

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND REPORT OF INDEPENDENT
ACCOUNTANTS
DECEMBER 31, 2019 AND 2018

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 parent company only balance sheets of Delta Electronics, Inc. (the “Company”) as at December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent accountants as described in the Other Matter - Scope of the Audit section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2019 and 2018, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

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

Description

In April 2019, the subsidiary of the Company publicly acquired 42.85% of Delta Electronics (Thailand) Public Company Limited through a tender offer and obtained control over it. Such business acquisition was recognised as investment accounted for under equity method in the balance sheet.

As the allocation of goodwill and the net fair value of identifiable assets and liabilities are based on management's assessment and involve accounting estimations and assumptions, we consider the above 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 reasonableness of the fair value assessment for assets acquired and liabilities assumed, projected cash flow, and the fair value calculation model as indicated in the purchase price allocation reports prepared by the appraisers appointed by the Company. 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 return of similar assets.

Impairment assessment of investments accounted for under equity method

Description

As at December 31, 2019, the recognised goodwill as a result of investment of Delta Electronics (Thailand) Public Company Limited, Cyntec Co., Ltd., Eltek AS, Delta Controls Inc., Loy Tec electronics GmbH and Delta Greentech (China) Co., Ltd. is material. Refer to Note 5 for accounting estimates of impairment assessment of investments accounted for under equity method and the uncertainty of assumptions.

As the balance of investment accounted for under equity method 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 investment accounted for under equity method a key audit matter.

How our audit addressed the matter

We obtained management's impairment assessment of investments accounted for under equity method, 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 Company are reasonable for the industry, environment and the valued assets of the Company;
- 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 rates of return of similar assets.

Other matter – Scope of the Audit

We did not audit the financial statements of certain investments accounted for under equity method and information on investees disclosed in Note 13. These investments accounted for under equity method amounted to NT\$24,269,195 thousand and NT\$14,483,106 thousand, constituting 12.03% and 8.18% of total assets as at December 31, 2019 and 2018, respectively, and the share of profit (loss) of associates and joint ventures accounted for under equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method was NT\$1,677,887 thousand and NT\$454,932 thousand, constituting 7.57% and 2.42% of total comprehensive income for the years then ended, respectively. Those financial statements and the 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.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current year and are therefore the key audit matters. We describe these matters in our 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 parent company only financial statements of Delta Electronics, Inc. as at and for the year ended December 31, 2019 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 \$29.98 to US\$1.00 at December 31, 2019. This basis of translation is not in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2020

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars		
		December 31, 2019	December 31, 2019	December 31, 2018	
Current assets					
Cash and cash equivalents	6(1)	\$ 21,519	\$ 645,136	\$ 239,908	
Financial assets at fair value through profit or loss - current	6(2)	-	-	22,360	
Financial assets at fair value through other comprehensive income - current	6(3)	10,668	319,823	57,656	
Contract assets - current	6(16)	24,542	735,763	880,554	
Notes receivable, net	6(4)	2,118	63,493	69,639	
Accounts receivable, net	6(4)	148,344	4,447,348	5,359,056	
Accounts receivable - related parties	7	165,420	4,959,305	2,789,163	
Other receivables		3,268	97,967	168,173	
Other receivables - related parties	7	15,223	456,383	637,076	
Inventories	6(5)	119,375	3,578,871	1,665,641	
Prepayments		35,721	1,070,916	802,753	
Other current assets	8	5,684	170,407	95,328	
Total current assets		551,882	16,545,412	12,787,307	
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	1,441	43,198	52,231	
Financial assets at fair value through other comprehensive income - non-current	6(3)	42,027	1,259,966	1,728,446	
Investments accounted for under equity method	6(6)	5,379,463	161,276,288	145,811,850	
Property, plant and equipment	6(7) and 7	660,233	19,793,789	14,686,584	
Right-of-use assets	6(8)	17,536	525,718	-	
Intangible assets	6(9)	33,642	1,008,581	944,431	
Deferred income tax assets	6(22)	19,426	582,385	478,295	
Other non-current assets	6(10)	25,643	768,814	543,054	
Total non-current assets		6,179,411	185,258,739	164,244,891	
Total assets		\$ 6,731,293	\$ 201,804,151	\$ 177,032,198	

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DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars		
		December 31, 2019	December 31, 2019	December 31, 2018	
Current liabilities					
Contract liabilities - current	6(16)	\$ 15,487	\$ 464,306	\$ 426,796	
Accounts payable		80,386	2,409,962	1,118,938	
Accounts payable - related parties	7	257,703	7,725,925	7,642,622	
Other payables		352,395	10,564,812	8,889,975	
Other payables - related parties	7	9,633	288,794	325,534	
Current income tax liabilities		17,339	519,822	943,811	
Other current liabilities		20,534	615,625	644,159	
Total current liabilities		753,477	22,589,246	19,991,835	
Non-current liabilities					
Long-term borrowings	6(11)	900,434	26,995,000	17,398,000	
Deferred income tax liabilities	6(22)	316,249	9,481,142	7,378,875	
Lease liabilities - non-current		15,270	457,795	-	
Other non-current liabilities	6(12)	70,850	2,124,091	1,992,329	
Total non-current liabilities		1,302,803	39,058,028	26,769,204	
Total liabilities		2,056,280	61,647,274	46,761,039	
Equity					
Share capital					
Share capital - common stock	6(13)	866,425	25,975,433	25,975,433	
Capital surplus	6(14)				
Capital surplus		1,637,870	49,103,331	48,397,067	
Retained earnings	6(15)				
Legal reserve		834,915	25,030,754	23,211,444	
Special reserve		252,203	7,561,032	7,088,143	
Unappropriated retained earnings		1,337,837	40,108,361	33,160,104	
Other equity interest					
Other equity interest		(254,237)	(7,622,034)	(7,561,032)	
Total equity		4,675,013	140,156,877	130,271,159	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		\$ 6,731,293	\$ 201,804,151	\$ 177,032,198	

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2019	2019	2018	
Sales revenue	6(16) and 7	\$ 1,599,255	\$ 47,945,673	\$ 38,948,885	
Operating costs	6(5)(20) (21)and 7	(1,053,873)	(31,595,117)	(26,413,103)	
Gross Profit		<u>545,382</u>	<u>16,350,556</u>	<u>12,535,782</u>	
Operating expenses	6(20)(21)				
Selling expenses		(36,999)	(1,109,232)	(680,375)	
General and administrative expenses		(90,289)	(2,706,854)	(2,004,916)	
Research and development expenses		(363,916)	(10,910,222)	(8,412,595)	
Expected credit impairment loss	12(2)	(487)	(14,602)	-	
Total operating expenses		<u>(491,691)</u>	<u>(14,740,910)</u>	<u>(11,097,886)</u>	
Operating profit		<u>53,691</u>	<u>1,609,646</u>	<u>1,437,896</u>	
Non-operating income and expenses					
Other income	6(17)	30,315	908,836	752,831	
Other gains and losses	6(18)	68,537	2,054,748	54,240	
Finance costs	6(19)	(4,431)	(132,833)	(83,854)	
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	692,313	20,755,540	16,210,468	
Total non-operating income and expenses		<u>786,734</u>	<u>23,586,291</u>	<u>16,933,685</u>	
Profit before income tax		<u>840,425</u>	<u>25,195,937</u>	<u>18,371,581</u>	
Income tax expense	6(22)	(69,318)	(2,078,140)	(178,488)	
Profit for the year		<u>\$ 771,107</u>	<u>\$ 23,117,797</u>	<u>\$ 18,193,093</u>	
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	6(12)	(\$ 1,015)	(\$ 30,435)	(\$ 81,177)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	6,180	185,277	(1,157,722)	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss		(7,226)	(216,636)	380,450	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	203	6,088	(61,235)	
Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>(1,858)</u>	<u>(55,706)</u>	<u>(919,684)</u>	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(95,459)	(2,861,873)	3,284,960	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method that will be reclassified to profit or loss		83,127	2,492,140	(1,787,299)	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(22)	(17,583)	(527,130)	42,768	
Other comprehensive income (loss) that will be reclassified to profit or loss		<u>(29,915)</u>	<u>(896,863)</u>	<u>1,540,429</u>	
Other comprehensive income (loss) for the year		<u>(\$ 31,773)</u>	<u>(\$ 952,569)</u>	<u>\$ 620,745</u>	
Total comprehensive income for the year		<u>\$ 739,334</u>	<u>\$ 22,165,228</u>	<u>\$ 18,813,838</u>	
Earnings per share					
Basic earnings per share	6(23)	<u>\$ 0.30</u>	<u>\$ 8.90</u>	<u>\$ 7.00</u>	
Diluted earnings per share	6(23)	<u>\$ 0.30</u>	<u>\$ 8.85</u>	<u>\$ 6.96</u>	

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

Items	Notes	Retained earnings					Other equity interest						Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured 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		
<u>2018 New Taiwan Dollars</u>													
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	
Effects of retrospective application and retrospective restatement		-	-	-	-	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	
Profit for the year		-	-	-	-	18,193,093	-	-	-	-	-	18,193,093	
Other comprehensive income (loss) for the year		-	-	-	-	(15,946)	1,489,814	(903,738)	-	-	50,615	620,745	
Comprehensive income (loss) for the year		-	-	-	-	18,177,147	1,489,814	(903,738)	-	-	50,615	18,813,838	
Distribution of 2017 earnings	6(15)												
Legal reserve		-	-	1,838,056	-	(1,838,056)	-	-	-	-	-	-	
Special reserve		-	-	-	4,320,394	(4,320,394)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	-	-	(12,987,717)	
Changes in ownership interests in subsidiaries		-	(49,251)	-	-	(62,680)	-	-	-	-	-	(111,931)	
Disposal of equity investment 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	
<u>2019 New Taiwan Dollars</u>													
Balance at January 1, 2019		\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,160,104	(\$ 4,422,025)	(\$ 3,270,159)	\$ -	\$ -	\$ 131,152	\$ 130,271,159	
Effects of retrospective application and retrospective restatement	3(1)	-	-	-	-	1,943	-	-	-	-	-	1,943	
Balance after retrospective restatement at January 1, 2019		25,975,433	48,397,067	23,211,444	7,088,143	33,162,047	(4,422,025)	(3,270,159)	-	-	131,152	130,273,102	
Profit for the year		-	-	-	-	23,117,797	-	-	-	-	-	23,117,797	
Other comprehensive income (loss) for the year		-	-	-	-	(255,785)	(912,967)	200,079	-	-	16,104	(952,569)	
Comprehensive income (loss) for the year		-	-	-	-	22,862,012	(912,967)	200,079	-	-	16,104	22,165,228	
Distribution of 2018 earnings	6(15)												
Legal reserve		-	-	1,819,310	-	(1,819,310)	-	-	-	-	-	-	
Special reserve		-	-	-	472,889	(472,889)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	-	-	(12,987,717)	
Changes in ownership interests in subsidiaries		-	34,941	-	-	-	-	-	-	-	-	34,941	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	671,323	-	-	-	-	-	-	-	-	671,323	
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(635,782)	-	635,782	-	-	-	-	
Balance at December 31, 2019		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ -	\$ -	\$ 147,256	\$ 140,156,877	

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DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

Items	Notes	Retained earnings					Other equity interest						Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured 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		
<u>2019 US Dollars</u>													
Balance at January 1, 2019		\$ 866,425	\$ 1,614,312	\$ 774,231	\$ 236,429	\$ 1,106,074	(\$ 147,499)	(\$ 109,078)	\$ -	\$ -	\$ 4,375	\$ 4,345,269	
Effects of retrospective application and retrospective restatement	3(1)	-	-	-	-	65	-	-	-	-	-	65	
Balance after retrospective restatement at January 1, 2019		<u>866,425</u>	<u>1,614,312</u>	<u>774,231</u>	<u>236,429</u>	<u>1,106,139</u>	<u>(\$ 147,499)</u>	<u>(\$ 109,078)</u>	<u>-</u>	<u>-</u>	<u>4,375</u>	<u>4,345,334</u>	
Profit for the year		-	-	-	-	771,107	-	-	-	-	-	771,107	
Other comprehensive income (loss) for the year		-	-	-	-	(8,531)	(30,453)	6,674	-	-	537	(31,773)	
Comprehensive income (loss) for the year		-	-	-	-	<u>762,576</u>	<u>(30,453)</u>	<u>6,674</u>	<u>-</u>	<u>-</u>	<u>537</u>	<u>739,334</u>	
Distribution of 2018 earnings	6(15)												
Legal reserve		-	-	60,684	-	(60,684)	-	-	-	-	-	-	
Special reserve		-	-	-	15,774	(15,774)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	(433,213)	-	-	-	-	-	(433,213)	
Changes in ownership interests in subsidiaries		-	1,166	-	-	-	-	-	-	-	-	1,166	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,392	-	-	-	-	-	-	-	-	22,392	
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(21,207)	-	21,207	-	-	-	-	
Balance at December 31, 2019		<u>\$ 866,425</u>	<u>\$ 1,637,870</u>	<u>\$ 834,915</u>	<u>\$ 252,203</u>	<u>\$ 1,337,837</u>	<u>(\$ 177,952)</u>	<u>(\$ 81,197)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,912</u>	<u>\$ 4,675,013</u>	

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2019	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax for the year		\$ 840,425	\$ 25,195,937	\$ 18,371,581
Adjustments to reconcile net income to net cash generated from operating activities				
Income and expenses having no effect on cash flows				
Depreciation	6(7)(8)(20)	47,097	1,411,957	976,968
Amortization	6(9)(20)	14,965	448,662	275,642
Expected credit impairment loss	12(2)	487	14,602	-
Interest expense	6(19)	4,431	132,833	83,854
Interest income	6(17)	(571)	(17,125)	(16,269)
Dividend income	6(17)	(1,859)	(55,722)	(74,305)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	(692,313)	(20,755,540)	(16,210,468)
Net loss on financial assets at fair value through profit or loss	6(2)(18)	141	4,241	14,014
Loss (gain) on disposal of property, plant and equipment	6(18)	45	1,361	(16,705)
Gain on disposal of investments	6(18)	(70,490)	(2,113,283)	-
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Financial assets mandatorily measured at fair value through profit or loss		906	27,152	55,662
Contract assets		4,830	144,791	293,169
Notes receivable		205	6,146	151,489
Accounts receivable		84,968	2,547,349	(780,022)
Accounts receivable - related parties	(	(72,386)	(2,170,142)	(738,175)
Other receivables		8,514	255,243	(112,342)
Other receivables - related parties		6,027	180,693	82,216
Inventories	(	(16,851)	(505,188)	(338,308)
Prepayments	(	(7,954)	(238,464)	(92,714)
Other current assets	(	(2,501)	(74,976)	45,302
Other non-current assets	(	(2,166)	(64,930)	(124,105)
Net changes in liabilities relating to operating activities				
Contract liabilities		277	8,303	(91,513)
Accounts payable	(	(5,862)	(175,745)	222,411
Accounts payable - related parties		2,779	83,303	1,085,684
Other payables		23,163	694,436	72,932
Other payables - related parties	(	(1,225)	(36,740)	(58,211)
Other current liabilities	(	(12,457)	(373,450)	138,452
Other non-current liabilities		7,624	228,549	(101,279)
Cash inflow generated from operations		160,249	4,804,253	3,114,960
Interest received		566	16,979	16,408
Dividends received		206,811	6,200,189	4,047,045
Interest paid	(	(4,225)	(126,667)	(80,093)
Income taxes paid	(	(33,735)	(1,011,371)	(220,470)
Net cash flows from operating activities		329,666	9,883,383	6,877,850

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF DOLLARS)

		US Dollars	New Taiwan Dollars	
	Notes	2019	2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		(\$ 373)	(\$ 11,190)	(\$ 245,356)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	13,435	402,780	733
Acquisition of investments accounted for under equity method		(10,324)	(309,510)	(447,595)
Proceeds from capital reduction of investments accounted for under equity method		-	-	2,106,870
Proceeds from capital withdrawal from liquidation of subsidiaries		1,556	46,642	-
Acquisition of property, plant and equipment	6(7)	(203,820)	(6,110,524)	(4,041,549)
Proceeds from disposal of property, plant and equipment		929	27,859	228,995
Acquisition of intangible assets	6(9)	(16,891)	(506,394)	(418,812)
Increase in prepayments for business facilities		(4,462)	(133,758)	(193,344)
Decrease in cash surrender value of life insurance		228	6,827	8,415
(Increase) decrease in refundable deposits		(69)	(2,066)	20,298
Cash inflow due to business combinations	6(24)	14,852	445,267	6,105
Net cash flows used in investing activities		(204,939)	(6,144,067)	(2,975,240)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Repayments of short-term borrowings	6(25)	-	-	(45,000)
Proceeds from long-term debt	6(25)	320,113	9,597,000	6,822,000
Increase in guarantee deposit received		4,088	122,570	-
Lease principal repayment		(2,198)	(65,941)	-
Cash dividends paid	6(15)	(433,213)	(12,987,717)	(12,987,717)
Net cash flows used in financing activities		(111,210)	(3,334,088)	(6,210,717)
Net increase (decrease) in cash and cash equivalents		13,517	405,228	(2,308,107)
Cash and cash equivalents at beginning of year		8,002	239,908	2,548,015
Cash and cash equivalents at end of year		\$ 21,519	\$ 645,136	\$ 239,908

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Delta Electronics, Inc. (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is the global leader in power and thermal management solutions and is primarily engaged in the research and development, design, manufacturing and 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 Company's mission statement, to provide innovative, clean and energy-efficient solutions for a better tomorrow, focuses on addressing key environmental issues such as global climate change. With the concern for the environment, the Company continues to develop innovative energy-efficient products and solutions. In recent years, the Company has transformed from a product provider towards a solution provider and the Company's business is segregated into power electronics business, automation business, and infrastructure business.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 10, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 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 Company's financial condition and financial performance based on the Company's assessment.

IFRS 16, 'Leases'

- A. 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.
- B. The Company has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Company increased 'right-of-use asset' and 'lease liability' both by \$464,525, and 'increased investments accounted for under equity method' and 'retained earnings' both by \$1,943, due to effect from subsidiaries with respect to the lease contracts of lessees on January 1, 2019.
- C. The Company has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:
 - (a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.
 - (b) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
 - (c) The use of hindsight in determining the lease term where the contract contains options to extend the lease.
- D. The Company calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate of 1.19%.
- E. The Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognised as at January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	\$	284,126
Less: Short-term leases	(	3,680)
Add: Adjustments as a result of a different treatment of extension options and termination options		232,621
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	\$	513,067
Incremental borrowing interest rate at the date of initial application		1.19%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	\$	464,525

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

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

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

B. Translation of foreign operations

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

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:**
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within 12 months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within 12 months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

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

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

(8) 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 Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

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

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

(10) 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.

(11) Investments accounted for under equity method / subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company (including structured entries). The Company controls and entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or

exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost. The Company's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage

of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. Pursuant to the “Rules Governing the Preparation of Financial Statements by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) 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.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives (lease allocates its cost over contractual period). Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be

depreciated separately.

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

(14) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

Effective 2019

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.

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

(15) Leased assets/ operating leases (lessee)

Prior to 2019

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(16) Intangible assets

A. Trademarks

- (a) Separately acquired trademarks with finite useful lives are stated at acquisition cost and are amortised on a straight-line basis over their estimated useful lives.
- (b) Certain trademarks which are assessed to generate net cash inflows and have indefinite useful

lives are recorded at actual cost. These are not amortised and instead, are tested for impairment annually.

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

(17) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of intangible assets with an indefinite useful life and intangible assets that have not yet been available for use should be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(18) Borrowings

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

(19) Accounts payable

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

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(21) 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.

(22) Employee benefits

- A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

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

C. Employees' compensation and directors' and supervisors' remuneration

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

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is

levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. 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.

(24) 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.

(25) Dividends

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

(26) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells computers, information technology, electrical machines, power supply, automation equipment and related components products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company

has objective evidence that all criteria for acceptance have been satisfied.

- (b) Sales revenue is recognised based on the price specified in the contract, net of the estimated discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually made with a credit term of 30 to 90 days after acceptance. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (c) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the control of goods 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 Company provides installation of some software and module services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Company are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification.
- (c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

C. Revenue from licencing intellectual property

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

D. Incremental costs of obtaining a contract

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

(27) Government grants

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

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

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. 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:

Critical accounting estimates and assumptions

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Company's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash on hand and revolving funds	\$ 3,421	\$ 2,160
Checking accounts and demand deposits	641,715	237,748
	<u>\$ 645,136</u>	<u>\$ 239,908</u>

- A. The Company associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Company's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	December 31, 2019	December 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ -	\$ 15,854
Valuation adjustment	-	6,506
	<u>\$ -</u>	<u>\$ 22,360</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	45,363	45,363
	76,206	76,206
Valuation adjustment	(33,008)	(23,975)
	<u>\$ 43,198</u>	<u>\$ 52,231</u>

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

	Years ended December 31,	
	2019	2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 4,241)	(\$ 14,014)

- B. The Company has no financial assets at fair value through profit or loss pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

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

Items	December 31, 2019	December 31, 2018
Current items:		
Equity instruments		
Listed stocks	\$ 1,559,472	\$ 871,492
Valuation adjustment	(1,239,649)	(813,836)
	<u>\$ 319,823</u>	<u>\$ 57,656</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 2,301,004	\$ 4,301,090
Unlisted stocks	153,610	153,610
	<u>2,454,614</u>	<u>4,454,700</u>
Valuation adjustment	(1,194,648)	(2,726,254)
	<u>\$ 1,259,966</u>	<u>\$ 1,728,446</u>

- A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,579,789 and \$1,786,102 as at December 31, 2019 and 2018, respectively.
- B. For the years ended December 31, 2019 and 2018, the Company sold listed stocks and convertible bonds whose fair value were \$402,780 and \$733, respectively, to adjust the stock position, resulting to an accumulated loss on disposal of \$920,516 and \$9,336, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2019	2018
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	<u>\$ 185,277</u>	<u>(\$ 1,181,503)</u>
Cumulative gain (loss) reclassified to retained earnings due to derecognition	<u>(\$ 920,516)</u>	<u>(\$ 9,336)</u>

- D. As at December 31, 2019 and 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 Company was \$1,579,789 and \$1,786,102, respectively.
- E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- F. Information relating to credit risk is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2019	December 31, 2018
Notes receivable	\$ 63,493	\$ 69,639
Accounts receivable	\$ 4,525,757	\$ 5,422,863
Less: Allowance for uncollectible accounts	(78,409)	(63,807)
	<u>\$ 4,447,348</u>	<u>\$ 5,359,056</u>

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

	December 31, 2019	December 31, 2018
Not past due	\$ 4,171,912	\$ 4,997,972
1 to 90 days	225,163	322,024
91 to 180 days	45,629	34,514
181 to 365 days	4,644	4,546
Over 366 days	-	-
	<u>\$ 4,447,348</u>	<u>\$ 5,359,056</u>

The above aging analysis was based on past due date.

B. As at December 31, 2019 and 2018, there was no notes receivable past due.

C. As at December 31, 2019 and 2018, accounts receivable and notes receivable were all from contracts with customers. And as at January 1, 2018, the balance of receivables from contracts with customers amounted to \$5,934,023.

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

E. As at December 31, 2019 and 2018, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's notes receivable were \$63,493 and \$69,639, and accounts receivable were \$4,447,348 and \$5,359,056, respectively.

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

(5) Inventories

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,381,822	(\$ 682,522)	\$ 1,699,300
Work in process	317,962	-	317,962
Finished goods	1,687,425	(254,622)	1,432,803
Inventory in transit	128,806	-	128,806
	<u>\$ 4,516,015</u>	<u>(\$ 937,144)</u>	<u>\$ 3,578,871</u>

December 31, 2018			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 818,473	(\$ 213,476)	\$ 604,997
Work in process	159,169	-	159,169
Finished goods	983,795	(137,141)	846,654
Inventory in transit	54,821	-	54,821
	<u>\$ 2,016,258</u>	<u>(\$ 350,617)</u>	<u>\$ 1,665,641</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2019	2018
Cost of goods sold	\$ 26,068,307	\$ 20,785,103
Loss on market value decline and obsolete and slow-moving inventories	354,310	41,600
Others	(21,640)	(3,857)
	<u>\$ 26,400,977</u>	<u>\$ 20,822,846</u>

(6) Investments accounted for under equity method

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

Investee	December 31, 2019		December 31, 2018	
	Ownership(%)	Book value	Ownership(%)	Book value
Subsidiaries:				
Delta International Holding Ltd. (DIH) (Note 1)	100.00	\$ 71,598,502	94.00	\$ 67,413,894
Cyntec Co., Ltd. (Cyntec)	100.00	33,929,506	100.00	34,933,488
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	24,194,633	100.00	15,143,815
Delta Networks Holding Ltd. (DNH)	100.00	5,547,216	100.00	9,803,866
Delta Electronics (Thailand) Public Company limited (DET)(Note 2)	5.54	4,588,711	(Note 2)	(Note 2)
Delta Electronics (Netherlands) B.V. (DEN)	100.00	10,740,522	100.00	4,728,327
Vivotek Inc. (Vivo)	49.87	3,908,920	50.13	3,965,274
Delta Electronics Capital Company (DECC)	100.00	3,835,853	100.00	3,919,861
Allied Material Technology Corp. (AMT)	99.97	1,769,895	99.97	1,869,817
Delta Networks, Inc. (Taiwan) (DNIT)(Note 3)	-	-	99.98	1,283,132
UNICOM SYSTEM ENG. CORP. (UNICOM)	100.00	453,222	100.00	438,733

Investee	December 31, 2019		December 31, 2018	
	Ownership(%)	Book value	Ownership(%)	Book value
Delta America Ltd. (DAL)(Note 4)	10.26	\$ 246,704	10.26	\$ 318,556
PreOptix (Hong Kong) Co. Ltd. (PHK)	39.62	243,787	39.62	170,071
DelBio Inc. (DelBio)	100.00	218,817	100.00	207,288
Others		-		45,762
Associates:				
Delta Electronics (Thailand) Public Company limited (DET)	(Note 2)	(Note 2)	5.54 (Note 5)	1,569,966
		<u>\$ 161,276,288</u>		<u>\$ 145,811,850</u>

Note 1: In December 2019, DIH repurchased and cancelled 6% of its own equity interest from non-controlling interest, and the Company held 100% equity interest of DIH after the cancellation.

Note 2: DET was accounted for under equity method given 63.78% of consolidated ownership. The subsidiary, DIH, and the Company previously owned 15.39% and 5.54% equity of DET, respectively. On April 2, 2019, the Company acquired an additional 42.85% equity of DET through the subsidiary, DEIL-SG. As a result of obtaining control over DET, the equity originally held by the Company was remeasured at fair value.

Note 3: The investee was dissolved after the merger with the Company on April 1, 2019.

Note 4: DAL was accounted for under equity method given 100% of consolidated ownership. The Company previously owned 10.26% equity of DAL. On October 3, 2016 and July 2, 2015, the Company acquired indirectly an additional 49.79% and 39.95% equity of DAL, respectively, through DEN and its subsidiaries, Castle Horizon Limited and Energy Dragon Global Limited.

Note 5: DET was accounted for under equity method since over 20% shares with voting right of DET were held collectively by the Company and the subsidiary, DIH.

B. Share of profit/(loss) of subsidiaries and associates accounted for under equity method is shown as follows:

Investee	2019	2018
DEIL-SG	\$ 9,347,995	\$ 7,453,219
DIH	8,900,336	5,565,747
CYNTEC	910,629	2,210,357
DNH	180,995	551,507
DNIT	44,610	245,506
DECC	308,435 (	90,948)
DEN	925,303	37,310
AMT	(99,921) (	115,567)
DET	56,013	257,672
Others	181,145	95,665
	<u>\$ 20,755,540</u>	<u>\$ 16,210,468</u>

- C. The financial statements of investments under equity method were reviewed by other independent accountants. Share of other comprehensive income of associates was \$1,677,887 and \$454,932 for the years ended December 31, 2019 and 2018, respectively, and investments accounted for under equity method was \$24,269,195 and \$14,483,106 as at December 31, 2019 and 2018, respectively.
- D. Information about subsidiaries of the Company is provided in Note 4(3) in the 2019 consolidated financial statements.
- E. The summarised financial information on the primary associates of the Company is shown as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio (Note)</u>		<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>December 31, 2019</u>	<u>December 31, 2018</u>		
DET	Thailand	Not applicable	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 Company and its subsidiaries.

Balance sheet

	<u>DET</u>
	<u>December 31, 2018</u>
Current assets	\$ 36,209,901
Non-current assets	9,734,999
Current liabilities	(11,779,439)
Non-current liabilities	(1,812,976)
Total net assets	<u>\$ 32,352,485</u>
Share in associates' net assets	\$ 1,792,328
Unrealised upstream and sidestream transactions	(8,719)
Others	(213,643)
Carrying amount of the associate	<u>\$ 1,569,966</u>

Statement of comprehensive income

	<u>DET</u>
	<u>Year ended</u>
	<u>December 31, 2018</u>
Revenue	<u>\$ 50,003,204</u>
Profit for the year from continuing operations	\$ 4,767,009
Profit attributable to non-controlling interests	(9,827)
Other comprehensive loss, net of tax	(849,094)
Total comprehensive income	<u>\$ 3,908,088</u>
Dividends received from associates	<u>\$ 532,089</u>

F. The Company's investment in DET had quoted market prices. The fair value of DET as at December 31, 2018 was \$4,579,560.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2019</u>							
Cost	\$ 7,668,157	\$ 7,557,523	\$ 1,206,465	\$ 2,529,730	\$ 2,067,825	\$ 160,029	\$ 21,189,729
Accumulated depreciation and impairment	-	(2,211,117)	(801,406)	(2,073,022)	(1,417,600)	-	(6,503,145)
	<u>\$ 7,668,157</u>	<u>\$ 5,346,406</u>	<u>\$ 405,059</u>	<u>\$ 456,708</u>	<u>\$ 650,225</u>	<u>\$ 160,029</u>	<u>\$ 14,686,584</u>
<u>2019</u>							
Opening net book amount	\$ 7,668,157	\$ 5,346,406	\$ 405,059	\$ 456,708	\$ 650,225	\$ 160,029	\$ 14,686,584
Additions	2,476,964	188,957	288,347	904,633	370,936	1,880,687	6,110,524
Acquired through business combinations	-	9,085	217,604	125,334	17,954	97	370,074
Disposal	-	-	(29,025)	(3)	(192)	-	(29,220)
Transfer	-	24,809	115,607	49,172	23,113	(212,701)	-
Depreciation charge	-	(242,329)	(255,254)	(427,617)	(418,973)	-	(1,344,173)
Closing net book amount	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>At December 31, 2019</u>							
Cost	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	(2,480,129)	(1,567,557)	(2,942,481)	(1,818,935)	-	(8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2018</u>							
Cost	\$ 4,730,899	\$ 7,296,137	\$ 1,068,206	\$ 2,287,056	\$ 1,909,507	\$ 238,672	\$ 17,530,477
Accumulated depreciation and impairment	-	(2,007,607)	(676,090)	(1,925,295)	(1,087,364)	-	(5,696,356)
	<u>\$ 4,730,899</u>	<u>\$ 5,288,530</u>	<u>\$ 392,116</u>	<u>\$ 361,761</u>	<u>\$ 822,143</u>	<u>\$ 238,672</u>	<u>\$ 11,834,121</u>
<u>2018</u>							
Opening net book amount	\$ 4,730,899	\$ 5,288,530	\$ 392,116	\$ 361,761	\$ 822,143	\$ 238,672	\$ 11,834,121
Additions	3,061,654	81,215	139,042	300,355	226,597	232,686	4,041,549
Acquired through business combinations	-	-	-	-	172	-	172
Disposals	(124,396)	(46,717)	(5,197)	(104)	(35,876)	-	(212,290)
Transfer	-	266,196	22,724	18,839	3,570	(311,329)	-
Depreciation charge	-	(242,818)	(143,626)	(224,143)	(366,381)	-	(976,968)
Closing net book amount	<u>\$ 7,668,157</u>	<u>\$ 5,346,406</u>	<u>\$ 405,059</u>	<u>\$ 456,708</u>	<u>\$ 650,225</u>	<u>\$ 160,029</u>	<u>\$ 14,686,584</u>
<u>At December 31, 2018</u>							
Cost	\$ 7,668,157	\$ 7,557,523	\$ 1,206,465	\$ 2,529,730	\$ 2,067,825	\$ 160,029	\$ 21,189,729
Accumulated depreciation and impairment	-	(2,211,117)	(801,406)	(2,073,022)	(1,417,600)	-	(6,503,145)
	<u>\$ 7,668,157</u>	<u>\$ 5,346,406</u>	<u>\$ 405,059</u>	<u>\$ 456,708</u>	<u>\$ 650,225</u>	<u>\$ 160,029</u>	<u>\$ 14,686,584</u>

(8) Leasing arrangements - lessee

Effective 2019

- A. The Company leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2019	Year ended December 31, 2019
	Book value	Depreciation charge
Land	\$ 429,447	\$ 16,509
Buildings and structures	92,842	47,970
Transportation equipment	2,978	2,875
Other equipment	451	430
	<u>\$ 525,718</u>	<u>\$ 67,784</u>

- C. For the year ended December 31, 2019, the addition to right-of-use assets (including those acquired through business combination) was \$127,917.
- D. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31, 2019
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	<u>\$ 6,376</u>
Expense on short-term lease contracts	<u>\$ 33,886</u>

- E. For the year ended December 31, 2019, the Company's total cash outflow for leases was \$106,203.
- F. Extension options
- (a) Extension options are included in the Company's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Company to effectively utilise the assets.
- (b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Intangible assets

<u>At January 1, 2019</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,164	\$ 113,696	\$ 1,818,945	\$ 2,345,805
Accumulated amortisation and impairment	(20,030)	(75,777)	(1,305,567)	(1,401,374)
	<u>\$ 393,134</u>	<u>\$ 37,919</u>	<u>\$ 513,378</u>	<u>\$ 944,431</u>
<u>2019</u>				
Opening net book amount	\$ 393,134	\$ 37,919	\$ 513,378	\$ 944,431
Additions	-	44,595	461,799	506,394
Acquired through business combinations	-	228	6,190	6,418
Amortisation	(3,292)	(15,706)	(429,664)	(448,662)
Closing net book amount	<u>\$ 389,842</u>	<u>\$ 67,036</u>	<u>\$ 551,703</u>	<u>\$ 1,008,581</u>
<u>At December 31, 2019</u>				
Cost	\$ 413,164	\$ 127,043	\$ 1,343,191	\$ 1,883,398
Accumulated amortisation and impairment	(23,322)	(60,007)	(791,488)	(874,817)
	<u>\$ 389,842</u>	<u>\$ 67,036</u>	<u>\$ 551,703</u>	<u>\$ 1,008,581</u>
<u>At January 1, 2018</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,164	\$ 101,569	\$ 1,412,260	\$ 1,926,993
Accumulated amortisation and impairment	(16,737)	(67,864)	(1,041,131)	(1,125,732)
	<u>\$ 396,427</u>	<u>\$ 33,705</u>	<u>\$ 371,129</u>	<u>\$ 801,261</u>
<u>2018</u>				
Opening net book amount	\$ 396,427	\$ 33,705	\$ 371,129	\$ 801,261
Additions	-	12,127	406,685	418,812
Amortisation	(3,293)	(7,913)	(264,436)	(275,642)
Closing net book amount	<u>\$ 393,134</u>	<u>\$ 37,919</u>	<u>\$ 513,378</u>	<u>\$ 944,431</u>
<u>At December 31, 2018</u>				
Cost	\$ 413,164	\$ 113,696	\$ 1,818,945	\$ 2,345,805
Accumulated amortisation and impairment	(20,030)	(75,777)	(1,305,567)	(1,401,374)
	<u>\$ 393,134</u>	<u>\$ 37,919</u>	<u>\$ 513,378</u>	<u>\$ 944,431</u>

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

	Years ended December 31,	
	2019	2018
Operating costs	\$ 666	\$ 287
Selling expenses	7,810	4,649
Administrative expenses	206,394	144,431
Research and development expenses	233,792	126,275
	<u>\$ 448,662</u>	<u>\$ 275,642</u>

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

C. Trademarks with indefinite useful lives are allocated as follows to the Company's cash-generating units identified according to operating segment:

	December 31, 2019	December 31, 2018
Trademarks:		
Power electronics business	<u>\$ 386,823</u>	<u>\$ 386,823</u>

D. Trademarks with indefinite useful lives are allocated to the Company's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable amount calculated using the value-in-use exceeded their carrying amount, so trademark rights with indefinite useful lives were not impaired. Value-in-use calculations take into account net operating income, growth rate and discount rate.

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

(10) Other non-current assets

	December 31, 2019	December 31, 2018
Prepayments for business facilities	\$ 375,183	\$ 241,425
Cash surrender value of life insurance	53,953	60,780
Guarantee deposits paid	36,286	34,220
Others	303,392	206,629
	<u>\$ 768,814</u>	<u>\$ 543,054</u>

(11) Long-term borrowings

Type of borrowings	December 31, 2019	December 31, 2018
Credit loans	\$ 26,995,000	\$ 17,398,000
Credit lines	\$ 56,663,940	\$ 50,375,825
Interest rate range	0.47%~0.63%	0.53%~0.59%

As at December 31, 2019, the revolving loans can be drawn down during the period from May 30, 2019 to May 30, 2024 and are payable before the due date under the agreement.

(12) Pensions

A. Defined benefit plan

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

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Present value of defined benefit obligations	(\$ 3,576,648)	(\$ 3,072,318)
Fair value of plan assets	<u>1,699,763</u>	<u>1,182,795</u>
Net defined benefit liability	<u>(\$ 1,876,885)</u>	<u>(\$ 1,889,523)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2019			
Balance at January 1	(\$ 3,072,318)	\$ 1,182,795	(\$ 1,889,523)
Current service cost	(31,613)	-	(31,613)
Interest (expense) income	(33,681)	13,649	(20,032)
Past service cost	(6,082)	-	(6,082)
	<u>(3,143,694)</u>	<u>1,196,444</u>	<u>(1,947,250)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	40,323	40,323
Change in financial assumptions	(83,202)	-	(83,202)
Change in demographic assumptions	(2,856)	-	(2,856)
Experience adjustments	<u>15,300</u>	<u>-</u>	<u>15,300</u>
	<u>(70,758)</u>	<u>40,323</u>	<u>(30,435)</u>
Pension fund contribution	-	67,998	67,998
Paid pension	88,018	(81,355)	6,663
Effect of business combination	(450,214)	476,353	26,139
Balance at December 31	<u>(\$ 3,576,648)</u>	<u>\$ 1,699,763</u>	<u>(\$ 1,876,885)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2018			
Balance at January 1	(\$ 3,089,147)	\$ 1,090,620	(\$ 1,998,527)
Current service cost	(30,605)	-	(30,605)
Interest (expense) income	(38,125)	13,354	(24,771)
Past service cost	(6,557)	-	(6,557)
Effect of plan amendment	(1,703)	-	(1,703)
	<u>(3,166,137)</u>	<u>1,103,974</u>	<u>(2,062,163)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	31,884	31,884
Change in financial assumptions	(85,462)	-	(85,462)
Change in demographic assumptions	(2,839)	-	(2,839)
Experience adjustments	(24,760)	-	(24,760)
	<u>(113,061)</u>	<u>31,884</u>	<u>(81,177)</u>
Pension fund contribution	-	211,463	211,463
Paid pension	<u>206,880</u>	<u>(164,526)</u>	<u>42,354</u>
Balance at December 31	<u>(\$ 3,072,318)</u>	<u>\$ 1,182,795</u>	<u>(\$ 1,889,523)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2019 and 2018 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,	
	2019	2018
Discount rate	0.75%	1.00%
Future salary increases rate	3.00%	3.00%

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

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

	Discount rate		Future salary increases rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 96,589)	\$ 100,410	\$ 97,932	(\$ 94,744)
<u>December 31, 2018</u>				
Effect on present value of defined benefit obligation	(\$ 86,225)	\$ 89,737	\$ 87,743	(\$ 84,785)

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

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2020 amount to \$39,203.

(g) As at December 31, 2019, the weighted average duration of the retirement plan is 10 years.

B. Defined contribution plan

Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2019 and 2018 were \$361,854 and \$285,136, respectively.

(13) Share capital

- A. In accordance with the Company's Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at December 31, 2019, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:
- (a) Voting rights
- GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.
- (b) Redemption of GDRs
- For sales and redemption of the underlying common shares represented by the GDRs when the holders of the GDRs request the Depositary to redeem the GDRs in accordance with the relevant R.O.C. regulations and the provisions in the Depositary Agreement, the Depositary may (i) deliver the underlying common shares represented by the GDRs to the GDR holders, or (ii) sell the underlying common shares represented by the GDRs in the R.O.C. stock market on behalf of the GDR holder. The payment of proceeds from such sale shall be made subject to the relevant R.O.C. laws and regulations and the provisions in the Depositary Agreement.
- (c) Distribution of dividends, preemptive rights and other rights
- Distribution of dividends, preemptive rights and other rights and interests of GDR units bear the same rights as common shares.
- (d) After considering the stock dividend distribution year by year, as at December 31, 2019, there were 603 thousand units outstanding, representing 3,015 thousand common shares of the Company's common stock.

(14) 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.

(15) 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 authorised capital of the Company.
 - (d) Setting aside or reversing a special reserve according to relevant regulations when necessary.
 - (e) The remainder along with beginning unappropriated earnings shall be shareholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2018 and 2017 earnings had been approved by the shareholders during their meeting on June 10, 2019 and June 11, 2018, respectively. Details are summarised below:

	Years ended December 31,			
	2018		2017	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 1,819,310		\$ 1,838,056	
Special reserve appropriated	472,889		4,320,394	
Cash dividends	12,987,717	\$ 5.0	12,987,717	\$ 5.0

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

- E. The appropriations of 2019 earnings had been proposed by the Board of Directors on March 10, 2020. Details are summarised below:

	Year ended December 31, 2019	
	Amount	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 2,311,780	
Appropriation for special reserve	61,002	
Cash dividends	12,987,717	\$ 5.0

As at March 10, 2020, the abovementioned 2019 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(21).

(16) Operating revenue

	Years ended December 31,	
	2019	2018
Revenue from contracts with customers	\$ 47,945,673	\$ 38,948,885

- A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major business:

Year ended December 31, 2019					
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	<u>\$ 12,124,250</u>	<u>\$ 7,803,531</u>	<u>\$ 15,552,999</u>	<u>\$ 12,464,893</u>	<u>\$ 47,945,673</u>
Timing of revenue recognition					
At a point in time	10,888,128	5,511,726	12,806,934	155	29,206,943
Over time	<u>1,236,122</u>	<u>2,291,805</u>	<u>2,746,065</u>	<u>12,464,738</u>	<u>18,738,730</u>
	<u>\$ 12,124,250</u>	<u>\$ 7,803,531</u>	<u>\$ 15,552,999</u>	<u>\$ 12,464,893</u>	<u>\$ 47,945,673</u>
Year ended December 31, 2018					
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	<u>\$ 13,565,213</u>	<u>\$ 6,738,878</u>	<u>\$ 6,834,581</u>	<u>\$ 11,810,213</u>	<u>\$ 38,948,885</u>
Timing of revenue recognition					
At a point in time	12,831,372	6,623,730	6,163,314	6,877	25,625,293
Over time	<u>733,841</u>	<u>115,148</u>	<u>671,266</u>	<u>11,803,337</u>	<u>13,323,592</u>
	<u>\$ 13,565,213</u>	<u>\$ 6,738,878</u>	<u>\$ 6,834,580</u>	<u>\$ 11,810,214</u>	<u>\$ 38,948,885</u>

B. Contract assets and liabilities

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

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

Years ended December 31,	
2019	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.	
\$ <u>426,796</u>	\$ <u>505,466</u>

(17) Other income

	Years ended December 31,	
	2019	2018
Interest income:		
Interest income from bank deposits	\$ 17,125	\$ 16,269
Rental income	38,411	84,689
Dividend income	55,722	74,305
Others	797,578	577,568
	<u>\$ 908,836</u>	<u>\$ 752,831</u>

(18) Other gains and losses

	Years ended December 31,	
	2019	2018
(Loss) gain on disposal of property, plant and equipment	(\$ 1,361)	\$ 16,705
Gain on disposal of investments (Note)	2,113,283	-
Net currency exchange gain	38,351	50,170
Loss on financial assets at fair value through profit or loss	(4,241)	(14,014)
Others	(91,284)	1,379
	<u>\$ 2,054,748</u>	<u>\$ 54,240</u>

(Note) The Company recognised a gain of \$2,133,375 as a result of measuring at fair value its 5.54% equity interest in DET held before the public tender offer made by the subsidiary, DEIL-SG.

(19) Finance costs

	Years ended December 31,	
	2019	2018
Interest expense	<u>\$ 132,833</u>	<u>\$ 83,854</u>

(20) Expenses by nature

	Years ended December 31,	
	2019	2018
Employee benefit expense	\$ 12,635,626	\$ 9,261,432
Depreciation charges on property, plant and equipment	1,344,173	976,968
Depreciation charges on right-of-use asset	67,784	-
Amortisation charges on intangible assets	448,662	275,642
	<u>\$ 14,496,245</u>	<u>\$ 10,514,042</u>

(21) Employee benefit expense

	Years ended December 31,	
	2019	2018
Post-employment benefits		
Defined contribution plans	\$ 361,854	\$ 285,136
Defined benefit plans	57,727	63,636
	419,581	348,772
Other employee benefits	12,216,045	8,912,660
	<u>\$ 12,635,626</u>	<u>\$ 9,261,432</u>

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 1% for directors' remuneration.
- B. For the years ended December 31, 2019 and 2018, employees' compensation was accrued at \$1,446,870 and \$1,358,121, respectively; while directors' remuneration was accrued at \$39,144 and \$39,144, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2019, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$1,763,122 and directors' remuneration of \$29,400 for 2019 were resolved by the Board of Directors on March 10, 2020.

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. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2018 financial statements. For directors' compensation of \$39,144, the difference of \$9,744 between the amount resolved at the Board meeting and the amount recognised in the 2018 financial statements had been adjusted in the profit or loss for 2019.

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

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2019	2018
Current tax:		
Current tax on profits for the year	\$ 841,476	\$ 962,286
Tax on undistributed surplus earnings	200,341	-
Prior year income tax overestimation	(455,844)	-
Total current tax	<u>585,973</u>	<u>962,286</u>
Deferred tax:		
Origination and reversal of temporary differences	1,492,167	(978,754)
Impact of change in tax rate	<u>-</u>	<u>194,956</u>
Total deferred tax	<u>1,492,167</u>	<u>(783,798)</u>
Income tax expense	<u>\$ 2,078,140</u>	<u>\$ 178,488</u>

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

	Years ended December 31,	
	2019	2018
Remeasurement of defined benefit plan	(\$ 6,088)	(\$ 17,833)
Gain or loss on hedging instruments	(13,404)	(10,625)
Unrealised gain or loss on financial assets at fair value through other comprehensive income	-	86,245
Currency translation differences	540,534	186,751
Impact of change in tax rate	<u>-</u>	<u>(226,071)</u>
	<u>\$ 521,042</u>	<u>\$ 18,467</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2019	2018
Tax calculated based on profit before tax and statutory tax rate	\$ 5,039,187	\$ 3,674,316
Effects from items disallowed by tax regulation	(2,259,051)	(3,112,978)
Effect from investment tax credits	(446,493)	(382,850)
Prior year income tax overestimation	(455,844)	-
Tax on undistributed surplus earnings	200,341	-
	<u>\$ 2,078,140</u>	<u>\$ 178,488</u>

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

	2019					
	January 1	Acquired through business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:						
- Temporary differences:						
Allowance for inventory obsolescence	\$ 74,425	\$ -	\$ 65,974	\$ -	\$ -	\$ 140,399
Pension liability	305,035	-	(8,616)	6,088	-	302,507
Assets impairment	12,547	-	(16)	-	-	12,531
Others	86,288	14,965	25,695	-	-	126,948
	478,295	14,965	83,037	6,088	-	582,385
Deferred tax liabilities:						
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Long-term equity investments	(6,471,420)	-	(2,256,238)	(527,130)	123	(9,254,665)
Others	(787,593)	(56)	681,034	-	-	(106,615)
	(7,378,875)	(56)	(1,575,204)	(527,130)	123	(9,481,142)
	(\$ 6,900,580)	\$ 14,909	(\$ 1,492,167)	(\$ 521,042)	\$ 123	(\$ 8,898,757)

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	\$ 56,283	\$ 18,142	\$ -	\$ -	\$ 74,425
Pension liability	266,059	16,780	22,196	-	305,035
Assets impairment	115,537	(102,990)	-	-	12,547
Others	60,783	25,505	-	-	86,288
	<u>498,662</u>	<u>(42,563)</u>	<u>22,196</u>	<u>-</u>	<u>478,295</u>
Deferred tax liabilities:					
Land value increment tax	(119,862)	-	-	-	(119,862)
Long-term equity investments	(7,409,749)	967,123	39,315	(68,109)	(6,471,420)
Others	(566,853)	(140,762)	(79,978)	-	(787,593)
	<u>(8,096,464)</u>	<u>826,361</u>	<u>(40,663)</u>	<u>(68,109)</u>	<u>(7,378,875)</u>
	<u>(\$ 7,597,802)</u>	<u>\$ 783,798</u>	<u>(\$ 18,467)</u>	<u>(\$ 68,109)</u>	<u>(\$ 6,900,580)</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2019 and 2018, the amounts of temporary differences unrecognised as deferred tax liabilities were \$6,904,364 and \$6,306,164, respectively.

E. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(23) Earnings per share

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

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

(24) Business combinations

A. The Company had the following mergers for the years ended December 31, 2019 and 2018:

- (a) Based on the resolution of Board of Directors on July 31, 2018, the Company consummated a short-form merger with the subsidiary, Delta Networks, Inc. (Taiwan), pursuant to Article 19 of Enterprises Mergers and Acquisitions Act. The merger became effective on April 1, 2019. The Company was the surviving entity after the merger.
- (b) Based on the resolution of Board of Directors on April 30, 2018, the Company consummated a short-form merger with the subsidiary, Delta Green Life Co, Ltd., pursuant to Article 19 of Enterprises Mergers and Acquisitions Act. The merger became effective on August 1, 2018. The Company was the surviving entity after the merger.

B. The book value of Delta Networks, Inc. on the acquisition date is shown as follows:

	<u>April 1, 2019</u>
Accounts receivable, net	\$ 1,650,243
Other receivables	184,891
Inventories	1,408,042
Prepayments	29,699
Other current assets	103
Property, plant and equipment	370,074
Right-of-use assets	113,105
Intangible assets	6,418
Deferred tax assets	14,965
Other non-current assets	31,833
Contract liabilities - current	(29,207)
Accounts payable	(1,466,769)
Other payables	(974,235)
Current tax liabilities	(1,408)
Other current liabilities	(317,891)
Deferred tax liabilities	(56)
Lease liabilities - non-current	(70,365)
Cash inflow arising from business combinations	445,267
	<u>\$ 1,394,709</u>

C. The book value of Delta Green Life Co., Ltd. on the acquisition date is shown as follows:

	<u>August 1, 2018</u>
Contract asset - current	\$ 23,202
Accounts receivable	16,659
Inventories	2
Other current assets	272
Contract asset - non-current	6,867
Property, plant and equipment	172
Other non-current assets	1,916
Short-term borrowings	(45,000)
Contract liabilities - current	(12,843)
Accounts payable	(7,286)
Other payables	(35,567)
Other current liabilities	(324)
Other non-current liabilities	(277)
Cash inflow arising from business combination	6,105
	<u>(\$ 46,102)</u>

(25) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2019	\$ -	\$ 17,398,000	\$ 17,398,000
Changes in cash flow from financing activities	-	9,597,000	9,597,000
At December 31, 2019	<u>\$ -</u>	<u>\$ 26,995,000</u>	<u>\$ 26,995,000</u>

	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2018	\$ -	\$ 10,576,000	\$ 10,576,000
Acquired through business combination	45,000	-	45,000
Changes in cash flow from financing activities	(45,000)	6,822,000	6,777,000
At December 31, 2018	<u>\$ -</u>	<u>\$ 17,398,000</u>	<u>\$ 17,398,000</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Company
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Subsidiary
DEI Logistics (USA) Corp. (ALI)	"
CYNTEC ELECTRONICS (SUZHOU) CO., LTD.	"
Cyntec Co., Ltd. (Cyntec)	"
Delta Networks, Inc. (Taiwan) (DNIT)	It was a subsidiary before March 31, 2019, and dissolved after the merger with the Company on April 1, 2019
Delta Electronics (Thailand) Public Company limited (DET)	It was an associate before April 2, 2019, and has been a subsidiary since April 2, 2019
Delta Electronics (Slovakia) s.r.o.	"
Delta Electronics India Pvt Ltd.	"
Delta Energy Systems (Singapore) PTE. LTD.	"
Delta Electronics (Australia) Pty Ltd.	"
Delta Power Solutions (India) Pvt Ltd.	Merged with Delta Electronics India Pvt Ltd. in February 2019
Digital Projection Ltd.	Associate
Digital Projection Inc.	"

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2019	2018
Sales of goods:		
Subsidiaries		
ALI	\$ 7,148,226	\$ 771,955
Others	2,675,569	1,702,438
Associates	124,463	388,887
	<u>\$ 9,948,258</u>	<u>\$ 2,863,280</u>

	Years ended December 31,	
	2019	2018
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 12,595,467	\$ 11,705,723
Others	1,838,814	229,758
Associates	284,087	1,157,863
	<u>\$ 14,718,368</u>	<u>\$ 13,093,344</u>

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

B. Purchases

	Years ended December 31,	
	2019	2018
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 16,075,603	\$ 16,338,432
Others	298,793	282,081
Associates	23,192	17,852
Purchases of services:		
Subsidiaries		
Cyntec	1,266,286	956,622
Others	281,203	1,077,761
	<u>\$ 17,945,077</u>	<u>\$ 18,672,748</u>

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 and services

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Receivables from related parties:		
Subsidiaries		
DEIL-SG	\$ 1,721,805	\$ 1,413,904
ALI	2,403,743	415,714
Others	818,099	331,297
Associates	15,658	628,248
	<u>\$ 4,959,305</u>	<u>\$ 2,789,163</u>

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

D. Period-end balances arising from purchases of goods

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 7,245,037	\$ 6,917,806
Others	479,968	720,867
Associates	920	3,949
	<u>\$ 7,725,925</u>	<u>\$ 7,642,622</u>

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

E. Period-end balances arising from other transactions

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Other receivables-related parties		
Subsidiaries		
DEIL-SG	\$ 328,863	\$ 429,608
ALI	60,055	97,863
Others	66,932	30,619
Associates	533	78,986
	<u>\$ 456,383</u>	<u>\$ 637,076</u>

The above pertain mainly to payments on behalf of others.

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Other payables-related parties:		
Subsidiaries		
DEIL-SG	\$ 186,744	\$ 246,548
Others	101,849	69,790
Associates	201	9,196
	<u>\$ 288,794</u>	<u>\$ 325,534</u>

The above pertain mainly to triangular trade collections on behalf of others and so on.

F. Disposal of equipment

	Items	Year ended December 31, 2018	
		Disposal proceeds	Gain on disposal
Associates	Other equipments	\$ 53,048	\$ 17,465

For the year ended December 31, 2019, the Company has not disposed equipment to related parties.

(3) Key management compensation

	Years ended December 31,	
	2019	2018
Salaries and other short-term employee benefits	\$ 259,316	\$ 263,766
Post-employment benefits	920	1,226
	<u>\$ 260,236</u>	<u>\$ 264,992</u>

8. PLEDGED ASSETS

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

Pledged assets	Book Value		Pledge purpose
	December 31, 2019	December 31, 2018	
Time deposits (shown as other current assets)	<u>\$ 160,849</u>	<u>\$ 85,881</u>	Warranty guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	December 31, 2019	December 31, 2018
Costs of computer software	\$ 142,500	\$ 285,000
Property, plant and equipment	3,432,225	2,100,000
	<u>\$ 3,574,725</u>	<u>\$ 2,385,000</u>

B. Operating lease commitments

Prior to 2019

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

	<u>December 31, 2018</u>
Not later than one year	\$ 34,037
Later than one year but not later than five years	82,637
Later than five years	<u>167,452</u>
	<u>\$ 284,126</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) Information about the appropriation of 2019 earnings of the Company is provided in Note 6(15)E.
- (2) Due to the impact of the spread of COVID-19, the Company postponed the plans to resume the production of its plants in China after the Lunar New Year holiday to February 10, 2020 in line with the local regulations. As the coronavirus epidemic continues to evolve, the Company has prudently and flexibly adjusted the Company's resources, labours and supply chains to mitigate the impact on its operations. The extent to which the Company's operating revenue is affected by the delay of production resumption depends on the subsequent control of the coronavirus epidemic situation.

12. OTHERS

(1) Capital risk management

The Company'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 shareholders' equity.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2019	December 31, 2018
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 43,198	\$ 74,591
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,579,789	\$ 1,786,102
Financial assets at amortised cost		
Cash and cash equivalents	\$ 645,136	\$ 239,908
Notes receivable	63,493	69,639
Accounts receivable	9,406,653	8,148,219
Other receivables	554,350	805,249
Guarantee deposits paid	36,286	34,220
Other financial assets	160,849	85,881
	<u>\$ 10,866,767</u>	<u>\$ 9,383,116</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 10,135,887	\$ 8,761,560
Other accounts payable	10,853,606	9,215,509
Lease liabilities (including current portion)	529,163	-
Long-term borrowings	26,995,000	17,398,000
Guarantee deposits received	130,119	7,549
	<u>\$ 48,643,775</u>	<u>\$ 35,382,618</u>

B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- Management has set up a policy to require the Company to manage its foreign exchange risk against the functional currency. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company uses forward foreign exchange contracts, foreign exchange swap contracts and options,

transacted with Group treasury.

- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2019			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 311,794	29.980	\$ 9,347,584
EUR:NTD	10,781	33.590	362,134
<u>Non-monetary items</u>			
USD:NTD	\$ 3,754,882	29.980	\$ 112,571,364
THB:NTD	4,544,178	1.0098	4,588,711
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 301,310	29.980	\$ 9,033,274
EUR:NTD	9,909	33.590	332,843
December 31, 2018			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 251,346	30.715	\$ 7,720,092
<u>Non-monetary items</u>			
USD:NTD	\$ 3,176,901	30.715	\$ 97,578,529
THB:NTD	1,647,048	0.9532	1,569,966
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 241,065	30.715	\$ 7,404,311

- iv. Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2019 and 2018 amounted to \$38,351 and \$50,170, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange

variation:

Year ended December 31, 2019				
Sensitivity analysis				
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 93,476	\$	-
EUR : NTD	1%	3,621		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 90,333	\$	-
EUR : NTD	1%	3,328		-
Year ended December 31, 2018				
Sensitivity analysis				
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on comprehensive income	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 77,201	\$	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 74,043	\$	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the 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, 2019 and 2018 would have increased/decreased by \$247 and \$469, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$14,262 and \$16,325, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings mainly bear fixed and variable interest rate. During 2019 and 2018, the Company's borrowings at variable rate were denominated in NTD.
- ii. On December 31, 2019 and 2018, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2019 and 2018 would have decreased by \$53,990 and \$34,796, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Company adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Company classifies customers' accounts receivable and contract assets in accordance with customer types. The Company applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.
- viii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On December 31, 2019 and 2018, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2019</u>			
Expected loss rate	0.00%	1.18%	25.00%
Total book value	\$ 4,171,912	\$ 227,863	\$ 60,839
Loss allowance	<u>\$ -</u>	<u>\$ 2,700</u>	<u>\$ 15,210</u>
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	49.99%	100.00%	
Total book value	\$ 9,287	\$ 55,856	\$ 4,525,757
Loss allowance	<u>\$ 4,643</u>	<u>\$ 55,856</u>	<u>\$ 78,409</u>
	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2018</u>			
Expected loss rate	0.00%	1.58%	25.01%
Total book value	\$ 4,997,972	\$ 327,189	\$ 46,022
Loss allowance	<u>\$ -</u>	<u>\$ 5,165</u>	<u>\$ 11,508</u>
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.01%	100.00%	
Total book value	\$ 9,093	\$ 42,587	\$ 5,422,863
Loss allowance	<u>\$ 4,547</u>	<u>\$ 42,587</u>	<u>\$ 63,807</u>

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

	<u>2019</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1	\$ -	\$ 63,807	\$ -	\$ -	\$ 63,807
Provision for impairment	-	14,602	-	-	14,602
At December 31	<u>\$ -</u>	<u>\$ 78,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,409</u>
	<u>2018</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1_IAS 39	\$ -	\$ 51,146	\$ -	\$ -	\$ 51,146
Adjustments under new standards	-	-	-	-	-
At January 1-IFRS 9	-	51,146	-	-	51,146
Acquired through business combinations	-	12,661	-	-	12,661
At December 31	<u>\$ -</u>	<u>\$ 63,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,807</u>

For provisioned loss for the years ended December 31, 2019 and 2018, the impairment losses arising from customers' contracts amounted to \$14,602 and \$0, respectively.

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable (including related parties)	\$ 10,135,887	\$ -	\$ -	\$ -
Other payables (including related parties)	10,853,606	-	-	-
Lease liabilities (including current portion)	71,368	54,998	43,877	358,920
Long-term borrowings	-	24,995,000	2,000,000	-

Non-derivative financial liabilities:

<u>December 31, 2018</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable (including related parties)	8,761,560	-	-	-
Other payables (including related parties)	9,215,509	-	-	-
Long-term borrowings	-	17,398,000	-	-

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, accounts payable, other payables and long-term borrowings 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:

<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 24,652	\$ -	\$ 18,546	\$ 43,198
Financial assets at fair value through other comprehensive income				
Equity instruments	1,426,179	-	153,610	1,579,789
	<u>\$ 1,450,831</u>	<u>\$ -</u>	<u>\$ 172,156</u>	<u>\$ 1,622,987</u>
<u>December 31, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 46,895	\$ -	\$ 27,696	\$ 74,591
Financial assets at fair value through other comprehensive income				
Equity instruments	1,632,492	-	153,610	1,786,102
	<u>\$ 1,679,387</u>	<u>\$ -</u>	<u>\$ 181,306</u>	<u>\$ 1,860,693</u>

- D. The methods and assumptions that the Company used to measure fair value are as follows:
- (a) The instruments that the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:
- | | |
|---------------------|----------------------|
| | <u>Listed shares</u> |
| Market quoted price | Closing price |
- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques that are approved for financial management.
- (c) When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The output of valuation model is an estimated value and the valuation technique may not be

able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- (e) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the years ended December 31, 2019 and 2018, 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, 2019 and 2018:

	2019	2018
	Equity securities	Equity securities
At January 1	\$ 181,306	\$ 131,584
Effect of IFRS 9 adjustment	-	59,358
Acquired in the year	-	1,429
Gains or losses recognised in profit or loss	(9,150)	1,865
Proceeds from capital reduction	-	(12,930)
At December 31	<u>\$ 172,156</u>	<u>\$ 181,306</u>

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

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

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

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 172,156	Most recent non-active market price	Not applicable	-	Not applicable
	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	\$ 181,306	Most recent non-active market price	Not applicable	-	Not applicable

- I. The Company 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.

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: None.

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the year ended December 31, 2019.

14. OPERATING SEGMENT INFORMATION

Not applicable.

DELTA ELECTRONICS, INC.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Petty cash/revolving funds		\$ 3,421	
Demand Deposits		305,545	
Foreign exchange deposits	(USD 7,967 thousand, exchange rate: 29.98)	238,844	
	(JPY 207,097 thousand, exchange rate: 0.2760)	57,159	
	(HKD 9,231 thousand, exchange rate: 3.849)	35,529	
	(EUR 130 thousand, exchange rate: 33.59)	4,363	
	(RMB 24 thousand, exchange rate: 4.304)	103	
Checking accounts deposits		<u>172</u>	
		<u>\$ 645,136</u>	

DELTA ELECTRONICS, INC.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Customer name	Summary	Amount	Note
A Company		\$ 526,149	
B Company		232,459	
Others (Note 1)		<u>3,767,149</u>	The balance of each customer has not exceeded 5% of the accounts receivable.
		4,525,757	
Less: Allowance for bad debts		(<u>78,409</u>)	
		<u>\$ 4,447,348</u>	

Note 1 : The company has confidential agreement, therefore, it cannot reveal the name of the above client.

Note 2 : The accounts receivable past due over one year amounted to 55,856 for which the Company has recognized allowance for doubtful accounts.

DELTA ELECTRONICS, INC.
DETAILS OF INVENTORIES
DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount		Note
	Cost	Market value	
Raw materials	\$ 2,381,822	\$ 2,386,744	The net realisable value is the net market value.
Work in progress	317,962	317,962	"
Finished goods	1,687,425	1,884,604	"
Inventory in transit	<u>128,806</u>	<u>128,806</u>	"
	<u>\$ 4,516,015</u>	<u>\$ 4,718,116</u>	

Note : As at December 31, 2019, the amount of loss on market value decline and obsolete and slow-moving inventories is \$937,144.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Investee	Opening balance		Additions		Reductions		Ending balance			Market price or value per share		For collateralize and pledge	Footnote
	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Ownership (%)	Amount	Price (in NTD)	Total price		
Delta International Holding Limited	67,680	\$ 67,413,894	-	\$ 4,184,608	-	\$ -	67,680	100.00	\$ 71,598,502	1,057.90	71,598,502	None	Note 2
Cyntec Co., Ltd.	2,232,291	34,933,488	108,913	-	-	(1,003,982)	2,341,204	100.00	33,929,506	14.49	33,929,506	"	
Delta Networks Holding Limited	83,800	9,803,866	-	-	-	(4,256,650)	83,800	100.00	5,547,216	66.20	5,547,216	"	
Delta Electronics Int'l (Singapore) Pte. Ltd.	300	15,143,815	1,200	9,050,818	-	-	1,500	100.00	24,194,633	16,129.76	24,194,633	"	
Delta Electronics (Thailand) Public Company Limited.	69,128	1,569,966	-	3,018,745	-	-	69,128	5.54	4,588,711	54.02	3,734,599	"	Note 3
Allied Material Technology Corp	211,401	1,869,817	-	-	-	(99,922)	211,401	99.97	1,769,895	8.37	1,769,895	"	
Delta Electronics Capital Company	350,000	3,919,861	-	-	-	(84,008)	350,000	100.00	3,835,853	10.96	3,835,853	"	
Delta Electronics (Netherlands) B.V.	120,220	4,728,327	8,272	282,282	-	(282,282)	128,492	100.00	10,740,522	83.59	10,740,522	"	
PreOptix (Hong Kong) Co. Ltd.	5,250	170,071	-	73,716	-	-	5,250	39.62	243,787	46.44	243,787	"	
DelBio Inc.	90,000	207,288	-	11,529	(68,238)	-	21,762	100.00	218,817	10.06	218,817	"	
Delta America Ltd.	2,100	318,556	-	-	-	(71,852)	2,100	10.26	246,704	117.48	246,704	"	
Delta Networks, Inc. (Taiwan)	50,041	1,283,132	9	44,940	(50,050)	(1,328,072)	-	-	-	-	-	"	
UNICOM SYSTEM ENG. CORP.	570	438,733	-	14,489	-	-	570	100.00	453,222	795.13	453,222	"	
Vivotec Inc.	42,345	3,965,274	1,059	-	-	(56,354)	43,404	49.87	3,908,920	91.70	3,980,152	"	
Others	-	45,762	-	-	-	(45,762)	-	-	-	-	-	"	
Total		<u>\$ 145,811,850</u>		<u>\$ 16,681,127</u>		<u>(\$ 7,228,884)</u>			<u>\$ 161,276,288</u>		<u>\$ 160,493,408</u>		

Note 1: Per thousand share.

Note 2: In December 2019, DIH repurchased and cancelled 6% of its own equity interest from non-controlling interest, and the Company held 100% equity interest of DIH after the cancellation.

Note 3: The book value was the initial investment cost plus gains on investment evaluated based on the weighted average comprehensive shareholding ratio of 63.78%. Market value of \$3,734,599 was calculated in proportion to the Company's ownership.
The market value shall be \$42,981,295 if it was calculated by the weighted average comprehensive shareholding ratio of 63.78% at the end of the year.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
AND ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to the Note 6(7) disclosure.

DELTA ELECTRONICS, INC.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Vendor name</u>	<u>Amount</u>	<u>Note</u>
WORLD PEACE INDUSTRIAL CO. ,LTD.	\$ 183,621	The balance of each vendor has not exceeded 5% of the accounts payable.
Others	<u>2,226,341</u>	
	<u>\$ 2,409,962</u>	

DELTA ELECTRONICS, INC.
DETAILS OF LONG-TERM BORROWINGS
DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Creditor	Summary	Ending balance	Contract period	Interest Rate	Collateralize or pledge	Note
Mizuho Bank, Ltd. Taipei Branch	Credit Loans	\$ 8,410,000	2019.06.25~2021.06.25	0.63%	None	-
Sumitomo Mitsui Banking Corporation Taipei Branch	"	7,710,000	2019.12.05~2021.12.05	0.53%	"	-
HSBC Bank Limited (Taiwan)	"	5,505,000	2019.10.03~2021.10.03	0.53%	"	-
CTBC Bank	"	3,370,000	2019.12.12~2021.12.12	0.47%	"	-
Taishin International Bank	"	<u>2,000,000</u>	2019.05.30~2024.05.30	0.56%	"	-
		<u>\$ 26,995,000</u>				

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Power electronics	\$ 11,146,126	
Automation	7,366,352	
Infrastructure	14,260,894	
Others	<u>1,010</u>	
Sales revenue	32,774,382	
Service revenue	13,936,453	
Other operating revenue	<u>1,234,838</u>	
Total operating revenue	<u>\$ 47,945,673</u>	

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING COST
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Amount</u>
Raw materials at beginning	\$ 820,174
Add: materials purchased for the year	11,832,008
Less: Raw materials at the end	(2,381,822)
Raw materials in transit	(10,649)
Cost of raw material sales	(348,459)
Scrapped raw material	(9,066)
Transferred to manufacturing or operating expenses	(148,753)
Direct materials	9,753,433
Direct labor	560,119
Manufacturing overheads	<u>1,451,120</u>
Manufacturing cost for the year	11,764,672
Add: Work in progress at the beginning	159,169
Less: Work in progress at the end	(317,962)
Cost of finished goods for the year	11,605,879
Add: Finished goods at the beginning	1,036,915
Finished goods purchases for the year	15,163,955
Less: Finished goods at the end	(1,687,425)
Finished goods in transit	(118,157)
Scrapped finished goods	(2,703)
Transferred to manufacturing overheads or operating expenses	(278,616)
Cost of goods manufactured and sold	25,719,848
Loss on market value decline and obsolete and slow-moving inventories	354,310
Others	(21,640)
Cost of goods sold	26,052,518
Cost of raw material sales	348,459
Cost of services	4,352,641
Other operating costs	<u>841,499</u>
Operating costs	<u>\$ 31,595,117</u>

DELTA ELECTRONICS, INC.
DETAILS OF MANUFACTURING EXPENSES
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Salaries and Wages	\$ 569,942	
Depreciation	575,004	
Others	<u>306,174</u>	The balance of each expense account has not exceeded 5% of the manufacturing expense.
Total	<u>\$ 1,451,120</u>	

DELTA ELECTRONICS, INC.
DETAILS OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Wages and Salaries	\$ 805,516	
Promotion expense	94,312	
Freight	75,332	
Others	<u>134,072</u>	The balance of each expense account has not exceeded 5% of the selling expense.
Total	<u>\$ 1,109,232</u>	

DELTA ELECTRONICS, INC.
DETAILS OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 1,742,873	
Depreciation	178,938	
Others	785,043	The balance of each expense account has not exceeded 5% of the general and administrative expense.
Total	\$ 2,706,854	

DELTA ELECTRONICS, INC.
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 6,849,551	
Depreciation	640,321	
Others	<u>3,420,350</u>	The balance of each expense account has not exceeded 5% of the research and development expense.
Total	<u><u>\$ 10,910,222</u></u>	

DELTA ELECTRONICS, INC.
DETAILS OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Nature \ Funtion	2019			2018		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salaries and Wages	1,764,698	9,368,540	11,133,238	703,457	7,401,903	8,105,360
Labor and Health insurance	136,832	553,330	690,162	101,826	402,389	504,215
Pension	51,948	367,633	419,581	36,380	312,392	348,772
Directors' remuneration (Note C)	-	29,400	29,400	-	39,400	39,400
Others	134,105	229,140	363,245	77,995	185,690	263,685
Depreciation	575,004	836,953	1,411,957	439,484	537,484	976,968
Amortisation	666	447,996	448,662	148	275,494	275,642

Note: A. As at December 31, 2019 and 2018, the number of the Company's employees were 8,762 and 6,609 (excluding of overseas employees), including 6 and 5 non-employee directors, respectively.

B. For the entity that its shares are listed on the Taiwan Stock Exchange or traded in the Taipei Exchange, the following additional disclosures are required:

- (a) The average employee benefit expense for the current year was \$1,440 thousand ('total employee benefit expense for the current year – total directors' remuneration / 'the number of employees in the current year – the number of non-employee directors'). The average employee benefit expense for the previous year was \$1,396 thousand ('total employee benefit expense for the previous year – total directors' remuneration' / 'the number of employees in the previous year – the number of non-employee directors').
- (b) The average employee salaries and wages for the current year was \$1,271 thousand (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors'). The average employee salaries and wages for the previous year was \$1,227 thousand (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors').
- (c) The variation in the adjustments of the average employee salaries and wages was 3.59%. ('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / 'the average employee salaries and wages for the previous year').

C. Including directors' compensation of \$39,144 for 2019 and the difference of \$9,744 between the amount resolved at the Board meeting and the amount recognised in the 2018 financial statements.

Delta Electronics, Inc.
Loans to others
Year ended December 31, 2019

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, 2019 (Note 2)	Balance at December 31, 2019	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	\$ 10,193,200	\$ 10,193,200	\$ 10,193,200	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 29,928,831	\$ 29,928,831	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	3,237,840	2,998,000	2,008,660	0.50%	2	-	Additional operating capital	-	None	-	29,928,831	29,928,831	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	8,994,000	8,139,570	8,139,570	0.50%	2	-	Additional operating capital	-	None	-	29,928,831	29,928,831	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	6,595,600	2,398,400	2,398,400	0.50%	2	-	Additional operating capital	-	None	-	5,522,502	5,522,502	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	869,420	869,420	869,420	0.50%	2	-	Additional operating capital	-	None	-	5,522,502	5,522,502	Note 5
3	Delta Electronics (H.K.) Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	839,440	-	-	0.50%	2	-	Additional operating capital	-	None	-	17,387,743	17,387,743	Note 5
3	Delta Electronics (H.K.) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	5,996,000	-	-	0.50%	2	-	Additional operating capital	-	None	-	17,387,743	17,387,743	Note 5
4	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	8,904,060	8,004,660	8,004,660	0.50%	2	-	Additional operating capital	-	None	-	71,442,255	71,442,255	Note 5
4	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	18,347,760	14,750,160	14,750,160	0.50%	2	-	Additional operating capital	-	None	-	71,442,255	71,442,255	Note 5
4	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	1,109,260	989,340	989,340	0.50%	2	-	Additional operating capital	-	None	-	71,442,255	71,442,255	Note 5
4	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	3,897,400	1,388,074	938,374	0.50%	2	-	Additional operating capital	-	None	-	71,442,255	71,442,255	Note 5
5	ELTEK AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	26,872	26,872	26,773	1.90%	2	-	Additional operating capital	-	None	-	2,233,058	2,233,058	Note 5
6	Delta Electronics (Wuhu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Other receivables - related parties	Yes	172,159	-	-	4.35%	2	-	Additional operating capital	-	None	-	4,414,992	4,414,992	Note 5
6	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,291,194	1,291,194	1,075,995	4.35%	2	-	Additional operating capital	-	None	-	4,414,992	4,414,992	Note 5
7	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	200,000	200,000	163,565	1.34%	2	-	Additional operating capital	-	None	-	288,353	576,705	Note 6
7	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	10,000	10,000	-	1.34%	2	-	Additional operating capital	-	None	-	20,000	576,705	Note 6
7	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	15,000	-	1.34%	2	-	Additional operating capital	-	None	-	60,000	576,705	Note 6
8	Grandview Holding Ltd.	Cyntec Holding (H.K.) Ltd.	Other receivables - related parties	Yes	2,998	2,998	2,998	0.50%	2	-	Additional operating capital	-	None	-	9,240,613	9,240,613	Note 5
9	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	386,285	386,285	366,131	0.40%	2	-	Additional operating capital	-	None	-	504,311	504,311	Note 5

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 2)	Balance at December 31, 2019	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			
9	Delta Energy Systems (Germany) GmbH	Eltek s.r.o.	Other receivables - related parties	Yes	\$ 50,385	\$ -	\$ -	0.40%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 504,311	\$ 504,311	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, 2019, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc.
Provision of endorsements and guarantees to others
Year ended December 31, 2019

Table 2

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

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at December 31, 2019	Outstanding endorsement / guarantee amount at December 31, 2019	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	\$ 2,803,138	\$ 16,050	\$ -	\$ -	\$ -	0.00%	\$ 7,007,844	Y	N	N	Note 3
1	ELTEK AS	ELTEK MEA DMCC	2	2,803,138	69,937	-	-	-	0.00%	7,007,844	Y	N	N	Note 3
1	ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	2	2,803,138	134,910	134,910	134,910	-	0.10%	7,007,844	Y	N	N	Note 3
2	Vivotek Inc.	Vatics Inc.	2	576,705	120,000	-	-	-	4.16%	1,153,410	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 \$140,156,877 thousand (2019/12/31).

Note 5: The limit on total endorsements/guarantees of Vivotek Inc. shall not exceed 40% of the company's net assets value in the latest 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.

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 and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Delta Electronics, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2019

Table 3 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2019				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income	122,980,851	\$ 942,033	4.89	\$ 942,033	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	463,323	5.73	463,323	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income	-	217,631	-	217,631	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss	1,683,000	302,099	1.28	302,099	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	2,472,000	386,868	1.49	386,868	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	652,043	180,616	0.22	180,616	
Delta Electronics Capital Company	Cystalvue Medical Corporation. common stock	None	Financial assets at fair value through profit or loss - current	1,498,000	117,593	6.17	117,593	
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	7.72	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	115,000	1.45	115,000	
Delta Electronics Capital Company	FineTek Co., Ltd. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,705,515	-	1,705,515	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income	-	161,319	-	161,319	
Delta International Holding Limited	Mentis Technology, Inc., etc	None	Financial assets at fair value through profit or loss - non-current	-	89,940	-	89,940	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	34,274	19.79	34,274	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2019				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	-	\$ 32,280	15.00	\$ 32,280	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	5,247	17.52	5,247	
Unicom System Eng. Corp.	Digi-Hua System Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - non-current	332,556	3,273	3.32	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	149,900	10.46	149,900	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics	None	Financial assets at fair value through other comprehensive income - non-current	141,065	119,920	19.90	119,920	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	54,921	-	54,921	

Table 3-2

Delta Electronics, Inc.
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2019
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2019		Addition		Disposal				Balance as at December 31, 2019		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	Financial assets at fair value through other comprehensive income	Centralized securities exchange market	None	167,145,851	\$ 1,308,752	-	\$ -	44,165,000	\$ 390,802	\$ 1,067,657	(\$ 676,855) (Note 4)	122,980,851	\$ 942,033	
Cyntec Co., Ltd.	LUXTERA, INC. preferred stock	Financial assets at fair value through other comprehensive income	Cisco Systems, Inc.	None	55,029,284	673,609	-	-	55,029,284	656,798	336,195	256,482 (Note 4)	-	-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Co., Ltd. common stock	Investments accounted for under equity method	Natural person	None	-	-	534,479,306	36,571,874 (Note 6)	-	-	-	-	534,479,306	36,571,874	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec electronics GmbH common stock	Investments accounted for under equity method	Natural person	None	-	2,156,379	-	302,800 (Note 2) (Note 5)	-	-	-	-	-	2,459,179	
ELTEK AS	ELTEK POWER PTE. LTD. common stock	Investments accounted for under equity method	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,000,000	1,078,841	-	14,229 (Note 2)	2,000,000	1,292,340	1,093,070	(Note 1)	-	-	(Note 3)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC common stock	Investments accounted for under equity method	The Unicorn Group, Inc.	None	-	-	-	3,027,510 (Note7)	-	-	-	-	-	3,027,510	
Delta International Holding Limited	Delta Greentech (China) Co., Ltd. common stock	Investments accounted for under equity method	Drake Investment (HK) Limited	Affiliated enterprise	58,940,390	512,035	-	(7,142) (Note 2)	58,940,390	825,907	504,893	(Note 1)	-	-	
Ace Pillar Holding Co., Ltd.	Delta Greentech (China) Co., Ltd. common stock	Investments accounted for under equity method	Drake Investment (HK) Limited	Affiliated enterprise	21,646,341	219,339	-	(2,270) (Note 2)	21,646,341	303,073	217,069	(Note 1)	-	-	

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2019		Addition		Disposal				Balance as at December 31, 2019		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Apex Investment (HK) Limited, Galaxy Star Investment (HK) Limited and Jade Investment (HK) Limited	Delta Electronics (Jiangsu) Ltd. share certificate	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	\$ 1,257,702	-	(\$ 251,145) (Note 2)	-	\$ 2,450,404	\$ 1,006,557	(Note 1)	-	\$ -	
Apex Investment (HK) Limited, Galaxy Star Investment (HK) Limited and Jade Investment (HK) Limited	Delta Electronics Components (Wujiang) Ltd. share certificate	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	3,353,616	-	(292,549) (Note 2)	-	7,445,415	3,061,067	(Note 1)	-	-	
Apex Investment (HK) Limited, Galaxy Star Investment (HK) Limited and Jade Investment (HK) Limited	Delta Video Display System (Wujiang) Ltd. share certificate	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	614,384	-	(61,458) (Note 2)	-	1,318,844	552,926	(Note 1)	-	-	
PreOptix (Hong Kong) Co., Ltd.	PreOptix (Jiang Su) Co., Ltd. share certificate	Investments accounted for under equity method	SMARTWIN ELECTRONICS TECHNOLOGY (HK) LIMITED	None	-	264,796	-	-	-	479,082	270,315	208,767	-	-	

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), dividends and net value of investments recognised in this period.

Note 3: Only sales transactions are disclosed.

Note 4: It was retained earnings transferred from other equity.

Note 5: In April 2019, Delta Electronics Int'l (Singapore) Pte. Ltd. increased its investment in Loy Tec electronics GmbH amounting to \$372,338, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Note 6: In April 2019, Delta Electronics Int'l (Singapore) Pte. Ltd. increased its investment in Delta Electronics (Thailand) Public Company Limited amounting to \$36,874,645, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Note 7: In June 2019, Delta Electronics (Netherlands) B.V. increased its investment in Amerlux, LLC amounting to \$2,844,498, which was including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Delta Electronics, Inc.
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2019
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 5

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Delta Electronics, Inc.	Land and buildings in Zhongli and Neili	April 17, 2019	\$ 2,561,996	Acquired by cash	Kenmec Mechanical Engineering Co., Ltd.	None	-	-	-	\$ -	Appraisal report	For future business development	None

Delta Electronics, Inc.
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, 2019
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Sales and other operating revenue	\$ 147,910	0.31	70 days			\$ 68,769	0.72	
Delta Electronics Inc.	Cyntec Co., Ltd.	Subsidiary	Sales and other operating revenue	122,798	0.24	70 days			13,420	0.14	
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Sales and other operating revenue	326,396	0.68	70 days			133,400	1.41	
Delta Electronics Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Sales and other operating revenue	122,431	0.24	70 days			12,890	0.14	Note 5
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Sales and other operating revenue	221,881	0.45	70 days			45,591	0.48	
Delta Electronics Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Sales and other operating revenue	226,477	0.47	70 days			57,560	0.61	
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Sales and other operating revenue	13,226,927	27.45	70 days			1,721,805	18.06	
Delta Electronics Inc.	Delta Energy Systems (Singapore) PTE. LTD.	Subsidiary	Sales and other operating revenue	256,919	0.51	70 days			68,885	0.73	Note 5
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Sales and other operating revenue	1,252,916	2.59	70 days			207,670	2.18	Note 5
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Sales and other operating revenue	7,150,125	14.79	70 days			2,403,743	25.20	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Sales and other operating revenue	\$ 571,906	1.20	70 days			\$ 108,971	1.14	
Delta Electronics Inc.	Vivitek Corporation	Subsidiary	Sales and other operating revenue	111,506	0.22	70 days			10,751	0.11	
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Sales	689,105	1.45	70 days			62,569	0.66	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty. Ltd.	Affiliated enterprise	Sales and other operating revenue	148,112	0.07	70 days			32,499	0.18	Note 5
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Sales	178,661	0.08	70 days			21,860	0.11	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Sales	223,823	0.11	70 days			182,237	0.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Sales	1,259,354	0.53	70 days			378,561	58.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	5,954,782	2.75	70 days			1,007,970	5.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	11,552,172	5.30	70 days			1,829,242	10.65	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales and other operating revenue	16,805,200	7.70	70 days			1,443,569	7.85	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales and other operating revenue	11,603,582	5.34	70 days			1,247,026	7.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales and other operating revenue	2,813,726	1.26	70 days			242,711	1.22	

Table 6-2

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales and other operating revenue	\$ 10,766,626	4.94	70 days			\$ 1,312,357	7.64	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	6,078,444	2.77	70 days			1,194,038	33.42	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	2,510,641	1.11	70 days			687,149	39.68	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Sales	209,854	0.12	70 days			48,689	2.83	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Sales	720,535	0.33	70 days			263,106	4.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	2,160,719	0.99	70 days			1,050,790	19.85	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Sales	245,037	0.07	70 days			95,263	1.75	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Sales	172,250	0.04	70 days			86,300	17.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Associate	Sales and other operating revenue	408,251	0.18	70 days			83,269	0.45	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Sales and other operating revenue	1,484,615	0.69	70 days			362,480	0.97	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales and other operating revenue	2,948,357	1.35	70 days			586,949	1.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Sales and other operating revenue	245,886	0.11	70 days			65,280	0.17	

Table 6-3

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico S.A. DE C.V.	Affiliated enterprise	Sales	\$ 132,610	0.05	70 days			\$ 70,368	0.38	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Sales and other operating revenue	2,767,840	1.23	70 days			623,019	13.32	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Sales	1,280,882	0.59	70 days			181,890	1.03	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER PTE. LTD.	Affiliated enterprise	Sales	150,010	0.06	70 days			37	-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Sales and other operating revenue	457,211	0.20	70 days			70,393	0.19	Note 5
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Sales and other operating revenue	682,877	0.31	70 days			194,886	0.55	Note 5
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green Industrial (Thailand) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	175,397	0.05	70 days			22,866	0.06	Note 5
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	16,664,508	7.66	70 days			7,284,145	17.83	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	Sales	553,977	0.26	70 days			-	-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	24,064,206	11.06	70 days			6,383,361	15.72	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Sales	2,732,567	1.26	70 days			687,908	21.13	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	Sales and other operating revenue	253,690	0.13	70 days			41,169	0.12	

Table 6-4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc.	Associate	Sales and other operating revenue	\$ 437,550	0.20	70 days			\$ 134,471	0.72	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Sales and other operating revenue	2,599,471	1.18	70 days			437,074	1.23	
Delta Networks, Inc. (Taiwan)	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	314,341	17.76	70 days			-	-	
Delta Networks, Inc. (Taiwan)	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	285,829	16.15	70 days			-	-	
Delta Networks, Inc. (Taiwan)	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	1,032,121	58.32	70 days			-	-	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	14,654,249	98.06	70 days			2,068,258	92.12	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	850,625	8.05	70 days			303,473	12.87	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	8,241,746	77.71	70 days			1,583,437	67.15	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	102,334	0.47	70 days			18,099	0.53	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	1,839,580	9.10	70 days			572,370	16.77	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	17,812,635	88.26	70 days			2,682,974	78.62	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	232,333	0.54	70 days			63,711	1.25	

Table 6-5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	\$ 6,179,388	14.14	70 days			\$ 1,723,371	33.68	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	514,930	1.19	70 days			120,953	2.37	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	36,619,932	83.65	70 days			3,185,866	62.26	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales and other operating revenue	157,896	0.57	70 days			71,749	1.44	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	11,389,974	41.44	70 days			3,051,738	61.43	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	15,602,874	56.96	70 days			1,766,011	35.55	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales and other operating revenue	137,025	2.57	70 days			28,900	3.49	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales and other operating revenue	242,882	4.57	70 days			5,442	0.66	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	1,796,481	34.29	70 days			568,651	68.66	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	3,044,774	57.74	70 days			223,091	26.93	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	214,181	2.24	70 days			53,539	2.72	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	9,336,504	97.46	70 days			1,913,633	97.26	

Table 6-6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	\$ 548,833	12.64	70 days			\$ 163,519	17.55	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	3,788,305	87.03	70 days			768,153	82.44	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	1,646,489	70.10	70 days			362,016	67.69	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	229,577	9.79	70 days			77,565	14.50	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	440,193	18.77	70 days			93,948	17.56	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales and other operating revenue	115,731	0.40	70 days			48,602	0.51	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	13,918,526	48.87	70 days			4,020,275	42.00	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Sales	1,655,401	5.80	70 days			557,637	2.91	
Delta Electronics (Shanghai) Co., Ltd.	Eltek Energy Technology(Dongguan) Ltd.	Affiliated enterprise	Sales	121,971	0.41	70 days			38,956	0.41	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	863,675	3.04	70 days			299,002	3.12	
Cyntec Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales and other operating revenue	527,576	10.16	Note 1	Note 1	Note 1	11,956	1.24	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	1,269,971	24.50	Note 2	Note 2	Note 2	432,289	44.83	

Table 6-7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	\$ 214,204	4.17	Note 2	Note 2	Note 2	\$ 27,789	2.88	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	2,140,364	16.88	Note 3	Note 3	Note 3	5,580	0.18	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	10,263,850	83.01	Note 4	Note 4	Note 4	3,147,932	99.85	
Cyntec International Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Sales	519,847	10.03	Note 1	Note 1	Note 1	26	-	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Sales and other operating revenue	294,101	4.35	70 days			70,509	4.34	
ELTEK AS	Eltek Sistemas de Energia Industria e Comercio S.A.	Affiliated enterprise	Sales and other operating revenue	136,498	2.02	70 days			23,918	1.48	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Sales and other operating revenue	325,085	4.88	70 days			87,292	5.38	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Sales and other operating revenue	264,675	3.95	70 days			193,938	11.94	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Sales and other operating revenue	713,458	10.67	70 days			191,821	11.81	
ELTEK AS	Eltek Power (UK) Ltd.	Affiliated enterprise	Sales and other operating revenue	781,307	11.76	70 days			147,327	9.07	
ELTEK AS	Eltek SGS Pvt Ltd.	Affiliated enterprise	Sales	129,889	1.94	70 days			50,201	3.09	
ELTEK AS	OOO Eltek	Affiliated enterprise	Sales and other operating revenue	203,795	3.06	70 days			5,472	0.33	

Table 6-8

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
ELTEK AS	Eltek Power Sweden AB	Affiliated enterprise	Sales and other operating revenue	\$ 104,264	1.54	70 days			\$ 4,755	0.29	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	132,272	2.04	70 days			16,203	1.00	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Sales and other operating revenue	485,704	7.27	70 days			84,389	5.20	Note 5
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Sales and other operating revenue	1,196,560	17.98	70 days			342,774	21.11	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Sales and other operating revenue	174,082	2.84	70 days			29,436	2.71	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	593,391	9.76	70 days			87,575	8.07	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Sales and other operating revenue	415,034	6.89	70 days			238,247	21.94	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	933,639	17.11	70 days			170,126	17.33	
Delta Electronics (Japan), Inc.	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	231,255	4.25	70 days			36,397	3.71	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	1,409,217	18.56	70 days			10,052	1.05	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Sales and other operating revenue	454,504	6.02	70 days			67,342	7.04	
Delta Electronics (Americas) Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	138,250	1.86	70 days			19,169	2.00	

Table 6-9

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Sales	\$ 525,772	8.77	90 days			\$ 152,659	20.21	
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	Purchase	117,769	2.93	30 days			(17,395)	2.57	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Sales and other operating revenue	2,117,776	89.67	70 days			14,540	17.16	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	199,511	4.11	70 days			77,945	2.89	
Delta Electronics (Myanmar) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Sales and other operating revenue	104,263	100.01	70 days			7,865	100.00	
Delta Electronics (Slovakia) s.r.o.	Delta Greentech (Netherlands) B.V.	Affiliated enterprise	Sales and other operating revenue	390,839	12.09	70 days			17,634	1.83	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Sales and other operating revenue	541,177	17.11	70 days			144,954	15.05	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	1,464,384	46.32	70 days			434,996	22.58	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Sales and other operating revenue	614,666	19.81	70 days			352,467	36.60	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Sales and other operating revenue	1,954,077	98.79	70 days			104,395	80.58	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	135,728	0.34	70 days			6,599	0.07	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Sales	109,164	0.25	70 days			2,176	0.02	

Table 6-10

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable	
Delta Electronics (Thailand) Public Company Limited	Delta Power Solutions (India) Pvt. Ltd.	Affiliated enterprise	Sales	\$ 111,360	0.28	70 days			\$ -	-	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Sales and other operating revenue	438,732	1.11	70 days			122,210	1.33	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	240,717	0.61	70 days			60,483	0.66	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	367,752	0.94	70 days			52,527	0.57	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Sales and other operating revenue	229,529	0.54	70 days			25,013	0.27	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Inc.	Ultimate parent company	Sales	110,979	0.29	70 days			31,674	0.34	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Sales and other operating revenue	14,639,861	36.82	70 days			4,725,070	51.26	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Sales	714,683	1.79	70 days			184,399	2.00	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Sales	177,251	0.42	70 days			89,169	0.97	

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.

Note 5: It initially was the Group's associate, and became the Group's subsidiary since April 2019.

Delta Electronics, Inc.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2019
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (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.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	\$ 133,400	3.25	\$ 1,009		\$ 33,681	\$ -
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	2,050,668	8.44	40,430		2,050,668	-
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	207,670	14.55	52,583		182,443	-
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	2,403,743	5.07	6,583		1,554,150	-
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	108,971	7.14	-		108,971	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	182,237	2.38	76,965		56,979	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	378,561	5.08	-		307,867	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	1,007,970	12.38	37,881		929,380	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	1,829,242	13.36	463,158		1,829,242	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,443,569	22.35	-		1,443,569	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	1,247,026	16.24	-		1,247,026	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	242,711	17.61	-		242,711	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	1,312,357	25.61	15		1,312,357	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	1,194,038	8.47	-		1,194,038	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	687,149	10.47	302,430		428,714	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	263,106	5.31	-		177,346	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec International Ltd.	Affiliated enterprise	1,050,790	3.99	-		637,883	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	362,480	7.95	20,521		239,992	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	586,949	9.54	-		405,332	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Affiliated enterprise	121,700	0.40	112,793		2,206	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (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 (Netherlands) B.V.	Affiliated enterprise	\$ 623,019	8.64	\$ -		\$ 623,019	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	181,890	13.63	-		103,198	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	194,886	6.81	7,474		114,826	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	7,432,332	2.95	-		2,056,319	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	6,383,361	7.30	573,449		3,936,460	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	687,908	7.71	2,896		428,175	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc.	Associate	134,471	6.29	70,220		70,220	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	437,074	10.28	216,636		136,311	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,068,258	13.74	-		1,753,830	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	163,519	6.48	-		105,708	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	768,153	9.52	-		704,529	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	362,016	8.75	-		314,058	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	113,063	14.61	-		133,063	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	432,289	3.49	-		294,345	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,147,932	4.63	20,286		2,850,236	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	303,473	5.43	-		177,460	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,583,437	10.09	-		1,558,959	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	572,370	6.22	-		368,891	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,682,974	12.88	-		2,682,974	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	4,020,275	6.66	-		2,499,779	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	557,637	5.73	-		332,362	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	299,002	5.59	-		130,367	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,913,633	9.41	31		1,772,897	-

Table 7-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	\$ 193,938	2.56	\$ 154,804		\$ 75,717	\$ -
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	191,821	6.92	-		154,872	-
ELTEK AS	Eltek Power (UK) Ltd.	Affiliated enterprise	147,327	10.23	277		147,327	-
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	342,774	6.72	70		51,259	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,723,371	6.90	-		1,060,982	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	120,953	8.22	-		73,477	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,185,866	22.12	-		3,185,866	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	3,051,738	7.17	-		1,945,745	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,766,011	17.02	-		1,766,011	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	568,651	6.10	-		373,195	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	223,091	26.17	-		223,091	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	238,247	1.95	40,716		60,292	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	122,210	6.57	24,980		103,539	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	4,725,070	3.24	1,095,477		3,069,585	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	184,399	7.21	-		99,637	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	144,954	5.65	-		84,542	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	434,996	4.93	-		316,715	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	352,467	3.06	-		260,023	-
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	104,395	26.15	989		104,395	-
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	170,126	4.81	-		6,695	-
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	152,659	3.60	-		-	-
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	247,324	-	46		-	-
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	14,874,153	-	-		-	-

Table 7-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	\$ 10,193,200	-	\$ -		\$ -	\$ -
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	2,008,660	-	-		-	-
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	8,139,570	-	-		-	-
Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	2,401,405	-	-		-	-
Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	870,024	-	-		-	-
Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	8,014,451	-	-		-	-
Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	14,769,307	-	-		-	-
Delta International Holding Limited	Drake Investment (HK) Limited	Affiliated enterprise	990,604	-	-		-	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,102,648	-	-		-	-
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	163,565	-	-		-	-
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	366,131	-	-		-	-

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

Note 2: The amount represents collections subsequent to December 31, 2019 up to March 10, 2020.

Delta Electronics, Inc.
Significant inter-company transactions during the reporting period
Year ended December 31, 2019
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 8

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Sales and other operating revenue	\$ 13,226,927	(Note 4)	4.93
0	Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Sales and other operating revenue	7,150,125	(Note 4)	2.67
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	5,954,782	(Note 4)	2.22
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	11,552,172	(Note 4)	4.31
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales and other operating revenue	16,805,200	(Note 4)	6.27
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales and other operating revenue	11,603,582	(Note 4)	4.33
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales and other operating revenue	2,813,726	(Note 4)	1.05
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales and other operating revenue	10,766,626	(Note 4)	4.02
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	6,078,444	(Note 4)	2.27
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales and other operating revenue	2,948,357	(Note 4)	1.10
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Sales and other operating revenue	2,767,840	(Note 4)	1.03
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales and other operating revenue	16,664,508	(Note 4)	6.22
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	24,064,206	(Note 4)	8.97
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Sales	2,732,567	(Note 4)	1.02
2	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	14,654,249	(Note 4)	5.47

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	\$ 8,241,746	(Note 4)	3.07
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	17,812,635	(Note 4)	6.64
5	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	6,179,388	(Note 4)	2.30
5	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	36,619,932	(Note 4)	13.66
6	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	11,389,974	(Note 4)	4.25
6	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	15,602,874	(Note 4)	5.82
7	Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales and other operating revenue	3,044,774	(Note 4)	1.14
8	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	9,336,504	(Note 4)	3.48
9	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	3,788,305	(Note 4)	1.41
10	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales and other operating revenue	13,918,526	(Note 4)	5.19
11	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	10,263,850	(Note 6)	3.83
12	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Sales and other operating revenue	14,639,861	(Note 4)	5.46
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable and other receivables	7,432,332	(Note 4)	2.39
1	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	6,383,361	(Note 4)	2.05
11	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,147,932	(Note 4)	1.01
10	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,020,275	(Note 4)	1.29
5	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,185,866	(Note 4)	1.02

Table 8-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	\$ 4,725,070	(Note 4)	1.52
13	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables	14,874,153	(Note 5)	4.78
14	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables	10,193,200	(Note 5)	3.28
14	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables	8,139,570	(Note 5)	2.62
13	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables	8,014,451	(Note 5)	2.58
13	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables	14,769,307	(Note 5)	4.75

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

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

Delta Electronics, Inc.
Information on investees
Year ended December 31, 2019

Table 9

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	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	100.00	\$ 71,598,502	\$ 8,372,730	\$ 8,900,336	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,581	29,581	83,800,000	100.00	5,547,216	247,367	180,995	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	162,376	162,376	5,250,000	39.62	243,787	199,548	79,061	
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	33,929,506	1,140,122	910,629	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,835,853	308,435	308,435	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	7,270	1,500,000	100.00	24,194,633	9,621,278	9,347,995	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	218,817	18,955	18,061	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,769,895	(99,951)	(99,921)	
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system (software and hardware)	341,695	341,695	570,000	100.00	453,222	21,383	19,350	(Note 6)
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc.	Taiwan	Designing and experimenting on integrated circuits and information software services	-	462,442	-	-	-	702	689	(Note 16)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	114,615	69,128,140	5.54	4,588,711	2,912,485	56,013	(Notes 6 and 13)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,247,073	128,492,272	100.00	10,740,522	2,289,934	925,303	(Note 6)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	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	-	-	\$ -	\$ 32,827	\$ 44,610	(Notes 6 and 14)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	246,704	276,273	20,056	(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	4,039,937	43,404,058	49.87	3,908,920	274,905	43,928	(Note 6)
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	-	9,845,345	-	-	-	4,676,058	3,271,265	(Notes 1 and 17)
Delta International Holding Limited	DAC Holding (Cayman) Limited	Cayman Islands	Equity investments	-	483,885	-	-	-	(109,484)	(109,484)	(Notes 1 and 18)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	85,712	85,712	5,600	100.00	578,816	78,893	78,893	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	342,982	342,982	19,249,667	41.00	240,059	26,332	(12,973)	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	239,840	239,840	8,000,000	60.38	354,973	199,548	120,487	(Note 1)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	86,072	14,990	1,000,000	100.00	229,496	6,860	5,219	(Note 1)
Delta International Holding Limited	Ace Pillar Holding Co., Ltd.	Samoa	Equity investments	-	409,391	-	-	-	(6,563)	(13,127)	(Notes 1 and 16)
Delta International Holding Limited	Drake Investment (HK) Limited	Hong Kong	Equity investments	-	5,160,048	-	-	-	382,289	191,545	(Notes 1 and 17)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	44,970	44,970	9,000,000	100.00	113,956	16,320	16,320	(Note 1)
Delta International Holding Limited	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	-	837,361	-	-	-	56,507	18,030	(Notes 1 and 17)
Delta International Holding Limited	Delta Electronics Europe Limited	Britain	Repair centre and providing support services	109,727	109,727	500,000	100.00	58,060	4,429	4,429	(Note 1)
Delta International Holding Limited	Boom Treasure Limited	Hong Kong	Equity investments	-	2,614,486	-	-	-	172,212	45,831	(Notes 1 and 17)
Delta International Holding Limited	Apex Investment (HK) Limited	Hong Kong	Equity investments	-	3,787,800	-	-	-	268,214	130,956	(Notes 1 and 19)

Table 9-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited	Galaxy Star Investment (HK) Limited	Hong Kong	Equity investments	\$ -	\$ 3,787,800	-	-	\$ -	\$ 268,214	\$ 130,956	(Notes 1 and 19)
Delta International Holding Limited	Jade Investment (HK) Limited	Hong Kong	Equity investments	-	3,787,800	-	-	-	268,214	130,956	(Notes 1 and 19)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,914,701	4,291,709	191,984,450	15.39	12,748,652	2,912,485	104,475	(Note 13)
Delta International Holding Limited	ELTEK AS	Norway	Research, development and sales of power supplies and others	14,905,081	-	93,531,101	100.00	12,748,652	1,185,420	76,666	(Note 17)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	2,047,331	-	1,060,624	100.00	1,973,672	226,967	(10,001)	(Note 17)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide resolution of building management and control	2,248,500	-	75,000,000	100.00	2,660,140	107,725	3,225	(Note 17)
Delta International Holding Limited	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	230,375	-	5,100	51.00	357,066	89,899	(5,492)	(Note 17)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S.A. DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	181,379	181,379	252,002	100.00	140,715	(8,120)	(8,120)	(Note 2)
Delta Electronics (Netherlands) B.V.	ELTEK AS	Norway	Research, development and sales of power supplies and others	-	14,905,081	-	-	-	1,185,420	323,381	(Note 17)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	-	2,047,331	-	-	-	226,967	234,615	(Note 17)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	689,045	689,045	8,179,182	39.95	990,401	276,273	109,466	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,109,260	1,109,260	5,190,330	29.50	842,043	(331,448)	(97,786)	
Delta Electronics (Netherlands) B.V.	Delta Controls Inc.	Canada	Provide resolution of building management and control	-	2,248,500	-	-	-	107,725	104,470	(Note 17)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	169,527	169,527	10,001	100.00	219,815	24,284	24,284	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	790,742	790,742	471,800	100.00	1,025,336	113,304	113,304	(Notes 8 and 9)

Table 9-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	\$ -	\$ 230,375	-	-	\$ -	\$ 89,899	\$ 48,091	(Note 17)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	115,723	115,723	479,750	51.00	47,389	(39,167)	(24,393)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	213,158	213,158	4,315,657	100.00	161,644	58,758	58,758	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	332,295	332,295	37,000,000	100.00	252,004	3,383	3,383	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A	Design and producing of dedicated lighting system and facilities	2,955,825	-	-	100.00	3,027,510	125,416	74,700	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	5,160,048	-	304,504,306	100.00	4,492,813	382,289	18,694	(Note 17)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,614,486	-	1	100.00	1,965,502	172,212	1,883	(Note 17)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,845,345	-	2,549,297,600	100.00	17,387,743	4,676,058	1,269,648	(Note 17)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	837,361	-	12,175,470	100.00	645,313	56,507	677	(Note 17)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	216,809	216,809	250,000	100.00	1,187,993	162,720	162,720	
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	66,855	66,855	-	100.00	59,144	(1,677)	(1,677)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec electronics GmbH	Austria	Consulting service of building management and control solutions	2,433,160	2,071,849	-	100.00	2,459,179	117,931	58,213	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	22,584	-	11,400,000	100.00	24,157	(2,235)	(2,305)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	1	-	40,000	100.00	255,800	(6,769)	(6,861)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	1	-	1,000	100.00	(20,489)	(8)	(8)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	61,919	-	300,000	100.00	(63,876)	6,293	6,287	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	35,869,626	-	534,479,306	42.85	36,571,874	2,912,485	290,872	(Note 13)

Table 9-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER PTE. LTD.	Singapore	Sales of power supplies and others and system installation	\$ -	\$ -	-	-	\$ -	(\$ 4,775)	\$ 55	
Loy Tec electronics GmbH	LOYTEC Americas, Inc.	U.S.A.	Consulting service of building management and control solutions	322	322	9,978	100.00	18,101	9,724	9,724	
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	5,332,212	5,332,212	1,196,886,000	100.00	2,243,939	223,627	219,222	(Note 3)
Delta Networks, Inc.	Delta Networks (H.K.) Limited	Hong Kong	Equity investments	1,049,300	1,049,300	35,000,000	100.00	2,218,893	220,448	220,448	(Note 4)
Delta Networks, Inc.	DNI Logistics (USA) Corporation	U.S.A.	Trading of networking system and peripherals	-	16,671	-	-	-	1,838	1,838	(Notes 4 and 21)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,928,831	944,379	944,379	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	179,161	179,161	8,702,934	59.03	162,778	700	(9,102)	(Note 5)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	20,243,849	50.53	1,408	(98,050)	(46,717)	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	196,957	13,960	13,960	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	Investment in the network communications industry	173,696	173,696	17,369,635	100.00	92,674	14,265	17,955	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	10,006	1,076	1,076	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	7,228	(6,455)	(6,455)	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	25,143	6,860	6,860	(Note 11)
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	29,980	29,980	10,000,000	100.00	283,619	13,969	13,969	(Note 10)
Realwin Investment Inc.	Skywatck INC.	Taiwan	Wholesale of electronic equipment	6,211	6,211	412,070	13.64	-	(4,173)	-	(Note 20)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	47,911	2,304	2,304	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	37,775	12,312	6,920	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	(11,610)	9,785	8,805	(Note 12)

Table 9-5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	\$ 10,200	\$ 10,200	1,020,000	51.00	\$ 2,680	\$ 106	\$ 54	(Note 12)
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	31,123	31,123	1,556,142	3.88	1,887	(98,050)	(3,808)	(Note 12)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	9,542,307	9,542,307	264,357,330	100.00	8,386,628	320,641	320,641	(Note 15)
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars changer and data center	208,019	208,019	20,600,000	100.00	208,019	39,501	39,501	(Note 15)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,628,503	3,403,486	146,586,590	100.00	5,628,503	185,996	185,996	(Note 15)

Note 1: The Company's second-tier subsidiary or subsidiary, which was recognised as investment gains/losses through Delta International Holding Limited.

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

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

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

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

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

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

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

Note 9: The Company indirectly acquired 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 total shareholding ratio is 63.78% when the Company's subsidiary, Delta Electronics Int'l (Singapore) Pte. Ltd., acquired the company's equity interests on April 2, 2019, which was including the original weighted-average comprehensive shareholding ratio of 20.01%.

Note 14: The company was merged into the Company on April 1, 2019, and the company was dissolved after the merger.

Note 15: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Thailand) Public Company Limited.

Note 16: This company had been liquidated in October 2019.

Note 17: In November 2019, due to the reorganisation of the Group, Delta Electronics (Netherlands) B.V. exchanged 100% equity interests of its subsidiaries, ELTEK AS, Delta Controls Inc., and DELTA ELECTRONICS HOLDING (USA) INC. and a 51% equity interest of its subsidiary, Delta Electronics (Switzerland) AG, for 100% equity interests of the DIH' subsidiaries, Delta Electronics (H.K.) Ltd., Drake Investment (HK) Limited, Delta Greentech SGP Pte. Ltd. and Boom Treasure Limited.

Note 18: This company had been liquidated in November 2019.

Note 19: In December 2019, the company began liquidation process and was dissolved, but has not yet been completed as at December 31, 2019.

Note 20: The Company's Associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company.

Note 21: In August 2019, DNI Cayman sold this company to DIH, and this company merged into its subsidiary-ALI. Under the merger, ALI was the surviving company while ALN was the dissolved company.

Delta Electronics, Inc.
Information on investments in Mainland China
Year ended December 31, 2019

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 at January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2019	Net income (loss) of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 27)	Book value of investments in Mainland China as at December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 2,932,344	Invested by DHK	\$ 2,015,585	\$ 292,699	\$ -	\$ 2,308,284	\$ 220,725	100.00	\$ 205,774	\$ 3,759,398	\$ 289,607	(Notes 3 and 18)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,262,158	Invested by DHK	507,262	202,875	-	710,137	439,162	100.00	419,872	2,690,986	402,811	(Notes 6 and 18)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,413,788	Invested by DHK	-	468,991	-	468,991	2,012,239	100.00	1,921,873	6,140,542	-	(Notes 9 and 18)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	4,017,320	Invested by DHK	169,087	343,908	-	512,995	241,907	100.00	228,620	4,423,240	-	(Notes 10 and 18)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,888,740	Invested by DHK	-	128,161	-	128,161	143,709	100.00	143,629	1,896,810	-	(Notes 12 and 18)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	1,199,200	Invested by DHK, Apex-HK, Galaxy Star-HK and Jade-HK	4,010,917	192,241	-	4,203,158	882,155	100.00	684,688	2,635,590	-	(Note 18)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	3,531,944	Invested by DHK, Apex-HK, Galaxy Star-HK and Jade-HK	6,350,699	534,470	-	6,885,169	1,170,375	100.00	812,094	6,948,247	52,892	(Notes 7 and 18)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	869,420	Invested by DHK, Apex-HK, Galaxy Star-HK and Jade-HK	1,330,764	97,940	-	1,428,704	149,464	100.00	113,264	1,246,912	-	(Notes 8 and 18)
Delta Electronics (Wujiang) Trading Co., Ltd.	Installation, consulting and trading of electronic products	-	Invested by DHK	11,272	-	-	11,272	-	-	1,736	-	-	(Note 26)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	135,809	Invested by DHK	930,890	61,002	-	991,892	(49,303)	100.00	(46,686)	(14,941)	-	(Notes 14 and 18)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	129,119	Invested by DHK	140,906	14,831	-	155,737	36,911	100.00	35,121	172,662	-	(Note 18)
PreOptix (Jiang Su) Co., Ltd.	Manufacturing and sales of lenses and optical enginges for projectors	-	Invested by PHK	382,845	-	-	382,845	(12,821)	-	(12,052)	-	-	(Notes 13, 21 and 29)
Wuhu Delta Technology Co., Ltd.	Manufacturing and sales of transformers	-	Invested by DWH	-	-	-	-	3,358	100.00	3,192	-	-	(Notes 16 and 28)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,751	Invested by DCZ	-	-	-	-	42,538	100.00	40,194	186,923	-	(Note 16)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2019	Net income (loss) of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 27)	Book value of investments in Mainland China as at December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	\$ 129,119	Invested by DPEC and DDG	\$ -	\$ -	\$ -	\$ -	\$ 3,550	100.00	\$ 3,111	\$ 159,959	\$ -	(Note 16)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,040	Invested by DPEC and DGC	-	-	-	-	(5,242)	96.32	(5,085)	32,893	-	(Note 16)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,444,661	Invested by DIH, Ace, Boom, Drake-HK and DGSG	8,751,880	416,383	-	9,168,263	760,772	95.91	833,901	5,450,898	-	(Notes 4 and 17)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	430	Invested by DET-SH	-	-	-	-	668	96.32	4,572	8,271	-	(Note 16)
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	6,069,822	Invested by CHK	5,949,902	-	-	5,949,902	777,637	100.00	777,637	7,587,354	-	(Note 20)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	1,049,300	Invested by DNHK	1,340,296	-	-	1,340,296	217,884	100.00	217,884	2,009,942	659,560	(Notes 5 and 19)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	63,476	Invested by DNHK	20,986	-	-	20,986	4,149	30.00	4,061	16,342	-	(Note 19)
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	221,852	Invested by DHK / ELTEK CVI LIMITED	1,123,664	12,872	-	1,136,536	10,621	100.00	10,621	170,101	-	(Note 23)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	119,920	Invested by DelBio	119,920	-	-	119,920	26,112	100.00	26,078	168,592	-	(Note 22)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	215,199	Invested by DHK	-	13,712	-	13,712	(23,031)	100.00	(21,914)	153,703	-	(Notes 15 and 18)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	236,719	Invested by DHK	253,396	18,189	-	253,585	(15,852)	100.00	(15,062)	217,407	-	(Note 18)

Table 10-2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2019	Net income (loss) of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 27)	Book value of investments in Mainland China as at December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Beijing Industrial Foresight Technology Co., Ltd.	Computer system services and data process	\$ -	Invested by Delta Electronics (Beijing) Co., Ltd.	\$ -	\$ -	\$ -	\$ -	(\$ 595)	-	(\$ 448)	\$ -	\$ -	(Note 24)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	8,994	Invested by UNICOM	8,994	-	-	8,994	3,771	100.00	3,771	24,771	34,009	(Note 11)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	14,241	Invested by Amerlux Lighting Hong Kong Limited	-	176,069	-	176,069	10,645	100.00	10,645	14,186	-	(Note 25)

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 6.96565 to US\$1 and NTD 4.30398 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2019, remitted or collected this period, accumulated remittance as at December 31, 2019 and investment income remitted back as at December 31, 2019 was translated into New Taiwan Dollars at the average exchange rate of NTD 29.98 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$76,994 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

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

Note 6: Except for the facility of US\$23,687 thousand permitted by Investment Commission, the capitalisation of earnings of US\$22,654 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 7: Except for the facility of US\$229,659 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,303 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 8: Except for the facility of US\$47,655 thousand permitted by Investment Commission, the capitalisation of earnings of US\$8,272 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 9: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 10: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 11: Indirect investment through UNICOM SYSTEM ENG. CORP.

Note 12: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

Note 15: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 16: 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 17: Jointly invested through Drake Investment (HK) Limited., Delta Greentech SGP Pte. Ltd. and Boom Treasure Limited.

Note 18: Invest through Delta Electronics (H.K.) Ltd.

Note 19: Invest through Delta Networks (H.K.) Limited

Note 20: Invest through Cyntec Holding (H.K.) Limited.

Note 21: Invest through PreOptix (Hong Kong) Co., Ltd.

Note 22: Invest through DelBio Inc.

Note 23: In July 2019, this company was sold to Delta Electronics (H.K.) Ltd. by ELTEK CVI LIMITED., therefore it was invested through Delta Electronics (H.K.) Ltd.

Note 24: This company had been liquidated in July 2019.

Note 25: Invest through Amerlux Lighting Hong Kong Limited.

Note 26: This company had been liquidated in April 2019.

Note 27: The company recognised investment income / loss based on the audited financial statement.

Note 28: This company had been liquidated in December 2019.

Note 29: The ownership of PreOptix (Jiang Su) Co., Ltd. had been sold in October 2019.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2019	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 29,067,290	\$ 29,721,517	\$ -
Cyntec Co., Ltd.	5,949,902	5,949,902	17,124,770
DelBio Inc. (Note 4)	119,920	119,920	131,884
UNICOM SYSTEM ENG. CORP. (Notes 5 and 6)	-	-	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 29.98 to US\$1 at the balance sheet date.

Note 2: The investment income of US\$22,000 thousand, US\$18,000 thousand, US\$10,509 thousand and US\$14,351 thousand were remitted back on March 11, 2011, June 27, 2012, August 14, 2012, June 24, 2009 and December 29, 2005, respectively, from the investee companies in Mainland China and was permitted by Investment Commission on August 3, 2012, August 28, 2012, July 17, 2009 and January 6, 2006, respectively, which are deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

Note 3: According to "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", the Company obtained the approval of operation headquarters from Industrial Development Bureau of Ministry of Economic Affairs. There is no ceiling of investment amount.

Note 4: The ceiling is calculated based on DelBio Inc.'s 60% of net assets as at December 31, 2019.

Note 5: The limitation pursuant to the regulations is NT \$80 million or 60% of net value or consolidated net assets, whichever is higher.

Note 6: The investment income of US\$1,134 thousand were remitted back on October 17, 2019 from the investee companies in Mainland China and was permitted by Investment Commission on November 12, 2019, which are deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

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 Limited. - Labuan (CIL-Labuan) for the year ended December 31, 2019 are shown in Table 6 and 7.