other comprehensive income (loss) for the period was mainly due to the increase in exchange difference stated in financial statements of foreign operating organizations.

Comment 5: The increase in total comprehensive income for the period was mainly due to the increase in profit for the period and exchange difference stated in financial statements of foreign operating organizations.

Sales volume forecast with related assumptions, and possible impact to the Company's financials and operations as well as related response plans:

Delta's product offerings are broadly covered from power electronics to integrated solutions, and there are significant price differences between its product offerings from less than one to multi-million USD per unit. Therefore, it is not appropriate to apply sales volume as the measurement basis. In response of increasing orders, Delta has dedicated to develop automation to improve its productivity and yield rate in recent years. Moreover, Delta is devoted to promote energy saving and environmental protection for the mission to protect the earth. Delta will continuously develop more valuable, more efficient and more environmentally friendly products to fulfill customers' needs.

► 8.3 Cash flow

8.3.1. Cash Flow Analysis for the Past 2 Fiscal Years

Item \ Year	December 31, 2022	December 31, 2021	Increase (Decrease) Ratio (%)
Cash flow ratio	37.22%	26.18%	42
Cash flow adequacy ratio	79.09%	76.06%	4
Cash reinvestment ratio	10.28%	5.31%	94

Analysis of change in variance: The increase in cash flow ratio and cash reinvestment ratio was mainly due to the increase in net cash inflow generated from operations for the period.



8.3.2. Corrective measure to be taken in response to illiquidity: Not applicable.

8.3.3. Liquidity analysis for the coming year

Unit: NT\$ 1,000

Estimated Cash and Cash Equivalents at Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow	Estimated Cash Surplus (Deficit)	Estimated Remedy for Cash Deficit	
				Investment Plans	Financial Plans
\$61,546,836	\$45,900,000	\$53,940,000	\$53,506,836	\$ -	\$ -

1. Liquidity analysis for the coming year

(1) Estimated net cash flow from operating activities

In addition to reducing production costs through process improvement and automation, the Company continues to adjust its product mix and focus on niche products to create stable and growing cash inflows. The increase in inventory amount in the past two years is due to the strategic operation of mastering key materials in a tight supply chain environment. This strategic operation, under strict inventory control, is in line with the Group's development of electric vehicles and branding expertise, and is expected to bring growth cash inflow to the Company in the future.

(2) Estimated cash outflow

Estimated cash outflow is described as follows focusing on investing activities and financing activities

a. Investing activities

We will continue seeking merger and acquisition targets and engaging in technological research within the smart technology and environmentally friendly industries, as well as allocating capital expenditures and expanding production capacity for our automation equipment.

b. Financing activities

The Company is estimated to distribute cash dividends, so the cash flow from financing activities will cause greater outflow for the current year.

2. Estimated remedy for cash deficit and liquidity analysis: Not applicable.

► 8.4 Effects upon financial operations of any major capital expenditures during the most recent fiscal year

8.4.1. Major capital expenditures and sources of funds

Unit: NT\$ 1,000

Project	Actual or expected funds sources	Actual or expected date of project completion	Required amount	Actual or expected capital expenditures		
				2021	2022	2023
Procurements of self-use machinery and equipment (Note 1)	Own funds	2023.12.31	\$37,831,226	\$13,776,325	\$12,819,727	\$11,235,174
Investments in domestic companies (Note 2)	Own funds	2023.12.31	1,228,277	167,836	110,182	950,259
Investments in foreign companies (Note 2)	Own funds	2023.12.31	7,177,330	3,678,842	3,111,449	387,039
Procurement (or construction) of factories and office buildings (Note 1)	Own funds	2023.12.31	15,300,168	6,602,048	6,769,950	1,928,170

Note 1: Includes construction in progress and machineries that require acceptance.

Note 2: Transaction under financial investment purpose is exclusive.

8.4.2. Estimated benefits

8.4.2.1 The procured machinery and equipment are primarily applied to research, development, manufacturing and testing. These are not only used for the development of new products, but can also assist in the improvement of product quality and business operations. Delta dedicates its effort in enhancing energy saving, environmental protection and product development techniques in the hope of keeping environmental integrity while making a progress in technological development.

8.4.2.2 Investments in domestic and foreign companies are applied to obtain high-tech information and reduce labor costs to diversify the company's business operations. The long-term benefits are generated through the technical collaboration among Delta and its peers and alliances, where enhancement of core technologies of the Company and the development of energy saving and environmental protection products are involved. Such collaboration will also result in mid-term benefit to increase the Company's return on investments.

► **8.5 The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year**

The Company's current investment policy for the year to identify strategic targets in markets complementary to the Group's anticipated development, and to timely handle non-core investment projects. The major factor behind investment income in recent years is economies of scale achieved through production operations of invested companies, solid implementation of a management system, and well-received products in the market. The Company will continue to assist and integrate new and unprofitable subsidiaries, enabling some of them to rapidly reduce losses and reach profitability targets and bring synergies.

► **8.6 Risks during the most recent fiscal year and as they stood on the date of publication of the annual report**

8.6.1. Effects upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

8.6.1.1 Effects of interest rate fluctuations on the Company's profits (losses) and response measures to be taken in the future

As of the printing date of the annual report (April 27th, 2023), the Company's long- and short-term borrowings are available for revolving use during the contract period in accordance with contractual provisions. On the premise of improving the financial structure, enhancing medium and long-term operating capital and reducing the risk of interest rate fluctuations, the Company will regularly evaluate the capital situation in the market and bank interest rates to carefully determine the method of raising capital in order to obtain more favorable interest rates. As of the printing date of the annual report, the Company has issued a total of NT\$23.1 billion in unsecured ordinary corporate bonds, all of which have been fully collected and used to repay floating rate bank loans. Going forward, the company will continue to raise funds by issuing domestic unsecured corporate bonds at a fixed rate, depending on the market conditions. This will not only ensure the company's long-term financial stability, but also help mitigate interest rate volatility risks.

8.6.1.2 Effects of exchange rate fluctuations on the Company's profits (losses) and response measures to be taken in the future

The main currency of the revenue, account receivables and payables of the Company and subsidiaries are quoted in U.S. dollars. The holding of foreign currency evens out the Company's foreign debt to minimize the risk of exchange rate fluctuations, therefore achieving the natural hedge functions. Furthermore, the Company and subsidiaries conducted several derivatives transactions for hedging purposes. The impact of exchange rate fluctuations on their fair value will be offset by the hedging items, so the market risk should not be significant.

8.6.1.3 Effects of changes in inflation rate on the Company's profits (losses) and response measure to be taken in the future

The CPI index for the year 2022 was 102.95 (100 for base year 2021) and the annual increase rate was 2.95%. Although it was slightly higher than previous years, the risk of inflation was still considered to fall



within the acceptable range. In addition, the changes in inflation rate had no significant effects on the industry that the Company belongs to; therefore, the said inflation rate did not cause significant effects on the operations of the Company.

8.6.2. The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

8.6.2.1 High-risk investments and highly leveraged investments

Delta mainly engaged in R&D, manufacturing and sales activities and did not make any high-risk investments or highly leveraged investments.

8.6.2.2 Loans to other parties, endorsements, guarantees

All loans to other parties, endorsements and guarantees are conducted in full accordance with the Company's Operating Procedures of Fund Lending and Operating Procedures of Endorsement and Guarantee. In the meantime, fund loans, endorsements or guarantees are only provided to companies within the group or affiliated companies. There were no losses incurred.

8.6.2.3 Derivatives transactions

All derivatives transactions were compliant with the Company's Operating Procedures of Acquisition or Disposal of Asset. The derivatives transactions conducted by Delta were mainly for hedging purposes. The forward exchange agreement (FXA) and swap agreement transactions conducted in 2022 were used to hedge against the impact of the changes in currency exchange on the Company's assets and liabilities. The relative calculations of their fair values were provided based on the assessment done by the banks. Such assumptions were based on the projected amount received or the payment that shall be paid by the Company if the Company is to terminate the contract on the day of the publication of the report, generally including the unrealized profit and loss incurred on outstanding contracts.

8.6.3. Research and development work to be carried out in the future, and further expenditures expected for research and development work

Delta has always been prioritizing the satisfaction of customer needs and keeping abreast of environment-friendly and energy efficient trends in the research and development of its products. Delta succeeded in the research and development of a variety of new technologies and products in recent years and will persist in R&D work on fields involving computers, servers, communication, network, new energy/storages, smart home appliances, consumer electronics, vehicle-based electronics, industrial products, medical devices and instruments, and so on. Delta follows up on the progress of all R&D plans on a regular basis and maintains strict control over them.

The main factors that influence the success of R&D include cultivation of R&D personnel, mastering of core technology, maintaining the stability of human resources, accumulation of experience and technology, and adequate funding for R&D. Delta is a company with ISO9001, 14001, ISO13485 and GMP certifications. It has consistently provided various types of diverse training to its internal R&D personnel, and through systematic management, it has been able to file and control research and development results in an organized manner.

So far, Delta has thousands of R&D engineers and sufficient research manpower. At least 8% of its consolidated revenue has been appropriated as the budget for R&D work every year. Take the year 2022 as an example, Delta has appropriated a budget of about NT\$31.8 billion for R&D work, including bonuses for its employees, accounting for about 8% of consolidated revenue. Delta's R&D centers in the Headquarter and overseas sites will continue to operate enhance its R&D work in frontier core technology,



and create collaboration plan with domestic and overseas research institutions. Hence, Delta is predicted to stay on top of main factors to the success of R&D work and develop new niche-based products constantly.

Summary of 2022 R&D projects and estimated target schedule for mass production :

Business Fields	Project	Estimated Production Schedule
Power Electronics	Development of ferrite material system for the high inductance, low DCR automotive inductors	2023
	Powertrain inductor	2023
	High precision and high integration current & voltage module for XEV battery management system and DC fast charging station	2023
	High power density automotive PFC module	2024
	Miniaturization 5G mmWave Antenna module	2023
	High Power-Density VRM	2024
	Short reach multi-mode optical transceiver and active optical cable (AOC) for 50Gbps and 100Gbps per lane application	2024
	Development of ultra-low profile power inductor with high performance and low DC loss	2023
	Thin Film Coil Inductor	2024
	Concept III, Development of 48V integrated EV power module system	2024
	Development of software engineering with AutoSAR, ISO 26262, and MBSE	2023
	Development of 800V OBC with 1200-V SiC MOSFET power modules	2025
	Development of 800V high power traction motor	2024
	Developing motor models and its emulator as the electric motor emulator and the loading of traction inverter under test	2024
	Developing rare earth-free traction motor	2026
	New airfoil energy saving fan development	2023
	Development of next-generation high-performance, high-sound quality slim centrifugal fans	2023
	Fan products for Intelligent Electric Vehicle	2023
	New medium size of DC fan with high efficiency is adopted for new energy cabinet solution application	2023
	High efficiency DC ceiling fan with LED lighting	2023
	High-efficiency air conditioner for telecom battery cabinet application	2023
	Energy saving and slim size brake	2023
	High pressure booster pump for liquid cooling system	2023
	High flow rate booster pump for liquid cooling system	2023
	Ultra-thin, and high efficiency DIN-rail switching power supply	2023
	High power density server and networking power supply	2024
	High-power and high-efficiency gaming power supply	2023
	High efficiency mini battery swapping system	2024
Automation	Energy and carbon integration and factory energy management system	2023
	Smart thermostat	2024
	Vendor vehicle management system	2023
	Occupancy management system	2023
	Visitor Management System	2023
	Small-sized high-efficiency portable antibacterial device	2023
	High-efficiency antibacterial device for automobiles	2023
	Bluetooth smart IoT healthy luminaries	2023
	High efficacy and flicker-free LED tube light	2023
	AX-5 hi-end PLC controller	2023
	Hi-end with two-core small PLC CPU unit	2023
	Semiconductor wafer die attachment mounter	2023
	SMT SPI/ AOI/ Printer real-time engineering data analysis system	2023



Business Fields	Project	Estimated Production Schedule
Automation	E-scooter Powertrain System (Mid-drive Motor)	2023
	MPD motor mounted pump drive Frame C (11~22 kW)	2023
	ASD-H3 400V Dual Axis Drive (0.75kW~20kW)	2023
	AGV Loco Motor	2023
	6-Axis Vertical articulated robot, Reach 900mm, Max. payload 7kg	2023
	RTM (Rapid Transformable Machine) – SWHT High Torque Screwing Machine	2023
	Model health evaluation/ self-evolving model update mechanism	2023
	Special-shaped parts auto-insertion equipment	2023
	Wafer edge grinding machine	2023
	Thick wire fan winding machine	2023
	VH3000 new generation close-loop premium drive	2024
Infrastructure	Optical engine for new generation HEP (High Efficiency Pixel) DMD Chip set, new laser module, high C/P laser projector with optional lenses	2023
	RGB laser large venue projector with wide color gamut to meet BT.2020 standard. New 8K resolution projector development	2023
	5 mega pixels surveillance zoom lens module	2023
	Split-type slim DC charger dispenser	2023
	High-efficiency DC power module	2024
	Single phase hybrid energy storage system with V2H function for residential / commercial building	2023
	High efficiency string inverter	2023
	Buck-boost 750kW DC to DC converter	2023
	C&I PCS for energy storage system	2023
	MV integration 3.4MW air cooled PCS for energy storage system	2023
	Grid-tied energy storage system, LFP battery container solution, and substation micro-grid total solution	2023
	A charging service platform	2023
	AC/DC electric vehicle communication protocol regulation automatic test system	2023
	AC electric vehicle supply equipment functional regulation automatic test system	2023
	Calibration-free high-precision new generation blood glucose measurement system	2023
	Development of multi-throughput, rapid and precise molecular detection platform for respiratory pathogens	2023
	Adaptive drug delivery nebulizer	2023
	High resolution preclinical micro CT	2023
	High-precision automatic X-ray inspection machine	2024
	Development of new generation general-purpose medium voltage drives 11kV/10kV 50A to 146A in all-in-one system structure	2024
	Solid-state transformer based megawatt level charging equipment with multi-charging gun	2024
	High efficiency 4.35kW single-phase charger	2023
	High efficiency 6kW three-phase charger	2023
	High efficiency 2.9kW three-phase charger	2023
	High efficiency 4.35kW PV charger	2024
	98% high efficiency 1200/1500kVA UPS for large data center	2023
	Single phase immersion precision cooling for extremely high performance computing	2023
	High reliability 1800A static transfer switch	2023
	High density 15kW modular UPS with inbuilt LiB solution	2023
	High reliability 20-120kVA Industrial UPS	2023



Business Fields	Project	Estimated Production Schedule
Infrastructure	ARM Based SD-WAN Gateway	2023
	1G/2.5G multi-gigabit PoE+/PoE++ LAN access ProAV switch	2023
	64 ports 800G data center ultra-high-speed Ethernet spine switch	2023

8.6.4. Effects on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

Delta's operations team pays close attention to relevant domestic and international policies and laws, as well as conduct risk management and corresponding plans through its business units and functional units located worldwide. Regarding the European Parliament's legislative approval of the European Union's Carbon Border Adjustment Mechanism (CBAM) to be implemented from October 2023, the first phase of implementation would not cover Delta product types, as of the printing date of this year's annual report. However, in order to proactively position itself, Delta has already initiated a project to address this and the functional units concerned will keep tabs on relevant development. In 2022 and up to the printing date of this annual report, there have been no policy and regulatory changes that have had any significant impact on Delta's financial position and businesses.

8.6.5. Effects on the Company's financial operations of development in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The threat of network hacker attacks is increasing day by day and the methods are becoming more diversified. Delta's information security team upgraded the SIEM (Security Information and Event Management) system to enhance the information security threat detection mechanism, conducted Active Directory Hardening project to strengthen the security control measures for critical infrastructure services, deployed Endpoint Detection and Response tools to enhance the depth and breadth of information security protection, and enhanced network segmentation protection to prevent and block malicious hacker activities to minimize the risk and scope of damage from attacks. To address the threat of phishing emails containing malicious programs or links sent by hackers, in addition to providing regular online information security education training and awareness e-newsletters, we have also adopted more diverse types of phishing email drills to continuously raise the information security awareness of our employees. In order to prevent the leakage of confidential information from affecting the Company's operations and product development, we have implemented a company-wide data inventory and classification operation, and set up appropriate control mechanisms and expanded the protection of data leakage channels according to the level of confidentiality to reduce the risk of sensitive information leakage.

8.6.6. Effects on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

Delta continues to strengthen corporate governance by electing independent directors in the Board of Directors and establishing functional committees such as the Compensation Committee and the Audit committee. This is done to ensure the improvement of compensation structures while setting the rightful performance goals for the Board of Directors and managers. The Company also effectively promotes internal control and risk management to cope with potential corporate challenges. In addition, Delta has consistently and promptly disclosed material information to shareholders in accordance with regulations to ensure information transparency and fairness.

Delta, as a corporate member of the community, focuses not only on business development, but also carries the weight of investing and implementing corporate social responsibility. Its employees are highly

committed to helping create a good corporate image and such effort has been widely recognized. Delta was ranked among the top 5% of listed companies for the ninth Corporate Governance Evaluation in Taiwan and has been selected as Best Taiwan Global Brand for twelve consecutive years. Delta has also been selected for the DJSI World for twelve consecutive years, demonstrating a strong corporate image. In emergency incidents or events, Delta immediately implements an emergency contingency plan. The CEO of Delta acts as the emergency contingency team leader and gathers all managers from different departments (i.e., legal, finance, sales, human resources and corporate communications). The contingency team is tasked to perform various functions in order to swiftly provide impact assessments on the causal factors, the subsequent developments, and the financial implications, in accordance with the crisis management mechanism. In addition, the Company shall prepare and issue related communiqués to potential shareholders, such as government agencies, institutions, clients, dealers, and employees, etc. to ensure information transparency and timeliness.

8.6.7. Expected benefits and possible risks associated with any merger and acquisitions, and measures to be taken in response

Delta International Holding Limited B.V., one of the Company's subsidiary, acquired UI Acquisition Holding Co., to acquire 100% equity of Universal Instruments Corporation and its worldwide branches and subsidiaries. The transaction was completed in the 3rd quarter of 2022. Universal Instruments, a global leader in precision automation solutions for smart manufacturing, boasts a lineage of over 100 years and provides precision automation solutions to world-leading customers in a broad range of fields, including automotive, computing, medical, industrial, and electronics industries, especially assembly solutions such as printed circuit board surface mount placement and odd-form insertion. The transaction is expected to generate substantial synergies by leveraging both companies' R&D and sales resources and to expedite Delta's smart manufacturing layout for the electronics industry.

8.6.8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

For the growth of revenue and profitability, Delta puts in more investment on expanding plants and equipment based on research and expansion requirements in order to increase production capacity and efficiency, enlarge market share, and explore new markets. The possible risks include the global economic recession, demand mitigation from end users, below-expectation of market demand and postponement of research and development schedule. Delta's strategies for the possible risks are to strive for larger market share and production outsourcing ratio of customers through product innovation, competitive cost, and provision of total solutions, etc. Therefore, even the market demand becomes slow, Delta can still grow steadily by means of market share expansion. As for the speed of new product development, Delta takes systematic approaches to plan, execute, monitor and supervise improvement. Moreover, the possible risks of impact should be avoided by means of Delta's long-standing accumulated technical advantages and the expanded R&D team with great ability of making flexible adjustments.

8.6.9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

Delta and its consolidated subsidiaries have a relatively diversified procurement source and sales base. The purchase from single suppliers did not reach 10% of Delta's consolidated net purchases, and the sales to single customers did not reach 10% of Delta consolidated net sales. Therefore, such risks are considered low.

8.6.10. Effects upon and risks to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been



transferred or has otherwise changed hands, and mitigation measures being or to be taken

In 2021 and as of the printing date of the annual report, no major quantity of shares had been transferred or had changed hands.

8.6.11. Effects upon and risks to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

There was no change in Delta's governance personnel or top management in 2022 and as of the printing date of the annual report.

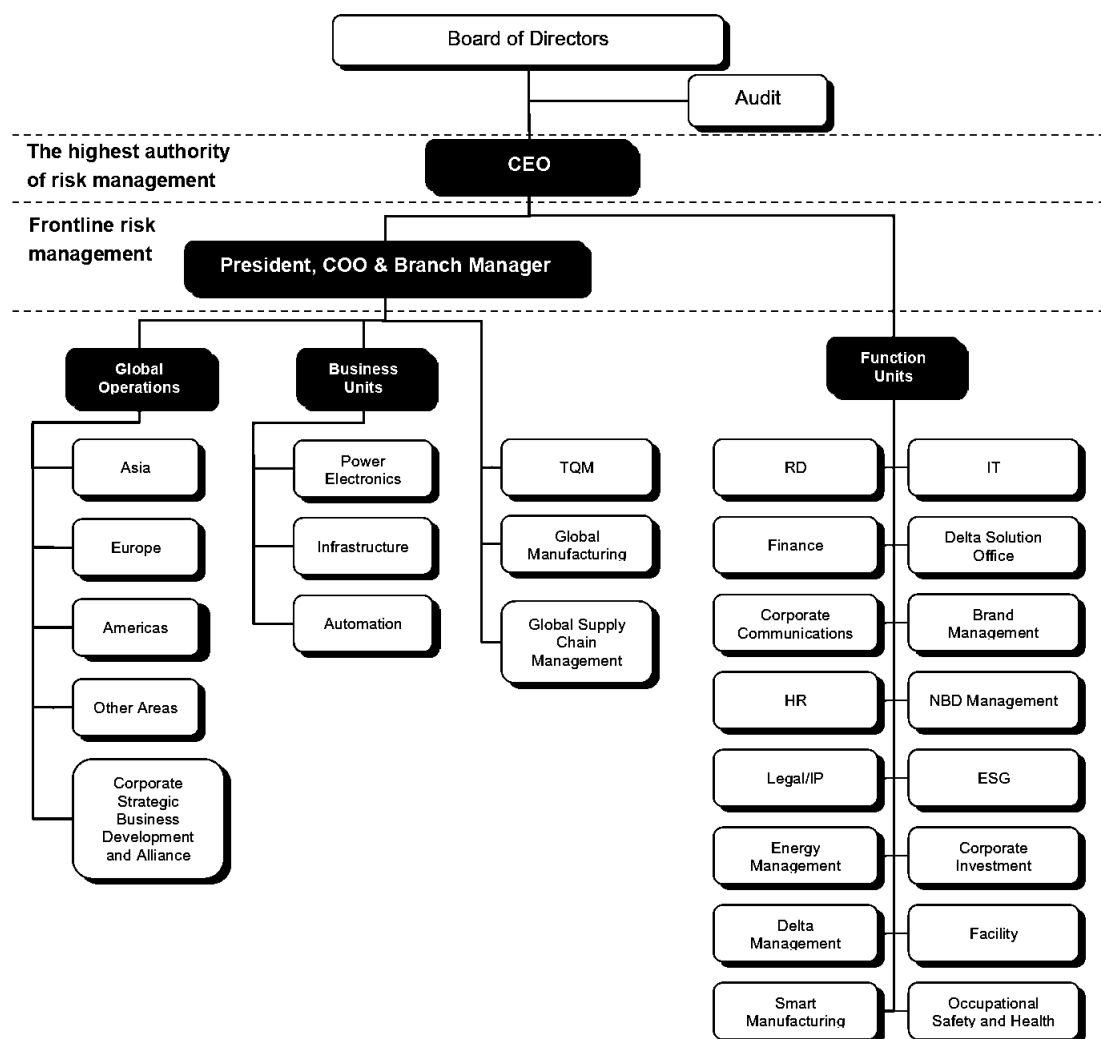
8.6.12. Litigious and non-litigious matters

No.	Plaintiff	Defendant	Date of Commencement of Litigation	Offense Charged	Case Summary and Handling
1	SAE Power Incorporated; SAE Power Company	Delta Electronics (Americas) Ltd.	October 2010	Infringement of trade secrets	The plaintiff filed a lawsuit in the U.S. District Court for the District of New Jersey against the defendant for infringement of trade secrets, seeking approximately \$40 million in damages; the legal proceedings are underway.
2	SAE Power Incorporated; SAE Power Company	Delta Electronics, Inc., etc.	December 2016	Infringement of trade secrets	The plaintiff filed a lawsuit in the U.S. District Court for the Northern District of California against the defendant for infringement of trade secrets. This case is currently on hold.
3	Barco N.V.	Delta Electronics, Inc., Delta Electronics (Netherlands) B.V.	August 2018	Patent infringement	The plaintiff filed a lawsuit in the Court of The Hague, The Netherlands against the defendant for infringement of its patent rights; the Court of The Hague ruled in favor of the Company. Although the plaintiff filed an appeal, the appeal was withdrawn in March 2023.

8.6.13. Other important risks, and mitigation measures being or to be taken:

Delta Risk Management

A. Organization of Risk Management



B. Scope of Risk Management

The departments in charge of each risk factor is identified in the Delta Group Risk Management Policy, and each department-in-charge shall implement a sound risk management mechanism through conducting the following management procedures, including risk identification, risk assessment, risk control, risk monitoring and communication, fully understand the scope of each risk, and adopt appropriate measures to ensure adequate risk management. For crisis events across various departments or plants, the CEO or the person designated by the CEO shall be responsible for direction and coordination.

The Group has identified strategic, operational, financial, hazardous events and compliance risk factors, etc.:

a. Strategic

- Changes in industry
- Changes in technology



- Establishment of business models
- Responsiveness of organizational structure
- b. Operational
 - Market demand and capacity expansion
 - Business continuity operation (i.e., business interruption risk including supply chain disruption or production disruption)
 - Information security
 - Supply chain management
 - Intellectual property rights
 - Customer concentration
 - Corporate image
 - Talent attraction, recruitment and training of personnel
 - Strategic investment
- c. Financial
 - Interest rate, foreign exchange rate and inflation
 - Taxation
 - Credit
 - Liquidity
 - High-risk and/or highly leveraged financial investments, derivative transactions
- d. Hazardous Events
 - Climate change
 - Occupational safety and health
 - Fire or other man-made disaster (inclusive of restriction of hazardous substances in products or manufacturing)
 - Natural disasters
- e. Compliance
 - Environmental regulations (inclusive of carbon pricing, energy tax, renewable energy regulations, and others.)
 - Antitrust, anti-corruption and fraud
 - Personal data protection

C. Implementation of Risk Management:

This year (2022), the CEO (the most senior risk management executive) reported the implementation of risk management to the Board of Directors on October 27 including the results of a comprehensive risk assessment on each risk factor, and explained the risk control and risk monitoring procedures for the higher risk factors. The CEO also briefed on the countermeasures against substantial risk events that the Group faced during the year, such as the energy crisis and trade protection resulting from the Ukrainian-Russian war, the Dynamic Zero-COVID anti-epidemic policy and power cuts imposed by China, the shrinking consumer demand resulted from the monetary tightening policies and interest rate hikes implemented by Europe and America, etc. to curb inflation. In the face of possible risks at all levels, the Company formulated corresponding management policies and continued holding internal management meetings and irregular reviews on specific proposals to minimize the possibility and impact of the risk events.

► 8.7 Other important matters

The method and assumptions used for estimating the fair value of the Company's financial instruments are as follows:

1. The Group's financial instruments are not measured at fair value. The book value of its cash, cash equivalent, notes receivable, accounts receivable, other receivable, short-term loans, notes payable, accounts payable, other payable, bonds payable and long-term loans (including those with a maturity date within one year or one



business cycle) is reasonably close to their fair value.

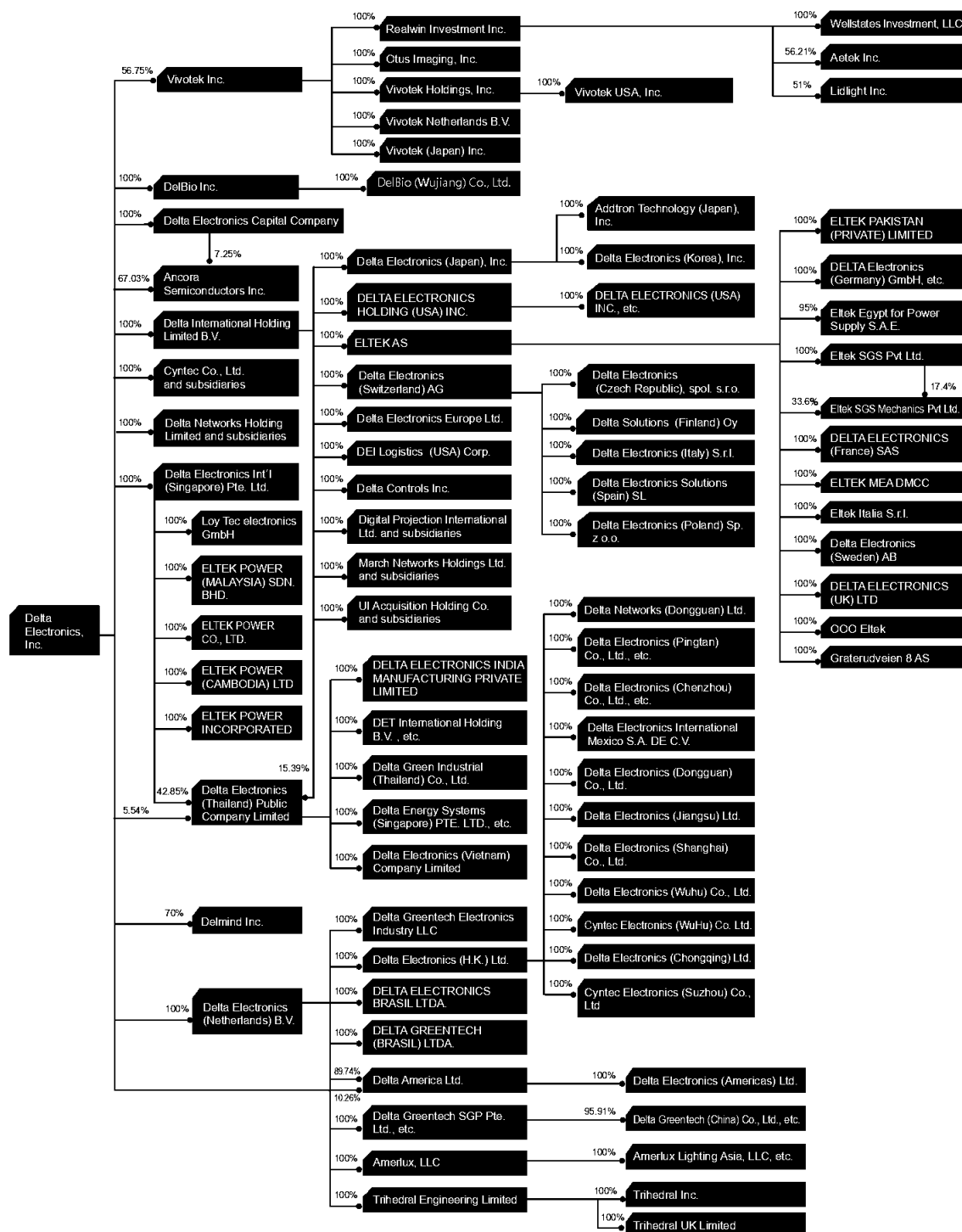
2. For the Group's financial instruments that are measured at fair value, they are classified based on the respective natures, characteristics, risks and fair value levels of the assets and liabilities. For information on their fair values, please refer to Note 12 (3) to the 2022 consolidated financial statement.



9. Special Items

► 9.1 Affiliates information (2022/12/31)

9.1.1 Affiliated Companies of Delta Electronics, Inc.





9.1.2 Affiliated Companies

As of December 31, 2022
Amounts in Thousands of NTD or Foreign Currencies

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics, Inc.	1971/04	Taoyuan City, Taiwan	TWD	25,975,433	Research and development, design manufacturing and sale of electronic control systems, DC brushless fans, thermal system, and miniaturization key component, industrial automation products, digital display products, communication products, consumer electronics products, energy-saving lighting application, renewable energy applications, EV charging, energy technology services and consulting services of building management and control solutions, etc.
Delta International Holding Limited B.V.	1993/06	Hoofddorp, the Netherlands	TWD	2,078,453	Equity investments
			USD	67,680	
			TWD	65,072	
Delta Electronics (Japan), Inc.	1991/11	Tokyo, Japan	JPY	280,000	Sales of power products, display solution products, electronic components, industrial automation products and materials
Delta Electronics (H.K.) Ltd.	1994/08	Hong Kong	TWD	10,039,134	Equity investments, operations management and engineering services
			HKD	2,549,298	
Delta Electronics (Dongguan) Co., Ltd.	1993/10	Dongguan City, Guangdong Province, China	TWD	4,296,636	Manufacturing and sales of transformer and thermal products
			USD	139,910	
Delta Networks (Dongguan) Ltd.	1998/10	Dongguan City, Guangdong Province, China	TWD	1,397,305	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system
			USD	45,500	
Addtron Technology (Japan), Inc.	1998/03	Tokyo, Japan	TWD	8,366	Trading of networking system and peripherals
			JPY	36,000	
DEI Logistics (USA) Corp.	2000/01	CA, USA	TWD	30,710	Warehousing and logistics services
			USD	1,000	
Delta Electronics (Jiangsu) Ltd.	1999/12	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	5,736,935	Manufacturing and sales of power supplies and transformers
			USD	186,610	
Delta Networks Holding Limited	2002/11	Cayman Islands	TWD	55,279	Equity investments
			USD	1,800	
Delta Networks, Inc.	2002/11	Cayman Islands	TWD	1,837,818	Equity investments
			USD	59,844	
Delta Electronics (Shanghai) Co., Ltd.	2003/12	Shanghai, China	TWD	3,501,457	Product design, management consulting service and distribution of electronic products
			RMB	793,170	
Delta Electronics (Korea), Inc.	2004/03	Seoul, Korea	TWD	1,229	Sales of power products, display solution products electronic components, industrial automation products and their materials
			KRW	50,000	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics (Netherlands) B.V.	2000/02	Hoofddorp, the Netherlands	TWD	4,340,597	Sales of power products, display solution products, electronic components, industrial automation products and materials
			USD	141,341	
Delta Electronics (Wuhu) Co., Ltd.	2006/12	Wuhu Sub-zone, China (Anhui) Pilot Free Trade Zone	TWD	4,115,140	Manufacturing and sales of LED light source, power supplies and others
			USD	134,000	
Delta Electronics (Chenzhou) Co., Ltd.	2007/10	Suxian District, Chenzhou City, Hunan Province, China	TWD	1,934,730	Manufacturing and sales of transformers
			USD	63,000	
Delta Networks (HK) Limited	2007/10	Hong Kong	TWD	1,074,850	Equity investments
			USD	35,000	
Cyntec Co., Ltd.	1991/10	Hsinchu County, Taiwan	TWD	23,412,043	Research, development, manufacturing and sales of film opto-electronics devices
Fairview Assets Ltd.	2000/01	Cayman Islands	TWD	1,005,447	Equity investments
			USD	32,740	
Grandview Holding Ltd.	2006/07	Cayman Islands	TWD	6,366,183	Equity investments
			USD	207,300	
CYNTEC HOLDING (HK) LIMITED	2007/11	Hong Kong	TWD	6,212,633	Equity investments
			USD	202,300	
Cyntec International Ltd.	2006/10	Labuan, Malaysia	TWD	153,550	Trading
			USD	5,000	
Cyntec Electronics (Suzhou) Co., Ltd	2006/09	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	7,155,430	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
			USD	233,000	
Chenzhou Delta Technology Co., Ltd.	2010/04	Suvian District, Chenzhou City, Hunan Province, China	TWD	112,570	Manufacturing and sales of transformers
			RMB	25,500	
DelBio Inc.	2010/05	Taoyuan City, Taiwan	TWD	217,618	Manufacturing, wholesale and retail of medical equipment
Delta Electronics Capital Company	2010/09	Taipei City, Taiwan	TWD	3,919,672	Equity investments
Delta Electronics Int'l (Singapore) Pte. Ltd.	2010/08	Singapore	TWD	1,034,959	Research, development and sales of electronics products
			SGD	45,234	
Delta Electronics International Mexico S.A. DE C.V.	1997/04	Estado de Mexico, Mexico	TWD	216,784	Sales of power management system of industrial automation product and telecommunications equipment
			MXN	136,674	
Delta Green (Tianjin) Industries Co., Ltd.	1998/11	Tianjin Port Free Trade Zone, China	TWD	139,116	Manufacturing and sales of transformers
			USD	4,530	
Drake Investment (HK) Limited	2007/10	Hong Kong	TWD	1,199,138	Equity investments
			HKD	304,504	
Delta Greentech (China) Co., Ltd.	1992/03	Shanghai, China	TWD	2,507,442	Sales of uninterruptible power systems and others
			RMB	568,000	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
DelBio (Wujiang) Co., Ltd.	2013/01	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	122,840	Manufacturing, wholesale and retail of medical equipment
			USD	4,000	
Delta Greentech SGP Pte. Ltd.	2007/11	Singapore	TWD	373,909	Equity investments
			USD	12,175	
Delta Electronics Europe Ltd.	1989/09	Glasgow, UK	TWD	18,545	Repair center and providing support services
			GBP	500	
Boom Treasure Limited	2007/12	Hong Kong	TWD	0	Equity investments
			USD	0.00013	
Delta Electronics (Pingtan) Co., Ltd.	2014/09	Pingtan, China	TWD	132,435	Wholesale and retail of electronic products and energy-saving equipment
			RMB	30,000	
ELTEK AS	1997/05	Drammen, Norway	TWD	145,484	Research, development and sales of power supplies and others
			NOK	46,766	
ELTEK PAKISTAN (PRIVATE) LIMITED	2001/04	Islamabad, Pakistan	TWD	36,514	Sales of power supplies and others
			PKR	269,000	
Eltek Egypt for Power Supply S.A.E.	2007/01	Cairo, Egypt	TWD	34,372	Sales of power supplies and others
			EGP	27,690	
Eltek SGS Pvt Ltd.	1996/09	Haryana, India	TWD	2,865	Sales of power supplies and others and system installation
			INR	7,720	
Eltek SGS Mechanics Pvt Ltd.	2006/07	New Delhi, India	TWD	119,109	Sales of power supplies and others
			INR	320,918	
ELTEK MEA DMCC	2010/03	Dubai, UAE	TWD	1,668	Sales of power supplies and others
			USD	54	
Eltek Italia S.r.l.	2008/11	Rome, Italy	TWD	3,763	Sales of power supplies and others
			EUR	115	
DELTA ELECTRONICS (France) SAS	1966/05	Tarbes, France	TWD	16,661	Sales of power supplies and others and system installation
			EUR	509	
DELTA ELECTRONICS (UK) LTD	1983/09	Hemel Hempstead, UK	TWD	19,369	Sales of power supplies and others
			GBP	522	
Delta Electronics (Sweden) AB	1998/06	Sollentuna, Sweden	TWD	353	Sales of power supplies and others
			SEK	120	
OOO Eltek	2001/04	St. Petersburg, Russia	TWD	61	Sales of power supplies and others and system installation
			RUB	144	
DELTA Electronics (Germany) GmbH	2002/01	Frankfurt am Main, Germany	TWD	65,440	Sales of power supplies and others and system installation
			EUR	2,000	
DELTA Montage GmbH	1995/08	Frankfurt am Main, Germany	TWD	2,552	Installation and maintenance of power supplies
			EUR	78	
Delta Electronics (Australia) Pty Ltd.	1996/02	NSW, Australia	TWD	37,494	Sales of power supplies and others and system installation
			AUD	1,800	
ELTEK POWER INCORPORATED	2004/05	Ortigas Pasig City, Philippines	TWD	6,284	Sales of power supplies and others
			PHP	11,400	
ELTEK POWER CO., LTD.	2005/08	Bangkok, Thailand	TWD	3,576	Sales of power supplies and others
			THB	4,000	
ELTEK POWER (CAMBODIA) LTD	2009/10	Phnom Penh, Cambodia	TWD	154	Sales of power supplies and others
			USD	5	
ELTEK POWER (MALAYSIA) SDN. BHD.	1997/02	Kuala Lumpur, Malaysia	TWD	2,101	Sales of power supplies and others
			MYR	300	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
DELTA ELECTRONICS HOLDING (USA) INC.	2007/04	TX, USA	TWD	326	Equity investments
			USD	11	
DELTA ELECTRONICS (USA) INC.	2001/01	TX, USA	TWD	0	Manufacturing and sales of power supplies
			USD	0.00318	
DELTA ELECTRONICS (ARGENTINA) S.R.L.	2010/04	Córdoba, Argentina	TWD	1,374	Sales of power supplies and others
			ARS	7,752	
ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	2004/11	São José Dos Campos, Brazil	TWD	493,731	Manufacturing and sales of power supplies
			BRL	84,984	
DELTA ELECTRONICS (PERU) INC. S.R.L.	2001/06	Lima, Peru	TWD	79,352	Sales of power supplies and others
			PEN	9,781	
DELTA ELECTRONICS (COLOMBIA) S.A.S.	2011/06	Bogotá, Colombia	TWD	5,170	Sales of power supplies and others
			COP	801,614	
Eltekenenergy Services, S.A. de C.V.	1997/04	Naucalpan, Mexico	TWD	549	Sales of power supplies and others
			MXN	346	
Delta Electronics (Americas) Ltd.	1995/03	CA, USA	TWD	1,190	Sales of electronic components
			USD	39	
Delta America Ltd.	1988/09	Delaware, USA	TWD	629	Equity investments
			USD	20	
Power Forest Technology Corporation	2009/11	Hsinchu County, Taiwan	TWD	154,730	IC design of power management
					Sales of solar power products, solar power equipment, photovoltaic equipment and
			TWD	44,587	components, mechanical and electrical equipment, power electronic components and special equipment for semiconductor parts, rental of photovoltaic power equipment, engineering and technical
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	2015/12	Shanghai, China	RMB	10,100	research, testing, and development, energy saving management services and solar power technology services
Delta Controls Inc.	2016/04	British Columbia, Canada	TWD	2,197,573	Provide solutions of building management and control
			CAD	96,938	
Loy Tec electronics GmbH	1999/05	Vienna, Austria	TWD	1,145	Consulting service of building management and control solutions
			EUR	35	
Delta Electronics (Xi'an) Co., Ltd.	2016/10	Xi'an, China	TWD	242,798	Sales of computer, peripherals and software
			RMB	55,000	
Delta Electronics (Beijing) Co., Ltd.	2016/07	Beijing, China	TWD	220,726	Installation of mechanic, electronic, telecommunication and circuit equipment
			RMB	50,000	
Delta Electronics (Switzerland) AG	1992/12	Bern-Bümpliz, Switzerland	TWD	332,050	Equity investments, research, development and sales of electronic products
			CHF	10,000	
Delta Electronics (Czech Republic), spol. s r.o.	1991/08	Czech Republic	TWD	10,814	Sales of electronic products
			CZK	8,000	
Delta Solutions (Finland) Oy	1991/05	Espoo, Finland	TWD	4,402	Sales of electronic products
			EUR	135	
Delta Electronics (Italy) S.r.l.	1994/11	Rome, Italy	TWD	3,272	Sales of electronic products
			EUR	100	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics Solutions (Spain) SL	2003/07	P.I. de Vallecas, Spain	TWD EUR	6,544 200	Sales of electronic products
Delta Electronics (Poland) Sp. z o. o.	2004/08	Warsaw, Poland	TWD PLN	17,418 2,500	Sales of electronic products
DELTA GREENTECH (BRASIL) LTDA.	2000/06	State of São Paulo, Brazil	TWD BRL	222,550 38,306	Manufacturing and sales of electronic products
Delta Greentech Electronics Industry LLC	2008/04	Istanbul, Turkey	TWD TRY	276,063 168,245	Marketing and sales of electronic products
DELTA ELECTRONICS BRASIL LTDA.	2017/09	State of São Paulo, Brazil	TWD BRL	505,446 87,000	Manufacturing and sales of electronic products
Vivotek Inc.	2000/02	New Taipei City, Taiwan	TWD	865,679	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components
Vivotek Holdings, Inc.	2008/01	CA, USA	TWD USD	32,246 1,050	Holding company
Vivotek USA, Inc.	2008/01	CA, USA	TWD USD	30,710 1,000	Sales of webcams and related components
Realwin Investment Inc.	2012/01	New Taipei City, Taiwan	TWD	173,696	A venture capital company
Wellstates Investment, LLC	2012/10	CA, USA	TWD USD	36,852 1,200	Investment and commercial lease of real estate
Vivotek Netherlands B.V.	2012/09	Hoofddorp, the Netherlands	TWD EUR	9,816 300	Sales service
Otus Imaging, Inc.	2014/01	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components
Aetek Inc.	2015/03	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components
Lidlight Inc.	2017/02	New Taipei City, Taiwan	TWD	20,000	Sale of lighting equipment
Vivotek (Japan) Inc.	2018/10	Tokyo, Japan	TWD JPY	15,338 66,000	Sales service
Delta Electronics (Thailand) Public Company Limited	1988/06	Samut Prakam, Thailand	TWD THB	1,115,284 1,247,382	Manufacture and exporting power supplies, other electronic parts and components
DET International Holding B.V.	1997/11	Hoofddorp, the Netherlands.	TWD USD	8,118,414 264,357	Equity investments
DET Logistics (USA) Corporation	2000/01	CA, USA	TWD USD	15,355 500	Providing logistics services in USA
Delta Energy Systems (Germany) GmbH	1978/07	Soest, Germany	TWD EUR	598,809 18,301	Development, marketing and sales of electronic products
Delta Energy Systems Property (Germany) GmbH	2013/08	Soest, Germany	TWD EUR	818 25	Property rights business
Delta Energy Systems (India) Private Ltd.	1996/11	Haryana, India	TWD INR	182,040 490,476	Marketing and sales of electronic products
Delta Electronics (Slovakia) s.r.o.	2006/07	Dubnica nad Vahom, Slovakia	TWD EUR	1,541,797 47,121	Manufacturing and sales of power supplies, power system and OEM power system
Delta Energy Systems (Romania) S.R.L.	1993/01	Bucharest, Romania	TWD RON	2,617 395	Research and development
Delta Energy Systems (Singapore) PTE. LTD.	2011/02	Singapore	TWD USD	5,320,925 173,264	Equity investments, trading, management and consultancy
Delta Electronics (Holdings) Australia Pty Ltd	2010/12	Notting Hill VIC, Australia	TWD AUD	69,343 3,329	Marketing and sales of renewable energy products



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics India Pvt. Ltd.	2008/06	Chennai, India	TWD	3,073,451	Manufacturing and marketing of non-telecom power system and uninterruptible power supply, and sales of uninterruptible power supply
			INR	8,280,888	
Delta Electronics (Myanmar) Co., Ltd.	2015/10	Yangon, Myanmar	TWD	72,169	Manufacturing of electronics products used in CMP manufacturing process and machinery
			USD	2,350	
Delta Energy Systems (UK) Ltd.	2018/05	East Kilbride, UK	TWD	25,963	Research and development of electronic products
			GBP	700	
Delta Greentech (Netherlands) B.V.	2008/03	Hoofddorp, the Netherlands	TWD	881,385	Equity investments
			EUR	26,937	
Delta Energy Systems LLC	2004/09	Moscow, Russia	TWD	13	Marketing and sales of power systems
			RUB	30	
Eltek s.r.o.	2004/12	Liptovsky Hradok, Slovakia	TWD	108,611	Manufacturing of telecom power system
			EUR	3,319	
Delta Electronics (Automotive) Americas Inc.	2018/02	Michigan, USA	TWD	76,775	Research and development of automotive power and traction inverter
			USD	2,500	
Delta Green Industrial (Thailand) Co., Ltd.	2010/11	Chachoengsao, Thailand	TWD	184,185	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center
			THB	206,000	
Amerlux, LLC	1983/09	NJ, USA	TWD	0	Design and production of dedicated lighting system and facilities
			USD	0	
Amerlux Lighting Asia, LLC	2010/02	NJ, USA	TWD	0	Equity investments
			USD	0	
Amerlux Lighting Hong Kong Limited	2010/03	Hong Kong	TWD	39	Equity investments
			HKD	10	
Guangzhou Amerlux Lighting Solutions Company Limited	2010/12	Guangzhou City, China	TWD	14,587	Wholesale of lighting fixture and decorative objects
			USD	475	
Digital Projection International Ltd.	2001/11	Machester, UK	TWD	1,340	Equity investments
			GBP	36	
Digital Projection Holdings Ltd.	1996/11	Machester, UK	TWD	15,031	Equity investments
			GBP	405	
Digital Projection Ltd.	1996/12	Machester, UK	TWD	1,599	Research, development and sales of projector products
			GBP	43	
Digital Projection Inc.	1996/07	GA, USA	TWD	614,200	Sales of projector products
			USD	20,000	
Cyntec Electronics (Wuhu) Co., Ltd.	2020/01	Wuhu sub-zone, China (Anhui) Pilot Free Trade Zone	TWD	1,504,790	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
			USD	49,000	
Trihedral Engineering Limited	1986/10	NS, Canada	TWD	18,570	Graphic control software and related engineering services
			CAD	819	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Trihedral Inc.	2007/06	FL, USA	TWD	614	Graphic control software and related
			USD	20	engineering services
Trihedral UK Limited	1998/07	Aberdeen, UK	TWD	45	Graphic control software and related
			GBP	1	engineering services
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	2020/11	Haryana, India	TWD	141,449	Manufacturing and sales of electronic
			INR	381,110	products
Delta Electronics (Vietnam) Company Limited	2020/10	Hanoi City, Vietnam	TWD	3,021	Sales of electronic products
			VND	2,323,700	
March Networks Holdings Ltd.	2011/12	Ottawa, Canada	TWD	397,265	Equity investments
			CAD	17,524	
March Networks Corporation	2012/04	Ottawa, Canada	TWD	197,482	Security surveillance software and
			CAD	8,711	hardware and related engineering services
March Networks, Inc.	2006/06	Georgia, USA	TWD	256,736	Security surveillance software and
			USD	8,360	hardware and related engineering services
March Networks de Mexico, S.A. de C.V.	2006/10	Mexico	TWD	7,217	Security surveillance software and
			MXN	4,550	hardware and related engineering services
March Networks (Australia) Pty Limited	2007/02	NSW, Australia	TWD	1,708	Security surveillance software and
			AUD	82	hardware and related engineering services
March Networks Limited	2002/08	UK	TWD	37,090	Security surveillance software and
			GBP	1,000	hardware and related engineering services
March Networks B.V.	2006/08	Amsterdam, the Netherlands	TWD	65,440	Security surveillance software and
			EUR	2,000	hardware and related engineering services
March Networks (Singapore) Pte. Limited	2014/11	Singapore	TWD	2,282	Security surveillance software and
			SGD	100	hardware and related engineering services
March Networks S.r.l.	2013/07	Milano, Italy	TWD	32,720	Security surveillance software and
			EUR	1,000	hardware and related engineering services
March Networks (France) SAS	2020/02	Paris, France	TWD	3,272	Security surveillance software and
			EUR	100	hardware and related engineering services
Delta Electronics (Chongqing) Ltd.	2021/12	Chongqing, China	TWD	1,074,850	Manufacturing of electronic parts of new
			USD	35,000	energy vehicles and parts for power supply
					of electronic equipment
Delmind Inc.	2022/05	Taoyuan City, Taiwan	TWD	300,000	Provide vertical add-on value solution
UI Acquisition Holding Co.	2006/10	NJ, USA	TWD	2,350,190	Equity investments
			USD	76,529	
UI Holding Co.	2006/10	NJ, USA	TWD	1,485,811	Equity investments
			USD	48,382	
Universal Instruments Corporation	1991/01	NY, USA	TWD	5,913,684	Precision automation solutions
			USD	192,565	
UI European Holdco. Cooperatief U.A.	2006/10	Netherlands	TWD	292,666	Equity investments
			USD	9,530	
UNIVERSAL INSTRUMENTS (HONG KONG) LIMITED	1989/08	Hong Kong	TWD	154	Precision automation solutions
			USD	5	
Universal Instruments s.r.o.	2010/09	Slovakia	TWD	0	Precision automation solutions
			EUR	0	
Universal Instruments Mfg. (Shenzhen) Co. Ltd.	2002/05	Shenzhen, China	TWD	127,884	Precision automation solutions
			RMB	28,969	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Universal Instrument de Mexico S.A. de C.V	1995/05	Mexico	TWD	0	Precision automation solutions
			USD	0	
Hover-Davis, Inc.	2002/08	NJ, USA	TWD	626,074	Precision automation solutions
			USD	20,387	
Ancora Semiconductors Inc.	2022/07	Taoyuan City, Taiwan	TWD	552,000	Gallium Nitride (GaN) technologies and solutions
Graterudveien 8 AS	2022/04	Norway	TWD	1,624	Property rights business
			NOK	522	
March Networks Poland Sp. Z o.o.	2022/05	Gliwice, Poland	TWD	6,695	Research and development on Business Intelligence applications
			PLN	961	

9.1.3 Shareholders in Common of the Company and affiliates with deemed control and subordination:

The Reason for Presumption	Name (Note 1)	Shareholding (Note 2)		Date of Incorporation	Address	Paid-in Capital	Major Business Activities
		Shares	%				
None	None	None	None	None	None	None	None

Note 1: For common shareholder who is a juridical person, fill in the name of the juridical person; for common shareholder who is a natural person, fill in the name of the natural person. For shareholder who is a natural person, only fill in the reason for such presumption, name and shareholding.

Note 2: The shareholding of the shareholder in the controlling company should be filled in the shareholding column.

9.1.4 Business scope of the Company's affiliates

The business scope of the Company's affiliates mainly includes equity investment, research and development, design, manufacturing, sales, trading, warehousing and operations management services of power and electronics products, automation equipment and solutions, etc., operations management services, solutions to building management and control, design and producing dedicated lighting system and facilities.

Description of the state of cooperation between affiliated companies:

9.1.4.1. Delta Electronics, Inc., Cyntec Co., Ltd., ELTEK AS, Vivotek Inc., Delta Electronics (Thailand) Public Company Limited and UI Acquisition Holding Co. manufacture electronic products through the affiliates shown below:

- (1) Delta Electronics (Dongguan) Co., Ltd.
- (2) Delta Electronics (Jiangsu) Ltd.
- (3) Delta Electronics (Wuhu) Co., Ltd.
- (4) Delta Electronics (Chenzhou) Co., Ltd.
- (5) DELTA ELECTRONICS BRASIL LTDA.
- (6) Delta Networks (Dongguan) Ltd.
- (7) Cyntec Electronics (Suzhou) Co., Ltd
- (8) DELTA ELECTRONICS (USA) INC.
- (9) ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.
- (10) DELTA GREENTECH (BRASIL) LTDA.
- (11) Delta Electronics (Slovakia) s.r.o.
- (12) Delta Electronics India Pvt. Ltd.
- (13) DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED
- (14) Eltek s.r.o.
- (15) Cyntec Electronics (Wuhu) Co., Ltd.
- (16) DelBio (Wujiang) Co., Ltd.
- (17) Delta Electronics (Chongqing) Ltd.



(18)Universal Instruments Corporation

(19)Hover-Davis, Inc.

9.1.4.2. The above (1) to (19) companies' sale electronic products through the following affiliates:

Delta Electronics (Japan), Inc.

Delta Electronics (Korea), Inc.

Delta Electronics (Netherlands) B.V.

Delta Electronics Int'l (Singapore) Pte. Ltd.

Delta Electronics International Mexico S.A. DE C.V.

Delta Electronics (Americas) Ltd.

Delta Electronics Europe Ltd.

Delta Greentech (China) Co., Ltd.

Delta Electronics (Shanghai) Co., Ltd.

Delta Electronics (Pingtan) Co., Ltd.

ELTEK AS and its subsidiaries

Delta Electronics (Switzerland) AG and its subsidiaries

Delta Greentech Electronics Industry LLC

Vivotek Inc. and its subsidiaries

Delta Energy Systems (Singapore) PTE. LTD and its subsidiaries

Delta Green Industrial (Thailand) Co., Ltd.

Delta Energy Systems (Germany) GmbH

Delta Energy Systems (India) Private Ltd.

Digital Projection Ltd. and its subsidiaries

Delta Electronics (Vietnam) Company Limited

DelBio Inc.

UI Acquisition Holding Co. and its subsidiaries

9.1.4.3. The affiliates listed below provide logistics and warehousing services overseas:

DEI Logistics (USA) Corp. and DET Logistics (USA) Corporation

9.1.4.4. Loy Tec electronics GmbH and Delta Controls Inc. provide solutions to building management and control solutions.

Amerlux, LLC and Guangzhou Amerlux Lighting Solutions Company Limited provide solutions to dedicated lighting system and facilities. Trihedral Engineering Limited and its subsidiaries provide software and associated engineering services. March Networks Holdings Ltd. provides security surveillance software and hardware and related engineering services. Delmind Inc. provides vertical add-on value solution. Ancora Semiconductors Inc. provides Gallium Nitride (GaN) technologies and solutions.



9.1.5 Information of Directors, Supervisors, and Presidents of Affiliates

As of December 31, 2022

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics, Inc.	Chairman	Yancey Hai	984,067	0.04%
	Vice-Chairman and Chairman of Strategic Steering Committee	Mark Ko	807,630	0.03%
	Director	Bruce CH Cheng	81,878,039	3.15%
	Director/CEO and Vice-Chairman of Strategic Steering Committee	Ping Cheng	55,640,093	2.14%
	Director/ President, COO and Branch Manager	Simon Chang	903,811	0.03%
	Director	Victor Cheng	50,344,764	1.94%
	Director	Shan Shan Guo	20,360	0.00%
	Independent Director	Ji-Ren Lee	0	0.00%
	Independent Director	Shyue-Ching Lu	0	0.00%
	Independent Director	Jack J. T. Huang	0	0.00%
	Independent Director	Rose Tsou	0	0.00%
	Independent Director	Audrey Tseng	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
Delta International Holding Limited B.V.	Director	Betty Chung	0	0.00%
	Representative Director	Bruce CH Cheng	0	0.00%
	Representative Director	CH Ko	0	0.00%
Delta Electronics (Japan), Inc.	Representative Director	RT Tsai	0	0.00%
	Director	Mark Ko	0	0.00%
	Supervisor	Beau Yu	0	0.00%
Delta Electronics (H.K.) Ltd.	Director	Bruce CH Cheng	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Jimmy Yin	0	0.00%
	Director	Jess Lo	0	0.00%
Delta Electronics (Dongguan) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Victor Cheng	NA	NA
	Supervisor	Allen Wang	NA	NA
	Chairman/General Manager	Victor Cheng	NA	NA
Delta Networks (Dongguan) Ltd.	Director	George Chen	NA	NA
	Director	Rock Huang	NA	NA
	Supervisor	Allen Wang	NA	NA
	Representative Director	CH Ko	0	0.00%
	Director	Is Miyazaki	0	0.00%
Addtron Technology (Japan), Inc.	Director	Matsuo Fujii	0	0.00%
	Director	Kengo Ka	0	0.00%
	Director	Hs Sasajima	0	0.00%
	Supervisor	Beau Yu	0	0.00%
	Director/General Manager	ChungHsiu Yao	0	0.00%
DEI Logistics (USA) Corp.	Director	Judy Lee	0	0.00%
	Director	Beau Yu	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics (Jiangsu) Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director	Mark Ko	NA	NA
	Director	Ping Cheng	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	Ronald Chung	NA	NA
Delta Networks Holding Limited	Director	Bruce CH Cheng	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Victor Cheng	0	0.00%
Delta Networks, Inc.	Director	Bruce CH Cheng	0	0.00%
	Director	Yancey Hai	0	0.00%
Delta Electronics (Shanghai) Co., Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director	Fred Lee	NA	NA
	Director	Yancey Hai	NA	NA
	Supervisor	Allen Wang	NA	NA
	Representative Director	Jeff Chang	0	0.00%
Delta Electronics (Korea), Inc.	Representative Director	CH Ko	0	0.00%
	Director	SY Hiramatsu	0	0.00%
	Director	Kengo Ka	0	0.00%
	Supervisor	Iris Chu	0	0.00%
Delta Electronics (Netherlands) B.V.	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Andy Liu	0	0.00%
Delta Electronics (Wuhu) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	JP Wang	NA	NA
Delta Electronics (Chenzhou) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Networks (HK) Limited	Director	Victor Cheng	0	0.00%
	Director	George Chao	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Christine Jen	0	0.00%
	Director	Jess Lo	0	0.00%
Cyntec Co., Ltd.	Chairman	Steven Liu (Representative of Delta Electronics, Inc.)		
	Vice-Chairman	Shou-Fong Chin (Representative of Delta Electronics, Inc.)		
	Director	Bruce CH Cheng (Representative of Delta Electronics, Inc.)		
	Director	Yancey Hai (Representative of Delta Electronics, Inc.)	2,341,204,333	100.00%
	Director	Ping Cheng (Representative of Delta Electronics, Inc.)		
	Director/CEO	Ted Shyy (Representative of Delta Electronics, Inc.)		
	Director	Ian Chan (Representative of Delta Electronics, Inc.)		
	Supervisor	Shalin Chen (Representative of Delta Electronics, Inc.)		



Company	Title	Name or Representative	Shareholding	
			Shares	%
Fairview Assets Ltd.	Director	Bruce CH Cheng	0	0.00%
	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Grandview Holding Ltd.	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
CYNTEC HOLDING (HK) LIMITED	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Cyntec International Ltd.	Director	Ted Shyy	0	0.00%
	Director	Juichen Liao	0	0.00%
Cyntec Electronics (Suzhou) Co., Ltd	Executive Director	Jason Chen	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	Victor Wang	NA	NA
	Chairman	Mark Ko	NA	NA
Chenzhou Delta Technology Co., Ltd.	Director/General Manager	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
	Chairman	Herbert Ho (Representative of Delta Electronics, Inc.)		
DelBio Inc.	Director	JJ Chang (Representative of Delta Electronics, Inc.)	21,761,836	100.00%
	Director	Gary Chang (Representative of Delta Electronics, Inc.)		
	Supervisor	Clarence Yu (Representative of Delta Electronics, Inc.)		
	Chairman	Lanford Liu (Representative of Delta Electronics, Inc.)		
Delta Electronics Capital Company	Director	Bruce CH Cheng (Representative of Delta Electronics, Inc.)		
	Director	Yancey Hai (Representative of Delta Electronics, Inc.)	391,967,176	100.00%
	Director	Mark Ko (Representative of Delta Electronics, Inc.)		
	Director	Ryan Wang (Representative of Delta Electronics, Inc.)		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Supervisor	Beau Yu (Representative of Delta Electronics, Inc.)		
	Director	Cecilia Ku	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Simon Chang	0	0.00%
Delta Electronics International Mexico S.A. DE C.V.	Director	Steven Liu	0	0.00%
	Director	Beau Yu	0	0.00%
	Chairman/Legal Representative	Andy Liu	0	0.00%
	Director	Kelvin Huang	0	0.00%
Delta Green (Tianjin) Industries Co., Ltd.	Legal Representative	Dave Morse	0	0.00%
	Legal Representative	Alberto Sosa	0	0.00%
	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
Drake Investment (HK) Limited	Director	Simon Chang	NA	NA
	Director	Herbert Ho	NA	NA
	Supervisor	Beau Yu	NA	NA
	Director	Ping Cheng	0	0.00%
Drake Investment (HK) Limited	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Greentech (China) Co., Ltd.	Chairman	Ping Cheng	0	0.00%
	Vice-Chairman	Simon Chang	0	0.00%
	Director	Xiaohua Wei	0	0.00%
	Director/General Manager	Kevin Tan	0	0.00%
	Director	Mark Ko	0	0.00%
	Supervisor	Beau Yu	0	0.00%
	Supervisor	Ruizhong Zou	0	0.00%
	Supervisor	Allen Wang	0	0.00%
DelBio (Wujiang) Co., Ltd.	Chairman	Herbert Ho	NA	NA
	Director/General Manager	Ronald Chung	NA	NA
	Director	JJ Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Greentech SGP Pte. Ltd.	Director	Cecilia Ku	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Simon Chang	0	0.00%
	Director	Jackie Chang	0	0.00%
Delta Electronics Europe Ltd.	Director	Beau Yu	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Ping Cheng	0	0.00%
Boom Treasure Limited	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
Delta Electronics (Pingtan) Co., Ltd.	Director	Jimmy Yin	NA	NA
	Director/General Manager	Kevin Tan	NA	NA
	Supervisor	Allen Wang	NA	NA
	Chairman	Victor Cheng	0	0.00%
ELTEK AS	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Hilde Steira	0	0.00%
	Director	Geir Waaler	0	0.00%
	Managing Director	Frode Vagen	0	0.00%
	Director	Gula Khan	0	0.00%
ELTEK PAKISTAN (PRIVATE) LIMITED	Director	Muhammad Hasnain	0	0.00%
	Chairman	Miloud Abdelilah	0	0.00%
Eltak Egypt for Power Supply S.A.E.	Vice-Chairman	Motaz Al Maani	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Director	Victor Cheng	0	0.00%
Eltak SGS Pvt Ltd.	Director	Deepak Sharma	0	0.00%
	Director	Bengt Johannes Lundberg	0	0.00%
	Director	Ranjit Singh Lonial	5,000	0.03%
	Director	Jasbir Singh Gujral	5,000	0.03%
ELTEK MEA DMCC	Director	Miloud Abdelilah	0	0.00%
Eltak Italia S.r.l.	Director	Giuseppe Chieti	0	0.00%

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Company	Title	Name or Representative	Shareholding	
			Shares	%
DELTA	Legal Representative	Kelvin Huang	0	0.00%
ELECTRONICS	Legal Representative	Allen Pitts	0	0.00%
(COLOMBIA) S.A.S.	Legal Representative	Fermin Luna	0	0.00%
Eltekenenergy Services, S.A. de C.V.	Director/General Manager	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Legal Representative	Alberto Sosa	0	0.00%
Delta Electronics (Americas) Ltd.	Director/President	Kelvin Huang	0	0.00%
	Director	James Tang	0	0.00%
	Director	Wilson Huang	0	0.00%
Delta America Ltd.	Director/President	Kelvin Huang	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Beau Yu	0	0.00%
Power Forest Technology Corporation	Chairman	Ian Chan (Representative of Cyntec Co., Ltd.)		
	Director	Steven Liu (Representative of Cyntec Co., Ltd.)		
	Director	Ted Shyy (Representative of Cyntec Co., Ltd.)		
	Director/General Manager	Songyi Lin (Representative of Cyntec Co., Ltd.)	15,432,000	99.73%
	Director	Jimmy Yin (Representative of Cyntec Co., Ltd.)		
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Supervisor	Vacancy (Note)		
	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director/General Manager	Kevin Tan	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Controls Inc.	Director	Mark Ko	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Director	John Nicholls	0	0.00%
Loy Tec electronics GmbH	Director	Roland Chiang	0	0.00%
	Managing Director	Hans-Jörg Schweinzer	0	0.00%
	Managing Director	Bill Lo	0	0.00%
Delta Electronics (Xi'an) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director/General Manager	Jimmy Yin	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics (Beijing) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Jimmy Yin	NA	NA
	Director/General Manager	Thomas Li	NA	NA
Delta Electronics (Switzerland) AG	Supervisor	Allen Wang	NA	NA
	Chairman/General Manager	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Peter Hofstetter	0	0.00%
Delta Electronics (Czech Republic), spol. s.r.o.	Legal Representative	Jiri Koutengky	0	0.00%
Delta Solutions (Finland) Oy	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Andreas Grewing	0	0.00%
Delta Electronics (Italy) S.r.l.	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics Solutions (Spain) SL	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%
Delta Electronics (Poland) Sp. z o.o.	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
DELTA GREENTECH (BRASIL) LTDA.	Director/Legal Representative	Hewton Seiji Hiroki	0	0.00%
Delta Greentech Electronics Industry LLC	Director	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%
DELTA ELECTRONICS BRASIL LTDA.	Director/Legal Representative	Alvaro Augusto Simoes de Oliveira	0	0.00%
Vivotek Inc.	Chairman	Bill Lo (Representative of Delta Electronics, Inc.)		
	Director	Ray Lai (Representative of Delta Electronics, Inc.)	49,128,058	56.75%
	Director	Simon Chang (Representative of Delta Electronics, Inc.)		
	Director	Zoe Chemg (Representative of Delta Electronics, Inc.)		
	Director	Owen Chen	700,528	0.81%
	Director	Eddy Lan	738,261	0.85%
	Independent Director	Ji-Ren Lee	0	0.00%
	Independent Director	Sin-Hui Yen	0	0.00%
	Independent Director	Chung-Yang Huang	0	0.00%
	General Manager	Alex Liao	197,147	0.23%
Vivotek Holdings, Inc.	Director	Bill Lo	0	0.00%
Vivotek USA, Inc.	Director	Alex Liao	0	0.00%
	Director	David Liu	0	0.00%
Realwin Investment Inc.	Chairman	Bill Lo (Representative of Vivotek Inc.)	17,369,635	100.00%
Wellstates Investment, LLC	General Manager	Bill Lo	0	0.00%
Vivotek Netherlands B.V.	Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
Otus Imaging, Inc.	Chairman	Alex Liao (Representative of Vivotek Inc.)	6,000,000	100.00%
	General Manager	Alex Chiu	0	0.00%
Aetek Inc.	Chairman	Alex Liao (Representative of Realwin Investment Inc.)	3,372,500	56.21%
	Director/General Manager	Tim Su	322,500	5.38%
	Director	Otis Tseng	250,000	4.17%
	Supervisor	Arway Hsu	95,000	1.58%
	Chairman	Alex Liao (Representative of Realwin Investment Inc.)	1,020,000	51.00%
Lidlight Inc.	Director/General Manager	Elvis Chang	150,000	7.50%
	Director	Andy Chen	150,000	7.50%
	Supervisor	Owen Chen	100,000	5.00%
Vivotek (Japan) Inc.	Representative Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
	Chairman	James Ng	0	0.00%
	Director	Anusom Muttaraid	0	0.00%
	Director	Mark Ko	0	0.00%
Delta Electronics	Director	Ping Cheng	0	0.00%
(Thailand) Public	Director/ President	Jackie Chang	0	0.00%
Company Limited	Independent Director	Boonsak Chiempicha	0	0.00%
	Independent Director	George Chu	0	0.00%
	Independent Director	Witoon Simachokedee	0	0.00%
	Independent Director	Tipawan Chayutimand	0	0.00%
DET International	Director	James Ng	0	0.00%
Holding B.V.	Director	Gavin Hsu	0	0.00%
	Director	Sam Huang	0	0.00%
DET Logistics (USA)	Director/ President	Chung Hsiu Yao	0	0.00%
Corporation	Director	Judy Lee	0	0.00%
	Director	Nipapom Jiarajareevong	0	0.00%
Delta Energy Systems	Managing Director	Andreas Kostrzewa	0	0.00%
(Germany) GmbH	Managing Director	Peter Ide	0	0.00%
	Managing Director	Dalip Sharma	0	0.00%
Delta Energy Systems	Managing Director	Andreas Kostrzewa	0	0.00%
Property (Germany)	Managing Director	Peter Ide	0	0.00%
GmbH	Managing Director	Dalip Sharma	0	0.00%
Delta Energy Systems	Director	Dick Hsieh	0	0.00%
(India) Private Ltd.	Director	Nipapom Jiarajareevong	0	0.00%
	Director	Om Prakash	0	0.00%
Delta Electronics	Managing Director	Kevin CM Yu	0	0.00%
(Slovakia) s.r.o.				
Delta Energy Systems	Administrator	Jackie Chang	0	0.00%
(Romania) S.R.L.	Administrator	Peter Ide	0	0.00%
	Director	James Ng	0	0.00%
Delta Energy Systems	Director	Cecilia Ku	0	0.00%
(Singapore) PTE. LTD.	Director	Jackie Chang	0	0.00%
Delta Electronics	Chairman	James Ng	0	0.00%
(Holdings) Australia				
Pty Ltd	Director	Jackie Chang	0	0.00%
	Director	Benjamin Lin	0	0.00%
Delta Electronics India	Director	Nipapom Jiarajareevong	0	0.00%
Pvt. Ltd.	Director	Om Prakash	0	0.00%
	Director	Jackie Chang	1	0.00%
Delta Electronics	Director	Anusom Muttaraid	0	0.00%
(Myanmar) Co., Ltd.	Director	Vichai Saksuriya	0	0.00%
Delta Energy Systems	Director	Jackie Chang	0	0.00%
(UK) Ltd.	Director	Peter Ide	0	0.00%
Delta Greentech	Director	James Ng	0	0.00%
(Netherlands) B.V.	Director	Dalip Sharma	0	0.00%
Delta Energy Systems	Director	Ekaterina Shakhvorostova	0	0.00%
LLC				
Eltek s.r.o.	Managing Director	Kevin CM Yu (under registration)	0	0.00%
	General Manager	Kevin CM Yu	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics	Director	James Ng	0	0.00%
(Automotive) Americas Inc.	Director/President	Jackie Chang	0	0.00%
	Director	Kelvin Huang	0	0.00%
Delta Green Industrial (Thailand) Co., Ltd.	Director	Jackie Chang	1	0.00%
	Director	Anusom Muttaraid	1	0.00%
	Director	Joe Oberle	0	0.00%
Amerlux, LLC	Director	Calvin Wang	0	0.00%
	Director	Chuck Campagna	0	0.00%
Amerlux Lighting Asia, LLC	Director	Kelvin Huang	0	0.00%
	Director	Joe Oberle	0	0.00%
Amerlux Lighting Hong Kong Limited	Director/Legal Representative	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
	Chairman/Legal Representative	Ping Cheng	NA	NA
Guangzhou Amerlux Lighting Solutions Company Limited	Director	Bill Lo	NA	NA
	Director	Calvin Wang	NA	NA
	Supervisor	Allen Wang	NA	NA
	Manager	Frank Louis Weston	NA	NA
	Director	Jeff Fu	0	0.00%
Digital Projection International Ltd.	Director	Kelvin Huang	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Jeff Fu	0	0.00%
Digital Projection Holdings Ltd.	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Jeff Fu	0	0.00%
Digital Projection Ltd.	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director/President	Kelvin Huang	0	0.00%
Digital Projection Inc.	Director	Jiashien Chen	0	0.00%
	Director	Eng Taing	0	0.00%
	Executive Director	Jason Chen	NA	NA
Cyntec Electronics (Wuhu) Co., Ltd.	Supervisor	Allen Wang	NA	NA
	General Manager	Victor Wang	NA	NA
	Chairman	David Morse	0	0.00%
Trihedral Engineering Limited	Director	Chientan Lien	0	0.00%
	Director	Glenn Wadden	0	0.00%
	Director	Glenn Wadden	0	0.00%
Trihedral Inc.	Director	Barry Baker	0	0.00%
	Director	Glenn Wadden	0	0.00%
Trihedral UK Limited	Director	Barry Baker	0	0.00%
	Director	Steven Pomeroy	0	0.00%
	Director	Keith Donaldson	0	0.00%
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Director	Anuson Muttaraid	0	0.00%
	Director	Niranjan Seetharam Nayak	0	0.00%
	Director	Bobby Lai	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics	Director	Jackie Chang	0	0.00%
(Vietnam) Company	Director	Tony Meng	0	0.00%
Limited	Director	Nipapom Jiarajareevong	0	0.00%
	Chairman	Jiashien Chen	0	0.00%
March Networks	Director	Anita Parker	0	0.00%
Holdings Ltd.	Director	ChungHsiu Yao	0	0.00%
	Chairman	Bill Lo	0	0.00%
	Director	Joe Oberle	0	0.00%
March Networks	Director/ CEO	Peter Strom	0	0.00%
Corporation	Director	William Ku	0	0.00%
	Observer	Chuck Campagna	0	0.00%
	Chairman	Bill Lo	0	0.00%
March Networks, Inc.	Director	Chuck Campagna	0	0.00%
	Director/ President	Peter Strom	0	0.00%
	Director	Bill Lo	0	0.00%
March Networks de	Director	Peter Strom	0	0.00%
Mexico, S.A. de C.V.	Director	Christine Maher	0	0.00%
	Director/Legal Representative	Alberto Sosa	0	0.00%
	Director	Bill Lo	0	0.00%
March Networks	Director	Peter Strom	0	0.00%
(Australia) Pty Limited	Director	David Robert Leal	0	0.00%
March Networks	Chairman	Bill Lo	0	0.00%
Limited	Director	Peter Strom	0	0.00%
	Managing Director	Bill Lo	0	0.00%
March Networks B.V.	Managing Director	Dalip Sharma	0	0.00%
March Networks	Director	Bill Lo	0	0.00%
(Singapore) Pte.	Director	Peter Strom	0	0.00%
Limited	Director	Cecilia Ku	0	0.00%
	Chairman	Bill Lo	0	0.00%
	Director	Peter Strom	0	0.00%
March Networks S.r.l.	Director	Dalip Sharma	0	0.00%
	Managing Director	Giovanni Milani	0	0.00%
March Networks	President	Peter Strom	0	0.00%
(France) SAS	General Manager	Giovanni Milani	0	0.00%
	Chairman	Ping Cheng	0	0.00%
	Director	Simon Chang	0	0.00%
Delta Electronics	Director	Rock Huang	0	0.00%
(Chongqing) Ltd.	General Manager	Roland Chung	0	0.00%
	Supervisor	Allan Wang	0	0.00%
	Chairman	Andy Liu (Representative of Delta Electronics, Inc.)		
	Director	Max Lee (Representative of Delta Electronics, Inc.)	21,000,000	70.00%
	Director/General Manager	Almon Chen (Representative of Delta Electronics, Inc.)		
Delmind Inc.	Director	Yea-Yih Huang (Representative of USI Corporation)	9,000,000	30.00%
	Director	Yung-Wen Chung (Representative of USI Corporation)		
	Supervisor	Clarence Yu	0	0.00%
	Supervisor	Yung-Chih Chen	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
UI Acquisition Holding Co.	Director	Kelvin Huang	0	0.00%
	Director	Jiashien Chen	0	0.00%
UI Holding Co.	Director	Kelvin Huang	0	0.00%
	Director	Jiashien Chen	0	0.00%
	Chairman	Andy Liu	0	0.00%
Universal Instruments Corporation	Director	Vincent Lin	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Director	Dave Morse	0	0.00%
	Director	Jean-Luc Pelissier	0	0.00%
	Director	Michiel Friso Alexander van Schijndel	0	0.00%
UI European Holdco. Cooperatief U.A.	Director	Arnold-Jan Lanting	0	0.00%
	Director	Jean-Luc Pelissier	0	0.00%
	Director	Robert Mahoney	0	0.00%
UNIVERSAL INSTRUMENTS (HONG KONG) LIMITED	Director	Jean-Luc Pelissier	0	0.00%
		Robert Mahoney	0	0.00%
Universal Instruments s.r.o.	Managing Director	Jean-Luc Pelissier	0	0.00%
	Managing Director	Robert Mahoney	0	0.00%
	Chairman	Jean-Luc Pelissier	NA	NA
Universal Instruments Mfg. (Shenzhen) Co. Ltd.	Director	Keith O' Leary	NA	NA
	Director/General Manager	Lu Zhipeng	NA	NA
	Supervisor	Chen Xia	NA	NA
Universal Instrument de Mexico S.A. de C.V.	Director	Jean-Luc Pelissier	0	0.00%
	Chairman	Andy Liu	0	0.00%
Hover-Davis, Inc.	Director	Dave Morse	0	0.00%
	Director	Jean-Luc Pelissier	0	0.00%
	Chairman	Lanford Liu (Representative of Delta Electronics Capital Company)	4,000,000	7.25%
Ancora Semiconductors Inc.	Director	Mark Ko (Representative of Delta Electronics, Inc.)	37,000,000	67.03%
	Director/General Manager	TK Shing	1,000,000	1.81%
	Supervisor	Clarence Yu	0	0.00%
	Chairman	Victor Cheng	0	0.00%
Graterudveien 8 AS	Director	Dalip Sharma	0	0.00%
	Director	Frode Vagen	0	0.00%
	Chairman	Bill Lo	0	0.00%
March Networks	Director	Peter Strom	0	0.00%
Poland Sp. Z o.o.	Director	Dalip Sharma	0	0.00%
	Managing Director	Giovanni Milani	0	0.00%

Note : Elected on January 26, 2023.



9.1.6 Operational Highlights of Affiliates

As of December 31, 2022 Unit: NT\$ thousands (except for EPS=NT\$)

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Delta Electronics, Inc.	25,975,433	287,057,978	100,269,071	186,788,907	82,637,878	9,285,436	32,665,728	12.58
Delta Networks Holding Limited and its subsidiaries	55,279	2,218,593	56,893	2,161,700	3,217	(4,670)	41,954	-
Delta Electronics Capital Company	3,919,672	4,159,048	221,181	3,937,867	89,164	(61,328)	(109,159)	(0.29)
Allied Material Technology Corp.	-	-	-	-	27,272	(26,146)	(25,550)	NA (Note 3)
DelBio Inc.	217,618	269,812	85,945	183,867	139,818	(38,396)	(25,851)	(1.19)
DelBio (Wujiang) Co., Ltd.	122,840	291,741	119,730	172,011	282,366	14,231	13,624	NA (Note 2)
Delmind Inc.	300,000	288,544	8,803	279,741	-	(21,470)	(20,259)	(1.01)
Ancora Semiconductors Inc.	552,000	861,128	72,274	788,854	3,759	(74,073)	(72,423)	(0.04)
Cyntec Co., Ltd. and its subsidiaries	23,412,043	39,275,907	7,087,164	32,188,743	21,984,941	915,756	1,288,587	0.55
Delta Electronics Int'l (Singapore) Pte. Ltd.	1,034,959	123,393,460	60,292,977	63,100,483	256,231,575	12,869,711	18,076,427	399.62
Loy Tec electronics GmbH	1,145	822,498	195,875	626,623	730,420	208,704	147,191	NA (Note 2)
ELTEK POWER INCORPORATED	6,284	109,272	70,403	38,869	76,435	8,445	9,277	0.81
ELTEK POWER CO., LTD.	3,576	171,869	48,507	123,362	184,939	16,809	13,768	344.19
ELTEK POWER (CAMBODIA) LTD	154	665	9,932	(9,267)	-	-	-	-
ELTEK POWER (MALAYSIA) SDN. BHD.	2,101	55,697	111,797	(56,100)	40,892	(8,499)	(7,706)	(25.69)
Delta International Holding Limited B.V.	2,078,453	76,961,387	401,746	76,559,641	-	(5,248)	2,344,331	34.64
DEI Logistics (USA) Corp.	30,710	9,307,572	9,058,321	249,251	25,859,443	12,762	3,700	3.70
Delta Electronics (Japan), Inc.	65,072	3,470,927	2,623,870	847,057	4,715,416	99,257	136,638	24,399.59
Addtron Technology (Japan), Inc.	8,366	40,586	7,976	32,610	23,526	(7,546)	2,997	4,161.84
Delta Electronics (Korea), Inc.	1,229	369,800	166,937	202,863	604,876	43,348	34,776	3,477.61
Delta Electronics Europe Ltd.	-	-	-	-	4,588	(35)	217	0.43 (Note 4)
Delta Controls Inc.	2,197,573	5,715,646	2,853,586	2,862,060	2,178,789	98,894	35,630	0.48
DELTA ELECTRONICS HOLDING (USA) INC.	326	2,200,956	-	2,200,956	-	-	-	-
DELTA ELECTRONICS (USA) INC., etc.	(2,943)	7,358,552	4,393,701	2,964,851	15,971,620	521,902	339,809	-
ELTEK AS	145,484	4,677,867	1,214,929	3,462,938	4,864,940	234,119	206,375	2.21
ELTEK PAKISTAN (PRIVATE) LIMITED	36,514	29	1,038	(1,009)	-	(426)	(426)	(0.16)
Eltek Egypt for Power Supply S.A.E.	34,372	124,839	52,061	72,778	58,585	(51,555)	(54,751)	(1,977.28)
Eltek SGS Pvt Ltd.	2,865	159,874	10,070	149,804	18,697	(15,485)	(8,486)	(10.99)
Eltek SGS Mechanics Pvt Ltd.	119,109	19,869	(96)	19,965	-	-	-	-



Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
ELTEK MEA DMCC	1,668	206,500	190,785	15,715	280,632	(15,214)	75	373.45
ELTEK KENYA LIMITED	-	-	-	-	-	-	383	NA (Note 3)
ELTEK WEST AFRICA LIMITED	-	-	-	-	-	-	(14,185)	NA (Note 3)
Eltek Italia S.r.l.	-	-	-	-	87	(2,458)	(860)	NA (Note 2 - 4)
DELTA ELECTRONICS (France) SAS	16,661	643,181	373,487	269,694	1,229,781	45,475	27,976	5,025.32
DELTA ELECTRONICS (UK) LTD	19,369	642,048	382,261	259,787	1,197,426	29,195	28,272	53.68
Delta Electronics (Sweden) AB	353	231,534	153,502	78,032	514,693	10,632	9,845	9,844.88
OOO Eltek	61	191,165	35,708	155,457	77,451	(129,489)	(128,986)	NA (Note 2)
DELTA Electronics (Germany) GmbH, etc.	67,992	822,274	570,509	251,765	1,324,181	47,036	20,056	-
Graterudveien 8 AS	1,624	454,424	11,768	442,656	-	(10,400)	(1,139)	(13.09)
Delta Electronics (Switzerland) AG	332,050	1,699,564	853,110	846,454	2,765,905	67,713	51,325	5,132.52
Delta Electronics (Czech Republic), spol. s.r.o.	10,814	34,711	5,027	29,684	20,487	1,410	653	NA (Note 2)
Delta Solutions (Finland) Oy	4,402	192,701	78,919	113,782	433,604	11,882	11,504	1,437.95
Delta Electronics (Italy) S.r.l.	3,272	455,092	313,642	141,450	1,036,661	26,642	14,396	143.96
Delta Electronics Solutions (Spain) SL	6,544	376,627	256,602	120,025	554,597	15,583	9,390	46.95
Delta Electronics (Poland) Sp. z o.o.	17,418	242,807	196,799	46,008	439,718	13,711	6,300	126.00
Digital Projection International Ltd. and its subsidiaries	1,340	642,307	838,083	(195,776)	1,063,961	(53,372)	(24,470)	-
March Networks Holdings Ltd. and its subsidiaries	307,100	3,269,912	689,618	2,580,294	2,609,257	6,086	(12,081)	-
UI Acquisition Holding Co. and its subsidiaries	2,350,190	3,603,614	1,460,744	2,142,870	2,230,709	160,022	143,530	-
Delta Electronics (Netherlands) B.V.	4,340,597	45,854,441	17,761,944	28,092,497	8,068,638	250,788	5,734,560	44.63
Delta America Ltd.	629	4,100,483	335,027	3,765,456	-	(85,752)	499,272	24.39
Delta Electronics (Americas) Ltd.	1,190	6,611,434	4,910,169	1,701,265	13,789,754	396,386	333,032	1,332.13
Delta Solar Solutions LLC, etc.	-	-	-	-	-	(3,266)	(3,290)	NA (Note 3)
DELTA GREENTECH (BRASIL) LTDA.	222,550	202,993	61,337	141,656	2,597	903	(45,169)	(10.47)
Delta Greentech Electronics Industry LLC	276,063	998,771	642,036	356,735	1,381,675	294,844	127,225	19.43
DELTA ELECTRONICS BRASIL LTDA.	505,446	1,200,733	583,425	617,308	1,333,611	226,340	140,911	1.62
Delta Greentech SGP Pte. Ltd., etc.	1,573,047	7,036,121	1,262,510	5,773,611	15,760	(982)	675,879	-
Delta Greentech (China) Co., Ltd., etc.	2,552,029	10,646,847	3,395,842	7,251,005	18,980,050	864,583	804,667	-
Delta Electronics (H.K.) Ltd.	10,039,134	48,262,342	23,958,268	24,304,074	34,301	(8,473)	4,686,869	1.84



Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Delta Networks (Dongguan) Ltd.	1,397,305	4,150,284	2,299,709	1,850,575	7,927,944	159,358	116,526	NA (Note 2)
Delta Electronics (Pingtan) Co., Ltd., etc.	735,075	1,664,646	969,018	695,628	2,808,234	36,285	51,203	-
Delta Electronics (Chenzhou) Co., Ltd., etc.	2,047,300	5,505,115	3,451,642	2,053,473	8,935,800	204,048	198,430	-
Delta Electronics International Mexico S.A. DE C.V.	216,784	780,877	508,307	272,570	377,222	47,720	46,726	17.32
Eltekenenergy International de México, S. de R.L. de C.V.	-	-	-	-	-	107	175	NA (Note 3)
Delta Electronics (Dongguan) Co., Ltd.	4,296,636	19,224,004	12,540,159	6,683,845	43,523,352	1,024,321	905,674	NA (Note 2)
Delta Electronics (Jiangsu) Ltd.	5,736,935	36,982,150	25,271,902	11,710,248	85,312,581	1,659,886	1,724,744	NA (Note 2)
Delta Electronics (Shanghai) Co., Ltd.	3,501,457	16,149,753	9,074,405	7,075,348	33,030,105	1,825,316	2,060,748	NA (Note 2)
Delta Electronics (Wuhu) Co., Ltd.	4,115,140	5,781,602	1,332,627	4,448,975	7,743,310	130,676	224,958	NA (Note 2)
Cyntec Electronics (Wuhu) Co., Ltd.	1,504,790	3,898,838	2,720,972	1,177,866	4,144,150	177,288	171,211	NA (Note 2)
Delta Electronics (Chongqing) Ltd.	1,074,850	1,708,098	822,404	885,694	68,862	(116,661)	367	NA (Note 2)
Cyntec Electronics (Suzhou) Co., Ltd	7,155,430	10,188,417	3,520,784	6,667,633	13,337,050	573,668	633,502	NA (Note 2)
Amerlux, LLC	-	2,952,717	1,338,768	1,613,949	2,117,629	42,274	48,169	NA (Note 2)
Amerlux Lighting Asia, LLC, etc.	14,626	161,113	19,834	141,279	271,095	169,793	115,086	NA (Note 2)
Trihedral Engineering Limited	18,570	293,516	49,582	243,934	330,913	140,642	117,508	2,281.92
Trihedral Inc.	614	53,195	25,547	27,648	218,212	6,623	5,754	NA (Note 2)
Trihedral UK Limited	45	15,885	2,677	13,208	24,522	(2,655)	(2,502)	NA (Note 2)
Vivotek Inc.	865,679	6,857,438	3,328,251	3,529,187	9,482,748	639,279	702,194	8.11
Vivotek Holdings, Inc.	32,246	383,487	52	383,435	-	(69)	25,407	24,197.76
Vivotek USA, Inc.	30,710	722,955	340,435	382,520	1,094,151	30,662	25,476	2.55
Otus Imaging, Inc.	60,000	63,651	15,557	48,094	57,875	382	985	0.16
Realwin Investment Inc.	173,696	192,327	8	192,319	42,207	42,048	43,204	2.49
Aetek Inc.	60,000	224,583	71,607	152,976	277,884	77,833	65,224	10.87
Lidlight Inc.	20,000	11,633	4,094	7,539	23,639	886	1,470	0.74
Wellstates Investment, LLC	36,852	107,986	47,550	60,436	12,728	9,025	4,796	NA (Note 2)
Vivotek Netherlands B.V.	9,816	28,778	13,537	15,241	62,743	2,368	2,444	814.86
Vivotek (Japan) Inc.	15,338	26,592	4,215	22,377	21,972	1,081	599	90.74
Delta Electronics (Thailand) Public Company Limited	1,115,284	72,515,251	24,014,395	48,500,856	87,622,997	12,434,853	12,967,705	10.84
DET International Holding Limited, etc.	8,118,414	23,334,514	15,863,191	7,471,323	33,389,354	365,397	427,297	-
Delta Energy Systems (Singapore) PTE. LTD., etc.	5,320,925	14,519,306	7,862,157	6,657,149	11,210,324	145,437	(287,036)	-



Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Delta Green Industrial (Thailand) Co., Ltd.	184,185	229,029	186,099	42,930	310,614	(41,347)	(43,339)	(2.11)
Delta Electronics (Vietnam) Company Limited	3,021	74,559	71,848	2,711	201,721	(2,900)	(8,004)	NA (Note 2)
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	141,861	142,897	208	142,689	-	(1,886)	1,733	0.09

Note 1: If an affiliate is a foreign company, related numbers shall be expressed in NTD with the exchange rate of the reporting date.

Note 2: Shares not applicable due to limited company type.

Note 3: It had been liquidated in 2022.

Note 4: It is under liquidation.

9.1.7 Declaration of consolidated financial statements of Delta Electronics, Inc. and subsidiaries

DELTA ELECTRONICS, INC. and Subsidiaries REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of DELTA ELECTRONICS, INC. as of and for the year ended December 31, 2022, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, DELTA ELECTRONICS, INC. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

DELTA ELECTRONICS, INC.



Chairman: Yancey Hai



February 22, 2023

Affiliation Reports: None.



- ▶ **9.2 Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.
- ▶ **9.3 Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.
- ▶ **9.4 Other matters that require additional description**

The certifications received by finance, accounting and auditing personnel in the Company and its subsidiaries:

9.4.1 Certifications received by financial and accounting personnel

1. Certified Public Accountant- Passed the ROC Senior Qualification Examination: 8 persons
2. US Certified Public Account- Passed the Qualification Examination: 3 persons
3. Certified Public Accountant- Registered in the People's Republic of China: 4 persons
4. Intermediate-level PRC Certified Public Accountant: 76 persons
5. Entry-level PRC Certified Public Accountant: 119 persons
6. Certified Public Accountant- Registered in the Scotland Chartered Certified Accountant Association: 1 person
7. Hong Kong Certified Public Accountant Association- Certified Public Accountant: 1 person
8. Australia Certified Public Accountant: 4 persons
9. Vietnam Certified Public Accountant: 1 person
10. US Chartered Financial Analyst: 3 persons
11. International Internal Auditor: 1 person
12. Senior Securities Specialist: 11 persons
13. Futures Specialist: 1 person
14. Securities Specialist: 3 persons
15. Investment Trust and Consulting Professional: 5 persons
16. Trust Specialist: 14 persons
17. Wealth Management & Planning Specialist: 5 persons
18. With ROC Level B Accounting License: 2 persons
19. With ROC Level C Accounting License: 7 persons
20. Japanese Management Practices Specialist: 1 person
21. England & Wales Chartered Certified Accountant Association - Certified Public Accountant: 1 persons
22. Philippine Institute of Certified Public Accountants- Certified Public Accountant: 1 person
23. Thailand Certified Public Accountant: 1 person
24. Austria Certified Public Accountant: 2 persons
25. Turkey Certified Public Accountant: 1 person
26. Egypt Certified Public Accountant: 1 person
27. Peru Certified Public Accountant: 1 person
28. Colombia Certified Public Accountant: 2 persons
29. Chartered Professional Accountants of Nova Scotia Canada: 2 persons
30. Chartered Professional Accountants of Ontario Canada: 2 persons
31. Chartered Professional Accountants of British Columbia Canada : 2 persons
32. US (Illinois) Certified Public Accountant: 1 person
33. US (Virginia) Certified Public Accountant: 1 person
34. US (Georgia) Certified Public Accountant: 1 person



9.4.2 Certifications received by auditing personnel

1. ROC Certified Accountant: 1 person
2. India Certified Accountant: 1 person
3. ROC Certified Internal Auditor: 2 persons
4. Certified Internal Auditor: 7 persons
5. Certified Information Systems Auditor, CISA: 1 person
6. Excellent Auditor (19th and 28th) of the Institute of Internal Auditors: 2 persons
7. 6 Sigma Black Belt Certificate issued by Kind Management Consulting, Co.: 1 person
8. 6 Sigma Green Belt Certificate issued by Kind Management Consulting, Co.: 1 person
9. 5S Management Mechanism Certificate from Kind Management Consulting, Co.: 1 person
10. Internal Quality Audit Certificate from Kind Management Consulting, Co.: 1 person
11. Gauge Instrument Calibration Certificate from Kind Management Consulting, Co.: 1 person
12. ISO Auditor: 1 person
13. Certification in Risk Management Assurance: 1 person
14. Quality Service Certification (Mystery Shopper) Auditor Lead Course: 1 person
15. ACL Jack Soft Certified CAATs Practitioner (JCCP)/E-Business Application Professional Certification Service, Ministry of Economic Affairs: 2 persons
16. ICCP International Certified CAATs Practitioner: 1 person
17. Patent Agent: 1 person
18. Securities Specialist: 1 person
19. Certification in Control Self-Assessment: 1 persons
20. Futures Specialist: 1 person
21. Certificate for the Subject Test-Laws and Regulations on Trust Businesses: 1 person
22. Insurance personnel passed through Civil Service Junior Examination: 1 person
23. VDA 6.3 Process Audit (2016 Edition) Training Certificate of Conformity issued by SGS: 1 person
24. ISO/IEC 27701:2019 Certificate of Competence for Lead Auditor Training issued by SGS: 2 persons

► 9.5 Situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred:

The acquisition of other companies stipulated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act of the Company has taken place.

- 9.5.1 The Company's subsidiary, Delta International Holding Limited B.V. acquired 100% of the shares of UI Acquisition Holding Co. and its related subsidiaries on July 18, 2022 for USD 92.4 million. The total amount of this transaction was adjusted based on the adjustment mechanism written in the agreement.
- 9.5.2 The Company acquired 13,825 thousand shares at approximately NT\$45.95 per share from existing shareholders of Atrust Computer Corp. ("Atrust") and subscribed 15,000 thousand newly-issued shares at NT\$21 per share of Atrust, equal to the aggregate amount of approximately NT\$950 million which represents around 55% of the total outstanding shares in Atrust on February 1, 2023.
- 9.5.3 We believe that the above acquisition will strengthen Delta's industrial automation and ICT infrastructure solutions. The M&A synergy is expected to positively benefit both the Company's book value and earnings per share.



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