DELTA ELECTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

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

REPORT OF INDEPENDENT ACCOUNTANTS

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 its subsidiaries (the “Group”) as at December 31, 2018 and 2017, 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 audit reports of the other independent accountants as described in the Other Matter - Scope of the Audit section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the audit reports of other independent accountants, 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 consolidated financial statements for the year 2018. 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 consolidated financial statements of the current period are stated as follows:

Business combination

Description

In October 2017, the Group publicly acquired 49.22% of VIVOTEK INC. through a tender offer. The allocation of acquisition price was completed in the first quarter of 2018. The value of intangible assets, inclusive of goodwill and identifiable intangible assets – premium on customer relationship, acquired from the merger is significant. The merger was accounted for in accordance with IFRS 3, "Business Combination". For details of purchase price allocation, refer to Note 6(28).

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

How our audit addressed the matter

We obtained an understanding of the basis and process of purchase price allocation which was estimated by management. We reviewed the original data and the reasonableness of major assumptions, including growth rate, gross margin, discount rate and fair value calculation model as indicated in the purchase price allocation reports prepared by the appraisers appointed by the Group. Our procedures also included the following:

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

Impairment assessment of goodwill

Description

As of December 31, 2018, the recognised goodwill as a result of acquisitions of VIVOTEK INC., Cyntec Co., Ltd., Loy Tec electronics GmbH, Eltek AS, Delta Controls Inc. and Delta Greentech (China) Co., Ltd. amounted to NT$19,420,823 thousand, constituting 7.41% of consolidated total assets. Refer to Notes 5(2) and 6(11).

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

How our audit addressed the matter

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

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

Other matter–Scope of the Audit

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Total assets of the subsidiaries amounted to NT$9,917,275 thousand and NT$9,128,719 thousand, constituting 3.79% and 3.64% of consolidated total assets as of December 31, 2018 and 2017, respectively, and operating revenue was NT$10,568,370 thousand and NT$4,218,765 thousand, constituting 4.46% and 1.89% of consolidated total operating revenue for the years then ended, respectively. The balance of investment accounted for under equity method was NT$8,154,777 thousand and NT$7,418,365 thousand, constituting 3.11% and 2.96% of consolidated total assets as of December 31, 2018 and 2017, respectively, and the share of profit (loss) of associates and joint ventures accounted for using equity method and share of other comprehensive income of associates and joint ventures accounted for using equity method was NT$204,169 thousand and NT$923,720 thousand, constituting 1.06% and 6.79% of consolidated total comprehensive income for the years then ended, respectively. Those financial statements and information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent accountants.

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, 2018 and 2017.

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

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

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

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

Auditor's 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 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 auditor's 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 of and for the year ended December 31, 2018 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 $30.715 to US$1.00 at December 31, 2018. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan   Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2019

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 report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars December 31, 2018	New Taiwan Dollars December 31, 2018	New Taiwan Dollars December 31, 2017
Current assets				
Cash and cash equivalents	6(1)	$ 1,941,029	$ 59,618,697	$ 57,366,617
Financial assets at fair value through profit or loss - current	6(2) and 12(4)	32,561	1,000,116	114,748
Financial assets at fair value through other comprehensive income - current	6(3)	1,877	57,656	-
Available-for-sale financial assets - current	12(4)	-	-	1,141,700
Derivative financial assets for hedging - current	6(4) and 12(4)	-	-	7,061
Contract assets - current	6(20) and 12(5)	55,617	1,708,291	-
Notes receivable, net	6(5)	133,200	4,091,231	4,010,445
Accounts receivable, net	6(5)	1,694,726	52,053,496	49,383,213
Accounts receivable - related parties	7	56,068	1,722,114	1,319,469
Other receivables		24,646	757,008	714,556
Other receivables - related parties	7	3,236	99,389	70,181
Current income tax assets		9,552	293,394	322,046
Inventories	6(7)	1,116,779	34,301,866	30,825,402
Prepayments		37,476	1,151,065	1,731,406
Other current assets	8	14,702	451,583	697,034
Total current assets		5,121,469	157,305,906	147,703,878
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	77,903	2,392,799	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	95,079	2,920,338	-
Available-for-sale financial assets - non-current	12(4)	-	-	4,720,058
Contract asset - non-current	6(20) and 12(5)	16,144	495,875	-
Financial assets carried at cost - non-current	12(4)	-	-	1,147,672
Investments accounted for under equity method	6(8)	305,835	9,393,716	8,434,519
Property, plant and equipment	6(9) and 8	1,511,603	46,428,874	44,338,628
Investment property, net	6(10)	53,548	1,644,728	1,776,411
Intangible assets	6(11)	1,062,295	32,628,388	33,833,648
Deferred income tax assets	6(26)	201,188	6,179,485	5,836,595
Other non-current assets	6(12) and 8	82,868	2,545,315	2,747,150
Total non-current assets		3,406,463	104,629,518	102,834,681
Total assets		$ 8,527,932	$ 261,935,424	$ 250,538,559

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars December 31, 2018	New Taiwan Dollars December 31, 2018	New Taiwan Dollars December 31, 2017
Current liabilities				
Short-term borrowings	6(13)	$ 203,779	$ 6,259,062	$ 17,463,509
Financial liabilities at fair value through profit or loss - current	6(2)	278	8,544	9,746
Contract liabilities - current	6(20) and 12(5)	86,060	2,643,318	-
Notes payable		259	7,955	9,792
Accounts payable		1,270,284	39,016,773	36,708,824
Accounts payable - related parties	7	48,326	1,484,335	1,206,197
Other payables		806,986	24,786,588	25,209,483
Current income tax liabilities		88,299	2,712,106	2,206,019
Other current liabilities	6(14) and 12(5)	120,798	3,710,299	6,407,577
Total current liabilities		2,625,069	80,628,980	89,221,147
Non-current liabilities				
Long-term borrowings	6(14)	821,513	25,232,787	11,218,936
Deferred income tax liabilities	6(26)	376,670	11,569,432	12,103,399
Other non-current liabilities		164,198	5,043,317	4,221,603
Total non-current assets		1,362,381	41,845,536	27,543,938
Total liabilities		3,987,450	122,474,516	116,765,085
Equity				
Share capital				
Share capital - common stock	6(16)	845,692	25,975,433	25,975,433
Capital surplus	6(17)	-		
Capital surplus		1,575,682	48,397,067	48,446,318
Retained earnings	6(18)	-		
Legal reserve		755,704	23,211,444	21,373,388
Special reserve		230,771	7,088,143	2,767,749
Unappropriated retained earnings		1,079,606	33,160,104	33,082,224
Other equity interest				
Other equity interest		(246,167)	(7,561,032)	(7,088,143)
Equity attributable to owners of the parent		4,241,288	130,271,159	124,556,969
Non-controlling interest	4(3) and 6(19)	299,194	9,189,749	9,216,505
Total equity		4,540,482	139,460,908	133,773,474
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		$ 8,527,932	$ 261,935,424	$ 250,538,559

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, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars 2018	New Taiwan Dollars 2018	New Taiwan Dollars 2017
Sales revenue	6(20) and 7	$ 7,716,679	$ 237,017,809	$ 223,577,514
Operating costs	6(7)(24)(25) and 7	(5,647,515)	(173,463,422)	(162,809,240)
Gross profit		2,069,164	63,554,387	60,768,274
Operating expenses	6(24)(25)			
Selling expenses		(538,947)	(16,553,772)	(15,097,073)
General and administrative expenses		(316,278)	(9,714,466)	(9,190,101)
Research and development expenses		(626,987)	(19,257,915)	(16,707,312)
Reversal of impairment loss	12(2)	4,509	138,489	-
Total operating expenses		(1,477,703)	(45,387,664)	(40,994,486)
Operating profit		591,461	18,166,723	19,773,788
Non-operating income and expenses				
Other income	6(21)	142,393	4,373,591	3,884,502
Other gains and losses	6(22)	(4,381)	(134,572)	(195,968)
Finance costs	6(23)	(17,864)	(548,704)	(378,861)
Share of profit of associates and joint ventures accounted for under equity method	6(8)	30,734	943,990	714,819
Total non-operating income and expenses		150,882	4,634,305	4,024,492
Profit before income tax		742,343	22,801,028	23,798,280
Income tax expense	6(26)	(135,193)	(4,152,444)	(5,041,328)
Profit for the year		$ 607,150	$ 18,648,584	$ 18,756,952

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars 2018	New Taiwan Dollars 2018	New Taiwan Dollars 2017
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		($ 1,123)	($ 34,508)	($ 147,085)
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income		(26,707)	(820,308)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss		496	15,249	19,459
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(1,994)	(61,234)	25,631
Other comprehensive income (loss) that will not be reclassified to profit or loss		(29,328)	(900,801)	(101,995)
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Financial statements translation differences of foreign operations		71,124	2,184,566	(5,716,900)
Unrealised gain (loss) on valuation of available-for-sale financial assets		-	-	20,710
Hedging instrument loss on effective hedge of cash flow hedges		-	-	32,270
Gain (loss) on hedging instrument		1,535	47,162	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss		(25,123)	(771,659)	87,656
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(26)	1,392	42,768	522,517
Other comprehensive income (loss) that will be reclassified to profit or loss		48,928	1,502,837	(5,053,747)
Other comprehensive income (loss) for the year		$ 19,600	$ 602,036	($ 5,155,742)
Total comprehensive income for the year		$ 626,750	$ 19,250,620	$ 13,601,210
Profit attributable to:				
Owners of the parent		$ 592,319	$ 18,193,093	$ 18,380,552
Non-controlling interest		$ 14,831	$ 455,491	$ 376,400
Comprehensive income attributable to:				
Owners of the parent		$ 612,528	$ 18,813,838	$ 13,430,608
Non-controlling interest		$ 14,222	$ 436,782	$ 170,602
Earnings per share	6(27)			
Basic earnings per share		$ 0.23	$ 7.00	$ 7.08
Diluted earnings per share		$ 0.23	$ 6.96	$ 7.02

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

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

		Equity attributable to owners of the parent												
				Retained earnings			Other equity interest							
Items	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets at fair value through other comprehensive income	Unrealised gain (loss) on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Gain (loss) on hedging instruments	Total	Non-controlling interests	Total equity
2017 New Taiwan Dollars														
Balance at January 1, 2017		$ 25,975,433	$ 48,442,451	$ 19,493,608	$ 527,556	$ 31,915,572	($ 1,016,396)	$ -	($ 1,277,551)	$ 53,753	$ -	$ 124,114,426	$ 4,894,440	$ 129,008,866
Profit for the year		-	-	-	-	18,380,552	-	-	-	-	-	18,380,552	376,400	18,756,952
Other comprehensive income (loss) for the year		-	-	-	-	(101,995)	(4,895,443)	-	20,710	26,784	-	(4,949,944)	(205,798)	(5,155,742)
Comprehensive income (loss) for the year		-	-	-	-	18,278,557	(4,895,443)	-	20,710	26,784	-	13,430,608	170,602	13,601,210
Distribution of 2016 earnings	6(18)													
Legal reserve		-	-	1,879,780	-	(1,879,780)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	2,240,193	(2,240,193)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	-	-	(12,987,717)	(-)	(12,987,717)
Change in ownership interests in subsidiaries		-	3,867	-	-	(4,215)	-	-	-	-	-	(348)	-	(348)
Changes in non-controlling interests	6(19)	-	-	-	-	-	-	-	-	-	-	-	4,151,463	4,151,463
Balance at December 31, 2017		$ 25,975,433	$ 48,446,318	$ 21,373,388	$ 2,767,749	$ 33,082,224	($ 5,911,839)	$ -	($ 1,256,841)	$ 80,537	$ -	$ 124,556,969	$ 9,216,505	$ 133,773,474
2018 New Taiwan Dollars														
Balance at January 1, 2018		$ 25,975,433	$ 48,446,318	$ 21,373,388	$ 2,767,749	$ 33,082,224	($ 5,911,839)	$ -	($ 1,256,841)	$ 80,537	$ -	$ 124,556,969	$ 9,216,505	$ 133,773,474
Effects of retrospective application and retrospective restatement	3(1) and 12(4)	-	-	-	-	1,118,916	-	(2,375,757)	1,256,841	(80,537)	80,537	-	-	-
Balance after retrospective restatement at January 1, 2018		25,975,433	48,446,318	21,373,388	2,767,749	34,201,140	(5,911,839)	(2,375,757)	-	-	80,537	124,556,969	9,216,505	133,773,474
Profit for the year		-	-	-	-	18,193,093	-	-	-	-	-	18,193,093	455,491	18,648,584
Other comprehensive income (loss) for the year		-	-	-	-	(15,946)	1,489,814	(903,738)	-	-	50,615	620,745	(18,709)	602,036
Comprehensive income (loss) for the year		-	-	-	-	18,177,147	1,489,814	(903,738)	-	-	50,615	18,813,838	436,782	19,250,620
Distribution of 2017 earnings	6(18)													
Legal reserve		-	-	1,838,056	-	(1,838,056)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	4,320,394	(4,320,394)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	-	-	(12,987,717)	-	(12,987,717)
Change in ownership interests in subsidiaries		-	(49,251)	-	-	(62,680)	-	-	-	-	-	(111,931)	-	(111,931)
Changes in non-controlling interests	6(19)	-	-	-	-	-	-	-	-	-	-	-	(463,538)	(463,538)
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	(9,336)	-	9,336	-	-	-	-	-	-
Balance at December 31, 2018		$ 25,975,433	$ 48,397,067	$ 23,211,444	$ 7,088,143	$ 33,160,104	($ 4,422,025)	($ 3,270,159)	$ -	$ -	$ 131,152	$ 130,271,159	$ 9,189,749	$ 139,460,908

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

		Equity attributable to owners of the parent												
				Retained earnings			Other equity interest							
Items	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets at fair value through other comprehensive income	Unrealised gain (loss) on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Gain (loss) on hedging instruments	Total	Non-controlling interests	Total equity
2018 US Dollars														
Balance at January 1, 2018		$ 845,692	$ 1,577,285	$ 695,862	$ 90,111	$ 1,077,071	($ 192,474)	$ -	($ 40,919)	$ 2,622	$ -	$ 4,055,250	$ 300,065	$ 4,355,315
Effects of retrospective application and retrospective restatement	3(1) and 12(4)	-	-	-	-	36,429	-	(77,348)	40,919	(2,622)	2,622	-	-	-
Balance after retrospective restatement at January 1, 2018		845,692	1,577,285	695,862	90,111	1,113,500	(192,474)	(77,348)	-	-	2,622	4,055250	300,065	4,355,315
Profit for the year		-	-	-	-	592,319	-	-	-	-	-	592,319	14,831	607,150
Other comprehensive income (loss) for the year		-	-	-	-	(520)	48,504	(29,423)	-	-	1,648	20,209	(609)	19,600
Comprehensive income (loss) for the year		-	-	-	-	591,799	48,504	(29,423)	-	-	1,648	612,528	14,222	626,750
Distribution of 2017 earnings	6(18)													
Legal reserve		-	-	59,842	-	(59,842)	-	-	-	-	-	-	-	-
Special reserve		-	-	-	140,660	(140,660)	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(422,846)	-	-	-	-	-	(422,846)	-	(422,846)
Change in ownership interests in subsidiaries		-	(1,603)	-	-	(2,041)	-	-	-	-	-	(3,644)	-	(3,644)
Changes in non-controlling interests	6(19)	-	-	-	-	-	-	-	-	-	-	-	(15,093)	(15,093)
Disposal of equity investment valued at fair value through other comprehensive income	6(3)	-	-	-	-	(304)	-	304	-	-	-	-	-	-
Balance at December 31, 2018		$ 845,692	$ 1,575,682	$ 755,704	$ 230,771	$ 1,079,606	($ 143,970)	($ 106,467)	$ -	$ -	$ 4,270	$ 4,241,288	$ 299,194	$ 4,540,482

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, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2018	New Taiwan Dollars 2018	New Taiwan Dollars 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated profit before tax for the year		$ 742,343	$ 22,801,028	$ 23,798,280
Adjustments to reconcile net income to net cash generated from operating activities				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10)	291,039	8,939,275	8,277,810
Amortisation	6(11)	71,744	2,203,617	1,879,506
Expected credit impairment (gain) loss/ Provision for bad debts	12(2)(4)	(4,509)	(138,489)	375,165
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(22)	6,594	202,545	(255,740)
Interest expense	6(23)	17,770	545,804	378,861
Interest income	6(21)	(27,712)	(851,185)	(632,353)
Dividend income	6(21)	(5,924)	(181,942)	(152,687)
Share-based payment	6(29)	(172)	(5,282)	32,599
Share of profit of associates accounted for under the equity method	6(8)	(30,734)	(943,990)	(714,819)
Gain on disposal of property, plant and equipment	6(22)	(8,951)	(274,921)	(100,584)
Gain on disposal of non-current assets held for sale	6(22)	-	-	(373,138)
Gain on disposal of investments	6(22)	-	-	(338,087)
Impairment loss on financial assets	6(22) and 12(4)	-	-	662,465
Impairment loss on non-financial assets		-	-	718
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Financial assets held for trading		-	-	(84,757)
Financial assets mandatorily measured at fair value through profit or loss		7,845	240,966	-
Contract assets		(17,385)	(533,977)	-
Notes receivable		(2,630)	(80,786)	(457,264)
Accounts receivable		(114,014)	(3,501,951)	(947,848)
Accounts receivable - related parties		(13,109)	(402,645)	124,903
Other receivables		(1,382)	(42,452)	24,865
Other receivables - related parties		(951)	(29,208)	34,399
Inventories		(113,185)	(3,476,464)	(3,711,462)
Prepayments		18,894	580,341	962,148
Other current assets		7,834	240,631	(137,998)
Other non-current assets		1,640	50,370	447,227
Net changes in liabilities relating to operating activities				
Contract liabilities		30,915	949,545	-
Notes payable		(60)	(1,837)	9,792
Accounts payable		75,141	2,307,949	(1,174,198)
Accounts payable - related parties		9,055	278,138	109,659
Other payables		(13,768)	(422,895)	1,529,431
Other current liabilities		(59,531)	(1,828,485)	522,902
Other non-current liabilities		26,753	821,714	29,242
Cash generated from operations		893,550	27,445,414	30,119,037
Interest received		25,449	781,652	590,381
Dividends received		23,247	714,031	837,278
Interest paid		(17,483)	(536,989)	(370,730)
Income taxes paid		(154,074)	(4,732,398)	(4,206,676)
Net cash provided by operating activities		770,689	23,671,710	26,969,290

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2018	New Taiwan Dollars 2018	New Taiwan Dollars 2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of financial assets at fair value through profit or loss		$ -	$ -	$ 81,132
Acquisition of financial asset at fair value through other comprehensive income		(14,299)	(439,188)	(89,874)
Disposal of financial assets at fair value through other comprehensive income		24	733	-
Acquisition of available-for-sale financial assets		-	-	(534,229)
Proceeds from disposal of available-for-sale financial assets		-	-	766,254
Proceeds from capital reduction of available-for-sale financial assets		-	-	95,733
Acquisition of investments accounted for under equity method		(6,868)	(210,950)	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(28)	-	-	(3,058,262)
Disposal of subsidiaries (net of cash disposed)	6(30)	-	-	633,010
Acquisition of property, plant and equipment	6(9)	(369,229)	(11,340,871)	(12,878,670)
Proceeds from disposal of property, plant and equipment		22,039	676,924	274,022
Proceeds from disposal of investment properties		1	38	-
Acquisition of intangible assets	6(11)	(16,391)	(503,457)	(358,579)
Decrease in other financial assets		157	4,820	12,021
Decrease (increase) in other non-current assets		4,931	151,465	(269,712)
Acquisition of investment properties		(503)	(15,448)	-
Net cash flows used in investing activities		(380,138)	(11,675,934)	(15,327,154)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease) increase in short-term loans	6(31)	(364,787)	(11,204,447)	4,543,591
Proceeds from long-term debt	6(31)	460,322	14,138,799	2,578,236
Repayment of long-term debt		-	-	(49,919)
Cash dividends paid	6(18)	(422,846)	(12,987,717)	(12,987,717)
Cash dividends paid to non-controlling interest	6(19)	(12,020)	(369,183)	(315,485)
Acquisition of ownership interests in subsidiaries	6(19)	(3,072)	(94,355)	-
Net cash flows used in financing activities		(342,403)	(10,516,903)	(6,231,294)
Effects due to changes in exchange rate		25,174	773,207	(3,616,969)
Increase in cash and cash equivalents		73,322	2,252,080	1,793,873
Cash and cash equivalents at beginning of year		1,867,707	57,366,617	55,572,744
Cash and cash equivalents at end of year		$ 1,941,029	$ 59,618,697	$ 57,366,617

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, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9, Financial instruments with IFRS 4, Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15, Revenue from contracts with customers'	January 1, 2018

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

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

A. IFRS 9, 'Financial instruments'

(a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

(b) The Group has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. For details of the significant effect as at January 1, 2018, please refer to Note 12(4)B.

B. IFRS 15, 'Revenue from contracts with customers' and amendments

(a) IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer

Step 2: Identify separate performance obligations in the contract(s)

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) The Group has elected not to restate prior period financial statements and recognised the cumulative effect of initial application as retained earnings at January 1, 2018, using the modified retrospective approach under IFRS 15. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

i. Presentation of assets and liabilities in relation to contracts with customers

In line with IFRS 15 requirements, the Group changed the presentation of certain accounts in the balance sheet as follows:

(i) Under IFRS 15, customer contracts whereby services have been rendered but not yet billed are recognised as contract assets, but were previously presented as part of accounts receivable in the balance sheet. As of January 1, 2018, the balance amounted to $1,670,189.

(ii) Under IFRS 15, liabilities in relation to expected volume discounts and refunds to customers are recognised as refund liabilities (shown as other current liabilites), but were previously presented as accounts receivable - allowance for sales returns and discounts in the balance sheet. As of January 1, 2018, the balance amounted to $700,032.

(iii) Under IFRS 15, liabilities in relation to customer contracts are recognised as contract liabilities, but were previously presented as advance sales receipts in the balance sheet. As of January 1, 2018, the balance amounted to $1,693,773.

ii. Please refer to Note 12(5) for other disclosures in relation to the first application of IFRS 15.

(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 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

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

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Group expects to recognise the lease contract of lessees in line with IFRS 16. However, the Group does not intend to restate the financial statements of prior period (herein as "modified retrospective approach"). On January 1, 2019, it is expected that right-of-use asset, lease liabilities, and retained earnings will be increased by $2,749,997, $1,695,257, and $1,943, respectively, and other non-current assets will be decreased by $1,052,797.

(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 IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets/liabilities at fair value through other comprehensive income and available-for-sale financial assets measured at fair value.

(c) Liabilities on cash-settled share-based payment arrangements measured at fair value.

(d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Group has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 11 ('IAS 11'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(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 Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
1	Delta International Holding Limited (DIH)	Equity investments	Delta Electronics, Inc.	94	94	
2	Delta Networks Holding Limited (DNH)	〃	〃	100	100	
3	Delta Electronics (Netherlands) B.V. (DEN)	Trading of equipment, components and materials of telecom and computer systems	Delta Electronics, Inc. and DIH	100	100	
4	PreOptix (Hong Kong) Co., Ltd.	Equity investments	Delta Electronics, Inc. and DIH	100	100	
5	NeoEnergy Microelectronics, Inc. (NEM)	Designing and experimenting on integrated circuits and information software services	Delta Electronics, Inc.	98.17	98.17	Note 1
6	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	〃	100	100	
7	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical	〃	100	100	
8	Delta Electronics Capital Company (DECC)	Equity investments	〃	100	100	
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Sales of electronic products	〃	100	100	
10	Allied Material Technology Corp. (AMT)	Lease services, etc.	〃	99.97	99.97	
11	Delta Green Life Co., Ltd. (DGL)	Providing installation and construction of	〃	-	100	Note 2
12	Delta America Ltd. (DAL)	Equity investments	Delta Electronics, Inc., DEN, Castle Horizon Limited and Energy Dragon Global	100	100	
13	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and	DIH	100	100	
14	Delta Electronics International Limited	Sales of electronic products	〃	-	100	Note 3

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
15	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	DIH	100	100	
16	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and their materials	〃	100	100	
17	DAC Holding (Cayman) Limited (DAC)	Equity investments	〃	100	100	
18	Ace Pillar Holding Co., Ltd. (Ace)	〃	〃	100	100	
19	Drake Investment (HK) Limited (Drake-HK)	〃	〃	100	100	
20	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power systems	DIH, Ace, Drake-HK, DGSG and Boom	95.91	95.91	
21	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	DIH	100	100	
22	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	〃	100	100	
23	Delta Electronics Europe Limited (DEU)	Repair centre and providing support services	〃	100	100	
24	Boom Treasure Limited (Boom)	Equity investments	〃	100	100	
25	Apex Investment (HK) Limited (Apex-HK)	〃	〃	100	100	
26	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	〃	〃	100	100	
27	Jade Investment (HK) Limited (Jade-HK)	〃	〃	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
28	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	DHK	100	100	
29	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of transformer and power supplies	〃	100	100	
30	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	〃	100	100	
31	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	DHK, Apex-HK, Galaxy Star-HK and Jade-HK	100	100	
32	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	〃	100	100	
33	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	〃	100	100	
34	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	DHK	100	100	
35	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	〃	100	100	
36	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	
37	Delta Electronics (Wujiang) Trading Co., Ltd. (DWT)	Installation, consulting and trading of electronic products	〃	100	100	
38	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	〃	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
39	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	DHK	100	100	
40	PreOptix (Jiang Su) Co., Ltd. (PJS)	Manufacturing and sales of lenses and optical engines for projectors	PHK	100	100	
41	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	DEJ	100	100	
42	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	〃	100	100	
43	Delta Electronics Mexico S.A. DE C.V. (DEM)	Manufacturing and sales of electronic products	DAC	100	100	
44	Delta Video Technology Limited (DVT)	Sales of electronic products	〃	100	100	
45	Wuhu Delta Technology Co., Ltd. (WDT)	Manufacturing and sales of transformers	DWH	100	100	
46	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	DCZ	100	100	
47	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Wholesale and retail of electronic products and energy-saving equipment	DDG and DPEC	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
48	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Wholesale and retail of electronic products and energy-saving equipment	DPEC and DGC	100	100	
49	Delta Networks, Inc. (DNI Cayman)	Equity investments	DNH	100	100	
50	Delta Networks, Inc. (Taiwan) (DNIT)	Research, development, design, manufacturing and sales of networking system and	Delta Electronics, Inc.	99.98	99.98	
51	DNI Logistics (USA) Co. (ALN)	Trading of networking system and peripherals	DNI Cayman	100	100	
52	Delta Networks International Limited (DNIL-Labuan)	〃	〃	-	100	Note 3
53	Delta Networks (H.K.) Limited (DNHK)	Equity investments	〃	100	100	
54	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	DNHK	100	100	
55	Delta Networks (Shanghai) Ltd. (DNS)	Design of computer software	〃	-	100	Note 4
56	Fairview Assets Ltd. (Fairview)	Equity investments	Cyntec	100	100	
57	Grandview Holding Ltd. (Grandview)	〃	Fairview	100	100	
58	Cyntec Holding (H.K.) Ltd. (CHK)	〃	Grandview	100	100	
59	Cyntec International Ltd. (CIL-Labuan)	Trading	〃	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
60	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	CHK	100	100	
61	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	DelBio	100	100	
62	ELTEK AS	Research, development and sales of power supplies and others	DEN	100	100	
63	Castle Horizon Limited	Equity investments	〃	100	100	
64	Energy Dragon Global Limited	〃	〃	100	100	
65	Delta Controls Inc. (DCI)	Provide resolution of building management and control	〃	100	100	
66	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	〃	100	100	Note 5
67	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	ELTEK AS	100	100	
68	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	〃	100	100	
69	ELTEK AUSTRALIA PTY LIMITED	〃	〃	100	100	
70	Eltek Egypt for Power Supply S.A.E	Sales of power supplies and others	〃	95	95	
71	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	〃	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
72	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	ELTEK AS and Eltek SGS Pvt Ltd.	51	51	
73	ELTEK POWER PTE. LTD.	Sales of power supplies and others and system installation	ELTEK AS	100	100	
74	Eltek Polska Sp. z o. o.	〃	〃	51.04	51.04	
75	ELTEK POWER FRANCE SAS	〃	〃	100	100	
76	ELTEK LIMITED	Equity investments and trading	〃	100	100	
77	ELTEK MEA DMCC	Sales of power supplies and others	〃	100	100	
78	ELTEK KENYA LIMITED	Sales of power supplies	ELTEK MEA DMCC and ELTEK AS	100	100	
79	ELTEK WEST AFRICA LIMITED	〃	〃	100	100	
80	Eltek Italia S.r.l.	Sales of power supplies and others	ELTEK AS	100	100	
81	Eltek Power Sweden AB	Sales of power supplies and others and equity investments	〃	100	100	
82	Eltek Power (UK) Ltd.	Sales of power supplies	〃	100	100	
83	Eltek Power Oy	Sales of power supplies and others	〃	100	100	
84	OOO Eltek	Sales of power supplies and others and system installation	〃	100	100	
85	ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	Sales of power supplies and others	〃	100	100	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
86	Eltek Montage GmbH	Installation and maintenance of power supplies	Eltek Deutschland GmbH	100	100	
87	E.V.I Electronics Sp. z o. o.	Trading and construction of power supply model	〃	100	100	
88	ELTEK POWER INCORPORATED	Sales of power supplies and others	ELTEK POWER PTE. LTD.	100	100	
89	ELTEK POWER CO., LTD.	〃	〃	100	100	Note 6
90	ELTEK POWER (CAMBODIA) LTD.	〃	〃	100	100	
91	ELTEK POWER (MALAYSIA) SDN. BHD.	〃	〃	100	100	Note 7
92	ELTEK CVI LIMITED	Equity investments	ELTEK LIMITED	100	100	
93	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sale of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	ELTEK CVI LIMITED	100	100	
94	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	DELTA ELECTRONICS HOLDING (USA) INC.	100	100	Note 8 Note 17
95	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	DELTA ELECTRONICS (USA) INC.	100	100	Note 9
96	Eltek Sistemas de Energia Industria e Commercio S.A.	Manufacturing and sales of power supplies	〃	100	100	
97	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	〃	100	100	Note 10

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
98	DELTA ELECTRONICS (COLDMBIA) S.A.S.	Sales of power supplies and others	DELTA ELECTRONICS (USA) INC.	100	100	Note 11
99	Eltek Energy International I, LLC	Equity investments	〃	-	100	Note 12
100	Eltek Energy International II, LLC	〃	〃	-	100	Note 13
101	Eltekenergy Services, S.A. de C.V.	Sales of power supplies and others	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	100	100	
102	Eltekenergy International de México, S. de R.L. de C.V.	〃	〃	100	100	
103	Delta Electronics (Americas) Ltd.	Sales of electronic components	DAL	100	100	Note 14
104	Delta Solar Solutions LLC	Equity investments	〃	100	100	
105	2009 PPA LLC	Sales of power supplies	Delta Electronics (Americas) Ltd.	100	100	
106	DSS-CI LLC	Rental of solar power systems	Delta Solar Solution LLC	100	100	
107	DSS-USF LLC	〃	〃	100	100	
108	Power Forest Technology Corporation	IC design of power management	Cyntec	59.03	60.02	
109	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	Delta Energy Technology (Shanghai) Co., Ltd.	100	100	
110	Loy Tec electronics GmbH (LoyTec)	Consulting service of building management and control solutions	DEIL-SG	85	85	

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
111	LOYTEC Americas, Inc.	Consulting service of building management and control solutions	Loy Tec electronics GmbH	100	100	
112	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	DHK	100	100	
113	Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral and software	〃	100	100	
114	Beijing Industrial Foresight Technology Co., Ltd.	Computer system services and data process	Delta Electronics (Beijing) Co., Ltd.	80	80	
115	UNICOM SYSTEM ENG. CORP.	Design and sales of computer, peripheral and information system (software and hardware)	Delta Electronics, Inc.	100	100	Note 15
116	Unicom (Nanjing) System Eng. Corp	〃	UNICOM SYSTEM ENG. CORP.	100	100	Note 15
117	Delta Electronics (Switzerland) AG (DES)	Equity investments, research, development and sales of electronic products	DEN	51	51	Note 15 Note 16
118	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	〃	100	100	Note 15
119	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	〃	51	51	Note 15
120	Delta Greentech (USA) Corporation (DGA)	Sales of electronic products	〃	-	100	Note 15 Note 17

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
121	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	DES	100	100	Note 15 Note 18
122	Delta Electronics (Italy) S.r.l.	〃	〃	100	100	Note 15 Note 19
123	Delta Electronics (Poland) Sp. z o. o.	〃	〃	100	100	Note 15 Note 20
124	Delta Solutions (Finland) Oy	Manufacturing and sales of electronic products	〃	100	100	Note 15 Note 21
125	Delta Electronics Solutions (Spain) SL	Sales of electronic products	〃	100	100	Note 15 Note 22
126	Delta Electronics (France) SA	〃	〃	100	100	Note 15 Note 23
127	Delta Energy Systems (Sweden) AB	〃	〃	100	100	Note 15
128	Vivotek Inc.	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	Delta Electronics, Inc.	50.13	48.80	Note 15 Note 24
129	Vatics Inc.	Designing and sales of multimedia integrated circuits	Vivotek Inc. and Realwin Investment Inc.	54.41	49.55	Note 15
130	Vivotek Holdings, Inc.	Holding company	Vivotek Inc.	100	100	Note 15
131	Realwin Investment Inc.	Investment in the network communications industry.	〃	100	100	Note 15
132	Vivotek Netherlands B.V.	Sales service	〃	100	100	Note 15
133	Vivotek (Japan) Inc.	〃	〃	100	-	Note 25
134	Vivotek USA, Inc.	Sales of webcams and related components	Vivotek Holdings, Inc.	100	100	Note 15
135	Wellstates Investment, LLC	Investment and commercial lease of real estate	Realwin Investment Inc.	100	100	Note 15
136	Otus Imaging, Inc.	Sales of webcams and related components	Vivotek Inc. and Realwin Investment Inc.	100	100	Note 15

No.	Name of Subsidiary	Main Business Activities	Name of Investor	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
137	Aetek Inc.	Sales of webcams and related components	Realwin Investment Inc.	56.21	56.21	Note 15
138	Vivotek Middle East FZCO	〃	〃	89.99	89.99	Note 15
139	Lidlight Inc.	Sale of lighting equipment	〃	51	51	Note 15
140	DELTA ELECTRONICS BRASIL LTDA	Manufacturing and sales of electronic products	DEN	100	100	Note 15

Note 1: In the fourth quarter of 2015, the subsidiary company began liquidation process and was dissolved, but has not yet been completed as of December 31, 2018.

Note 2: Merged with the Company on August 1, 2018.

Note 3: This company had been liquidated in April, 2018.

Note 4: This company had been liquidated in November, 2018.

Note 5: On March 6, 2018, Eltek Energy Holding Inc. was sold to DEN by ELTEK AS and subsequently renamed as DELTA ELECTRONICS HOLDING (USA) INC..

Note 6: 55% of shares are held through others due to local regulations.

Note 7: 71% of shares are held through others due to local regulations.

Note 8: Formerly named Eltek, Inc., and was renamed as DELTA ELECTRONICS (USA) INC.

Note 9: This company, formerly named Eltek Argentina S.R.L., was renamed as DELTA ELECTRONICS (ARGENTINA) S.R.L.

Note 10: Formerly named Eltek Peru S.R.L., and was renamed as DELTA ELECTRONICS (PERU) INC. S.R.L.

Note 11: This company, formerly named Eltek Colombia S.A.S, was renamed as DELTA ELECTRONICS (COLOMBIA) S.A.S.

Note 12: This company had been liquidated in October, 2018.

Note 13: This company had been liquidated in September, 2018.

Note 14: Formerly named Delta Products Corporation, and was renamed as Delta Electronics (Americas) Ltd.

Note 15: Companies were established or acquired through merger during 2017.

Note 16: Formerly named Delta Energy Systems (Switzerland) AG., and was renamed as Delta Electronics (Switzerland) AG.

Note 17: In May 2018, Delta Greentech (USA) Corporation merged with DELTA ELECTRONICS (USA) INC. After combination, ELECTRONICS (USA) INC. was the surviving company and Delta Greentech (USA) Corporation was the dissolved company.

Note 18: Formerly named Delta Energy Systems (Czech Republic), spol. s.r.o., and was renamed as Delta Electronics (Czech Republic), spol. s.r.o.

Note 19: Formerly named Delta Energy Systems (Italy) S.r.l., and was renamed as Delta Electronics (Italy) S.r.l.

Note 20: Formerly named Delta Energy Systems (Poland) Sp. z.o.o., and was renamed as Delta Electronics Systems (Poland) Sp. z.o.o.

Note 21: Formerly named Delta Energy Systems (Finland) Oy., and was renamed as Delta Solutions (Finland) Oy.

Note 22: Formerly named Delta Energy Systems (Spain) S.L., and was renamed as Delta Electronics Solutions (Spain) S.L.

Note 23: Formerly named Delta Energy Systems (France) S.A., and was renamed as Delta Electronics (France) SA.

Note 24: Because most of the shares were held by the company and other shareholdings are disaggregated, therefore, it was included in the consolidated financial statements.

Note 25: Companies were established or acquired through merger during 2018.

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 of December 31, 2018 and 2017, the non-controlling interest amounted to $9,189,749 and $9,216,505, respectively. The information on non-controlling interest and respective subsidiary is as follows:

		Non-controlling interest			
		December 31, 2018		December 31, 2017	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Delta International Holding Ltd. (DIH)	Cayman Islands	$ 4,216,092	6%	$ 3,940,019	6%
Vivotek Inc.	Taiwan	3,975,977	49.87%	4,206,236	51.20%

Summarised financial information of the subsidiary:

Balance sheet

	DIH	
	December 31, 2018	December 31, 2017
Current assets	$ 87,627,784	$ 82,004,197
Non-current assets	34,384,761	40,540,530
Current liabilities	(46,922,159)	(44,828,240)
Non-current liabilities	(2,693,084)	(2,073,048)
Total net assets	$ 72,397,302	$ 75,643,439

	Vivotek Inc.	
	December 31, 2018	December 31, 2017
Current assets	$ 3,003,380	$ 3,188,626
Non-current assets	6,575,800	6,446,325
Current liabilities	(1,207,012)	(1,217,494)
Non-current liabilities	(399,485)	(202,154)
Total net assets	$ 7,972,683	$ 8,215,303

Statement of comprehensive income

	DIH	
	Years ended December 31,	
	2018	2017
Revenue	$ 162,343,089	$ 155,108,606
Profit before income tax	12,993,455	7,161,357
Income tax expense	(2,661,380)	(1,921,637)
Profit for the year from continuing operations	10,332,075	5,239,720
Gains (losses) attributable to non-controlling interest	20,194	(29,463)
Profit for the year from continuing operations	10,352,269	5,210,257
Other comprehensive income, net of tax	8,732,215	2,012,159
Total comprehensive income for the year	$ 19,084,484	$ 7,222,416
Comprehensive income attributable to non-controlling interest	$ 523,933	$ 433,345
Dividends paid to non-controlling interest	$ 203,351	$ 310,287

	Vivotek Inc.	
	Years ended December 31,	
	2018	2017
Revenue	$ 5,235,966	$ 5,876,591
Profit before income tax	133,780	401,753
Income tax expense	(52,832)	(105,577)
Profit for the year from continuing operations	80,948	296,176
Gains attributable to non-controlling interest	63,411	81,755
Profit for the year	144,359	377,931
Other comprehensive income (loss), net of tax	10,647	(26,898)
Total comprehensive income for the year	$ 155,006	$ 351,033
Comprehensive income attributable to non-controlling interest	$ 80,078	$ 89,089
Dividends paid to non-controlling interest	$ 165,720	-

Statements of cash flows

	DIH	
	Years ended December 31,	
	2018	2017
Net cash provided by operating activities	$ 14,952,859	$ 7,971,941
Net cash used in investing activities	(4,113,982)	(5,505,694)
Net cash used in financing activities	(3,779,613)	(4,307,178)
Effect of exchange rates on cash and cash equivalents	(5,125,165)	(1,384,793)
Increase (decrease) in cash and cash equivalents	1,934,099	(3,225,724)
Cash and cash equivalents, beginning of year	31,677,068	34,902,792
Cash and cash equivalents, end of year	$ 33,611,167	$ 31,677,068

	Vivotek Inc.	
	Years ended December 31,	
	2018	2017
Net cash provided by operating activities	$ 73,673	$ 426,903
Net cash used in investing activities	(422,373)	(447,432)
Net cash used in financing activities	(37,419)	(193,296)
Effect of exchange rates on cash and cash equivalents	8,289	(20,812)
Decrease in cash and cash equivalents	(377,830)	(234,637)
Cash and cash equivalents, beginning of year	1,185,542	1,420,179
Cash and cash equivalents, end of year	$ 807,712	$ 1,185,542

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even the Group still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

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

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. 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 Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

C. The Group’s operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred and, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recorded at standard cost. The cost of finished goods and work in process comprises raw materials, direct labour, other 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.

(13) Investments accounted for using equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses 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 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 Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Cash surrender value of life insurance

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 2~15 years except for buildings, the estimated life of which is 5~55 years.

(16) Investment property

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

(17) 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 authorization fees, are amortised on a straight-line basis over their estimated useful lives of 1~15 years.

(18) 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. Except for goodwill, 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.

(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 (transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as follows:

(a) Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

(b) Hedge of a net investment in a foreign operation.

C. Cash flow hedges

(a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

i. The cumulative gain or loss on the hedging instrument from inception of the hedge; and

ii. The cumulative change in fair value of the hedged item from inception of the hedge.

(b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

ii. For cash flow hedges other than those covered by i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

D. Hedges of a net investment in a foreign operation

(a) It is accounted for similarly to cash flow hedges.

(b) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss.

(c) The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in the foreign currency translation reserve shall be reclassified from equity to profit or loss as a reclassification adjustment.

(26) <u>Employee benefits</u>

A. Pensions

(a) Defined contribution plans

Under the defined contribution plans, 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 plans

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 high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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.

(27) 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 those stocks do not restrict distribution of dividends to employees but employees must return the dividends received if they resign during the vesting period, when the Group receives dividends from employees resigning during the vesting period, the Group credits related amounts that were previously debited from retained earnings, legal reserve or capital surplus at the date of dividends declared.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if the Group will pay the employees who resign during the vesting period to repurchase the stocks, the Group estimates such payments that will be made and recognises such amounts as compensation cost and liability at the grant date, in accordance with the terms of restricted stocks.

(28) 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 and associates, 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.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) 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.

(30) 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.

(31) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells computers, information technology, electrical machines, power supply 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. The 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. No element of financing is deemed present as the control was transferred with a credit term of 30 to 90 days, which is consistent with market practice.

(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.

(32) 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.

(33) Business combinations

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.

(34) 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 judgements 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 judgements in applying the Group's accounting policies

Investment property

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

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(11) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Cash on hand	$ 5,635	$ 4,862
Checking accounts and demand deposits	37,506,087	29,671,136
Time deposits	22,106,975	27,690,619
	$ 59,618,697	$ 57,366,617

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

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

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

Asset Items	December 31, 2018
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	$ 561,989
Emerging stocks	56,102
Derivatives	37,047
Hybrid instrument	119,074
	774,212
Valuation adjustment	225,904
	$ 1,000,116
Non-current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	$ 593,784
Emerging stocks	107,037
Unlisted stocks	2,279,159
	2,979,980
Valuation adjustment	(587,181)
	$ 2,392,799

Liability Items	December 31, 2018
Current items:	
Valuation adjustment of derivatives	$ 8,544

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Year ended December 31, 2018
Financial assets mandatorily measured at fair value through profit or loss	
Equity instruments	($ 84,328)
Hybrid instruments	355
Derivatives	(118,572)
	($ 202,545)

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

Financial instruments	December 31, 2018 Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
– Sell USD / Buy RMB	USD	123,654	2018.12.19~2019.01.22
– Sell USD / Buy NTD	USD	2,000	2018.12.10~2019.01.04
– Sell USD / Buy JPY	USD	4,200	2018.11.09~2019.02.25
– Sell USD / Buy CZK	USD	470	2018.12.17~2019.01.18
– Sell JPY / Buy USD	JPY	622,097	2018.11.05~2019.04.18
– Sell USD / Buy SGD	USD	11,750	2018.04.03~2019.03.04
– Sell AUD / Buy USD	AUD	18,430	2018.08.24~2019.03.26
– Sell EUR / Buy USD	EUR	23,800	2018.09.14~2019.04.25
– Sell EUR / Buy NOK	EUR	5,000	2018.10.08~2019.02.07
– Sell GBP / Buy NOK	GBP	1,500	2018.12.21~2019.02.07
– Sell SGD / Buy USD	SGD	2,050	2018.12.28~2019.01.29
– Sell THB / Buy USD	THB	91,276	2018.12.21~2019.02.26
– Sell THB / Buy SGD	THB	67,556	2018.12.21~2019.02.26
– Sell USD / Buy RUB	USD	500	2018.11.08~2019.01.09
– Sell USD / Buy EUR	USD	1,940	2018.11.09~2019.01.07
– Sell USD / Buy AUD	USD	800	2018.12.12~2019.02.05
– Sell BRL / Buy USD	BRL	41,666	2018.11.05~2019.02.07
– Sell INR / Buy USD	INR	71,220	2018.12.05~2019.02.07
Cross currency swap:			
– Sell EUR / Buy NOK	EUR	6,000	2018.09.04~2019.01.07
– Sell EUR / Buy SEK	EUR	500	2018.12.10~2019.02.07
– Sell EUR / Buy SGD	EUR	11,653	2018.11.13~2019.01.07
– Sell GBP / Buy NOK	GBP	1,000	2018.12.06~2019.01.07
– Sell SGD / Buy EUR	SGD	6,000	2018.11.05~2019.01.07
– Sell RUB / Buy USD	RUB	166,900	2018.11.05~2019.01.09
– Sell USD / Buy NOK	USD	2,000	2018.11.09~2019.01.07
– Sell USD / Buy SGD	USD	5,000	2018.12.06~2019.01.07

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

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

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

E. The information on financial assets at fair value through profit or loss as of December 31, 2017 is provided in Note 12(4).

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

Items	December 31, 2018
Current items:	
Equity instruments	
Listed stocks	$ 871,492
Valuation adjustment	(813,836)
	$ 57,656
Non-current items:	
Equity instruments	
Listed stocks	$ 4,301,090
Unlisted stocks	1,008,088
	5,309,178
Valuation adjustment	(2,388,840)
	$ 2,920,338

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 $2,977,994 as at December 31, 2018.

B. For the year ended December 31, 2018, the Group sold listed stocks whose fair value was $733 to adjust the stock position, resulting to an accumulated loss on disposal of $9,336.

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:

	Year ended December 31, 2018
Equity instruments at fair value through other comprehensive income	
Fair value change recognised in other comprehensive income	($ 844,089)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	($ 9,336)

D. As at December 31, 2018, 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 $2,977,994.

E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

G. The information on available-for-sale financial assets and financial assets at cost as of December 31, 2017 is provided in Note 12(4).

(4) Hedging financial assets and liabilities

A. As of December 31, 2018, the balance of financial assets and liabilities used for hedging was $0.

B. Information on cash flow hedges and hedges of net investments in foreign operations recognised as profit or loss and other comprehensive income:

	Cash flow hedges	Hedges of net investments in foreign operations
Other equity		
At January 1, 2018	$ 7,061	$ 73,476
Add: (Loss) gain on hedge effectiveness- amount recognised in other comprehensive income	(4,161)	57,676
Add: Reclassified to profit or loss as the hedged item has affected profit or loss	(2,900)	-
At December 31, 2018	$ -	$ 131,152

(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 of December 31, 2018 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) When the hedging instrument expires and the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(c) Hedges of net investments in foreign operations

In the first quarter of 2018, due to the reorganization 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.

C. The information on December 31, 2017 is provided in Note 12(4).

(5) Notes and accounts receivable

	December 31, 2018	December 31, 2017
Notes receivable	$ 4,091,231	$ 4,010,445
Accounts receivable	$ 53,014,340	$ 50,549,708
Less: Allowance for uncollectible accounts	(960,844)	(1,166,495)
	52,053,496	49,383,213
Overdue receivables (shown as other non-current assets)	271,439	238,283
Less: Allowance for uncollectible accounts	(271,439)	(238,283)
	$ 52,053,496	$ 49,383,213

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

	December 31, 2018	December 31, 2017
Not past due	$ 46,402,442	$ 45,315,082
1 to 90 days	5,270,339	3,444,039
91 to 180 days	228,796	214,089
181 to 365 days	125,428	243,603
Over 365 days	26,491	166,400
	$ 52,053,496	$ 49,383,213

The above aging analysis was based on past due date.

B. As of December 31, 2018 and 2017, there was no notes receivable past due.

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

D. As at December 31, 2018 and 2017, 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 $4,091,231 and $4,010,445, and accounts receivable were $52,053,496 and $49,383,213, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable 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 of December 31, 2018 and 2017, the relevant information of unsettled accounts receivable that were sold is set forth below:

December 31, 2018					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate of amount advanced
Taishin International Bank	$ 70,948	$ -	$ 307,150	$ -	$ -

December 31, 2017					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate of amount advanced
Taishin International Bank	$ 150,152	$ -	$ 297,600	$ -	$ -

(7) Inventories

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 12,622,276	($ 1,701,414)	$ 10,920,862
Work in process	3,065,158	(13,027)	3,052,131
Finished goods	22,686,380	(2,510,049)	20,176,331
Inventory in transit	152,542	-	152,542
	$ 38,526,356	($ 4,224,490)	$ 34,301,866

	December 31, 2017		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 9,430,769	($ 1,342,968)	$ 8,087,801
Work in process	2,436,778	-	2,436,778
Finished goods	22,034,497	(2,168,107)	19,866,390
Inventory in transit	434,433	-	434,433
	$ 34,336,477	($ 3,511,075)	$ 30,825,402

The Group recognised as expense or loss:

	Years ended December 31,	
	2018	2017
Cost of goods sold	$ 169,043,616	$ 158,350,323
Loss on market value decline and obsolete and slow-moving inventories	556,111	707,883
Others	(129,078)	(433,353)
	$ 169,470,649	$ 158,624,853

(8) Investments accounted for under the equity method

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

	December 31, 2018		December 31, 2017	
Name of associates	Ownership % (Note)	Book value	Ownership % (Note)	Book value
Delta Electronics (Thailand) Public Co., Ltd.	20.93	$ 8,154,777	20.93	$ 7,418,365
Optovue, Inc.	29.50	959,816	23.21	777,126
Digital Projection International Ltd. (DPI)	41.00	241,333	41.00	190,787
Others		37,790		48,241
		$ 9,393,716		$ 8,434,519

Note: The shareholding ratio in associates represent the ratio of common shares held by the Group.

B. For the years ended December 31, 2018 and 2017, the share of profit (loss) of associates were $943,990 and $714,819, respectively.

C. The financial statements of investments using equity method were reviewed by other independent accountants. Share of other comprehensive income of associates was $204,169 and $923,720 for the years ended December 31, 2018 and 2017, respectively, and investments accounted for under equity method was $8,154,777 and $7,418,365 as of December 31, 2018 and 2017, respectively.

D. The summarised financial information of the associates that are material to the Group is shown below:

		Shareholding ratio (Note)			
Company name	Principal place of business	December 31, 2018	December 31, 2017	Nature of relationship	Method of measurement
DET	Thailand	20.93%	20.93%	Holds more than 20% of voting rights	Equity method

Note: The shareholding ratio in associates represent the ratio of common shares held by the Group.

Balance sheet	DET	
	December 31, 2018	December 31, 2017
Current assets	$ 36,209,901	$ 33,541,968
Non-current assets	9,734,999	8,809,093
Current liabilities	(11,779,439)	(10,860,891)
Non-current liabilities	(1,812,976)	(1,692,283)
Total net assets	$ 32,352,485	$ 29,797,887
Share in associate's net assets	$ 6,771,375	$ 6,236,698
Unrealised upstream and sidestream transactions	(8,719)	(110,193)
Others	1,392,121	1,291,860
Carrying amount of the associate	$ 8,154,777	$ 7,418,365

	DET	
	Years ended December 31,	
	2018	2017
Revenue	$ 50,003,204	$ 44,900,209
Profit for the year from continuing operations	$ 4,767,009	$ 4,398,990
Loss attributable to non-controlling interests	(9,827)	(1,912)
Other comprehensive (loss) income, net of tax	(849,094)	341,519
Total comprehensive income	$ 3,908,088	$ 4,738,597
Dividends received from associates	$ 532,089	$ 684,591

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

As of December 31, 2018 and 2017, the carrying amount of the Group's individually immaterial associates amounted to $1,238,939 and $1,016,154, respectively.

	Years ended December 31,	
	2018	2017
Loss for the year from continuing operations	($ 41,160)	($ 101,420)
Other comprehensive income (loss), net of tax	14,515	(18,307)
Total comprehensive loss	($ 26,645)	($ 119,727)

G. The Group's investment in DET has quoted market price. The fair value of DET as of December 31, 2018 and 2017 was $17,298,030 and $17,550,474, respectively.

(9) Property, plant and equipment

At January 1, 2018	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
Cost	$ 6,200,330	$ 34,716,148	$ 32,147,803	$ 14,124,840	$ 12,529,075	$ 1,266,620	$ 100,984,816
Accumulated depreciation and impairment	(11,617)	(13,243,559)	(22,629,430)	(11,118,300)	(9,643,282)	-	(56,646,188)
	$ 6,188,713	$ 21,472,589	$ 9,518,373	$ 3,006,540	$ 2,885,793	$ 1,266,620	$ 44,338,628
2018							
Opening net book amount	$ 6,188,713	$ 21,472,589	$ 9,518,373	$ 3,006,540	$ 2,885,793	$ 1,266,620	$ 44,338,628
Additions	3,301,909	587,685	2,528,091	1,533,392	1,153,924	2,235,870	11,340,871
Disposal	(136,450)	(77,982)	(113,358)	(26,971)	(47,242)	-	(402,003)
Transfer	-	385,297	810,491	192,354	321,698	(1,709,840)	-
Reclassifications (Note)	6,159	105,843	3,274	11,757	15,708	-	142,741
Depreciation charge	-	(1,748,510)	(3,457,862)	(1,860,959)	(1,724,851)	-	(8,792,182)
Net exchange differences	15,232	(71,154)	216,580	23,593	(17,076)	(366,356)	(199,181)
Closing net book amount	$ 9,375,563	$ 20,653,768	$ 9,505,589	$ 2,879,706	$ 2,587,954	$ 1,426,294	$ 46,428,874
At December 31, 2018							
Cost	$ 9,387,791	$ 35,410,148	$ 34,306,477	$ 15,133,753	$ 13,323,988	$ 1,426,294	$ 108,988,451
Accumulated depreciation and impairment	(12,228)	(14,756,380)	(24,800,888)	(12,254,047)	(10,736,034)	-	(62,559,577)
	$ 9,375,563	$ 20,653,768	$ 9,505,589	$ 2,879,706	$ 2,587,954	$ 1,426,294	$ 46,428,874

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

At January 1, 2017	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
Cost	$ 5,636,920	$ 35,138,305	$ 28,050,052	$ 13,001,329	$ 10,909,238	$ 804,104	$ 93,539,948
Accumulated depreciation and impairment	(12,076)	(11,864,436)	(21,716,694)	(10,680,588)	(8,708,017)	-	(52,981,811)
	$ 5,624,844	$ 23,273,869	$ 6,333,358	$ 2,320,741	$ 2,201,221	$ 804,104	$ 40,558,137
2017							
Opening net book amount	$ 5,624,844	$ 23,273,869	$ 6,333,358	$ 2,320,741	$ 2,201,221	$ 804,104	$ 40,558,137
Additions	178,990	532,797	6,019,728	2,131,405	1,902,183	2,113,567	12,878,670
Acquired through business combinations	411,854	160,076	3,434	2,766	131,006	436	709,572
Effect of decrease in consolidated entities	(3,011)	(441,348)	(9,289)	-	(14,800)	-	(468,448)
Disposals	(121)	(28,006)	(77,946)	(43,662)	(23,703)	-	(173,438)
Transfer	38,750	211,236	574,192	227,379	372,574	(1,424,131)	-
Depreciation charge	-	(1,759,794)	(3,168,147)	(1,602,138)	(1,600,045)	-	(8,130,124)
Net exchange differences	(62,593)	(476,241)	(156,957)	(29,951)	(82,643)	(227,356)	(1,035,741)
Closing net book amount	$ 6,188,713	$ 21,472,589	$ 9,518,373	$ 3,006,540	$ 2,885,793	$ 1,266,620	$ 44,338,628
At December 31, 2017							
Cost	$ 6,200,330	$ 34,716,148	$ 32,147,803	$ 14,124,840	$ 12,529,075	$ 1,266,620	$ 100,984,816
Accumulated depreciation and impairment	(11,617)	(13,243,559)	(22,629,430)	(11,118,300)	(9,643,282)	-	(56,646,188)
	$ 6,188,713	$ 21,472,589	$ 9,518,373	$ 3,006,540	$ 2,885,793	$ 1,266,620	$ 44,338,628

A. No interest expense was capitalised on property, plant and equipment.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Investment property

	Land	Buildings and structures	Total
At January 1, 2018			
Cost	$ 465,724	$ 4,298,176	$ 4,763,900
Accumulated depreciation and impairment	-	(2,987,489)	(2,987,489)
	$ 465,724	$ 1,310,687	$ 1,776,411
2018			
Opening net book amount	$ 465,724	$ 1,310,687	$ 1,776,411
Additions	14,070	1,378	15,448
Disposal	(38)	-	(38)
Depreciation charge	-	(147,093)	(147,093)
Closing net book amount	$ 479,756	$ 1,164,972	$ 1,644,728
At December 31, 2018			
Cost	$ 479,756	$ 4,299,554	$ 4,779,310
Accumulated depreciation and impairment	-	(3,134,582)	(3,134,582)
	$ 479,756	$ 1,164,972	$ 1,644,728

	Land	Buildings and structures	Total
At January 1, 2017			
Cost	$ 465,724	$ 4,298,176	$ 4,763,900
Accumulated depreciation and impairment	-	(2,839,803)	(2,839,803)
	$ 465,724	$ 1,458,373	$ 1,924,097
2017			
Opening net book amount	$ 465,724	$ 1,458,373	$ 1,924,097
Depreciation charge	-	(147,686)	(147,686)
Closing net book amount	$ 465,724	$ 1,310,687	$ 1,776,411
At December 31, 2017			
Cost	$ 465,724	$ 4,298,176	$ 4,763,900
Accumulated depreciation and impairment	-	(2,987,489)	(2,987,489)
	$ 465,724	$ 1,310,687	$ 1,776,411

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	Years ended December 31,	
	2018	2017
Rental revenue from the lease of the investment property	$ 52,162	$ 34,090
Direct operating expenses of investment property that generated rental revenue during the year	$ 68,280	$ 38,160
Direct operating expenses of investment property that did not generate rental revenue during the year	$ 105,587	$ 134,352

B. The fair value of the investment property held by the Group as at December 31, 2018 and 2017 was $3,106,112 and $3,253,316, respectively, which was revalued by the Group.

(11) Intangible assets

At January 1, 2018	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
Cost	$ 2,928,120	$ 1,138,472	$ 19,684,246	$ 9,770,892	$ 3,713,854	$ 5,304,729	$ 42,540,313
Accumulated amortisation and impairment	(622,233)	(1,037,322)	(7,291)	(4,548,881)	(776,556)	(1,714,382)	(8,706,665)
	$ 2,305,887	$ 101,150	$ 19,676,955	$ 5,222,011	$ 2,937,298	$ 3,590,347	$ 33,833,648
2018							
Opening net book amount	$ 2,305,887	$ 101,150	$ 19,676,955	$ 5,222,011	$ 2,937,298	$ 3,590,347	$ 33,833,648
Additions - acquired separately	-	12,127	-	-	207,851	283,479	503,457
Reclassifications (Note)	691,811	379,787	(25,421)	912,736	-	(2,100,982)	(142,069)
Amortisation	(213,735)	(111,290)	-	(1,080,990)	(306,428)	(491,174)	(2,203,617)
Net exchange differences	57,229	56,968	328,762	372,004	88,378	(266,372)	636,969
Closing net book amount	$ 2,841,192	$ 438,742	$ 19,980,296	$ 5,425,761	$ 2,927,099	$ 1,015,298	$ 32,628,388
At December 31, 2018							
Cost	$ 3,677,160	$ 1,587,354	$ 19,987,587	$ 11,055,632	$ 4,010,083	$ 3,220,854	$ 43,538,670
Accumulated amortisation and impairment	(835,968)	(1,148,612)	(7,291)	(5,629,871)	(1,082,984)	(2,205,556)	(10,910,282)
	$ 2,841,192	$ 438,742	$ 19,980,296	$ 5,425,761	$ 2,927,099	$ 1,015,298	$ 32,628,388

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

At January 1, 2017	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
Cost	$ 3,089,441	$ 1,127,285	$ 16,851,610	$ 10,070,984	$ 3,985,745	$ 2,620,949	$ 37,746,014
Accumulated amortisation and impairment	(407,175)	(1,021,597)	(7,291)	(3,570,182)	(478,762)	(1,342,151)	(6,827,158)
	$ 2,682,266	$ 105,688	$ 16,844,319	$ 6,500,802	$ 3,506,983	$ 1,278,798	$ 30,918,856
2017							
Opening net book amount	$ 2,682,266	$ 105,688	$ 16,844,319	$ 6,500,802	$ 3,506,983	$ 1,278,798	$ 30,918,856
Additions - acquired separately	-	11,187	-	-	-	347,392	358,579
Additions - acquired through business combinations	-	-	3,791,065	76,551	-	2,430,116	6,297,732
Effect of decrease in consolidated entities	-	-	(224,856)	-	-	(1,770)	(226,626)
Amortisation	(215,058)	(15,725)	-	(978,698)	(297,794)	(372,231)	(1,879,506)
Impairment loss	-	-	(718)	-		-	(718)
Net exchange differences	(161,321)	-	(732,855)	(376,644)	(271,891)	(91,958)	(1,634,669)
Closing net book amount	$ 2,305,887	$ 101,150	$ 19,676,955	$ 5,222,011	$ 2,937,298	$ 3,590,347	$ 33,833,648
At December 31, 2017							
Cost	$ 2,928,120	$ 1,138,472	$ 19,684,246	$ 9,770,892	$ 3,713,854	$ 5,304,729	$ 42,540,313
Accumulated amortisation and impairment	(622,233)	(1,037,322)	(7,291)	(4,548,881)	(776,556)	(1,714,382)	(8,706,665)
	$ 2,305,887	$ 101,150	$ 19,676,955	$ 5,222,011	$ 2,937,298	$ 3,590,347	$ 33,833,648

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

	Years ended December 31, 2018	Years ended December 31, 2017
Operating costs	$ 12,506	$ 9,253
Selling expenses	1,301,728	1,226,062
Administrative expenses	206,226	125,848
Research and development expenses	683,157	518,343
	$ 2,203,617	$ 1,879,506

B. The Group acquired registered or under-application trademark rights such as VIVOTEK, QUMI, vivitek, VIVITEK, 麗訊, 丽讯, ELTEK and Delta. 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, 2018	December 31, 2017
Goodwill:		
Eltek	$ 5,292,098	$ 5,127,578
Cyntec and its subsidiaries	5,146,053	5,146,053
Vivotek Inc.	3,232,954	3,258,375
DCI	2,548,263	2,487,777
DGC	1,780,775	1,725,415
Loy Tec	1,420,680	1,376,514
Others	559,473	555,243
	$ 19,980,296	$ 19,676,955
Trademarks:		
Automation business	$ 691,811	$ -
Power electronics business (It belonged to smart green life business before the first quarter of 2017)	386,823	386,823
	$ 1,078,634	$ 386,823

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

D. As of December 31, 2018, the Group's goodwill arose from business combinations amounting to $19,980,296 in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies. Based on IAS 36, goodwill acquired in a business combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows and the impairment of goodwill is calculated based on value in use and carrying amount of net assets of each company.

For the calculated value of share right based on the analysis report issued by experts hired by the merged company when the business combination occurred, the analyzed information of value in use of each company was evaluated based on financial projections of operating revenue by product for each company. The consolidated financial statements would indicate how much of the projected revenues had been achieved based on the financial statements for the comparative period in 2018 and 2017.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. 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.

(12) Other non-current assets

	December 31, 2018	December 31, 2017
Long-term prepaid rent	$ 1,052,797	$ 1,085,468
Prepayments for business facilities	605,154	759,459
Guarantee deposits paid	314,517	262,902
Prepayments for long-term investments	90,833	131,193
Cash surrender value of life insurance	60,780	69,195
Others	421,234	438,933
	$ 2,545,315	$ 2,747,150

(13) Short-term borrowings

	December 31, 2018	December 31, 2017
Unsecured bank loans	$ 6,259,062	$ 17,463,509
Credit lines	$ 78,523,480	$ 95,092,313
Interest rate range	0.40%~7.13%	0.40%~10.00%

(14) Long-term borrowings

Type of borrowings	December 31, 2018	December 31, 2017
Credit loans	$ 25,013,145	$ 11,081,754
Collateral loans	393,342	185,934
Less: Current portion (shown as other current liabilities)	(173,700)	(48,752)
	$ 25,232,787	$ 11,218,936
Credit lines	$ 72,776,669	$ 46,106,721
Interest rate range	0.37%~6.23%	0.35%~6.23%

As of December 31, 2018, the revolving loans of $24,523,880 can be drawn down during the period from May 1, 2018 to October 25, 2020 and are payable before the due date under the agreement.

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

(15) Pensions

A. Defined benefit plans

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

The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, 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 Law.

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.

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.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2018	December 31, 2017
Present value of defined benefit obligations	($ 4,176,649)	($ 4,213,525)
Fair value of plan assets	1,603,757	1,360,130
Net defined benefit liability	($ 2,572,892)	($ 2,853,395)

(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, 2018			
Balance at January 1	($ 4,213,525)	$ 1,360,130	($ 2,853,395)
Current service cost	(36,684)	-	(36,684)
Interest (expense) revenue	(58,972)	16,740	(42,232)
Profit arising from plan amendment	(6,557)	-	(6,557)
Profit arising from plan curtailment	4,854	-	4,854
	(4,310,884)	1,376,870	(2,934,014)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	39,382	39,382
Change in demographic assumptions	(5,541)	-	(5,541)
Change in financial assumptions	(121,114)	-	(121,114)
Experience adjustments	1,986	-	1,986
	(124,669)	39,382	(85,287)
Pension fund contribution	-	384,691	384,691
Paid pension	253,601	(197,186)	56,415
Exchange difference	5,303	-	5,303
Effect of business combination	-	-	-
Balance at December 31	($ 4,176,649)	$ 1,603,757	($ 2,572,892)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2017			
Balance at January 1	($ 4,162,664)	$ 1,260,045	($ 2,902,619)
Current service cost	(38,942)	-	(38,942)
Interest (expense) revenue	(67,609)	18,939	(48,670)
Profit arising from plan curtailment	16,949	-	16,949
	(4,252,266)	1,278,984	(2,973,282)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(8,625)	(8,625)
Change in demographic assumptions	(4,754)	-	(4,754)
Change in financial assumptions	(93,355)	-	(93,355)
Experience adjustments	(61,142)	-	(61,142)
	(159,251)	(8,625)	(167,876)
Pension fund contribution	-	219,368	219,368
Paid pension	212,522	(154,017)	58,505
Exchange difference	40,888	-	40,888
Effect of business combination	(55,418)	24,420	(30,998)
Balance at December 31	($ 4,213,525)	$ 1,360,130	($ 2,853,395)

(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 of December 31, 2018 and 2017 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,	
	2018	2017
Discount rate	1%~3.5%	1.25%~4.25%
Future salary increases	3%~3.5%	3%~3.5%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2018				
Effect on present value of defined benefit obligation	($ 119,638)	$ 124,611	$ 115,753	($ 111,798)
December 31, 2017				
Effect on present value of defined benefit obligation	($ 124,600)	$ 129,898	$ 119,042	($ 114,864)

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, 2019 amount to $54,112.

(g) As of December 31, 2018, the weighted average duration of that retirement plan is 11~18 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	$	131,570
1-2 year(s)		148,893
2-5 years		599,284
Over 5 years		4,478,979
	$	5,358,726

B. Defined contribution plans

(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, 2018 and 2017 were $416,363 and $351,193, respectively.

(b) Other overseas companies have defined contribution plans in accordance with the local regulations.

(16) Share capital

A. In accordance with the Company's Articles of Incorporation, the total authorized common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As of December 31, 2018, 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, 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 of December 31, 2018, there were 709 thousand units outstanding, representing 3,543 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 approved by the shareholders on June 8, 2016, 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 authorized capital of the Company.

(d) Setting aside or reversing a special reserve according to relevant regulations when necessary.

(e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with 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 2017 and 2016 earnings had been approved by the shareholders during their meeting on June 11, 2018 and June 13, 2017, respectively. Details are summarised below:

	Years ended December 31,			
	2017		2016	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 1,838,056		$ 1,879,780	
Special reserve appropriated	4,320,394		2,240,193	
Cash dividends	12,987,717	$ 5.0	12,987,717	$ 5.0

Information about the distribution of earnings by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. The appropriations of 2018 earnings had been proposed by the Board of Directors on March 11, 2019. Details are summarised below:

	2018	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 1,819,309	
Special reserve appropriated	472,889	
Cash dividends	12,987,717	$ 5.0

As of March 11, 2019, the abovementioned 2018 earnings appropriation has not yet been approved by the stockholders.

F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(25).

(19) Non-controlling interest

	Years ended December 31,	
	2018	2017
At January 1	$ 9,216,505	$ 4,894,440
Share attributable to non-controlling interest:		
Profit for the year	455,491	376,400
Currency translation differences	(18,709)	(205,798)
Dividends paid to minority interest	(369,183)	(315,485)
Increase in non-controlling interest (Note 1)	-	4,466,948
Decrease in non-controlling interest (Note 2)	(94,355)	-
At December 31	$ 9,189,749	$ 9,216,505

(Note 1) The increase in non-controlling interest is mainly due to the acquisitions of share capital of DES, Delta Greentech Electronics Industry LLC and Vivotek Inc. in 2017.

(Note 2) The decrease in non-controlling interest is mainly due to the acquisition of additional equity interest in Vivotek Inc.

(20) Operating revenue

	Year ended December 31, 2018
Revenue from contracts with customers	$ 237,017,809

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, 2018				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	$ 118,917,634	$ 37,553,644	$ 79,039,894	$1,506,637	$ 237,017,809
Timing of revenue recognition					
At a point in time	117,296,972	32,415,861	73,717,092	1,456,724	224,886,649
Over time	1,620,662	5,137,783	5,322,802	49,913	12,131,160
	$ 118,917,634	$ 37,553,644	$ 79,039,894	$1,506,637	$ 237,017,809

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:

	Year ended December 31, 2018
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.	$ 1,693,773

C. Related disclosures for 2017 operating revenue are provided in Note 12(5) B.

(21) Other income

	Years ended December 31, 2018	Years ended December 31, 2017
Interest income:		
Interest income from bank deposits	$ 851,185	$ 632,353
Rental income	114,844	92,768
Dividend income	181,942	152,687
Others	3,225,620	3,006,694
	$ 4,373,591	$ 3,884,502

(22) Other gains and losses

	Years ended December 31, 2018	Years ended December 31, 2017
Gain on disposal of property, plant and equipment	$ 274,921	$ 100,584
Gain on disposal of investments	-	338,087
Net currency exchange gain (loss)	534,511	(21,904)
(Loss) gain on financial assets / liabilities at fair value through profit or loss	(202,545)	255,740
Impairment loss	-	(663,183)
Miscellaneous disbursements	(741,459)	(578,430)
Gain on disposal of non-current assets classified as held for sale	-	373,138
	($ 134,572)	($ 195,968)

(23) Finance costs

	Years ended December 31, 2018	Years ended December 31, 2017
Interest expense	$ 545,804	$ 378,861
Losses on hedging instruments	2,900	-
	$ 548,704	$ 378,861

(24) Expenses by nature

	Years ended December 31,	
	2018	2017
Employee benefit expense	$ 47,419,926	$ 41,085,372
Depreciation charges on property, plant and equipment	8,792,182	8,130,124
Amortisation charges on intangible assets	2,203,617	1,879,506
	$ 58,415,725	$ 51,095,002

(25) Employee benefit expense

	Years ended December 31,	
	2018	2017
Post-employment benefits		
Defined contribution plans	$ 737,060	$ 593,874
Defined benefit plans	80,619	70,663
	817,679	664,537
Other employee benefits	46,602,247	40,420,835
	$ 47,419,926	$ 41,085,372

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, 2018 and 2017, employees' compensation was accrued at $2,297,672 and $2,277,777, respectively; while directors' remuneration was accrued at $45,376 and $35,400, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2018, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as of the end of reporting period as prescribed by the Company's Articles of Incorporation.

The employees' compensation of $1,728,344 and directors' remuneration of $29,400 for 2018 were resolved by the Board of Directors on March 11, 2019.

The employees' compensation of $1,746,152 and directors' remuneration of $35,400 for 2017 were resolved by the Board of Directors on March 8, 2018 and were in agreement with those amounts recognised in the 2017 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders 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, 2018	2017
Current tax:		
Current tax on profits for the year	$ 4,663,669	$ 5,160,782
Effect from Alternative Minimun Tax	612	9,502
Prior year income tax underestimation (overestimation)	448,246	(336,403)
Tax on undistributed surplus earnings	3,349	178,342
Total current tax	5,115,876	5,012,223
Deferred tax:		
Origination and reversal of temporary differences	(1,579,877)	788
Impact of change in tax rate	616,445	28,317
Total deferred tax	(963,432)	29,105
	$ 4,152,444	$ 5,041,328

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

	Years ended December 31, 2018	2017
Currency translation differences	($ 186,751)	$ 528,003
Cash flow hedges	10,625	(5,486)
Remeasurement of defined benefit obligations	17,833	25,631
Unrealised gain or loss on financial assets at fair value through other comprehensive income	(86,244)	-
Impact of change in tax rate	226,071	-
	($ 18,466)	$ 548,148

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2018	2017
Tax calculated based on profit before tax and statutory tax rate	$ 6,392,592	$ 6,934,002
Effect from items disallowed by tax regulation	(2,861,011)	(1,277,281)
Effect from investment tax credits	(449,194)	(499,411)
Effect from taxable loss	(41,921)	32,577
Prior year income tax underestimation (overestimation)	448,246	(336,403)
Change in assessment of realisation of deferred tax assets	43,326	-
Effect from Alternative Minimum Tax	612	9,502
Tax on undistributed earnings	3,349	178,342
Impact of change in tax rate	616,445	-
Tax expenses	$ 4,152,444	$ 5,041,328

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

	2018				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for inventory obsolescence	$ 559,686	$ 12,231	$ -	$ -	$ 571,917
Pension liability	414,995	8,209	22,196	-	445,400
Assets impairment	307,330	(106,587)	-	-	200,743
Tax losses	486,280	(180,192)	-	-	306,088
Depreciation difference between tax and financial basis	1,648,197	(257,029)	-	-	1,391,168
Others	2,420,107	844,062	-	-	3,264,169
	$ 5,836,595	$ 320,694	$ 22,196	$ -	$ 6,179,485
Deferred tax liabilities:					
-Temporary differences:					
Long-term equity investments	($ 10,010,951)	$ 759,137	$ 39,315	($ 68,109)	($ 9,280,608)
Land revaluation increment tax	(119,862)	-	-	-	(119,862)
Others	(1,972,586)	(116,399)	(79,977)	-	(2,168,962)
	($ 12,103,399)	$ 642,738	($ 40,662)	($ 68,109)	($ 11,569,432)
	($ 6,266,804)	$ 963,432	($ 18,466)	($ 68,109)	($ 5,389,947)

	2017					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Business combination	December 31
Deferred tax assets:						
-Temporary differences:						
Allowance for inventory obsolescence	$ 484,560	$ 60,583	$ -	$ -	$ 14,543	$ 559,686
Pension liability	448,589	(64,704)	25,631	-	5,479	414,995
Assets impairment	214,612	92,718	-	-	-	307,330
Tax losses	574,196	(244,075)	-	-	156,159	486,280
Depreciation difference between tax and financial basis	1,703,525	(55,328)	-	-	-	1,648,197
Others	1,908,556	443,866	-	-	67,685	2,420,107
	$ 5,334,038	$ 233,060	$ 25,631	$ -	$ 243,866	$ 5,836,595
Deferred tax liabilities:						
-Temporary differences:						
Long-term equity investments	($ 10,053,509)	($ 484,429)	$ 528,003	($ 666)	($ 350)	($ 10,010,951)
Land revaluation increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,213,288)	250,581	(5,486)	-	(4,393)	(1,972,586)
	($ 12,386,659)	($ 233,848)	$ 522,517	($ 666)	($ 4,743)	($ 12,103,399)
	($ 7,052,621)	($ 788)	$ 548,148	($ 666)	$ 239,123	($ 6,266,804)

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

December 31, 2018				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2003-2018	$ 6,450,211	$ 6,146,359	$ 3,836,320	2028
2006-2014	$ 580,924	$ 580,924	$ 87,996	indefinitely usable

December 31, 2017				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2003-2017	$ 7,588,856	$ 7,549,488	$ 7,542,130	2028
2006-2014	$ 1,456,859	$ 1,438,841	$ 680,142	indefinitely usable

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

	December 31, 2018	December 31, 2017
Deductible temporary differences	$ 180,764	$ 443,831

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2018 and 2017, the amounts of temporary differences unrecognised as deferred tax liabilities were $6,365,357 and $6,929,342, 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
NEM	2015
The Company, AMT, Delta Capital, DelBio, Vivotek Inc., Vatics Inc., Realwin Investment Inc., Otus Imaging. Inc., Aetek Inc., Cyntec, DNIT, UNICOM SYSTEM ENG CORP. and Power Forest Technology Corporation	2016
Lidlight Inc.	It was newly established in 2017, which has not yet been assessed by the Tax Authority.

H. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February 7, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(27) Earnings per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 18,193,093	2,597,543	$ 7.00
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 18,193,093	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	15,964	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 18,193,093	2,613,507	$ 6.96

	Year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 18,380,552	2,597,543	$ 7.08
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 18,380,552	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	20,412	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 18,380,552	2,617,955	$ 7.02

(28) Business combinations

A. Business combinations of the Group for the year ended December 31, 2017 are as follows:

(a) In January 2017, the Group acquired 100% share ownership of UNICOM SYSTEM ENG. CORP. for cash of $351,014. In the third quarter, the acquisition price decreased by $9,320 based on the adjustment rule in the contract.

(b) In April 2017, the Group acquired 51% equity interest of DES, 100% of DGB, 51% of Delta Greentech Electronics Industry LLC and 100% of DGA by cash in the amount of $755,090 (USD 24,850 thousand).

(c) On October 2, 2017, the Group acquired 49.22% of Vivotek Inc. through a tender offer for cash of $3,945,583, and the allocation of acquisition price was completed in the first quarter of 2018.

B. Consideration paid for acquisition of the abovementioned subsidiaries and fair value information of assets acquired and liabilities assumed from the acquisition on the acquisition date are as follows:

	Final allocation of acquisition price	December 31, 2017
Purchase consideration		
Cash	$ 5,042,367	$ 5,042,367
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	4,467,620	4,466,948
	9,509,987	9,509,315
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	1,984,105	1,984,105
Other current assets	3,916,309	3,916,309
Investments accounted for using equity method	1,196	1,196
Property, plant and equipment	852,313	709,572
Intangible assets	2,390,019	2,506,667
Deferred income tax assets	243,866	243,866
Other non-current assets	97,720	97,720
Current liabilities	(3,187,761)	(3,187,761)
Non-current liabilities	(443,243)	(443,243)
Deferred tax liabilities	(4,743)	(4,743)
Minority interest	(105,438)	(105,438)
Total identifiable net assets	5,744,343	5,718,250
Goodwill	$ 3,765,644	$ 3,791,065

C. Starting from the acquisition of share ownership in the abovementioned subsidiaries, the operating revenue and profit before income tax included in the consolidated statements contributed by those companies amounted to $6,657,181 and $305,832 for the year ended December 31, 2017, respectively. Had those companies been consolidated from January 1, 2017, the consolidated statement of comprehensive income would show operating revenue and profit before income tax of $229,220,959 and $24,132,567, respectively.

(29) Share-based payment

A. For the years ended December 31, 2018 and 2017, the Group's share-based payment arrangements were as follows:

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

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

(a) Employee share options

	2018		2017	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding opening balance at January 1	2,742,000	$ 15.95	-	$ -
Acquired through business combinations	-	$ -	1,838,000	16.50
Options granted	500,000	15.00	1,000,000	15.00
Options forfeited	(241,000)	15.00	(96,000)	14.51
Options exercised	(242,000)	15.00	-	-
Options expired	(799,000)	16.50	-	-
Options outstanding at December 31	1,960,000	$ 15.72	2,742,000	$ 15.95
Options exercisable at December 31	807,250	16.31	871,000	16.50

(b) Restricted stocks to employees

	2018	2017
	No. of shares	No. of shares
January 1	$ 700,000	$ -
Vested during the year	(280,412)	700,000
Expired during the year	(74,088)	-
December 31	$ 345,500	$ 700,000

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

		December 31, 2018	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2019	943,000	$ 16.50
March 3, 2017	March 3, 2023	577,000	15.00
March 30, 2018	March 29, 2024	440,000	15.00

		December 31, 2017	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2019	1,742,000	$ 16.50
March 3, 2017	March 2, 2023	1,000,000	15.00

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

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Power Forest-Employee stock options	2017.3.3	$ 18.38	$ 15.00	32.08%~33.22% (Note)	3.5~4.5	5%	0.79%~0.88%	$ 4.0053~4.0960
〃	2018.3.30	16.42	15.00	32.43%~33.08% (Note)	3.5~4.5	5%	0.63%~0.68%	3.0262~3.0767
Vatics Inc.-Employee stock options	2016.11.8	14.60	16.50	36.37%~37.25% (Note)	2.5~3.5	Not applicable	0.57%~0.67%	2.7995~3.3727
Vivotek Inc.-Plan of restricted stocks to employees	2017.11.20	97.20	-	Not applicable	1~2	Not applicable	Not applicable	97.2000

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

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

	Years ended December 31, 2018	Years ended December 31, 2017
Equity-settled	($ 5,282)	$ 32,599

(30) Supplemental cash flow information

The Group sold 100% of shares in the subsidiary – Eltek s.r.o on April 1, 2017 and therefore lost control over the subsidiary. The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	April 1, 2017
Consideration received	
Cash	$ 668,490
Total consideration	668,490
Carrying amount of the assets and liabilities of the subsidiary - Eltek s.r.o.	
Cash	35,480
Accounts receivable	22,882
Accounts receivable - related parties	98,412
Inventories	195,628
Prepayments	161,308
Other current assets	114
Deferred income tax assets	76,806
Property, plant and equipment	468,448
Intangible assets	226,626
Other non-current assets	2,523
Accounts payable	(143,383)
Accounts payable - related parties	(69,612)
Other payables	(431,753)
Current income tax liabilities	(244)
Other current liabilities	(3,992)
Deferred income tax liabilities	(86,267)
Total net assets	$ 552,976

Gain on disposal of subsidiary, Eltek s.r.o, was deferred based on comprehensive shareholding ratio of 20.01%.

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2018	$ 17,463,509	$ 11,267,688	$ 28,731,197
Changes in cash flow from financing activities	(11,204,447)	14,138,799	2,934,352
At December 31, 2018	$ 6,259,062	$ 25,406,487	$ 31,665,549

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Group
Delta Electronics (Thailand) Public Company Limited	Associate
Delta Power Solutions (India) Pvt Ltd.	"
Delta Electronics (Slovakia) s.r.o.	"
Delta Electronics India Pvt Ltd.	"
Delta Energy Systems (Singapore) PTE. LTD.	"
Delta Energy Systems (Australia) Pty Ltd	"
Digital Projection Ltd.	"
Digital Projection Inc.	"
Delta Greentech (Netherlands) B.V.	"
Infani Technology Inc.	It became an associate since October 2, 2017.
Eltek s.r.o.	It was a subsidiary before April 1, 2017, and became an associate since April 1, 2017.
Delta Electronics (Switzerland) AG	It was an associate before April 1, 2017, and became a subsidiary since April 1, 2017.
Delta Greentech Electronics Industry LLC	"
Delta Greentech (Brasil) S.A.	"
Delta Greentech (USA) Corporation	It was an associate before April 1, 2017, and became a subsidiary since April 1, 2017. On May 1, 2018, it merged with DELTA ELECTRONICS (USA) INC.

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31, 2018	Years ended December 31, 2017
Sales of goods:		
Associates	$ 4,631,945	$ 4,602,859
Sales of services:		
Associates	1,672,968	1,145,194
	$ 6,304,913	$ 5,748,053

The sales terms, including prices and collections, were negotiated based on cost, market, competitors and other factors. Sales of services are negotiated with related parties on a cost-plus basis.

B. Purchases of goods

	Years ended December 31, 2018	2017
Purchases of goods:		
Associates	$ 7,004,953	$ 4,894,669

The purchase terms, including prices and payments, were negotiated based on cost, market, competitors and other factors.

C. Period-end balances arising from sales of goods

	December 31, 2018	December 31, 2017
Receivables from related parties:		
Associates	$ 1,722,114	$ 1,319,469

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, 2018	December 31, 2017
Payables to related parties:		
Associates	$ 1,484,335	$ 1,206,197

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, 2018	December 31, 2017
Other receivables-related parties		
Associates	$ 99,389	$ 70,181

The above pertain mainly to payments on behalf of others.

F. Property transactions:

(a) Acquisition of financial assets:

	Accounts	No. of shares	Objects	Year ended December 31, 2017 Consideration
Delta Greentech (Netherlands) B.V.	Investments accounted for using equity method	10,200	Delta Electronics (Switzerland) AG	$ 388,940
"	"	4,315,657	Delta Greentech (Brasil) S.A.	216,044
"	"	15,708	Delta Greentech Electronics Industry LLC	24,309
"	"	1,500,000	Delta Greentech (USA) Corporation	125,797
Total				$ 755,090

The Group has not acquired financial assets from related parties for the year ended December 31, 2018.

(b) Disposal of financial assets:

	Accounts	No. of shares	Objects	Year ended December 31, 2017 Proceeds	Gain/(loss)
Delta Greentech (Netherlands) B.V.	Investments accounted for using equity method	-	Eltek s.r.o.	$ 668,490	$ 115,514

A. As of December 31, 2017, all proceeds have been collected, and gains on disposal of financial assets are deferred based on shareholding ratio.

B. For the year ended December 31, 2018, the Group has not disposed financial assets to related parties.

(c) Acquisition of equipment

	Years ended December 31, 2018	2017
Associates	$ -	$ 2,300

(b) Disposal of equipment:

	Items	Year ended December 31, 2018 Proceeds	Gain/(loss)
Associates	Other equipments	$ 53,048	$ 17,465

For the year ended December 31, 2017, the Group has not disposed equipment to related parties.

(3) Key management compensation

	Years ended December 31, 2018	Years ended December 31, 2017
Salaries and other short-term employee benefits	$ 453,760	$ 434,245

8. PLEDGED ASSETS

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

Pledged assets	December 31, 2018	December 31, 2017	Pledge purpose
Demand deposits (shown as other current assets	$ 127,251	$ 96,349	Performance bonds
Time deposits (shown as other current assets)	147,901	183,623	Performance bonds, customs deposits and other guarantee deposits
Property, plant and equipment	588,052	399,957	Long-term borrowings and credit line
	$ 863,204	$ 679,929	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital commitments

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

	December 31, 2018	December 31, 2017
Property, plant and equipment	$ 2,482,368	$ 352,348
Costs of computer software	$ 285,000	$ -

B. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2018	December 31, 2017
Not later than one year	$ 618,968	$ 342,577
Later than one year but not later than five years	784,091	600,593
Later than five years	455,322	115,309
	$ 1,858,381	$ 1,058,479

C. The subsidiary, Delta Electronics Int'l (Singapore) Pte. Ltd., plans to acquire associate, Delta Electronics (Thailand) Public Co., Ltd., through a conditional voluntary tender offer. The expected acquisition period is February 26, 2019 to April 1, 2019. The offer price is expected to be THB 71 per share.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. Information about the appropriations of 2018 earnings of the Company is provided in Note 6(18)E.

B. The Company's subsidiary, Delta Electronics (Netherlands) B.V., acquired 100% equity of Amerlux, LLC from The Unicorn Group, Inc. for USD 90,000,000, as resolved by the Board of Directors on March 8, 2019. In addition, the contingent consideration will be paid after operating revenue and earnings before interest, taxes, depreciation and amortisation (EBITDA) for the year ended December 31, 2019 meet certain conditions as stipulated in the earn out agreement.

12. OTHERS

(1) Capital risk management

The Group's objectives (including disposal groups held for sale) when managing capital are to maintain an integrity credit rating and good capital structure to support operating and maximum stockholders' equity.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2018	December 31, 2017
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 3,392,915	$ -
Financial assets held for trading	-	114,748
	$ 3,392,915	$ 114,748
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	$ 2,977,994	$ -
Available-for-sale financial assets		
Available-for-sale financial assets	$ -	$ 5,861,758
Financial assets at cost	-	1,147,672
	$ -	$ 7,009,430
Financial assets at amortised cost		
Cash and cash equivalents	$ 59,618,697	$ 57,366,617
Notes receivable	4,091,231	4,010,445
Accounts receivable	53,775,610	50,702,682
Other receivables	856,397	784,737
	$ 118,341,935	$ 112,864,481

	December 31, 2018	December 31, 2017
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss	$ 8,544	$ 9,746
Financial liabilities at amortised cost		
Short-term borrowings	$ 6,259,062	$ 17,463,509
Notes payable	7,955	9,792
Accounts payable	40,501,108	37,915,021
Other accounts payable	24,786,588	25,209,483
Long-term borrowings (including current portion)	25,406,487	11,267,688
	$ 96,961,200	$ 91,865,493

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 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 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 and RMB). 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, 2018				
	Foreign currency amount (in thousands)		Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
RMB:USD (Note)	$	1,392,537	0.1456	$	6,228,957
USD:RMB (Note)		340,946	6.8666		10,472,156
USD:NTD		97,782	30.7150		3,003,374
EUR:NOK (Note)		42,704	10.0329		1,503,181
EUR:USD (Note)		62,091	1.1460		2,185,603
Non-monetary items					
USD:NTD	$	4,178,234	30.7150	$	128,334,451
RMB:USD (Note)		6,716,680	0.1456		30,044,381
NOK:USD (Note)		3,479,516	0.1142		12,207,741
THB:USD (Note)		6,908,111	0.0310		6,584,811
EUR:USD (Note)		61,261	1.1460		2,156,379
THB:NTD		1,647,048	0.9532		1,569,966
Financial liabilities					
Monetary items					
RMB:USD (Note)	$	1,938,334	0.1456	$	8,670,362
USD:RMB (Note)		273,578	6.8666		8,402,948
USD:NTD		1,170,089	30.7150		35,939,284
EUR:NOK (Note)		48,333	10.0329		1,701,322
EUR:NTD		30,378	35.2000		1,069,306
EUR:USD (Note)		38,062	1.1460		1,339,782

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)	December 31, 2017 Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
RMB:USD (Note)	$ 1,306,689	0.1536	$ 5,972,706
USD:RMB (Note)	374,463	6.5108	11,144,019
USD:NTD	366,890	29.7600	10,918,646
USD: NOK (Note)	55,435	8.2224	1,649,746
EUR:NOK (Note)	52,568	9.8276	1,869,844
EUR:USD (Note)	39,844	1.1952	1,417,251
Non-monetary items			
USD:NTD	$ 3,639,718	29.7600	$ 108,318,012
THB:NTD	9,486,456	0.9170	8,704,772
RMB:USD (Note)	6,575,994	0.1536	30,058,012
THB:USD (Note)	(1,401,926)	0.0308	(1,286,407)
EUR:USD (Note)	58,244	1.1952	2,071,730
NOK:USD (Note)	4,146,750	0.1216	15,008,748
CAD:USD (Note)	104,037	0.7967	2,446,714
Financial liabilities			
Monetary items			
RMB:USD (Note)	$ 1,866,439	0.1536	$ 8,531,250
USD:RMB (Note)	313,273	6.5108	9,323,004
USD:NTD	286,275	29.7600	8,519,544
USD:CAD (Note)	98,108	1.2552	2,919,694
USD: NOK (Note)	91,127	8.2224	2,711,940
EUR:NOK (Note)	41,218	9.8276	1,466,124

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 (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2018 and 2017 amounted to $534,511 and ($21,904), respectively.

(Foreign currency: functional currency)	Year ended December 31, 2018 Sensitivity analysis Degree of variation	Effect on profit or loss		Effect on comprehensive income	
Financial assets					
Monetary items					
RMB : USD (Note)	1%	$	62,290	$	-
USD : RMB (Note)	1%		104,722		-
USD : NTD	1%		30,034		-
EUR : NOK (Note)	1%		15,032		-
EUR : USD (Note)	1%		21,856		-
Financial liabilities					
Monetary items					
RMB : USD (Note)	1%	$	86,704	$	-
USD : RMB (Note)	1%		84,029		-
USD : NTD	1%		359,393		-
EUR : NOK (Note)	1%		17,013		-
EUR : NTD	1%		10,693		-
EUR : USD (Note)	1%		13,398		-

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, 2017		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
Financial assets			
Monetary items			
RMB : USD (Note)	1%	$ 59,727	$ -
USD : RMB (Note)	1%	111,440	-
USD : NTD	1%	109,186	-
USD : NOK (Note)	1%	16,497	-
EUR : NOK (Note)	1%	18,698	-
EUR : USD (Note)	1%	14,173	-
Financial liabilities			
Monetary items			
RMB : USD (Note)	1%	$ 85,313	$ -
USD : RMB (Note)	1%	93,230	-
USD : NTD	1%	85,195	-
USD : CAD (Note)	1%	29,197	-
USD : NOK (Note)	1%	27,119	-
EUR : NOK (Note)	1%	14,661	-

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 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, 2018 and 2017 would have increased/decreased by $32,328 and $309, 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 $29,780 and $57,902, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear fixed and variable interest rate. During 2018 and 2017, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.

ii. If the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2018 and 2017 would have decreased by $50,811 and $1,435, 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 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 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 provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On December 31, 2018, the provision matrix is as follows:

	Not past due		1-90 days past due		91-180 days past due
At December 31, 2018					
Expected loss rate	0.00%		1.15%		23.39%
Total book value	$	46,402,866	$ 5,331,599	$	298,633
Loss allowance	$	424	$ 61,260	$	69,837

	181-365 days past due	Over 365 days past due	Total
Expected loss rate	49.81%	96.38%	
Total book value	$ 249,925	$ 731,317	$ 53,014,340
Loss allowance	$ 124,497	$ 704,826	$ 960,844

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:

	Year ended December 31, 2018				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1_IAS 39	$ -	$ 1,166,495	$ -	$ 238,283	$ 1,404,778
Adjustments under new standards	-	-	-	-	-
At January 1_IFRS 9	-	1,166,495	-	238,283	1,404,778
(Reversal of) provision for impairment loss	-	(166,297)	-	27,808	(138,489)
Effect of exchange rate changes	-	(39,354)	-	5,348	(34,006)
At December 31	$ -	$ 960,844	$ -	$ 271,439	$ 1,232,283

For provisioned loss in 2018, the reversal gain of impairment arising from customers' contracts amounted to $138,489.

x. Credit risk information of 2017 is provided in Note 12(4).

(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 (including non-current disposal group classified as held for sale) 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, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 6,259,062	$ -	$ -	$ -
Notes and accounts payable (including related parties)	40,509,063	-	-	-
Other payables	24,786,588	-	-	-
Long-term borrowings (including current portion)	173,700	24,585,550	116,969	530,268

December 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 17,463,509	$ -	$ -	$ -
Notes and accounts payable (including related parties)	37,924,813	-	-	-
Other payables	25,209,483	-	-	-
Long-term borrowings (including current portion)	48,752	10,730,741	102,195	386,000

Derivative financial liabilities:

As of December 31, 2018 and 2017, 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. Financial instruments not measured at fair value, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion), current portion are approximate to their fair values.

C. The related information of 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:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 1,390,101	$ -	$ 1,842,693	$ 3,232,794
Hybrid instruments	54,000	-	69,074	123,074
Derivative instruments	-	37,047	-	37,047
Financial assets at fair value through other comprehensive income				
Equity instruments	1,632,492	-	1,345,502	2,977,994
	$ 3,076,593	$ 37,047	$ 3,257,269	$ 6,370,909
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 8,544	$ -	$ 8,544

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 30,911	$ -	$ -	$ 30,911
Derivative instruments	-	83,837	-	83,837
Available-for-sale financial assets				
Equity instruments	4,209,730	-	1,580,428	5,790,158
Hybrid instruments	71,600	-	-	71,600
Derivative financial assets for hedging	-	7,061	-	7,061
	$ 4,312,241	$ 90,898	$ 1,580,428	$ 5,983,567
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 9,746	$ -	$ 9,746

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:

	Listed shares	Convertible (exchangeable) bond
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, 2018 and 2017, 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, 2018 and 2017:

	2018		
	Hybrid instruments	Equity instruments	Total
At January 1	$ -	$ 1,580,428	$ 1,580,428
Transfers in from prepayments for investment	-	58,869	58,869
Effect of IFRS 9 adjustment	-	1,147,672	1,147,672
Losses recognised in profit or loss	-	(14,215)	(14,215)
Profits recognised in other comprehensive income	-	337,414	337,414
Acquired during the year	69,074	419,585	488,659
Proceeds from capital reduction	-	(12,930)	(12,930)
Disposals during the year	-	(353,201)	(353,201)
Net exchange differences	-	24,573	24,573
At December 31	$ 69,074	$ 3,188,195	$ 3,257,269

	2017		
	Hybrid instruments	Equity instruments	Total
At January 1	$ -	$ 1,582,140	$ 1,582,140
Losses recognised in profit or loss	-	(20,569)	(20,569)
Acquired during the year	-	502,639	502,639
Proceeds from capital reduction	-	(95,733)	(95,733)
Disposals during the year	-	(49,500)	(49,500)
Transfers out from level 3	-	(314,776)	(314,776)
Net exchange differences	-	(23,773)	(23,773)
At December 31	$ -	$ 1,580,428	$ 1,580,428

G. During the year ended December 31, 2018, certain Level 3 equity securities became listed on the exchange or as emerging stock, resulting in the availability of sufficient observable market information for these securities. 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. Investment property is evaluated regularly by the Group’s financial treasury based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau.

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, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:						
Unlisted shares	$	3,188,195	Most recent non-active market	Not applicable	-	Not applicable
Hybrid instruments:						
Convertible bonds	$	69,074	Market comparable companies	Enterprise value to EBITDA	9.02	The higher the multiple, the higher the fair value
				Discount for lack of Marketability	30%	The higher the discount for lack of marketability, the lower the fair value

		Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:						
Unlisted shares	$	1,580,428	Most recent non-active	Not applicable	-	Not applicable

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2018 Recognised in profit or loss: Favorable change	Unfavorable change	Recognised in other comprehensive income: Favorable change	Unfavorable change
Financial assets						
Equity instruments	Most recent non-active market price	± 1%	$ 18,427	($ 18,427)	$ 13,455	($ 13,455)
Hybrid instruments	Enterprise value to EBITDA	± 1%	$ 691	($ 691)	$ -	$ -
	Discount for lack of marketability	± 1%	$ 691	($ 691)	$ -	$ -

	Input	Change	December 31, 2017 Recognised in profit or loss: Favorable change	Unfavorable change	Recognised in other comprehensive income: Favorable change	Unfavorable change
Financial assets						
Equity instruments	Most recent non-active market price	± 1%	$ -	$ -	$ 15,804	($ 15,804)

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summary of significant accounting policies adopted in 2017:

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

i. They are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(i) Hybrid (combined) contracts; or

(ii) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(iii) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

ii. 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.

iii. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets at cost'.

(b) Available-for-sale financial assets

i. They are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

iii. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets at cost'.

(c) Notes receivable, accounts receivable and other receivables

Notes receivable and accounts receivable are claims resulting from the sale of goods or services. Other receivables are those arising from transactions other than the sale of goods or services. Notes receivable, accounts receivable and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, for short-term accounts receivable without bearing interest, as the effect of discounting is insignificant, they are measured subsequently at original invoice amount.

(d) Impairment of financial assets

i. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) A breach of contract, such as a default or delinquency in interest or principal payments;

(iii) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(v) The disappearance of an active market for that financial asset because of financial difficulties;

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

(viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(ii) Financial assets at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(iii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(e) Derivative financial instruments and hedging activities

i. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

ii. The Group designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(ii) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(iii) Hedges of a net investment in a foreign operation (net investment hedge).

iii. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

iv. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

v. Fair value hedge

(i) Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

vi. Cash flow hedge

(i) For fair value changes in derivative instruments that designated as and meet with cash flow hedges, the effective portion is recognised in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in the statement of comprehensive income within 'other gains and losses'.

(ii) When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

vii. Net investment hedge

(i) Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

(ii) Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

(iii) Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of or sold.

B. The reconciliations of carrying amount of financial assets transferred from December 31, 2017, IAS 39, to January 1, 2018, IFRS 9, are as follows:

IAS 39 / IFRS 9	Available-for-sale-equity	Available-for-sale-liability	Measured at cost	Effects: Retained earnings	Effects: Other equity
Transferred into and measured at fair value through profit or loss	$ 3,126,535	$ 71,600	$ 434,369	$ -	$ -
Transferred into and measured at fair value through other comprehensive income -equity	2,663,623	-	713,303	-	-
Impairment loss adjustment	-	-	-	626,735	(626,735)
Fair value adjustment	-	-	-	492,181	(492,181)

(a) Under IAS 39, as the cash flows of debt instruments which were classified as available-for-sale financial assets without active market, amounting to $71,600, do not meet the condition that it is intended to settle the principal and interest on the outstanding principal balance, they were reclassified as "financial assets at fair value through profit or loss", which resulted to an increase in retained earnings and decrease in other equity interest in the amounts of $6,600 and $6,600 on initial application of IFRS 9, respectively.

(b) Under IAS 39, as the equity instruments which were classified as available-for-sale financial assets and financial assets at cost, amounting to $2,663,623 and $713,303, respectively, were not held for the purpose of trading, they were reclassified as "financial assets at fair value through other comprehensive income (equity instruments)", which resulted to an increase in retained earnings and decrease in other equity interest in the amounts of $626,735 and $626,735 on initial application of IFRS 9, respectively.

(c) Under IAS 39, the equity instruments, which were classified as available-for-sale financial assets and financial assets at cost, amounting to $3,126,535 and $434,369, respectively, were reclassified as "financial assets at fair value through profit or loss (equity instruments)", which resulted to an increase in retained earnings and decrease in other equity interest in the amounts of $485,581 and $485,581 under IFRS 9, respectively.

C. The significant accounts as of December 31, 2017 and the year ended December 31, 2017 are as follows:

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

Items	December 31, 2017
Current items:	
Financial assets held for trading	
Listed stocks	$ 29,341
Convertible bonds	-
Valuation adjustment	85,407
	114,748
Non-current items:	
Convertible bonds	94,512
Valuation adjustment	(94,512)
	-
	$ 114,748

i. The Group recognised net gain amounting to $45,266 on financial assets held for trading for the year ended December 31, 2017, respectively. No net profit was recognised on financial assets at fair value through profit or loss for the year ended December 31, 2017.

ii. The counterparties of the Group's private placement of convertible bonds are mostly listed companies in Taiwan and overseas. The Group expects that the counterparties of the private placement of convertible bonds that it invested in are not likely to default.

iii. The non-hedging derivative instruments transaction and contract information are as follows:

	December 31, 2017		
Financial instruments	Contract amount thousands)		Contract period
Forward exchange contracts			
- Sell AUD / buy NOK	AUD	3,000	2017.11.28~2018.02.05
- Sell AUD / buy USD	AUD	2,500	2017.08.25~2018.05.29
- Sell BRL / buy USD	BRL	5,716	2017.11.28~2018.02.05
- Sell EUR / buy NOK	EUR	8,000	2017.11.16~2018.04.05
- Sell EUR / buy USD	EUR	22,800	2017.08.25~2018.05.29
- Sell INR / buy USD	INR	130,241	2017.11.28~2018.02.05
- Sell JPY / buy USD	JPY	834,001	2017.08.25~2018.04.26
- Sell THB / buy SGD	THB	131,018	2017.12.20~2018.01.22
- Sell THB / buy USD	THB	28,500	2017.12.20~2018.01.22
- Sell USD / buy RMB	USD	110,571	2017.10.25~2018.02.09
- Sell USD / buy JPY	USD	1,500	2017.11.06~2018.01.10
- Sell USD / buy NOK	USD	3,000	2017.12.04~2018.03.05
- Sell USD / buy SGD	USD	25,200	2017.01.25~2018.11.02
- Sell USD / buy NTD	USD	3,000	2017.10.25~2018.01.03
- Sell USD / buy EUR	USD	5,934	2017.11.15~2018.02.02
- Sell USD / buy HKD	USD	6,200	2017.11.03~2018.02.02
- Sell USD / buy CZK	USD	350	2017.12.08~2018.01.23
- Sell RMB / buy USD	RMB	31,000	2017.11.06~2018.02.09

The Group entered into forward foreign exchange contracts to sell (buy) to hedge exchange rate risk of (import) export proceeds. However, these forward foreign exchange contracts did not meet with the condition of hedge accounting and were not accounted for under hedge accounting.

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

(b) Available-for-sale financial assets

Items	December 31, 2017
Current items:	
Listed stocks	$ 1,197,724
Emerging stocks	58,943
Convertible bonds	65,000
	1,321,667
Valuation adjustment	446,768
Accumulated impairment	(626,735)
	$ 1,141,700
Non-current items:	
Listed stocks	$ 4,468,722
Emerging stocks	585,308
Unlisted shares	1,593,527
	6,647,557
Valuation adjustment	(1,695,776)
Accumulated impairment	(231,723)
	$ 4,720,058

i. The Group recognised gain of $258,085 in other comprehensive income for fair value change and reclassified $237,375 from equity to profit or loss for the year ended December 31, 2017, respectively.

ii. At period end, there was a significant decline in the net value of stock investment held by the Group below its original cost. For the year ended December 31, 2017, the Group recognised impairment loss of $647,304 based on assessment.

iii. The Group has no available-for-sale financial assets pledged to others as collateral.

(c) Financial assets at cost

Items	December 31, 2017
Non-current items:	
Unlisted shares	$ 1,181,036
Accumulated impairment	(33,364)
	$ 1,147,672

i. According to the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as stocks are not traded in active market, and no sufficient industry information of companies cannot be obtained, the fair value of the investment cannot be measured reliably. The Group classified those stocks as 'financial assets at cost'.

ii. At period end, there was a significant decline in the net value of stock investment held by the Group below its original cost. For the year ended December 31, 2017, the Group recognised impairment loss of $15,161.

(d) Hedge accounting

Items	December 31, 2017 Assets (Liabilities), net
Current items:	
Cash flow hedges - forward exchange contracts	$ 7,061

i. The Group entered into derivative financial instruments contracts with financial institutions with good credit quality.

ii. Cash flow hedges

	Hedged items	Derivative instruments designated as hedges	Fair value designated as hedging instruments	Period of anticipated cash flow	Period of gain (loss) expected to be recognised in profit or loss
December 31, 2017	Accounts payable in foreign currency	Forward foreign exchange contracts	$ 7,061	2017.9.30 ~2018.3.31	2017.9.30 ~2018.3.31

(i) 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 of December 31, 2017 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(ii)

Items	Year ended December 31, 2017
Amount of gain or loss adjusted in other comprehensive income	($ 647)

iiv. Hedges of net investments in foreign operations

	Designated as hedging instruments	
	Derivative instruments	Fair value
Hedged items	designated as hedges	December 31, 2017
Net investments in foreign operations	Borrowings in US dollars	$ 1,339,199
"	Borrowings in Euro	426,840
		$ 1,766,039

As of December 31, 2017 , the Group designated borrowings in USD and EUR as hedges of a net investment in a foreign operation in the amount of $1,339,199 (USD 45 million) and $426,840 (EUR 12 million), respectively. The fair value of this portion of borrowings at December 31, 2017 was $1,766,039. The foreign exchange gain of $32,917 on translation of this portion of borrowing to NTD currency for the year ended December 31, 2017 was recognised in other comprehensive income.

(e) Accounts receivable and overdue receivables

Movements in the provision for impairment of accounts receivable are as follows:

	2017		
	Individual provision	Group provision	Total
At January 1	$ 256,516	$ 907,072	$ 1,163,588
Acquired from business combinations	50,626	63,288	113,914
Provision for (reversal of) impairment	(13,227)	388,392	375,165
Write-offs during the period	(21,948)	(162,675)	(184,623)
Effects of foreign exchange	(33,684)	(29,582)	(63,266)
At December 31	$ 238,283	$ 1,166,495	$ 1,404,778

D. Credit risk information on December 31, 2017 and the year ended December 31, 2017 are as follows:

(a) 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 as described below:

i. 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.

ii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the manager of credit control. The utilisation of credit limits is regularly monitored.

iii. For banks and financial institutions, only well rated parties are accepted.

iv. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transaction.

(b) For the year ended December 31, 2017, the management does not expect any significant losses from non-performance by these counterparties.

(c) The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's credit quality control policy:

		December 31, 2017
Group 1	$	22,112,811
Group 2		23,203,271
	$	45,316,082

Group 1: Medium to low risk customers: These customers include large enterprise groups which are operating well, and in which financial transparency is high and approved by the headquarters' credit controller as well as government and educational institutions.

Group 2: Normal risk customers: Customers other than the medium to low risk customers.

(5) Effects of initial application of IFRS 15 and information on application of IAS 11 and IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 are set out below:

(a) Sales of goods

The Group is mainly engaged in manufacturing and sales of information, electric machinery, power supply, industrial automation, networking and communication equipment and components and its related products. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(b) Sales of services

The Group provides installation of certain software and module and energy technology services. Revenue is recognised if all of the following conditions are met and the cost incurred shall be recognised as the cost in the current period. If loss is expected to incur on the transaction, loss shall be recognised immediately.

i. The amount of the revenue can be measured reliably;

ii. It is probable that the economic benefits related to the transaction will flow to the enterprise;

iii. The costs incurred and to be incurred associated with the transaction can be measured reliably; and iv The degree of completion of the transaction can be measured reliably at the balance sheet date.

B. The revenue recognised by using above accounting policies for the year ended December 31, 2017 are as follows:

	Year ended December 31, 2017
Sales revenue	$ 217,443,508
Service revenue	3,018,173
Other operating income	3,115,833
	$ 223,577,514

C. The effects and description on current balance sheet and comprehensive income statement if the Group continues adopting above accounting policies are as follows:

	December 31, 2018		
Balance sheet items	Balance by using IFRS 15	Balance by using previous accounting policies	Effects from changes in accounting policy
Accounts receivable, net	$ 52,053,496	$ 53,015,705	($ 962,209)
Contract assets-current	1,708,291	-	1,708,291
Contract assets-non-current	495,875	-	495,875
Other non-current assets	2,545,315	3,041,190	(495,875)
Contract liabilities-current	(2,643,318)	-	(2,643,318)
Other current liabilities	(3,710,299)	(5,607,535)	1,897,236

There is no effect on comprehensive income.

(a) Customer contracts where services were rendered but not yet billed, were previously presented as accounts receivable in the balance sheet, and are recognised as contract assets in accordance with IFRS 15 'Revenue from contracts with customers'.

(b) Expected sales discounts and allowances were previously presented as accounts receivable - allowance, and reclassified as refund liabilities (shown as 'other current liabilities') under IFRS 15 'Revenue from contracts with customers'.

(c) Advance sales receipts in relation to customer contracts under IFRS 15 'Revenue from contracts with customers' are recognised as contract liabilities.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(4), 12(2) and 12(4).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) <u>Information on investees</u>

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

(3) <u>Information on investments in Mainland China</u>

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the year ended December 31, 2018.

14. <u>OPERATING SEGMENT INFORMATION</u>

(1) <u>General information</u>

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, Merchant & Mobile Power and Vivitek Projectors.

B. Automation: Industrial Automation and Building Automation.

C. Infrastructure: ICT Infrastructure and Energy Infrastructure.

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

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised 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, 2018			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	$ 118,917,634	$ 37,553,644	$ 79,039,894	$ 235,511,172
Segment income (Note)	$ 11,342,498	$ 4,378,245	$ 7,050,336	$ 22,771,079

	Year ended December 31, 2017			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	$ 118,192,885	$ 33,108,834	$ 70,728,482	$ 222,030,201
Segment income (Note)	$ 13,375,698	$ 5,450,078	$ 5,550,516	$ 24,376,292

Note: Segment income represents income after eliminating inter-segment transactions.

(4) Reconciliation information for segment income (loss)

A. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income.

B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the years ended December 31, 2018 and 2017 is provided as follows:

	Years ended December 31,	
	2018	2017
Reportable segments income	$ 22,771,079	$ 24,376,292
Other segments' loss	(4,604,356)	(4,602,504)
Non-operating income and expenses	4,634,305	4,024,492
Income before tax from continuing operations	$ 22,801,028	$ 23,798,280

(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, 2018 and 2017 were as follows:

	Years ended December 31,			
	2018		2017	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	$ 129,527,991	$ 27,608,438	$ 123,318,752	$ 29,197,097
U.S.A.	31,582,755	2,879,059	34,617,660	2,721,513
Taiwan	7,387,094	31,566,486	7,029,237	28,919,089
Others	68,519,969	21,193,322	58,611,865	21,858,138
	$ 237,017,809	$ 83,247,305	$ 223,577,514	$ 82,695,837

(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, 2018 and 2017.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2018

Table 1

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

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 2)	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	$ 7,678,750	$ 7,678,750	$ 7,678,750	0.50%	2	$ -	Additional operating capital	$ -	None	$ -	$ 29,845,320	$ 29,845,320	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables – related parties	Yes	3,992,950	3,317,220	2,303,625	0.50%	2	-	Additional operating capital	-	None	-	29,845,320	29,845,320	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	6,757,300	6,757,300	6,757,300	0.50%	2	-	Additional operating capital	-	None	-	9,712,781	9,712,781	Note 5
3	Delta Electronics (H.K.) Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	860,020	860,020	860,020	0.50%	2	-	Additional operating capital	-	None	-	13,784,695	13,784,695	Note 4
4	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	3,040,785	3,040,785	3,040,785	0.50%	2	-	Additional operating capital	-	None	-	28,809,856	28,809,856	Note 4
5	ELTEK AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	28,160	28,160	28,056	1.90%	2	-	Additional operating capital	-	None	-	1,407,307	1,407,307	Note 5
6	Delta Electronics (Wuhu) Co. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Other receivables - related parties	Yes	1,373,242	178,924	-	4.35%	2	-	Additional operating capital	-	None	-	1,823,184	1,823,184	Note 4
7	Delta Electronics Components (Wujang) Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Other receivables - related parties	Yes	581,503	-	-	0.00%	2	-	Additional operating capital	-	None	-	2,834,380	2,834,380	Note 4
8	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	200,000	200,000	101,966	1.34%	2	-	Additional operating capital	-	None	-	278,837	557,674	Note 6
8	Vivotek Inc.	LIDLIGHT INC.	Other receivables - related parties	Yes	10,000	10,000	-	1.34%	2	-	Additional operating capital	-	None	-	20,000	557,674	Note 6
9	Grandview Holding Limited	Cyntec Holding (HK) Limited	Other receivables - related parties	Yes	3,072	3,072	3,072	0.50%	2	-	Additional operating capital	-	None	-	10,484,939	10,484,939	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, 2018, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

(1) The ceiling on total amount of loans to others shall not exceed 20% of Vivotek Inc.'s net assets value in the lastest financial statement which was reviewed or audited by independent accountant.

(2) For the short-term financing, the limit on loans granted to a single party shall not exceed 10% of the borrower's paid-in capital and Vivotek Inc.'s net assets value in the lastest financial statement which was reviewed or audited by independent accountant.

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2018

Table 2

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

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as of December 31, 2018	Outstanding endorsement / guarantee amount at December 31, 2018	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 6)											
1	ELTEK AS	Eltek Power Sweden AB	2	$ 2,605,423	$ 17,100	$ 17,100	$ 17,100	$ -	0.01%	$ 6,513,558	Y	N	N	Note 3
1	ELTEK AS	ELTEK MEA DMCC	2	2,605,423	71,651	71,651	71,651	-	0.06%	6,513,558	Y	N	N	Note 3
1	ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	2	2,605,423	138,218	138,218	138,218	-	0.11%	6,513,558	Y	N	N	Note 3
2	Vivotek Inc.	Vatics Inc.	2	557,674	120,000	120,000	-	-	4.30%	1,115,347	Y	N	N	Note 5

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with the Company's"Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 40% of the Company's net assets based on the latest audited or reviewed financial statements, limit on endorsements to a single company is 20% of the Company's net assets based on the latest audited or reviewed financial statements. Limit on total endorsements granted by the Company and subsidiaries is 50% of the Company's net assets based on the latest audited or reviewed financial statements, limit on total endorsements to a single party is 30% of the Company's net assets based on the latest audited or reviewed financial statements.

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

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were $130,271,159 thousand (2018/12/31).

Note 5: The limit on total endorsements/guarantees of Vivotek Inc. shall not exceed 40% of the company's net assets value in the lastest financial statement which was reviewed or audited by independent accountant, and limit on endorsements to a single party is 20% of Vivotek Inc.'s net assets based on the latest audited or reviewed financial statements. period when endorsements and guarantees are incurred.

Note 6: 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 more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides 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, 2018
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 of December 31, 2018				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	Swissray Global Healthcare Holding Limited common stock	None	Financial assets at fair value through other comprehensive income-current	7,963,600	$ 57,656	18.72	$ 57,656	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income-non-current	167,145,851	1,308,752	6.64	1,308,752	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income-current	6,026,820	266,084	5.57	266,084	
Delta Electronics, Inc.	Others	None	-	-	228,201	-	228,201	
Delta International Holding Limited	Solarflare Communications, Inc. preferred shares	None	Financial assets at fair value through profit or loss-non-current	9,547,235	293,243	3.46	293,243	
Delta International Holding Limited	Mentis Technology, Inc., etc	None	Financial assets at fair value through profit or loss-non-current	-	92,145	-	92,145	
Delta Electronics (Japan), Inc.	Macy (Cayman) Inc. common stock	None	Financial assets at fair value through other comprehensive income-non-current	74,000,000	34,547	19.79	34,547	
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	-	33,475	15.00	33,475	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss	1,800,000	287,100	1.37	287,100	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss-non-current	2,374,000	255,205	1.44	255,205	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss-current	673,043	158,838	0.23	158,838	
Delta Electronics Capital Company	Globalwafers Co., Ltd. common stock	None	Financial assets at fair value through profit or loss-current	495,650	139,030	0.11	139,030	
Delta Electronics Capital Company	Buding Technology Limited preferred stock	None	Financial assets at fair value through profit or loss-non-current	1,059,047	148,075	2.95	148,075	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss-non-current	2,633,872	141,008	7.76	141,008	
Delta Electronics Capital Company	FineTek Co., Ltd. common stock, etc.	None	-	-	1,610,455	-	1,610,455	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2018				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta America Ltd.	VPT, Inc. common stock	None	Financial assets at fair value through other comprehensive income-non-current	-	$ 5,375	-	$ 5,375	
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.	LUXTERA, INC. preferred stock	None	Financial assets at fair value through other comprehensive income-non-current	55,029,284	673,609	3.29	673,609	
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	3.15	89,874	
Cyntec Co., Ltd.	Impact Clean Power Technology S. A. Convertible Bond	None	Financial assets at fair value through profit or loss-current	-	69,074	-	69,074	
Delta Electronics Int'l (Singapore) Pte. Ltd.	PBA Internatonal Pte. Ltd. common stock, etc.	None	-	-	129,532	-	129,532	
UNICOM SYSTEM ENG. CORP.	Digi-Hua System Co., Ltd. common stock, etc.	None	Financial assets at fair value through profit or loss-non-current	-	3,273	-	3,273	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, Inc. preferred stock	None	Financial assets at fair value through other comprehensive income-non-current	1,838,235	153,575	10.46	153,575	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common sotck, etc.	None	Financial assets at fair value through other comprehensive income-non-current	-	56,268	-	56,268	

Delta Electronics, Inc. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2018

Table 4

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

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2018		Addition		Disposal				Balance as at December 31, 2018		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
ELTEK AS	DELTA ELECTRONICS HOLDING (USA) INC.	Investments accounted for using equity method	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	-	$ 1,464,014	-	($ 82,253) (Note 2)	-	$ 1,989,285	$ 1,381,761 (Note 2)	(Note 1)	-	$ -	Note 3

Note 1: The transaction resulted from the Group’s adjustment in investment structure. There was no gain or loss on disposal pursuant to related ordinances.

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

Note 3: Only sales transactions are disclosed.

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, 2018

Table 5

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

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Delta Electronics, Inc.	Land in Taoyuan	May 2, 2018 and June 5, 2018	$ 2,049,970	Acquired by cash	Gi-Jin construction co. Ltd and natural persons	None	-	-	-	$ -	Appraisal report	For development of future business	None
Delta Electronics, Inc.	Land in Neihu	August 21,2018	1,011,684	Acquired by cash	9 natural persons	None	-	-	-	-	Appraisal report	For development of future	None
Vivotek Inc.	Land, Buildings, Parking space in Zhonghe	December 14,2018	314,968	Acquired by cash	Honeywell International Inc.	None	-	-	-	-	Appraisal report	Offices for research departments and production	None

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more
Year ended December 31, 2018

Table 6

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

			Transaction				Differences in transaction term		Notes/accounts receivable		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Sales and other operating revenue	$ 12,028,774	30.84	70 days	$ -	-	$ 1,413,904	15.54	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Sales	939,514	2.41	70 days	-	-	67,503	0.74	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Sales	771,955	1.98	70 days	-	-	415,714	4.57	
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Subsidiary	Other operating revenue	204,938	0.53	70 days	-	-	47,498	0.52	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Associate	Sales and other operating revenue	1,162,646	2.98	70 days	-	-	537,616	5.91	
Delta Electronics, Inc.	Delta Energy Systems (Singapore) PTE. LTD	Associate	Sales and other operating revenue	284,680	0.73	70 days	-	-	69,385	0.76	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Sales and other operating revenue	16,644,687	7.24	70 days	-	-	6,917,806	12.35	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	6,621,533	2.88	70 days	-	-	1,385,587	2.47	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	15,491,526	6.74	70 days	-	-	3,479,420	6.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	17,224,048	7.49	70 days	-	-	1,737,118	3.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	12,622,383	5.49	70 days	-	-	1,212,337	2.16	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term		Notes/accounts receivable		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 Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	$ 4,007,691	1.74	70 days	$ -	-	$ 454,690	0.81	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	5,414,962	2.36	70 days	-	-	871,229	1.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	2,824,635	1.23	70 days	-	-	676,560	1.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Sales	314,669	0.14	70 days	-	-	61,257	0.11	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	2,962,803	1.29	70 days	-	-	828,883	1.48	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Sales	251,652	0.11	70 days	-	-	66,169	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Sales	161,950	0.07	70 days	-	-	47,885	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	20,432,336	8.89	70 days	-	-	6,915,889	12.35	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	Sales	356,691	0.16	70 days	-	-	133,920	0.24	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	17,675,206	7.69	70 days	-	-	4,149,136	7.41	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	Sales	557,644	0.24	70 days	-	-	127,372	0.23	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DNI Logistics (USA) Co.	Affiliated enterprise	Sales	10,405,777	4.53	70 days	-	-	3,257,057	5.82	

			Transaction				Differences in transaction term		Notes/accounts receivable		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Sales	$ 753,650	0.33	70 days	$ -	-	$ 382,702	0.68	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Sales	227,306	0.10	70 days	-	-	164,433	0.29	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Sales	1,083,596	0.47	70 days	-		590,298	1.05	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	Sales	138,091	0.06	70 days	-	-	68,161	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Sales	2,878,053	1.25	70 days	-	-	661,974	1.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Sales	1,415,466	0.62	70 days	-	-	248,641	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER PTE. LTD.	Affiliated enterprise	Sales	649,997	0.28	70 days	-	-	285,156	0.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Sales	3,039,014	1.32	70 days	-	-	874,282	1.56	
Delta Electronics Int’l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Sales	2,573,942	1.12	70 days	-	-	1,007,343	1.80	
Delta Electronics Int’l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Associate	Sales	219,028	0.10	70 days	-	-	28,493	0.05	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term		Notes/accounts receivable		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd	Associate	Sales	$ 244,074	0.11	70 days	$ -	-	$ 65,975	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Power Solutions (India) Pvt Ltd.	Associate	Sales	880,972	0.38	70 days	-	-	163,748	0.29	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt Ltd	Associate	Sales	964,008	0.42	70 days	-	-	277,526	0.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Associate	Sales	388,036	0.17	70 days	-	-	89,399	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Associate	Sales	362,900	0.16	70 days	-	-	144,493	0.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc	Associate	Sales	378,923	0.16	70 days	-	-	130,640	0.23	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Associate	Purchases	1,188,244	0.58	70 days	-	-	(491,949)	(1.31)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Associate	Purchases	334,177	0.16	70 days	-	-	(96,336)	(0.26)	
Delta Networks, Inc. (Taiwan)	Delta Electronics, Inc.	Ultimate parent company	Sales	1,141,671	13.75	70 days	-	-	366,783	22.17	
Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Co.	Affiliated enterprise	Sales	3,216,249	44.51	70 days	-	-	945,063	57.13	
Delta Networks, Inc. (Taiwan)	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	463,974	6.42	70 days	-	-	268,895	16.25	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	20,612,149	90.24	70 days	-	-	3,282,175	95.01	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term		Notes/accounts receivable		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 Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	$ 8,502,023	77.49	70 days	$ -	-	$ 1,488,552	67.74	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	1,250,865	11.40	70 days	-	-	282,255	12.85	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	165,375	0.74	70 days	-	-	55,347	1.44	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	19,806,398	88.19	70 days	-	-	2,974,200	77.29	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	1,802,140	8.02	70 days	-	-	544,298	14.14	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	5,676,629	13.34	70 days	-	-	1,046,346	21.76	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	35,974,798	84.56	70 days	-	-	3,571,974	74.29	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	465,734	1.09	70 days	-	-	103,097	2.14	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	11,009,619	41.34	70 days	-	-	3,147,521	64.86	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	15,188,334	57.03	70 days	-	-	1,266,143	26.09	
Delta Electronics Components (Wujiang) Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	105,482	0.40	70 days	-	-	60,074	1.24	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	103,698	0.39	70 days	-	-	58,638	1.21	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term		Notes/accounts receivable		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	$ 2,385,284	35.41	70 days	$ -	-	$ 831,848	61.04	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	3,801,613	56.43	70 days	-	-	339,049	24.88	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	9,851,207	98.14	70 days	-	-	2,348,771	98.60	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	186,111	1.85	70 days	-	-	33,332	1.40	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	4,315,740	89.36	70 days	-	-	631,332	91.24	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	514,050	10.64	70 days	-	-	60,619	8.76	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	1,804,035	72.52	70 days	-	-	409,670	73.09	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	482,828	19.41	70 days	-	-	85,206	15.20	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	160,462	6.45	70 days	-	-	33,930	6.05	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	14,003,779	48.06	70 days	-	-	2,978,442	41.13	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Sales	1,786,854	6.13	70 days	-	-	447,091	6.17	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other operating revenue	781,987	2.68	70 days	-	-	226,873	3.13	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term		Notes/accounts receivable		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 (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Associate	Purchases	$ 1,094,432	6.22	70 days	$ -	-	($ 175,032)	(2.85)	
Cyntec Co., Ltd.	Cyntec International Ltd-Labuan	Affiliated enterprise	Sales and other operating revenue	844,042	25.34	Note 1	Note 1	Note 1	55,745	7.27	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	275,650	8.50	Note 2	Note 2	Note 2	39,868	5.20	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Sales and other operating revenue	957,008	29.51	Note 2	Note 2	Note 2	296,311	38.62	
Cyntec Electronics(Suzhou) Co., Ltd.	Cyntec International Ltd-Labuan	Affiliated enterprise	Sales	4,264,022	38.95	Note 3	Note 3	Note 3	323,005	21.34	
Cyntec Electronics(Suzhou) Co., Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	6,684,561	61.05	Note 4	Note 4	Note 4	1,190,286	78.60	
Cyntec International Ltd - Labuan	Cyntec Co., Ltd.	Affiliated enterprise	Sales	1,092,626	16.07	Note 1	Note 1	Note 1	190,505	7.08	
Cyntec International Ltd - Labuan	Delta Electronics Int’l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	124,065	1.84	Note 2	Note 2	Note 2	17,469	0.65	
Delta Electronics (Japan) Inc.	Delta Electronics, Inc.	Ultimate parent company	Sales	250,052	0.05	70 days	-	-	89,311	0.07	
Delta Electronics (Japan) Inc.	Delta Electronics Int’l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	774,952	0.15	70 days	-	-	209,845	0.17	
Delta Electronics (Japan) Inc.	Delta Electronics (Thailand) Public Company Limited	Associate	Purchases	260,818	0.06	70 days	-	-	(81,721)	(0.07)	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Sales	616,676	12.93	90 days	-	-	139,079	17.78	

			Transaction				Differences in transaction term		Notes/accounts receivable		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Vivotek Inc.	AETEK INC.	Affiliated enterprise	Purchases	$ 121,836	3.49	30 days	$ -	-	($ 25,663)	(3.93)	
PreOptix (Jiang Su) Co. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	244,421	76.56	70 days	-	-	-	-	
ELTEK AS	Eltek s.r.o.	Associate	Sales	569,017	4.08	70 days	-	-	128,665	6.97	
ELTEK AS	Eltek s.r.o.	Associate	Purchases	2,502,869	21.20	70 days	-	-	(164,243)	(15.55)	
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Sales	1,034,530	13.67	70 days	-	-	138,007	7.47	
Delta Electronics (Switzerland) AG	Delta Electronics (Slovakia) s.r.o.	Associate	Purchases	364,108	18.52	70 days	-	-	(2,016)	(0.27)	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Sales	326,783	7.02	70 days	-	-	179,374	18.51	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Sales	235,739	5.66	70 days	-	-	71,718	7.40	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Associate	Purchases	657,499	16.99	70 days	-	-	(156,048)	(13.70)	

Note 1: Selling price was the same with the third parties. The credit term to related parties is 60~90 days after monthly billings, while 30~120 days after monthly billings for the third parties.
Note 2: Sales price was available to third party, the collection term for related parties is 75 days from next month, the credit terms to the third parties is 30~120 days after monthly billings.
Note 3: For the sales transactions, the amount is calculated by adding costs, fees and all necessary processing costs. The credit term to related parties is 60~90 days after monthly billings, while 30~120 days after monthly billings for the third parties.
Note 4: Sales revenue is cost plus necessary profit, the collection term for related parties is 75 days from next month.

Delta Electronics, Inc. and Subsidiaries
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
December 31, 2018

Table 7

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (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 Int’l (Singapore) Pte. Ltd.	Subsidiary	$ 1,843,513	7.49	$ -		$ 1,843,513	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	415,714	3.25	-		415,714	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Associate	537,616	4.14	-		504,690	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	7,164,354	2.43	-		3,406,050	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	1,385,587	4.66	493,317		1,059,668	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	3,479,420	5.09	1,172,950		2,856,495	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,737,118	11.77	-		220,939	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	1,212,337	10.45	-		61,395	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	454,690	8.34	-		328,205	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	871,229	6.00	-		7,311	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	676,560	3.94	468,760		505,932	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	828,883	3.56	-		529,054	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	6,915,889	3.08	1,044,271		3,552,578	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Co., Ltd.	Affiliated enterprise	4,149,136	4.42	641,687		3,132,930	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	127,372	2.97	-		79,051	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DNI Logistics (USA) Co.	Affiliated enterprise	3,257,057	3.61	-		1,834,051	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	164,433	1.43	-		75,307	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	661,974	4.46	69		352,278	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	248,641	5.66	-		187,293	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	874,282	4.36	465		607,600	

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	$ 590,298	3.38	$ -		$ 440,508	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER PTE. LTD.	Affiliated enterprise	285,156	3.08	-		117,976	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	1,007,343	5.08	2,868		425,844	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	133,920	2.73	-		98,634	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	382,702	3.61	-		134,369	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Power Solutions (India) Pvt Ltd.	Associate	163,748	4.23	15		130,536	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt Ltd	Associate	277,526	3.23	1,267		169,167	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc	Associate	130,640	2.40	27,956		92,782	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Associate	144,493	3.33	241		62,326	
Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Co.	Affiliated enterprise	945,063	1.78	-		689,305	
Delta Networks, Inc. (Taiwan)	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	268,895	3.05	-		268,895	
Delta Networks, Inc. (Taiwan)	Delta Electronics, Inc.	Ultimate parent company	366,783	10.61	-		964	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,282,175	6.42	-		3,282,175	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,488,552	4.55	-		1,488,552	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	282,255	3.62	-		197,992	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,974,200	6.90	-		2,974,200	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	544,298	3.33	-		349,382	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,046,346	11.82	-		849,889	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,571,974	3.24	-		-	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	103,097	8.18	-		68,496	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	3,147,521	6.80	-		1,929,278	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,266,143	23.57	-		-	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	831,848	5.64	-		592,297	

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	$ 339,049	20.56	$ -		$ 339,049	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,348,771	4.59	-		850,172	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	631,332	6.85	-		-	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	409,670	1.04	-		409,670	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	2,978,442	4.11	-		1,583,133	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	447,091	3.68	4,216		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	226,873	6.89	-		59,394	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	296,311	3.54	-		188,089	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd. - Labuan	Affiliated enterprise	323,005	10.47	-		323,005	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,190,286	6.99	-		1,190,286	
Cyntec International Ltd. - Labuan	Cyntec Co., Ltd.	Affiliated enterprise	190,505	5.41	-		102,052	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	209,845	3.78	-		209,845	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	139,079	4.44	-		60,963	
ELTEK AS	Eltek s.r.o.	Associate	128,665	5.91	-		-	
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	138,007	8.60	-		-	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	179,374	1.25	-		-	
Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	7,678,750	-	-		9,812	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	2,303,625	-	-		-	
Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	6,757,300	-	-		-	

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (H.K.) Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	$ 860,020	-	$ -		$ -	
Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	3,040,785	-	-		-	
Vivotek Inc.	VATICS INC.	Affiliated enterprise	101,966	-	-		-	

Note 1: Including other receivables in excess of $100,000.
Note 2: The amount represents collections subsequent to December 31, 2018 up to March 11, 2019.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2018

Table 8

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	1	Sales and other operating revenue	$ 12,028,774	(Note 4)	5.08
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Sales	16,644,687	(Note 4)	7.02
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Sales	6,621,533	(Note 4)	2.79
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	15,491,526	(Note 4)	6.54
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	17,224,048	(Note 4)	7.27
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	12,622,383	(Note 4)	5.33
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Sales	4,007,691	(Note 4)	1.69
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	5,414,962	(Note 4)	2.28
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	2,824,635	(Note 4)	1.19
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	3	Sales	2,962,803	(Note 4)	1.25
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	3	Sales	20,432,336	(Note 4)	8.62
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	17,675,206	(Note 4)	7.46
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	DNI Logistics (USA) Co.	3	Sales	10,405,777	(Note 4)	4.39
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	3	Sales	2,878,053	(Note 4)	1.21
1	Delta Electronics Int’l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	3	Sales	3,039,014	(Note 4)	1.28

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Delta Electronics Int’l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	3	Sales	$ 2,573,942	(Note 4)	1.09
2	Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Co.	3	Sales	3,216,249	(Note 4)	1.36
3	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	20,612,149	(Note 4)	8.70
4	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	8,502,023	(Note 4)	3.59
5	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	19,806,398	(Note 4)	8.36
6	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	5,676,629	(Note 4)	2.40
6	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	35,974,798	(Note 4)	15.18
7	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	11,009,619	(Note 4)	4.65
7	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	15,188,334	(Note 4)	6.41
8	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	2,385,284	(Note 4)	1.01
8	Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	3,801,613	(Note 4)	1.60
9	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	9,851,207	(Note 4)	4.16
10	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Sales	4,315,740	(Note 4)	1.82
11	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales and other operating revenue	14,003,779	(Note 4)	5.91
12	Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd. - Labuan	3	Sales	4,264,022	(Note 6)	1.80
12	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	6,684,561	(Note 7)	2.82
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Accounts receivable	7,164,354	(Note 4)	2.74

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Accounts receivable	$ 3,479,420	(Note 4)	1.33
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	3	Accounts receivable	6,915,889	(Note 4)	2.64
1	Delta Electronics Int’l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	4,149,136	(Note 4)	1.58
1	Delta Electronics Int’l (Singapore) Pte. Ltd.	DNI Logistics (USA) Co.	3	Accounts receivable	3,257,057	(Note 4)	1.24
3	Delta Networks (Dongguan) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Accounts receivable	3,282,175	(Note 4)	1.25
5	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	2,974,200	(Note 4)	1.14
6	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	3	Accounts receivable	3,571,974	(Note 4)	1.36
7	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	3,147,521	(Note 4)	1.20
11	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Accounts receivable	2,978,442	(Note 4)	1.14
13	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	3	Other receivables	6,757,300	(Note 5)	2.58
14	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	3	Other receivables	7,678,750	(Note 5)	2.93
15	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	3	Other receivables	3,040,785	(Note 5)	1.16

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: Lending of capital

Note 6: Selling price was calculated based on the cost plus handling charges and necessary processing costs. The credit term to related parties is 60~90 days after monthly billings, while 30~120 days after monthly billings for the third parties.

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

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

Delta Electronics, Inc. and Subsidiaries
Information on investees
Year ended December 31, 2018
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 9

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Cayman Islands	Equity investments	$ 8,922,118	$ 8,922,118	67,680,000	94.00	$ 67,413,894	$ 6,010,827	$ 5,565,747	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,581	29,581	83,800,000	100.00	9,803,866	485,811	551,507	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co. Ltd.	Hong Kong	Equity investments	162,376	162,376	5,250,000	39.62	170,071	(119,728)	(47,436)	
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,232,290,862	100.00	34,933,488	2,480,257	2,210,357	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	2,900,000	350,000,000	100.00	3,919,861	(90,948)	(90,948)	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	7,270	7,270	300,000	100.00	15,143,815	7,776,685	7,453,219	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	90,000,000	100.00	207,288	15,108	15,060	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,869,817	(115,602)	(115,567)	
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system	341,695	341,695	570,000	100.00	438,733	54,417	52,384	
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc.	Taiwan	Designing and experimenting on integrated circuits and information software services	462,442	462,442	14,313,530	98.17	45,762	18	18	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Co., Ltd	Thailand	Manufacturing and sales of electronic products	114,615	114,615	69,128,140	5.54	1,569,966	4,764,946	257,672	(Notes 6 and 13)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Trading of equipment, components and materials of telecom and computer systems	4,247,073	4,247,073	120,219,545	100.00	4,728,327	(15,019)	37,310	(Note 6)
Delta Electronics, Inc.	Delta Green Life Co., Ltd.	Taiwan	Providing installation and construction of lighting equipment	-	135,083	-	-	-	(27,657)	(27,666)	(Notes 6 and 15)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta Networks, Inc. (Taiwan)	Taiwan	Research, development, design, manufacturing and sales of networking system and peripherals	$ 2,490,390	$ 2,490,390	50,040,838	99.98	$ 1,283,132	$ 279,479	$ 245,506	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	318,556	155,975	36,489	(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	4,039,937	3,945,583	42,345,423	50.13	3,965,274	329,577	66,816	
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	10,086,717	10,086,717	2,549,297,600	100.00	34,439,573	3,852,639	3,842,512	(Note 1)
Delta International Holding Limited	DAC Holding (Cayman) Ltd.	Cayman Islands	Equity investments	495,748	495,748	22,200,000	100.00	466,764	157,947	157,947	(Note 1)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and their materials	87,813	87,813	5,600	100.00	520,576	92,066	92,066	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	351,390	351,390	19,249,667	41.00	241,333	46,796	19,186	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	245,720	245,720	8,000,000	60.38	242,640	(119,728)	(73,227)	(Note 1)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	15,358	15,358	500,000	100.00	155,685	(18,660)	(18,660)	(Note 1)
Delta International Holding Limited	Ace Pillar Holding Co., Ltd.	Samoa	Equity investments	419,428	419,428	2,858,718	100.00	382,486	28,645	16,132	(Note 1)
Delta International Holding Limited	Drake Investment (H.K.) Ltd.	Hong Kong	Equity investments	5,286,553	5,286,553	304,504,306	100.00	4,732,893	362,640	203,318	(Note 1)
Delta International Holding Limited	Delta Electronics International Mexico SA DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	-	-	1	-	-	(15,099)	-	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	46,073	46,073	9,000,000	100.00	100,390	30,111	30,111	(Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				December 31, 2018	December 31, 2017	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited	Delta Greentech SGP Pte Ltd.	Singapore	Equity investments	$ 857,890	$ 857,890	12,175,470	100.00	$ 689,968	$ 61,445	$ 23,930	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support service	112,417	112,417	500,000	100.00	53,099	8,042	8,042	(Note 1)
Delta International Holding Limited	Boom Treasure Limited	Hong Kong	Equity investments	2,675,918	2,675,918	1	100.00	2,097,208	189,256	65,273	(Note 1)
Delta International Holding Limited	Apex Investment (HK) Limited	Hong Kong	Equity investments	3,880,663	3,880,663	2,000,001	100.00	1,681,150	242,034	221,921	(Note 1)
Delta International Holding Limited	Galaxy Star Investment (HK) Limited	Hong Kong	Equity investments	3,880,663	3,880,663	2,000,001	100.00	1,681,150	242,034	221,921	(Note 1)
Delta International Holding Limited	Jade Investment (HK) Limited	Hong Kong	Equity investments	3,880,663	3,880,663	2,000,001	100.00	1,681,150	242,034	221,921	(Note 1)
Delta International Holding Limited	Delta Electronics (Thailand) Public Co., Ltd.	Thailand	Manufacturing and sales of electronic products	4,396,927	4,396,927	191,984,450	15.39	6,584,811	4,764,946	734,064	(Note 13)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico SA DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	185,826	32,251	252,002	100.00	146,196	(15,099)	(15,099)	(Note 2)
Delta Electronics (Netherlands) B.V.	ELTEK AS	Norway	Research, development and sales of power supplies and others	15,270,499	15,270,499	93,531,101	100.00	12,207,741	2,057,587	(423,615)	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	2,097,525	-	1,000,000	100.00	1,930,218	274,516	272,986	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	705,938	705,938	8,179,182	39.95	904,777	155,975	61,293	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,136,455	921,450	5,190,330	29.50	959,816	(174,064)	(56,173)	
Delta Electronics (Netherlands) B.V.	Delta Controls Inc.	Canada	Provide resolution of building management and control	2,303,625	2,303,625	75,000,000	100.00	2,618,320	89,827	89,827	(Note 8)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	149,314	149,314	10,001	100.00	200,258	13,594	13,594	(Notes 8 and 9)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	$ 696,382	$ 696,382	471,800	100.00	$ 934,081	$ 63,407	$ 63,407	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	235,412	393,152	5,100	51.00	382,335	94,687	45,123	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	118,560	24,572	479,750	51.00	81,593	7,906	3,767	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	218,384	218,384	4,315,657	100.00	111,193	(55,202)	(55,202)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (USA) Corporation	U.S.A.	Sales of electronic products	-	127,160	-	-	-	14,077	13,312	(Notes 8 and 16)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA	Brazil	Manufacturing and sales of electronic products	340,441	242,649	37,000,000	100.00	265,817	(16,477)	(16,477)	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	232,030	232,030	250,000	100.00	1,054,560	117,080	117,080	
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	69,723	69,723	-	100.00	62,260	(1,201)	(1,201)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec electronics GmbH	Austria	Consulting service of building management and control solutions	2,122,644	2,122,644	-	85.00	2,156,379	111,694	48,507	(Note 7)
Loy Tec electronics GmbH	LOYTEC Americas, Inc	U.S.A.	Consulting service of building management and control solutions	306	306	9,978	100.00	8,883	1,876	1,876	
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	5,462,938	5,462,938	1,196,886,000	100.00	2,803,471	448,659	448,659	(Note 3)
Delta Networks, Inc.	Delta Networks (H.K.) Limited	Hong Kong	Equity investments	1,075,025	1,075,025	35,000,000	100.00	2,699,609	432,961	432,961	(Note 4)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				December 31, 2018	December 31, 2017	Number of shares	Ownership (%)	Book value			
Delta Networks, Inc.	DNI Logistics (USA) Co.	U.S.A.	Trading of networking system and peripherals	$ 17,079	$ 17,079	500,000	100.00	$ 71,194	($ 3,782)	($ 3,782)	(Note 4)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,845,320	2,173,623	2,173,623	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	179,161	179,161	8,702,934	59.03	171,880	7,217	(5,258)	(Note 5)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	216,738	20,243,849	50.53	47,747	(143,688)	(66,187)	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	190,196	15,457	15,457	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	Investment in the network communications industry	173,696	200,000	17,369,635	100.00	70,533	(13,073)	(14,302)	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	9,391	824	824	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	17,991	6,000,000	100.00	13,683	(21,975)	(21,975)	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	-	7,000	100.00	18,011	(344)	(344)	(Note 11)
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	30,715	30,715	10,000,000	100.00	276,693	15,463	15,463	(Note 10)
Realwin Investment Inc.	Skywatck INC.	Taiwan	Wholesale of electronic equipment	6,211	6,211	412,070	13.64	-	1,971	-	(Note 12)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	46,797	2,047	2,047	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	30,854	5,880	3,305	(Note 12)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognised by the Company for the year ended December 31, 2018	Footnote
				Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	$ 11,242	$ 11,242	1,322	89.99	($ 20,655)	($ 9,316)	($ 8,384)	(Note 12)
Realwin Investment Inc.	Aicasa Incorporated	Cayman Islands	Venture capital company	-	10,275	-	-	-	(655)	(229)	(Notes 12 and 14)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	2,626	(8,106)	(4,134)	(Note 12)
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	31,123	-	1,556,142	3.88	5,666	(143,688)	(5,581)	(Note 12)

Note 1: Investment income / loss recognised by Delta International Holding Limited
Note 2: Investment income / loss recognised by Delta Electronics (H.K.) Ltd.
Note 3: Investment income / loss recognised by Delta Networks Holding Limited
Note 4: Investment income / loss recognised by Delta Networks, Inc.
Note 5: Investment income / loss recognised by Cyntec Co., Ltd.
Note 6: The investment income /loss is net of the elimination of intercompany transactions.
Note 7: Investment income / loss and adjustments in net value recognized by Delta Electronics Int'l (Singapore) Pte. Ltd.
Note 8: Investment income / loss recognised by Delta Electronics (Netherlands) B.V.
Note 9: The Company indirectly acquired 39.95% and 49.79% equity shares of Delta America Ltd. through Delta Electronics (Netherlands) B.V. and its subsidiaries, Castle Horizon Limited and Energy Dragon Global Limited, respectively, considering 10.26% equity shares of DAL held by the Company, the total ownership are 100%.
Note 10: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Vivotek Holdings, Inc.
Note 11: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Vivotek Inc.
Note 12: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Realwin Investment Inc.
Note 13: The weighted average combined ownership percentage of 20.01%.
Note 14: In May 2018, Aicasa Incorporated dissolved as permitted. However, the liquidation is still in process.
Note 15: The investee merged with the Company on August 1, 2018.
Note 16: The investee merged with DELTA ELECTRONICS (USA) INC. in May 2018.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2018
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 10

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee for the year ended December 31, 2018	Ownership held by Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 27)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	$ 3,004,234	Invested by DHK	$ 2,065,000	$ -	$ -	$ 2,065,000	$ 119,691	94.00	$ 84,463	$ 3,564,385	$ 296,707	(Notes 3 and 19)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and power supplies	1,293,102	Invested by DHK	519,698	-	-	519,698	545,120	94.00	511,962	2,528,226	412,686	(Notes 6 and 19)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products.	3,547,929	Invested by DHK	-	-	-	-	2,101,904	94.00	1,973,871	5,856,352	-	(Notes 9 and 19)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others.	4,115,810	Invested by DHK	173,233	-	-	173,233	261,289	94.00	245,397	4,292,682	-	(Notes 10 and 19)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,935,045	Invested by DHK	-	-	-	-	51,336	94.00	48,567	1,797,012	-	(Notes 12 and 19)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	1,228,600	Invested by DHK, Apex-HK,Galaxy Star-HK and Jade-HK	4,109,250	-	-	4,109,250	376,846	94.00	354,075	2,503,892	-	(Note 25)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of new-type electronic components, variable-frequency drive and others.	3,618,534	Invested by DHK, Apex-HK,Galaxy Star-HK and Jade-HK	6,506,395	-	-	6,506,395	1,168,969	94.00	1,124,791	6,833,047	54,189	(Notes 7 and 25)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	890,735	Invested by DHK, Apex-HK,Galaxy Star-HK and Jade-HK	1,363,389	-	-	1,363,389	67,745	94.00	82,623	1,263,621	-	(Notes 8 and 25)
Delta Electronics (Wujiang) Trading Co., Ltd.	Installation, consulting and trading of electronic products	61,430	Invested by DHK	11,549	-	-	11,549	-	94.00	-	97,882	-	(Notes 15 and 19)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	695,695	Invested by DHK	953,713	-	-	953,713	(27,115)	94.00	(25,488)	573,247	-	(Notes 14 and 19)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	134,193	Invested by DHK	144,361	-	-	144,361	46,040	94.00	43,278	184,380	-	(Note 19)
PreOptix (Jiang Su) Co., Ltd.	Manufacturing and sales of lenses and optical enginges for projectors	406,974	Invested by PHK	392,231	-	-	392,231	(121,277)	96.38	(97,771)	264,796	-	(Notes 13 and 22)
Wuhu Delta Technology Co., Ltd.	Manufacturing and sales of transformers	131,956	Invested by DWH	-	-	-	-	(1,013)	94.00	(953)	137,968	-	(Note 17)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	114,064	Invested by DCZ	-	-	-	-	52,560	94.00	49,424	190,943	-	(Note 17)
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc	134,193	Invested by DPEC and DDG	-	-	-	-	4,124	94.00	3,919	153,218	-	(Note 17)
Delta Energy Technology (Shanghai) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc	44,731	Invested by DPEC and DGC	-	-	-	-	(1,306)	90.54	(1,228)	37,124	-	(Note 17)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee for the year ended December 31, 2018	Ownership held by Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 27)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Greentech (China) Co., Ltd.	Manufacturing and sales of uninterruptible power systems	$ 2,540,721	Invested by DIH, Ace, Boom, Drake and DGSG	$ 8,966,444	-	-	$ 8,966,444	$ 629,009	90.16	$ 733,237	$ 5,108,530	$ -	(Notes 4 and 18)
Delta Energy Technology Puhuan (Shanghai) Co. , Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	447	Invested by DET-SH	-	-	-	-	4,238	90.54	3,837	6,622	-	(Note 17)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	6,218,632	Invested by CHK	6,095,772	-	-	6,095,772	320,833	100.00	320,833	7,112,615	-	(Note 21)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	1,075,025	Invested by DNHK	1,373,155	-	-	1,373,155	439,983	100.00	439,983	2,180,885	675,730	(Notes 5 and 20)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	65,971	Invested by DNHK	21,501	-	-	21,501	(24,343)	30.00	(7,417)	12,679	-	(Note 20)
Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	227,291	Invested by Eltek CVI LIMITED	1,151,212	-	-	1,151,212	(58,014)	100.00	(58,014)	207,921	-	(Note 24)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	122,860	Invested by DelBio	122,860	-	-	122,860	24,661	100.00	24,661	149,045	-	(Note 23)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	223,655	Invested by DHK	-	-	-	-	(27,140)	94.00	(25,393)	171,884	-	(Notes 16 and 19)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	246,021	Invested by DHK	241,167	-	-	241,167	(6,002)	94.00	(5,642)	227,333	-	(Note 19)
Beijing Industrial Foresight Technology Co., Ltd.	Computer system services and data process	29,075	Invested by Delta Electronics (Beijing) Co., Ltd.	-	-	-	-	(28,965)	75.20	(22,629)	16,079	-	(Note 17)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	9,215	Invested by UNICOM SYSTEM ENG. CORP.	9,215	-	-	9,215	27,071	100.00	27,071	62,049	-	(Note 11)

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 6.8666 to US$1 and NTD 4.4731 to RMB$1.

Note 2: The accumulated remittance as of January 1, 2018, remitted or collected this period, accumulated remittance as of December 31, 2018 and investment income remitted back as of December 31, 2018 was translated into New Taiwan Dollars at the average exchange rate of NTD 30.7150 to US$1 at the balance sheet date.

Note 3: Except for the facility of US$67,231 thousand permitted by Investment Commission, the capitalization 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$291,924 thousand permitted by Investment Commission, the capitalization 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 capitalization of earnings of US$11,312 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note 6: Except for the facility of US$16,920 thousand permitted by Investment Commission, the capitalization of earnings of US$22,654 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$211,831 thousand permitted by Investment Commission, the capitalization of earnings of US$27,303 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$44,388 thousand permitted by Investment Commission, the capitalization of earnings of US$8,272 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.
Note 9: The capitalization of earnings of US$110,401 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.
Note 10: Except for the facility of US$5,640 thousand permitted by Investment Commission, the capitalization of earnings of US$120,320 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.
Note 11: Indirect investment through UNICOM SYSTEM ENG. CORP.
Note 12: The earnings transferred to investment in Delta Electronics (Chenzhou) Co., Ltd. is US$59,220 thousand approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) is not included in the Company's investments in Mainland China.
Note 13: Except for the facility of US$7,520 thousand permitted by Investment Commission, the investment of US$5,250 thousand by PreOptix Co., Ltd. was permitted by Investment Commission.
Note 14: Except for the facility of US$31,050 thousand permitted by Investment Commission, the capitalization of earnings of US$265 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.
Note 15: Except for the facility of US$376 thousand permitted by Investment Commission, the capitalization of earnings of US$1,504 thousand permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.
Note 16: The capitalization of earnings of US$7,268 thousand permitted by Investment Commission, is exclued from the Company’s amount of investment in Mainland China.
Note 17: 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 the Company’s ceiling of investment amount in Mainland China.
Note 18: Jointly invested through Delta International Holding Limited, Ace Pillar Holding Co., Ltd., Drake Investment (H.K.) Ltd., Delta Greentech SGP Pte Ltd and Boom Treasure Limited.
Note 19: Invest through Delta Electronics (H.K.) Ltd.
Note 20: Invest through Delta Networks (H.K.) Limited
Note 21: Invest through Cyntec Holding (H.K.) Ltd.
Note 22: Invest through PreOptix (Hong Kong) Co., Ltd.
Note 23: Invest through DelBio Inc.
Note 24: Invest through Delta Electronics (Netherlands) B.V..
Note 25: Invest through Delta Electronics (H.K.) Ltd., and Delta International Holding Limited
Note 26: The Company recognised investment income / loss based on the audited financial statement.

Company name	Accumulated amount remitted from Taiwan to Mainland China as of December 31, 2018	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. (Note 2 and 3)	$ 26,729,037	$ 27,284,825	$ -
Cyntec Co., Ltd.	6,095,772	6,095,772	17,629,953
DelBio Inc. (Note 4)	122,860	122,860	124,418
UNICOM SYSTEM ENG. CORP. (Note 5)	9,215	9,215	80,000

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD 30.715 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 caculated based on DelBio Inc.' s 60% of net assets as of December 31, 2018.
Note 5: The limitation pursuant to the regulations is NT $80 million or 60% of net value or consolidated net assets, whichever is higher.

The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Ltd. (CIL-Labuan) for the year ended December 31, 2018 are shown in Table 6 and 7.