ANNUAL REPORT 2011

Green Building
Taoyuan Technology Center
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A Letter to Our Shareholders

Dear Shareholders:

Delta Electronics continues to maintain a steady course as we pursue our long held corporate mission “To provide innovative, clean and energy-efficient solutions for a better tomorrow”. In 2011, Delta’s growth targets for revenues and profits were affected by the spreading European debt crisis and resulting drop in global market demand, as well as by the slower than expected development of the solar energy industry. Delta Electronics’ consolidated sales revenues in 2011 were NT$172.1 billion, which was relatively flat compared to the previous year; gross profit was NT$32.8 billion, or 19.1% of revenues, a decrease of 10% from the previous year; net operating profit was NT$10.3 billion, or 6% of revenues, a decrease of 40% from the previous year. Net income after tax was NT$11 billion, or 6.4% of revenues, a decrease of 30% from the previous year. In 2011 earnings per share (EPS) was NT$4.58.

Although we did not reach our financial goals last year, the good news is that through the efforts of all our employees, Delta consolidated our global leadership in power supplies, components, power management, displays, and more. Our many years of planning and effort are beginning to achieve outstanding results that will provide an important foundation for our long-term development. Delta not only continues to be a leading Original Design and Manufacturing (ODM) enterprise, we are also working hard to become a total solutions provider, integrating all of Delta’s related technologies and products, and matching software with hardware to create energy-saving and convenient “smart green life” applications. We are also beginning to take the next step, which is to increase Delta’s brand value. An overview of our major businesses and developments follows.

Delta maintains its position as the world’s number one provider of switching power supplies, which we have held since 2002. We continue our long term development and accumulation of innovative power electronics technology and applying it to new fields to create even greater added value. Delta has been the world’s number one supplier of brushless DC fans for many years, which find broad application in fields such as information technology, industry, automotive, and consumer electronics. Our thermal technologies provide customers with system-level heat dissipation solutions, improving energy efficiency and energy recycling. Over the past few years Delta has expanded into products such as smart ventilating fans, air-to-air heat exchangers, and mini fans that use green technology to save energy and reduce carbon emissions as well as improve our daily lives. Cyntec, a Delta subsidiary, is focused on developing integrated miniaturized components and modules and has become a leader in speed and technology, earning customer trust. With the growth of trends such as handheld devices and cloud computing, Delta’s server power supplies and miniaturized components will do particularly well over the next several years.

In Energy Management, Delta’s broad range of products and services include industrial automation, telecommunication power supplies and uninterrupted power supplies, electric vehicle power trains and charging systems, and renewable energy products such as large-scale wind power inverters, solar inverters, and solar cells and modules. In industrial automation, Delta offers a complete line of advanced products in the areas of drive, motion, and control. Over the years Delta has penetrated China’s industrial automation market by establishing channels and branding products. Delta’s dealers provide high quality customized products and services, helping customers improve equipment capabilities and quality, while reducing energy consumption and dependence on labor. In the China market Delta has become a leading brand, on par with
the world’s best known names. Last year, Delta was honored as the “Most Influential Company in the China Industrial Automation Industry over the Past 15 Years”. With China’s labor shortages, rising labor costs, and strategy to save energy and reduce carbon emissions, it is plain to see the great potential Delta has for growth in this market.

Delta’s telecom power supplies offer the highest efficiency in the industry, and integrated with a renewable energy source provide a green telecom power supply. Going a step further last year, Delta promoted a simple low cost design for improved competitiveness in the emerging markets. Combining an uninterruptible power system with Delta’s outstanding hardware and software system capabilities, real-time monitoring, and power management guarantees that critical infrastructure and equipment remains operational and is not affected by the quality of utility power, which is crucial for both developed countries and emerging markets. Last year Delta’s achievements in the development of electric vehicles (EV) included the delivery of around 200 EV power trains to two car factories. At a seminar on electric vehicles in Beijing, Delta’s solutions were generally acknowledged as the best. At the end of last year, Delta and the government-sponsored Automotive Research & Testing Center (ARTC) cooperated in developing EV charging hardware and software infrastructure such as DC charging equipment, charging station monitors, and charging network management. Delta’s cooperation with ARTC succeeded in establishing the first EV charging station in Taiwan to meet the testing specifications for EV certification of several countries, as well as featuring a conversion efficiency of close to 95%. At the beginning of 2012, Delta received research project funding from the U.S. Department of Energy (DOE) to develop smart-grid enabled residential EV chargers. Delta has R&D and integration capabilities which not only are recognized both domestically and internationally but also deliver industry leading solutions.

In 2011 demand in the solar energy market fell due to a decrease in government subsidies caused by the economic downturn. The result was oversupply and a large drop in prices with most of the industry suffering losses. Delta’s solar energy related businesses were no exception and our profits were negatively affected. Despite this, the fall in market prices bodes well for the industry in the long run, and will help to bring about the wider adoption of solar energy. We believe that solar energy will continue to advance in the future, but due to short term market fluctuations we actively seek to reduce our costs. In addition to using more cost competitive materials, we will carefully evaluate future development trends for solar energy technology. We expect renewable energy, with its accelerating improvement in conversion efficiencies while becoming cheaper and cleaner, to eventually replace highly polluting fossil fuels.

For our “smart green life” business, Delta is currently focusing on network communications and displays, though for the future we expect LED lighting and cloud computing to gradually make a larger contribution. Our subsidiary Delta Networks has maintained steady growth for many years serving both the high-end enterprise equipment market and the SOHO market. In light of the diversity and breadth of cloud applications and ever increasing telecom market demand, Delta Networks is set to become an important engine for Delta’s future growth. Delta displays not only continue to lead in high-end visual systems for theatres, large meeting rooms, and large outdoor LED screens, but are also reaching the public as art installations integrated into systems using software technology. Last year Taiwan’s National Palace Museum used over 50 of Delta’s high-end projectors to present the “Dwelling in the Fuchun Mountains” Chinese classic art exhibition in high definition to wide acclaim. Delta’s high definition projectors illuminated a literary
master’s epic “The Peony Pavilion (Youth Edition)” with 30,000 lumens at Beijing’s National Grand Theatre, winning enthusiastic applause at every performance. On the observation deck of the world’s tallest green building, Taipei 101, Delta installed the industry’s first interactive guide system to use two 46-inch touch panels. The system provides sightseers with information that describes the 360-degree view from the building. Delta is using leading technology to bring new life to the arts and humanities, and expressing the essence of a “smart green life”.

The LED lighting business is a major focus of Delta. At the end of 2011, we won the project to replace traditional streetlights with LED street lighting for the Penghu Island pilot case for establishing the first and role-model low-carbon society in Taiwan. We completed the project in February 2012. The LED streetlights will not only decrease energy usage by 50%, but will also shine for an estimated 50,000 hours while reducing maintenance and management costs. Although the LED market is just in its initial stages, we believe LED lighting with its special features such as energy-saving, long product life, lack of mercury, and high color rendering will quickly replace traditional lighting in the future, providing a great benefit to the environment. The rise of cloud computing is another substantial business opportunity. It directly benefits Delta products such as server power supplies, thermal cooling systems, and networking devices. Delta has established a special business unit to integrate data center equipment and capabilities, and has also invested in developing cloud application software and services. Our aim is to speed the arrival of the future “smart green life”.

Saving energy and reducing carbon emissions is essential for mankind’s sustainable development; it is also Delta’s promise. Delta’s long held business principles are to invest in R&D, develop talent, advance our innovation capabilities, and penetrate markets to gain a thorough understanding of our customers as we build brand value. Last year Delta was named as one of the Top 20 Taiwanese Innovative Companies of 2011 by Taiwan’s Industrial Development Bureau, Ministry of Economic Affairs (MOEA). Delta was also listed for the first time as one of Taiwan’s top 20 brands for the 2011 Taiwan Global Brand Value Survey. Delta opened its new Shanghai Operations Center and R&D Building last year to strengthen and integrate R&D and marketing capabilities, to enhance sensitivity and response to the China market, and to directly support brand building. At the same time, Delta also opened its new Taoyuan Plant 3 and R&D Center in Taiwan, to become a base for industrial automation and electric vehicle systems research and development. The construction of Taoyuan Plant 3 integrated Delta’s solar power systems, LEDs, water resource management, building automation, and other technologies. In one year we estimate the building will realize 30%~50% in energy savings, 75% in water savings, and reduce more than 1,000 tonnes of CO2; the building is also a live demonstration of Delta’s integrated solution capabilities.

Delta is making great efforts on behalf of customers and the community. In 2011 we received many business awards from customers such as ASUS, Pegatron, Sony, and Netgear. In 2010 Delta’s management team was honored with the Ernst & Young “Entrepreneur of the Year Award”. Last year Institutional Investor magazine presented Delta with three major awards: Best CEO, Best Investor Relations, and Best IR Professionals in the Technology/Hardware sector. Delta continues to win acclaim for our corporate social responsibility efforts. Last year we received Commonwealth Magazine’s award for “Most Admired Company” in the electronics industry for the 10th year in a row, as well as the magazine’s “Corporate Citizenship Award” for the 5th year in a row. Delta also won Global Views Magazine’s “2011 CSR Champion Award”. Delta was rated A+ for the 4th time by the Securities and Futures Institute’s Information
Transparency and Disclosure Ranking. We were also listed for the first time in the “World index” and “Asian index” of the Dow Jones Sustainability Index in 2011/2012. While Delta has become a shining example for corporate governance in Taiwan, we continue striving to make Delta Electronics a highly regarded enterprise internationally.

Once again, I thank all of my Delta colleagues for your dedication and contributions. I also wish to express my gratitude to our customers, suppliers, shareholders and the community for the support you have given Delta. Last year we did not achieve ideal results, but we will conduct a thorough assessment, and prepare and strictly implement our future growth strategy. We will establish a firm foundation for Delta’s continued growth and strive to fulfill the expectations of society and all of our stakeholders.

Sincerely,

Chairman

Bruce Cheng

Chief Executive Officer

Yancey Han

Chief Financial Officer

Shih-yeun
"Maintain sound corporate governance and strictly abide by commercial and ethical standards" is a core commitment at Delta. We view this as a fundamental requirement for a responsible company, and we are dedicated to realizing this ideal in our everyday operations.

At Delta, the Board currently consists of nine directors and two supervisors, including one independent director and one independent supervisor. The board chairman does not hold an administrative position within the company. The remuneration for directors and supervisors is no more than 1% of the distributed balance.

To enhance the board's responsibility and trust, the board meeting is held at least once quarterly. The board convened on eight occasions in 2011, and the overall attendance rate was 94%. Key resolutions passed by the board are published in a timely manner on the Market Observation Post System of the Taiwan Stock Exchange and in the corporate governance section of the Delta website. Other relevant documents are also provided online for reference. An internal audit team submits its audit report to the supervisors monthly, and the Chief Auditing Officer presents critical findings to board members at board meetings.

The Board organized the Compensation Committee to evaluate the performance-linked compensation of the company’s directors, supervisors, and executive officers. The Committee shall be composed of no fewer than three members consisting of at least one independent director. If there is more than one independent director, then one of them shall be elected to be the convener and chairperson of the Committee. The tenure of the Committee shall be the same as the tenure of the Board approving such Committee members.

The core areas of the company are R&D, manufacturing, and sales. We do not participate in businesses of high-risk and highly leveraged investment. Delta consistently monitors capital on the market and interest rates, makes cautious funding decisions, and hedges against foreign exchange rate risks. Simultaneously, through our departments of auditing, finance, legal and intellectual property, and more, we are able to assess and manage risks associated with all operations to maintain company sustainability.

Delta's efforts in corporate governance continued to win outside recognition in 2011. Not only were we selected for the DJSI World and DJSI Asia/Pacific indexes of the 2011/2012 Dow Jones Sustainability Indexes (DJSI) but also given the highest “Gold Class” rating and named “Sector Mover” in the electronic equipment sector by Sustainable Asset Management (SAM) in 2012. We were certified to the CG6006 corporate governance standard of the Taiwan Corporate Governance Association, awarded the “Most Admired Company” in the electronics industry by Commonwealth magazine and a rating of A+ for transparency and disclosure by the Securities and Futures Institute in Taiwan. Delta's founder and Chairman Mr. Bruce Cheng was awarded the 5th " Distinguished Accomplishment Award " by the Chinese Professional Management Association while CEO Mr.Yancey Hai was named among the Top 3 "Best CEO" in the technology/hardware field of Asia for 2011 by the Institutional Investor magazine. We shall continue to take actions, such as strengthening the organizational functions of the Board, to better ensure sound corporate governance at Delta.
Consolidated Financial Highlights

(in NT$ million, except otherwise indicated)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
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<tbody>
<tr>
<td>Sales</td>
<td>172,056</td>
<td>171,302</td>
</tr>
<tr>
<td>Gross profit</td>
<td>32,782</td>
<td>36,604</td>
</tr>
<tr>
<td>Gross margin</td>
<td>19.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>10,318</td>
<td>17,269</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>6.0%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Net Income After Tax</td>
<td>10,991</td>
<td>15,754</td>
</tr>
<tr>
<td>Net Margin</td>
<td>6.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td>EPS (NT$)</td>
<td>4.58</td>
<td>6.69</td>
</tr>
<tr>
<td>Total Assets</td>
<td>193,194</td>
<td>161,738</td>
</tr>
<tr>
<td>Total Shareholders' Equity</td>
<td>77,821</td>
<td>75,831</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>14.3%</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

Revenues

Net Profits

Return on Stockholders’ Equity

Earnings Per Share
DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2011 AND 2010

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 TRANSLATED FROM CHINESE

PWCR11003392

To Delta Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As explained in Note 2. 1)(2), we did not audit the 2011 and 2010 financial statements of certain consolidated subsidiaries, which statements reflect total assets of $1,051,049,000 and $827,514,000, constituting 0.54% and 0.51% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and total operating revenues of $3,291,816,000 and $2,713,720,000, constituting 1.91% and 1.58% of the consolidated operating revenues for the years then ended, respectively. In addition, we did not audit the financial statements of certain long-term equity investments, accounted for under the equity method. Long-term equity investments in these companies amounted to $5,527,955,000 and $5,217,792,000, constituting 2.86% and 3.23% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and total investment income was $499,987,000 and $786,455,000, constituting 3.43% and 3.90% of the consolidated income before income tax and minority interest for the years then ended, respectively. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts and the information disclosed in Note 11. 2) included for such subsidiaries and investee companies, is based solely on the reports of the other auditors.
We conducted our audits in accordance with the “Rules Governing Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as of and for the year ended December 31, 2011, 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 NT$30.275 to US$1.00 at December 31, 2011. This basis of translation is not in accordance with generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan
March 20, 2012

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.
### DELTA ELECTRONICS, INC. AND SUBSIDIARIES
#### CONSOLIDATED BALANCE SHEETS
##### DECEMBER 31,
##### (EXPRESSED IN THOUSANDS OF DOLLARS)

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<th>ASSETS</th>
<th>Notes</th>
<th>US Dollars</th>
<th>New Taiwan Dollars</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2011</td>
<td>2010</td>
</tr>
</tbody>
</table>

#### Current Assets

- **Cash and cash equivalents** 4(1)
  - 2,236,033
  - 67,695,906
  - 60,459,996

- **Financial assets at fair value through profit or loss - current** 4(2)
  - 77
  - 2,342
  - 10,550

- **Available-for-sale financial assets - current** 4(5)
  - 17,308
  - 524,013
  - 524,669

- **Derivative financial assets for hedging - current** 10(9)
  - 3,802
  - 115,111
  - 381,799

- **Financial assets carried at cost - current** 4(6)
  - 2,847
  - 86,180
  - 31,248

- **Notes receivable, net** 43,938
  - 1,330,220
  - 328,038

- **Accounts receivable, net** 4(3)
  - 1,146,447
  - 34,708,687
  - 29,560,272

- **Accounts receivable - related parties** 5
  - 26,968
  - 816,456
  - 3,815,671

- **Other receivables** 68,792
  - 2,082,657
  - 1,265,926

- **Other financial assets - current** 4,725
  - 143,061
  - 50,902

- **Inventories, net** 631,746
  - 19,126,113
  - 14,788,981

- **Prepayments** 78,752
  - 2,384,204
  - 1,499,852

- **Deferred income tax assets - current** 4(22)
  - 19,749
  - 597,914
  - 89,028

- **Other current assets** 13,038
  - 394,718
  - 435,834

**Total current assets**

- 4,294,222
- 130,007,582
- 113,242,766

#### Funds and Investments

- **Financial assets at fair value through profit or loss - non-current** 4(2)
  - 60,133
  - 1,820,525
  - 1,830,000

- **Available-for-sale financial assets - non-current** 4(5)
  - 4,157
  - 125,859
  - 925,606

- **Financial assets carried at cost - non-current** 4(6)
  - 137,316
  - 4,157,228
  - 1,457,614

- **Long-term equity investments accounted for under the equity method** 4(7)
  - 195,269
  - 5,911,784
  - 6,327,356

- **Cash surrender value of life insurance** 3,723
  - 112,700
  - 103,691

- **Other financial assets - non-current** 51
  - 1,548
  - 1,544

**Total funds and investments**

- 400,649
- 12,129,644
- 10,645,811

#### Property, Plant and Equipment, Net

- **Land** 58,790
  - 1,779,860
  - 1,693,056

- **Buildings** 663,951
  - 20,101,112
  - 15,361,626

- **Machinery and equipment** 754,103
  - 23,195,634
  - 17,937,733

- **Molding equipment** 71,632
  - 2,168,664
  - 1,902,689

- **Computer and communication equipment** 52,103
  - 1,577,409
  - 1,162,192

- **Testing equipment** 294,087
  - 8,903,472
  - 7,193,773

- **Transportation equipment** 7,840
  - 237,344
  - 167,061

- **Office equipment** 61,157
  - 1,851,522
  - 1,265,926

- **Leasehold improvements** 6,302
  - 190,800
  - 49,118

- **Other equipment** 1,140
  - 34,516
  - 21

**Total property and equipment, net**

- 2,003,661
- 60,690,830
- 46,976,112

**Cost and revaluation increments**

- 2,003,661
- 60,690,830
- 46,976,112

**Less: Accumulated depreciation**

- 1,001,448
- 30,318,850
- 23,360,380

**Accumulated impairment loss**

- 776
- 23,486
- 21,664

**Construction in progress and prepayments for equipment**

- 217,978
- 6,599,291
- 3,315,949

**Intangible assets**

- **Patents** 20,744
  - 628,035
  - 833,134

- **Goodwill** 10(10)
  - 227,877
  - 6,898,970
  - 5,158,672

- **Deferred pension costs** 9307
  - 9,299
  - 12,347

- **Other intangible assets** 4(9)
  - 150,640
  - 4,560,628
  - 3,025,410

**Total intangible assets**

- 399,568
- 12,096,932
- 9,029,563

#### Other Assets

- **Assets leased to others** 4(10)
  - 6,783
  - 205,337
  - 14,283

- **Idle assets** 4(11)
  - 3,412
  - 101,306
  - 101,901

- **Deferred expenses** 6
  - 27,923
  - 845,367
  - 426,132

**Total other assets**

- 67,450
- 2,042,036
- 1,919,517

**TOTAL ASSETS**

- 6,381,304
- 193,193,979
- 161,738,474

(Continued)
### Delta Electronics, Inc. and Subsidiaries
#### Consolidated Balance Sheets (continued)
**December 31**
**Expressed in thousands of Dollars**

#### Current Liabilities
<table>
<thead>
<tr>
<th>Description</th>
<th>US Dollars 2011 (Unaudited)</th>
<th>New Taiwan Dollars 2011</th>
<th>New Taiwan Dollars 2010</th>
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<tbody>
<tr>
<td>Short-term loans</td>
<td>581,321</td>
<td>17,599,492</td>
<td>9,877,658</td>
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<tr>
<td>Financial liabilities at fair value through profit or loss - current</td>
<td>141</td>
<td>4,257</td>
<td>806</td>
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<tr>
<td>Derivative financial liabilities for hedging - current</td>
<td>1,548</td>
<td>46,873</td>
<td>137,154</td>
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<tr>
<td>Accounts payable</td>
<td>999,892</td>
<td>30,271,738</td>
<td>29,266,371</td>
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<td>Accounts payable - related parties</td>
<td>3,910</td>
<td>118,374</td>
<td>318,192</td>
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<tr>
<td>Income tax payable</td>
<td>69,130</td>
<td>2,092,919</td>
<td>1,805,572</td>
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<tr>
<td>Accrued expenses</td>
<td>359,722</td>
<td>10,890,581</td>
<td>9,769,943</td>
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<tr>
<td>Other payables</td>
<td>111,026</td>
<td>3,361,305</td>
<td>4,746,229</td>
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<tr>
<td>Derivative financial liabilities for hedging - current</td>
<td>1,548</td>
<td>46,873</td>
<td>137,154</td>
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<tr>
<td>Receivables</td>
<td>81,186</td>
<td>2,457,898</td>
<td>1,467,204</td>
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<tr>
<td>Total current liabilities</td>
<td>2,270,943</td>
<td>68,752,809</td>
<td>58,234,948</td>
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#### Long-term Liabilities
<table>
<thead>
<tr>
<th>Description</th>
<th>US Dollars 2011 (Unaudited)</th>
<th>New Taiwan Dollars 2011</th>
<th>New Taiwan Dollars 2010</th>
</tr>
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<tbody>
<tr>
<td>Long-term loans</td>
<td>821,214</td>
<td>24,862,247</td>
<td>9,540,184</td>
</tr>
<tr>
<td>Reserve</td>
<td>3,959</td>
<td>119,864</td>
<td>95,279</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued pension liabilities</td>
<td>86,473</td>
<td>2,617,949</td>
<td>2,130,082</td>
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<tr>
<td>Guarantee deposits received</td>
<td>2,554</td>
<td>77,332</td>
<td>52,920</td>
</tr>
<tr>
<td>Deferred income tax liabilities - non-current</td>
<td>127,739</td>
<td>3,867,305</td>
<td>4,069,491</td>
</tr>
<tr>
<td>Other liabilities - other</td>
<td>13,569</td>
<td>410,804</td>
<td>223,577</td>
</tr>
<tr>
<td>Total other liabilities</td>
<td>230,335</td>
<td>6,973,390</td>
<td>6,476,070</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>3,326,451</td>
<td>100,708,310</td>
<td>74,346,481</td>
</tr>
</tbody>
</table>

#### Stockholders’ Equity
<table>
<thead>
<tr>
<th>Description</th>
<th>US Dollars 2011 (Unaudited)</th>
<th>New Taiwan Dollars 2011</th>
<th>New Taiwan Dollars 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>793,855</td>
<td>24,033,974</td>
<td>23,947,984</td>
</tr>
<tr>
<td>Paid-in capital in excess of par value of common stock</td>
<td>437,407</td>
<td>13,242,489</td>
<td>12,634,267</td>
</tr>
<tr>
<td>Capital reserve from conversion of convertible bonds</td>
<td>338,676</td>
<td>10,253,416</td>
<td>10,253,416</td>
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<tr>
<td>Capital reserve - other</td>
<td>99,539</td>
<td>3,013,550</td>
<td>3,396,912</td>
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<tr>
<td>Legal reserve</td>
<td>365,469</td>
<td>11,064,579</td>
<td>9,489,158</td>
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<tr>
<td>Special reserve</td>
<td>158,415</td>
<td>4,796,006</td>
<td></td>
</tr>
<tr>
<td>Undistributed earnings</td>
<td>430,894</td>
<td>13,045,300</td>
<td>20,905,730</td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td>(56,685)</td>
<td>(1,716,140)</td>
<td>(5,862,383)</td>
</tr>
<tr>
<td>Unrecognized pension cost</td>
<td>(8,700)</td>
<td>263,401</td>
<td>112,627</td>
</tr>
<tr>
<td>Unrealized gain or loss on financial instruments</td>
<td>(5,831)</td>
<td>176,551</td>
<td>746,818</td>
</tr>
<tr>
<td>Asset revaluations</td>
<td>17,425</td>
<td>527,556</td>
<td>432,187</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>2,570,464</td>
<td>77,820,778</td>
<td>75,831,462</td>
</tr>
<tr>
<td>Minority interest</td>
<td>484,389</td>
<td>14,664,891</td>
<td>11,560,531</td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>3,054,853</td>
<td>92,485,669</td>
<td>87,391,993</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements. See report of independent accountants dated March 20, 2012.
## DELTA ELECTRONICS, INC. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

### Notes
- 2011 (Unaudited)
- 2011
- 2010

### Operating Revenues
- **Sales**
  - US Dollars: 5,678,256
  - New Taiwan Dollars: 171,909,198
- **Sales returns**
  - US Dollars: 34,733
  - New Taiwan Dollars: 1,051,542
- **Sales discounts**
  - US Dollars: 12,260
  - New Taiwan Dollars: 371,123
- **Net Sales**
  - US Dollars: 5,631,263
  - New Taiwan Dollars: 170,486,503
- **Service income**
  - US Dollars: 51,852
  - New Taiwan Dollars: 1,569,808

### Net Operating Revenues
- US Dollars: 5,683,115
- New Taiwan Dollars: 172,056,311

### Operating Costs
- **Cost of goods sold**
  - US Dollars: (4,568,122)
  - New Taiwan Dollars: (138,299,882)
- **Service costs**
  - US Dollars: (32,174)
  - New Taiwan Dollars: (974,085)
- **Research and development expenses**
  - US Dollars: (329,844)
  - New Taiwan Dollars: (9,866,037)
- **Total Operating Costs**
  - US Dollars: (4,600,296)
  - New Taiwan Dollars: (139,273,967)

### Gross profit
- US Dollars: 1,082,819
- New Taiwan Dollars: 32,782,344

### Operating Expenses
- **Sales and marketing expenses**
  - US Dollars: (247,594)
  - New Taiwan Dollars: (7,495,913)
- **General and administrative expenses**
  - US Dollars: (164,563)
  - New Taiwan Dollars: (4,982,148)
- **Research and development expenses**
  - US Dollars: (329,844)
  - New Taiwan Dollars: (9,986,037)
- **Total Operating Expenses**
  - US Dollars: (742,002)
  - New Taiwan Dollars: (22,464,098)

### Operating income
- US Dollars: 340,817
- New Taiwan Dollars: 10,318,246

### Non-operating Income and Gains
- **Interest income**
  - US Dollars: 29,928
  - New Taiwan Dollars: 906,067
- **Investment income accounted for under the equity method**
  - US Dollars: 16,765
  - New Taiwan Dollars: 507,550
- **Gain on disposal of property, plant and equipment**
  - US Dollars: 8,947
  - New Taiwan Dollars: 270,860
- **Total Non-operating Income**
  - US Dollars: 164,597
  - New Taiwan Dollars: 4,983,179

### Non-operating Expenses and Losses
- **Interest expense**
  - US Dollars: (13,136)
  - New Taiwan Dollars: (397,696)
- **Loss on disposal of property, plant and equipment**
  - US Dollars: (366)
  - New Taiwan Dollars: (9,273)
- **Impairment loss**
  - US Dollars: -
  - New Taiwan Dollars: (2,927)
- **Total Non-operating Expenses**
  - US Dollars: (23,664)
  - New Taiwan Dollars: (716,435)

### Income from continuing operations before income tax
- US Dollars: 481,750
- New Taiwan Dollars: 14,584,990

### Income tax expense
- US Dollars: (93,343)
- New Taiwan Dollars: (2,825,962)

### Income from continuing operations
- US Dollars: 388,407
- New Taiwan Dollars: 11,759,028

### Gain from discontinued operations
- US Dollars: 0.02
- New Taiwan Dollars: -

### Extraordinary gain
- US Dollars: 0.0030
- New Taiwan Dollars: -

### Consolidated net income
- US Dollars: 395,199
- New Taiwan Dollars: 11,964,657

### Earnings Per Share (in Dollars)
- **Basic Earnings Per Share**
  - Net income from continuing operations
  - US Dollars: 0.2004
  - New Taiwan Dollars: 6.07
  - Gain from discontinued operations
  - US Dollars: -
  - New Taiwan Dollars: -
  - Extraordinary gain
  - US Dollars: 0.0030
  - New Taiwan Dollars: -
  - Minority interest income
  - US Dollars: (0.0135)
  - New Taiwan Dollars: (0.41)
  - **Net income**
  - US Dollars: 0.1899
  - New Taiwan Dollars: 5.77
- **Diluted Earnings Per Share**
  - Net income from continuing operations
  - US Dollars: 0.1969
  - New Taiwan Dollars: 5.96
  - Gain from discontinued operations
  - US Dollars: -
  - New Taiwan Dollars: -
  - Extraordinary gain
  - US Dollars: 0.0026
  - New Taiwan Dollars: -
  - Minority interest income
  - US Dollars: (0.0132)
  - New Taiwan Dollars: (0.40)
  - **Net income**
  - US Dollars: 0.1863
  - New Taiwan Dollars: 5.64

The accompanying notes are an integral part of these consolidated financial statements.
## DELTA ELECTRONICS, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

**FOR THE YEARS ENDED DECEMBER 31**

**EXPRESSED IN THOUSANDS OF DOLLARS**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Common stock</th>
<th>Capital reserves</th>
<th>Legal reserve</th>
<th>Special reserve</th>
<th>Undistributed earnings</th>
<th>Cumulative translation adjustments</th>
<th>Unrecognized pension cost</th>
<th>Unrealized gain or loss on financial instruments</th>
<th>Asset revaluations</th>
<th>Minority interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of new stocks for the merger</td>
<td>$1,231,927</td>
<td>9,978,608</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$11,210,535</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees' stock options assumed from subsidiary due to the merger and subsequent compensation cost amortization</td>
<td>-</td>
<td>293,414</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>293,414</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees' stock options</td>
<td>142,966</td>
<td>932,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,075,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of 2009 earnings (Note a):</td>
<td>-</td>
<td>-</td>
<td>1,165,747</td>
<td>-</td>
<td>(1,165,747)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,012,755)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in ownership percentage of long-term equity investments accounted for under equity method</td>
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<td>7,408</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment for land value appraisal increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized loss on available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gain on cash flow hedge</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,509</td>
<td>-</td>
<td>-</td>
<td>44,509</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gain on cash flow hedge</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>6,980</td>
<td>-</td>
<td>-</td>
<td>6,980</td>
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<td></td>
</tr>
<tr>
<td>Unrecognized pension cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,064</td>
<td>-</td>
<td>-</td>
<td>27,064</td>
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</tr>
<tr>
<td>Changes in cumulative translation adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,876,333)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,876,333)</td>
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<tr>
<td>Change in stockholders' equity for investee companies accounted for under the equity method</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(94,620)</td>
<td>158,199</td>
<td>-</td>
<td>-</td>
<td>63,579</td>
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<tr>
<td>Changes in minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated net income for the year</td>
<td>15,754,207</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(112,627)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,111,650)</td>
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<td></td>
</tr>
<tr>
<td>Balance at December 31, 2010</td>
<td>$23,947,984</td>
<td>$26,284,595</td>
<td>$9,489,158</td>
<td>$20,905,730</td>
<td>($5,862,383)</td>
<td>$112,627</td>
<td>$746,818</td>
<td>$432,187</td>
<td>$17,882,525</td>
<td>$87,391,993</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Retained Earnings</th>
<th>Common stock</th>
<th>Capital reserves</th>
<th>Legal reserve</th>
<th>Special reserve</th>
<th>Undistributed earnings</th>
<th>Cumulative translation adjustments</th>
<th>Unrecognized pension cost</th>
<th>Unrealized gain or loss on financial instruments</th>
<th>Asset revaluations</th>
<th>Minority interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 New Taiwan Dollars</td>
<td>$23,947,984</td>
<td>$26,284,595</td>
<td>$9,489,158</td>
<td>$20,905,730</td>
<td>($5,862,383)</td>
<td>($112,627)</td>
<td>$746,818</td>
<td>$432,187</td>
<td>$11,560,531</td>
<td>$87,391,993</td>
<td></td>
</tr>
<tr>
<td>Compensation cost amortization of employees' stock options assumed from subsidiary due to the merger</td>
<td>-</td>
<td>30,154</td>
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<td>-</td>
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<td>-</td>
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<td>30,154</td>
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<tr>
<td>Employees' stock options</td>
<td>85,900</td>
<td>511,042</td>
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<td>597,032</td>
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<tr>
<td>Distribution of 2010 earnings (Note b):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td>1,575,421</td>
<td>-</td>
<td>(1,575,421)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special reserve</td>
<td>-</td>
<td>-</td>
<td>4,796,006</td>
<td>(4,796,006)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in ownership percentage of long-term equity investments accounted for under equity method</td>
<td>-</td>
<td>(316,336)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(316,336)</td>
</tr>
<tr>
<td>Adjustment for land value appraisal increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrecognized pension cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Change in cumulative translation adjustments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in stockholders' equity for investee companies accounted for under the equity method</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consolidated net income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,604,316</td>
<td>-</td>
<td>(206,558)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,397,758</td>
</tr>
<tr>
<td>Balance at December 31, 2011</td>
<td>$24,033,974</td>
<td>$26,509,455</td>
<td>$11,064,570</td>
<td>$4,796,006</td>
<td>$13,045,300</td>
<td>($1,716,140)</td>
<td>($263,401)</td>
<td>($176,551)</td>
<td>$527,556</td>
<td>$14,664,891</td>
<td>$92,485,957</td>
</tr>
</tbody>
</table>

Note a: Directors' and supervisors' remuneration amounting to $16,700 and employees' bonus amounting to $2,156,670 had been deducted from the Consolidated Statement of Income in 2009.
Note b: Directors' and supervisors' remuneration amounting to $16,700 and employees' bonus amounting to $2,914,390 had been deducted from the Consolidated Statement of Income in 2010.

(Continued)
DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY (CONTINUED)
FOR THE YEARS IN DECEMBER 31
EXPRESSED IN THOUSANDS OF DOLLARS

<table>
<thead>
<tr>
<th>Common stock</th>
<th>Capital reserves</th>
<th>Legal reserve</th>
<th>Special reserve</th>
<th>Undistributed earnings</th>
<th>Cumulative translation adjustments</th>
<th>Unrecognized pension cost</th>
<th>Unrealized gain or loss on financial instruments</th>
<th>Asset revaluations</th>
<th>Minority interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 US Dollars (Unaudited)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at January 1, 2011</td>
<td>$ 791,015</td>
<td>$ 868,195</td>
<td>$ 313,432</td>
<td>$ -</td>
<td>$ 600,528</td>
<td>( $ 193,637)</td>
<td>( $ 3,720)</td>
<td>$ 24,668</td>
<td>$ 14,275</td>
<td>$ 381,850</td>
</tr>
<tr>
<td>Compensation cost amortization of employees’ stock options assumed from subsidiary due to the merger</td>
<td>-</td>
<td>996</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employees’ stock options</td>
<td>2,840</td>
<td>16,880</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Distribution of 2010 earnings:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>-</td>
<td>-</td>
<td>52,037</td>
<td>-</td>
<td>( 52,037)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special reserve</td>
<td>-</td>
<td>-</td>
<td>158,415</td>
<td>( 158,415)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>( 412,222)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in ownership percentage of long-term equity investments accounted for under equity method</td>
<td>-</td>
<td>( 10,449)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for land value appreciation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,150</td>
</tr>
<tr>
<td>Unrecognized pension cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>( 4,980)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>( 23,676)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in cumulative translation adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>83,961</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in stockholders’ equity for investee companies accounted for under the equity method</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,091</td>
<td>-</td>
<td>6,823</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>70,380</td>
</tr>
<tr>
<td>Changes in minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>303,640</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,159</td>
</tr>
<tr>
<td>Consolidated net income for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at December 31, 2011</td>
<td>$ 793,855</td>
<td>$ 875,692</td>
<td>$ 365,409</td>
<td>$ 158,415</td>
<td>$ 490,034</td>
<td>( $ 56,085)</td>
<td>( $ 8,000)</td>
<td>( $ 5,831)</td>
<td>$ 17,425</td>
<td>$ 484,389</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(EXPRESSSED IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>US Dollars (Unaudited)</th>
<th>New Taiwan Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated net income</td>
<td>$395,199</td>
<td>$11,964,657</td>
</tr>
<tr>
<td>Extraordinary gain</td>
<td>6,792</td>
<td>205,629</td>
</tr>
<tr>
<td>Changes in unrealized valuation of financial assets</td>
<td>2,153</td>
<td>65,170</td>
</tr>
<tr>
<td>Changes in unrealized valuation of financial liabilities</td>
<td>249</td>
<td>7,538</td>
</tr>
<tr>
<td>Provision for (reversal of allowance for) doubtful accounts</td>
<td>3,219</td>
<td>97,466</td>
</tr>
<tr>
<td>Provision for inventory obsolescence and market price decline</td>
<td>22,417</td>
<td>678,673</td>
</tr>
<tr>
<td>Loss on purchase commitment</td>
<td>6,674</td>
<td>202,043</td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>(8,947)</td>
<td>(270,860)</td>
</tr>
<tr>
<td>Impairment loss on financial assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in foreign exchange of investments in bonds without active markets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income accounted for under the equity method</td>
<td>(16,765)</td>
<td>(570,550)</td>
</tr>
<tr>
<td>Cash dividends received from investee companies accounted for under the equity method</td>
<td>19,784</td>
<td>598,969</td>
</tr>
<tr>
<td>Depreciation (including assets leased to others)</td>
<td>180,446</td>
<td>5,450,880</td>
</tr>
<tr>
<td>Amortization</td>
<td>35,025</td>
<td>1,060,370</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment, net</td>
<td>366</td>
<td>11,094</td>
</tr>
<tr>
<td>Reversal of impairment loss on non-financial assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of long-term deferred income</td>
<td>-</td>
<td>(58,165)</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable</td>
<td>10,955</td>
<td>331,663</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(21,143)</td>
<td>(640,091)</td>
</tr>
<tr>
<td>Accounts receivable - related parties</td>
<td>(106,678)</td>
<td>(3,229,681)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(26,801)</td>
<td>(811,394)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(87,880)</td>
<td>(2,660,567)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>(25,698)</td>
<td>(778,021)</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>(8,276)</td>
<td>(295,567)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,627</td>
<td>49,265</td>
</tr>
<tr>
<td>Other assets - other</td>
<td>17,096</td>
<td>517,581</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(32,196)</td>
<td>(974,733)</td>
</tr>
<tr>
<td>Accounts payable - related parties</td>
<td>(74,431)</td>
<td>(2,265,514)</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>8,622</td>
<td>261,026</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(478)</td>
<td>(26,528)</td>
</tr>
<tr>
<td>Other payables</td>
<td>32,558</td>
<td>979,644</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>30,386</td>
<td>314,451</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>25,999</td>
<td>787,122</td>
</tr>
<tr>
<td>Accrued pension liabilities</td>
<td>16,115</td>
<td>487,867</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>7,553</td>
<td>(228,661)</td>
</tr>
<tr>
<td>Other liabilities - other</td>
<td>6,154</td>
<td>186,312</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>596,348</td>
<td>18,012,615</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |                        |                    |
| Acquisition of financial assets at fair value through profit or loss | -                       | 970,000            |
| Increase (decrease) in other financial assets | 43,027                 | 1,302,640          |
| Increase in available-for-sale financial assets | (4,855)               | 147,000            |
| Proceeds from disposal of available-for-sale financial assets | 9,593                  | 200,437            |
| Increase in financial assets carried at cost | (100,094)             | (3,030,367)        |
| Proceeds from disposal of financial assets carried at cost | (5,577)               | 168,854            |
| Proceeds from capital reduction of financial assets carried at cost | 25                      | 750                |
| Proceeds from disposal of investments in bonds without active markets | -                      | 1,080,730          |
| Proceeds from disposal of investments in long-term equity investment accounted for under the equity method | -                      | -                  |
| **Net cash provided by operating activities** | 596,348        | 18,012,615         |

(Continued)
## DELTA ELECTRONICS, INC. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
#### FOR THE YEARS ENDED DECEMBER 31
##### (EXPRESSED IN THOUSANDS OF DOLLARS)

US Dollars | New Taiwan Dollars
---|---

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011 (Unaudited)</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in short-term loans</td>
<td>171,076</td>
<td>5,179,329</td>
<td>( 2,307,415 )</td>
</tr>
<tr>
<td>Increase in long-term loans</td>
<td>530,776</td>
<td>16,099,239</td>
<td>6,676,869</td>
</tr>
<tr>
<td>Increase (decrease) in guarantee deposits received</td>
<td>621</td>
<td>18,802</td>
<td>( 1,501 )</td>
</tr>
<tr>
<td>Employees’ stock options</td>
<td>19,720</td>
<td>597,032</td>
<td>1,075,766</td>
</tr>
<tr>
<td>Payment of cash dividends</td>
<td>( 412,222 )</td>
<td>( 12,480,034 )</td>
<td>( 10,012,755 )</td>
</tr>
<tr>
<td>Cash dividends paid to minority interest</td>
<td>( 76,259 )</td>
<td>2,308,729</td>
<td>-</td>
</tr>
<tr>
<td>Increase in subsidiaries’ capital from minority shareholders</td>
<td>37</td>
<td>1,121</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>233,749</td>
<td>7,076,760</td>
<td>( 4,569,036 )</td>
</tr>
</tbody>
</table>

### SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect due to change in exchange rates</td>
<td>80,816</td>
<td>2,446,694</td>
</tr>
<tr>
<td>Effect due to changes in consolidated subsidiaries</td>
<td>50,538</td>
<td>1,530,035</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents</strong></td>
<td>239,006</td>
<td>7,076,760</td>
</tr>
</tbody>
</table>

### NON-CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividends declared but not yet paid to minority interest</td>
<td>$ 1,929</td>
<td>$ 58,401</td>
</tr>
</tbody>
</table>

### FAIR VALUE OF ASSETS AND LIABILITIES OF THE ACQUIRED SUBSIDIARY

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 50,538</td>
<td>$ 1,530,035</td>
</tr>
<tr>
<td>Other current assets</td>
<td>340,274</td>
<td>10,301,783</td>
</tr>
<tr>
<td>Funds and investments</td>
<td>10,733</td>
<td>324,950</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>25,800</td>
<td>781,091</td>
</tr>
<tr>
<td>Goodwill</td>
<td>57,483</td>
<td>1,740,298</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>58,696</td>
<td>1,777,023</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,493</td>
<td>75,489</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>( 259,088 )</td>
<td>( 7,843,879 )</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>( 2,068 )</td>
<td>( 62,623 )</td>
</tr>
<tr>
<td>Investment cost before merger</td>
<td>( 12,179 )</td>
<td>( 368,726 )</td>
</tr>
<tr>
<td>Minority interest</td>
<td>( 71,261 )</td>
<td>( 2,157,429 )</td>
</tr>
<tr>
<td><strong>Cost of issuing new common stock to acquired subsidiary</strong></td>
<td>$ 201,421</td>
<td>$ 6,098,012</td>
</tr>
<tr>
<td><strong>Acquisition price of subsidiary</strong></td>
<td>$ 201,421</td>
<td>$ 6,098,012</td>
</tr>
</tbody>
</table>

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

1. HISTORY AND ORGANIZATION

(1) Delta Electronics, Inc. (the Company) was incorporated in 1971 under the provisions of the Company Law of the Republic of China (R.O.C.) as a company limited by shares and was listed on Taiwan Stock Exchange Corporation (TSEC) since December 1988. The main activities of the Company are installation of electronic control systems and manufacturing of communication products and components, computer information system and power supply.

(2) On October 28, 2010, the Board of Directors of the Company adopted a resolution to conduct a simple merger with a 94.89% owned subsidiary – PreOptix Co., Ltd. (PreOptix) in accordance Article 19 of Business Mergers and Acquisitions Act. PreOptix was the dissolved company and the Company was the surviving company after the consolidation. The effective date was March 1, 2011.

(3) As of December 31, 2011, the Company had approximately 5,500 employees and all consolidated entities had approximately 68,000 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China. The Group’s significant accounting policies are summarized as follows:

(1) Basis for preparation of consolidated financial statements

A. All majority-owned subsidiaries and controlled entities are included in the consolidated financial statements and the Company prepares consolidated financial statements on a quarterly basis. The income (loss) of the subsidiaries is included in the consolidated statement of income effective the date on which the Company gains control over the subsidiaries. The income (loss) of the subsidiaries is excluded from the consolidated statement of income effective the date on which the Company loses control over the subsidiaries. Significant intercompany transactions and assets and liabilities arising from intercompany transactions are eliminated.
B. Subsidiaries included in the consolidated financial statements and their changes in 2011 were as follows:

<table>
<thead>
<tr>
<th>Investor</th>
<th>Subsidiary</th>
<th>Main activities</th>
<th>Ownership (%) as of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Equity investments</td>
<td>94.00  94.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Networks Holding Ltd. (DNH)</td>
<td>Equity investments</td>
<td>100.00  100.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Deltronics (Netherlands) B.V. (DEN)</td>
<td>Trading of equipment, components and materials of telecom and computer systems</td>
<td>100.00  100.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>DelSolar Co., Ltd. (DelSolar)</td>
<td>Manufacturing of solar batteries and related systems</td>
<td>59.04  59.05</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>PreOptix Co., Ltd. (PreOptix)</td>
<td>Manufacturing and sales of lenses and optical engines for projectors</td>
<td>-  94.89 Note A</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>PreOptix (Hong Kong) Co., Ltd. (PHK)</td>
<td>Equity investments</td>
<td>39.62  - Note B</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>NeoEnergy Microelectronics, Inc. (NEM)</td>
<td>Designing and experimenting on integrated circuit and information software services</td>
<td>80.68  75.80</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Cyntec Co., Ltd. (Cyntec)</td>
<td>Research, development, manufacturing and sales of film optic-electronics devices</td>
<td>100.00  100.00</td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%)</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>DelBio Inc. (DelBio)</td>
<td>Manufacturing, wholesale and retail of medical equipment</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Capital Company (Delta Capital)</td>
<td>Equity investments</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)</td>
<td>Sales of electronic products</td>
<td>100.00</td>
</tr>
<tr>
<td>PreOptix Co., Ltd. (PreOptix)</td>
<td>PreOptix (Hong Kong) Co., Ltd. (PHK)</td>
<td>Equity investments</td>
<td>-</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Equity investments, operations management and engineering services</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics International Ltd. (DEIL-Labuan)</td>
<td>Sales of electronic products</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Power Sharp Ltd. (DPS)</td>
<td>Operations and engineering services</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>DEI Logistics (USA) Corp. (ALI)</td>
<td>Warehousing and logistics services</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics (Japan), Inc. (DEJ)</td>
<td>Sales of power products, display solution products electronic components, industrial automation products and their materials</td>
<td>100.00</td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%) as of December 31,</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>DAC Holding (Cayman) Ltd. (DAC)</td>
<td>Equity investments</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Ace Pillar Holding Co., Ltd. (Ace)</td>
<td>Equity investments</td>
<td>100.00 - Note C</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>PreOptix (Hong Kong) Co., Ltd. (PHK)</td>
<td>Equity investments</td>
<td>60.38 60.38 Note B</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Drake Overseas Financial Investment Ltd. (Drake)</td>
<td>Equity investments</td>
<td>100.00 - Note D</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Greentech (China) Co., Ltd. (DGC)</td>
<td>Manufacturing and sales of uninterruptible power systems</td>
<td>10.38 10.38 Note E</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Dongguan) Co., Ltd. (DDG)</td>
<td>Manufacturing and sales of transformer and power supplies</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd. (DEP)</td>
<td>Manufacturing and sales of transformer and power supplies</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Shanghai) Co., Ltd. (DPEC)</td>
<td>Product design and management consulting service, etc.</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Jiangsu) Ltd. (DWJ)</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>55.00 55.00</td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%)</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics Components (Wujiang) Ltd. (DWC)</td>
<td>Manufacturing and sales of transformers</td>
<td>55.00</td>
</tr>
<tr>
<td></td>
<td>Delta Electro-Optics (Wujiang) Ltd. (DWO)</td>
<td>Manufacturing and sales of peripherals and electronic control equipments</td>
<td>55.00</td>
</tr>
<tr>
<td></td>
<td>Delta Video Display System (Wujiang) Ltd. (DWV)</td>
<td>Manufacturing and sales of various projectors</td>
<td>55.00</td>
</tr>
<tr>
<td></td>
<td>Delta Electronics (Wuhu) Co., Ltd. (DWH)</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>Delta Electronics (Chenzhou) Co., Ltd. (DCZ)</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)</td>
<td>Sales of power management of industrial automation product and telecommunications equipment</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd. (DWT)</td>
<td>Installation, consulting and trading of electronic products</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>Delta Green (Tianjin) Industries Co., Ltd. (DGT)</td>
<td>Manufacturing and sales of transformers and bluetooth module</td>
<td>100.00</td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%) as of December 31,</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>PreOptix (Hong Kong) Co., Ltd. (PHK)</td>
<td>PreOptix (Jiang Su) Co., Ltd. (PJS)</td>
<td>Manufacturing and sales of lenses and optical engines for projectors</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta Electronics (Japan), Inc. (DEJ)</td>
<td>Addtron Technology (Japan), Inc. (AT Japan)</td>
<td>Trading of networking system and peripherals</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Delta Electronics (Japan), Inc. (DEJ)</td>
<td>Delta Electronics (Korea) Inc. (Delta Korea)</td>
<td>Sales of power products, display solution products electronic components, industrial automation products and their materials</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>DAC Holding (Cayman) Ltd. (DAC)</td>
<td>Delta Electronics Mexico S.A. DE C.V. (DEM)</td>
<td>Manufacturing and sales of electronic products</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>DAC Holding (Cayman) Ltd. (DAC)</td>
<td>Delta Video Technology Ltd. (DVT)</td>
<td>Sales of electronic products</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Drake Overseas Financial Investment Ltd. (Drake)</td>
<td>Drake Investment (HK) Ltd. (Drake-HK)</td>
<td>Equity investments</td>
<td>100.00 - Note D</td>
</tr>
<tr>
<td>Ace Pillar Holding Co., Ltd. (Ace)</td>
<td>Delta Greentech (China) Co., Ltd. (DGC)</td>
<td>Manufacturing and sales of uninterruptible power</td>
<td>3.81 - Note E</td>
</tr>
<tr>
<td>Drake Investment (HK) Ltd. (Drake-HK)</td>
<td>Delta Greentech (China) Co., Ltd. (DGC)</td>
<td>Manufacturing and sales of uninterruptible power</td>
<td>48.51 - Note E</td>
</tr>
<tr>
<td>Delta Electronics (Wuhu) Co., Ltd. (DWH)</td>
<td>Wuhu Delta Technology Co., Ltd. (WDT)</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>100.00 100.00</td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>2011</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
<td>----------------</td>
<td>------</td>
</tr>
<tr>
<td>Delta Electronics (Chenzhou) Co., Ltd. (DCZ)</td>
<td>Chenzhou Delta Technology Co., Ltd. (CDT)</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Networks Holding Ltd. (DNH)</td>
<td>Delta Networks, Inc. (DNI Cayman)</td>
<td>Equity investments</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Networks, Inc. (DNI Cayman)</td>
<td>Delta Networks, Inc. (Taiwan) (DNIT)</td>
<td>Manufacturing and sales of networking system and peripherals</td>
<td>99.98</td>
</tr>
<tr>
<td>Delta Networks, Inc. (DNI Cayman)</td>
<td>DNI Logistics (USA) Corp. (ALN)</td>
<td>Trading of networking system and peripherals</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Networks, Inc. (DNI Cayman)</td>
<td>Delta Networks International Ltd. (DNIL-Labuan)</td>
<td>Trading of networking system and peripherals</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Networks, Inc. (DNI Cayman)</td>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Equity investments</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Delta Networks (Dongguan) Ltd. (DII)</td>
<td>Manufacturing and sales of other radio transmission apparatus, incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Ownership (%) as of December 31,
<table>
<thead>
<tr>
<th>Investor</th>
<th>Subsidiary</th>
<th>Main activities</th>
<th>Ownership (%) as of December 31, 2011</th>
<th>2010</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Delta Networks (Shanghai) Ltd. (DNS)</td>
<td>Design of computer software</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Delta Networks (Xiamen) Ltd. (DNX)</td>
<td>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</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Taiwan) (DNIT)</td>
<td>Ayecom Technology Co., Ltd. (Ayecom)</td>
<td>Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>DelSolar Co., Ltd. (DelSolar)</td>
<td>DelSolar Holding (Cayman) Ltd. (DSH)</td>
<td>Equity investments</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%) as of December 31, 2011</td>
<td>Ownership (%) as of December 31, 2010</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------</td>
<td>-------------------------------------</td>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>DelSolar Co., Ltd.</td>
<td>DelSolar Holding Singapore Pte. Ltd. (DSH-SG)</td>
<td>Equity investments</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>DelSolar Holding (Cayman) Ltd.</td>
<td>DelSolar (H.K.) Ltd. (DSHK)</td>
<td>Equity investments</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>DelSolar Holding (Cayman) Ltd.</td>
<td>DelSolar US Holdings (Delaware) Corporation (DSUS)</td>
<td>Equity investments</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>DelSolar Holding Singapore Pte.</td>
<td>DelSolar India EPC Company Private Ltd. (DS India)</td>
<td>Contractor of solar systems project</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>Ltd. (DSH-SG)</td>
<td>DelSolar (Wujiang) Ltd. (DSWJ)</td>
<td>Manufacturing and sales of solars</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DelSolar Development (Delaware) LLC (DS Delaware)</td>
<td>batteries and related systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DelSolar US Holdings (Delaware)</td>
<td>DelSolar Development (Delaware) LLC (DS Delaware)</td>
<td>Design and sale of solar system</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>Corporation (DSUS)</td>
<td>DSS-RAL LLC (DSS)</td>
<td>Contractor of solar system</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>DelSolar Development (Delaware)</td>
<td>DSS-USF-PHX LLC (DSSU)</td>
<td>Contractor of solar system</td>
<td>100.00</td>
<td>-</td>
<td>Note F</td>
</tr>
<tr>
<td>LLC (DS Delaware)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DelSolar Development (Delaware)</td>
<td>Fairview Assets Ltd. (Fairview)</td>
<td>Equity investments</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>LLC (DS Delaware)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyntec Co., Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investor</td>
<td>Subsidiary</td>
<td>Main activities</td>
<td>Ownership (%)</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>----------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Fairview Assets Ltd. (Fairview)</td>
<td>Grandview Holding Ltd. (Grandview)</td>
<td>Equity investments</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grandview Holding Ltd. (Grandview)</td>
<td>Cyntec Holding (H.K.) Ltd. (CHK)</td>
<td>Equity investments</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grandview Holding Ltd. (Grandview)</td>
<td>Cyntec International Ltd. (CIL-Labuan)</td>
<td>Trading</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd. (CHK)</td>
<td>Cyntec (Suzhou) Co., Ltd. (CSC)</td>
<td>Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd. (CHK)</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd. (CES)</td>
<td>Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale, import and export of similar products</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note A:** PreOptix was merged with the Company on March 1, 2011 and was dissolved after the consolidation.

**Note B:** PHK was originally the subsidiary of PreOptix. DIH acquired 60.38% stock ownership by cash on July 1, 2010 and the remaining 39.62% stock ownership was transferred to the Company relative to the simple merger with PreOptix from March 1, 2011.

**Note C:** DIH acquired 100% stock ownership in Ace on September 1, 2011, and Ace was included in the consolidated financial statements effective on that day.
Note D: DIH acquired 100% stock ownership in Drake and its subsidiary - Drake-HK on October 3, 2011, and Drake and Drake-HK were included in the consolidated financial statements effective on that day.

Note E: DIH originally held 10.38% stock ownership in DGC as of December 31, 2010. In 2011, DIH acquired 100% stock ownership in Ace and Drake, which indirectly acquired 3.811% and 48.51% stock ownership, respectively in DGC. After this transaction, the Company’s consolidated stock ownership in DCG was 62.701% and DGC was included in the consolidated financial statements since October 3, 2011.

Note F: An investee company newly incorporated in 2011.

Note G: DHK acquired 50% stock ownership of DGT on August 1, 2011. As DHK has the ability to exercise significant influence on the appointment of the management, operational directions and financial planning of DGT, DGT was included in the consolidated financial statements since August 1, 2011. On December 1, 2011, DHK increased its percentage of shares to 100%.

The financial statements of the consolidated subsidiaries of DEN, Delta Korea and ALN for the years ended December 31, 2011 and 2010 were audited by other independent accountants. As of December 31, 2011 and 2010, the total assets of these subsidiaries were $1,051,049 and $827,514, constituting 0.54% and 0.51% of the consolidated total assets, respectively, and the total operating revenues were $3,291,816 and $2,713,720, constituting 1.91% and 1.58% of the consolidated total operating revenues for the years then ended, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.
D. Adjustments for subsidiaries with different balance sheet dates: None.
E. Difference in the accounting policies adopted between the Company and the subsidiaries: None.
F. Special operating risk of foreign subsidiaries: None.
G. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.
H. Details of the parent’s stock that is held by the subsidiary: None.
I. The related information regarding a subsidiary’s issuance of convertible bonds and new common stock: The issuance of convertible bonds and new common stock by subsidiaries had no significant effect on stockholders’ equity of the parent company.

(2) Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which are carried forward from prior year’s balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted-average rates of the year. Exchange differences are recorded as cumulative translation
adjustments and are included as a component of the stockholders’ equity.

(3) Foreign currency transactions

A. Transactions denominated in foreign currencies are translated into functional currency at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year’s profit or loss.

B. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.

C. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. Conversely, when a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

(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 realized or consumed, or are intended to be sold within the normal operating cycle;
   b. Assets held mainly for trading purposes;
   c. Assets that are expected to be realized within twelve months from the balance sheet date;
   d. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   a. Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
   b. Liabilities arising mainly from trading activities;
   c. Liabilities that are to be paid off within twelve months from the balance sheet date;
   d. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(5) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value resulting from fluctuations in interest rate.

The Group’s statement of cash flows is prepared on the basis of cash and cash equivalents.
(6) **Settlement date accounting**

If an entity recognizes financial assets using settlement date accounting, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognized for assets carried at cost or amortized cost. For financial asset or financial liability classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss. For available-for-sale financial asset, the change in fair value is recognized directly in equity.

(7) **Financial assets and financial liabilities at fair value through profit or loss**

A. Derivative financial instruments and convertible bonds are recognized and derecognized using settlement date accounting and are recognized initially at fair value.

B. Financial assets and financial liabilities at fair value through profit or loss are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date. If the convertible bonds were invested before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds,” when the fair value of the derivatives embedded in the hybrid instruments cannot be measured reliably, they are subsequently remeasured and stated at cost.

C. Financial assets and financial liabilities are designated as financial assets and liabilities at fair value through profit or loss when either of the following conditions is met:
   a. The financial asset or financial liability designated is a hybrid contract.
   b. It eliminates or significantly reduces a measurement or recognition inconsistency.
   c. It is designated and its performance is evaluated on a fair value basis.

(8) **Available-for-sale financial assets**

A. Equity investments are recognized and derecognized using trade date accounting and are recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B. Available-for-sale financial assets are remeasured and stated at fair value and the gain or loss is recognized in equity. When the financial assets are derecognized, the cumulative gain or loss shall be removed from equity and recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date.

C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that had been recognized directly in equity shall be removed from equity and recognized in profit or loss. Impairment losses recognized previously in profit or loss for an investment in an equity instrument shall not be reversed through profit or loss, and if, subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss.
(9) **Financial assets carried at cost**

A. Investment in unquoted equity instruments is recognized or derecognized using trade date accounting and is stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss cannot be reversed.

C. Investments in common stocks through private placement before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds”, were carried at cost in accordance with EITF 95-243, “Accounting for financial assets with transfer restrictions”, prescribed by the R.O.C. Accounting Research and Development Foundation, dated October 5, 2006, for they had no quoted prices in an active market. Those investments after October 8, 2010 were remeasured based on their estimated fair value and classified as financial assets held for trading or available-for-sale financial assets.

(10) **Derivative financial instruments for hedging**

Derivatives are initially recognized at fair value on the date a contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the hedged item.

A. Fair value hedges: Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss. Changes in the fair value of the hedged asset or liability that are attributable to the hedged item are recognized in profit or loss as an adjustment to the carrying amount of the hedged item.

B. Cash flow hedges: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity.
   a. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly in equity are transferred to profit or loss in the same period or periods when the hedged item affects profit or loss.
   b. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized directly in equity, are reversed and included in the initial cost or other carrying amount of the asset or liability.

(11) **Notes and accounts receivable, other receivables and allowance for doubtful accounts**

A. Notes receivable and accounts receivable are claims resulting from the sale of goods or services. Other receivables are those arising from transactions other than the sale of goods or services. Notes receivable, accounts receivable and other receivables are recognized initially at fair value.
B. Effective January 1, 2011, the Group assesses whether objective evidence of impairment exists individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is recognized and measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. If the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

C. Before December 31, 2010, the Group’s accounting policies on the allowance for doubtful accounts were as follows:

a. Allowance for doubtful accounts is provided based on an evaluation of the collectibility and the aging analysis of ending balances of notes, accounts and other receivables, taking into account the bad debts incurred in prior years.

b. The amount of allowance for doubtful accounts is calculated monthly using a percentage range for overdue accounts receivable based on the aging analysis. The related percentage of provision provided were as follows:

<table>
<thead>
<tr>
<th>Overdue days</th>
<th>Percentage provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>1~15 days</td>
<td>None</td>
</tr>
<tr>
<td>16~30 days</td>
<td>0.50%</td>
</tr>
<tr>
<td>31~60 days</td>
<td>2.50%</td>
</tr>
<tr>
<td>61~90 days</td>
<td>15.00%</td>
</tr>
<tr>
<td>91~180 days</td>
<td>25.00%</td>
</tr>
<tr>
<td>181~365 days</td>
<td>50.00%</td>
</tr>
<tr>
<td>Over 365 days</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

(12) Inventories

The Group uses the perpetual inventory system. Inventories are recorded at standard cost and variances are allocated to inventories and cost of goods sold at the balance sheet date. At the end of year, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(13) Funds and investments

A. Long-term equity investments accounted for under the equity method

a. Long-term equity investments in which the Company holds more than 20% of the investee company’s voting shares or has the ability to exercise significant influence on the investee’s operational decisions are accounted for under the equity method. The excess
of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous years is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to Extraordinary gains. However, negative goodwill prior to December 31, 2005 is continuously amortized.

b. Pursuant to EITF 92-047 of the Accounting Research and Development Foundation, R.O.C., dated February 25, 2003, of the Republic of China, for shares transfer among parent company and subsidiaries, the carrying value of long-term investments transferred is the book value of the investment. The difference between payment for the equity and acquisition cost is recorded as capital reserve or retained earnings.

c. When the treatment for a long-term equity investment is changed to the equity method from other methods in the year, an investor company would not adjust retroactively. The book value of the equity investment at the beginning of the year is used as the initial book value of the long-term equity investment under the equity method. The difference between investment cost and underlying equity in net assets is analyzed and dealt with by following the allocation procedures of the acquisition cost specified in R.O.C. SFAS No. 25, “Business Combinations - Purchase Method”. If an investor company receives cash dividends from an investee company in the year an investor company changes its treatment for the long-term equity investment to the equity method, then the investment revenue and the long-term equity investment shall be offset if dividends have been treated as investment revenue previously under the previous method.

d. Exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as “cumulative translation adjustments” under stockholders’ equity.

e. The Company credits long-term equity investments accounted for under the equity method when cash dividends are declared by investee companies on ex-dividend date.

B. Cash surrender value of life insurance

The cash surrender value of life insurance is recorded as an asset and classified as long-term investment. The increase in cash surrender value during the period is accounted for as an adjustment to insurance premiums paid.

(14) Business combination

Business combination transactions are accounted for in accordance with R.O.C SFAS No. 25, “Business Combination” using the purchase method. Acquisition price is purchase cost plus
costs directly attributable to the acquisition. The excess of the acquisition price over the acquired net asset fair value of the merged business is recognized as goodwill. The allocation period of the acquisition price shall not exceed one year after the date of acquisition.

(15) **Property, plant and equipment**

A. Property, plant and equipment are stated at cost except for land which is carried at appraised value.

B. Depreciation is provided on a straight-line method over the estimated lives of the assets. Leasehold improvements are amortized over the life of the leases. Salvage value of the fully depreciated assets that are still in use is depreciated based on the re-estimated economic service lives.

The Group uses $1 (depending on their respective reporting currency) as salvage value after 2001.

The estimated useful lives of fixed assets are 2 to 8 years, except for buildings which are 5 to 55 years.

C. Major renewals and improvements are capitalized and depreciated accordingly. Maintenance and repairs are charged to expense as incurred. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in current non-operating results.

D. “Assets leased to others” were reclassified to “other assets” at their carrying value. Depreciation expense incurred in current period is accounted for as non-operating expense.

E. Property, plant and equipment that are idle or have no value in use are reclassified to “other assets” at the lower of their fair value less costs to sell or book value. The resulting difference is included in current operations. Depreciation provided on these assets is charged to non-operating expense.

(16) **Intangible assets**

A. In accordance with the amendments to R.O.C. SFAS No. 25, “Business Combination”, goodwill arising from business combination is no longer amortized and should be tested for impairment annually or more frequently.

B. Land use rights acquired in Mainland China are amortized on a straight-line basis over the contractual period or other legal rights.

C. Intangible assets other than goodwill and land use rights, mainly patents, customer relationships and technology authorization fees, are amortized on a straight-line basis over 3–12 years.

(17) **Deferred charges**

Deferred charges are recorded at actual cost and amortized over the estimated useful lives based on the straight-line method.

(18) **Impairment of non-financial assets**

A. The Group recognizes impairment loss when there is indication that the recoverable amount of
an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the assets in an arm’s length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life.

B. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered. However, impairment loss of goodwill is not recoverable.

(19) Retirement plan
A. Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, expected return on plan assets, and amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over the employees’ remaining service period.

B. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

(20) Income tax
A. The Group adopt inter-period and intra-period allocation of income tax. Over or under provision of prior years’ income tax liabilities is included in the current year’s income tax expense. When a change in the tax laws is enacted, the deferred tax liability or asset is recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or asset, is recognized as an adjustment to current income tax expense (benefit).

B. An additional 10% 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. The Company and subsidiaries registered in Taiwan adopt the “Income Basic Tax Act”. If the amount of regular income tax is equal or more than the amount of basic tax, the income tax payable shall be calculated in accordance with the Income Tax Act and other relevant laws. Whereas, if the amount of regular income tax is less than the amount of basic tax, the income tax payable shall be equal to the basic tax. The difference between the regular income tax and basic tax shall not be subject to deductions of investment tax credits granted under the provisions of other laws.

(21) Share-based payment - employee compensation plan
A. The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072 of the Accounting Research and Development Foundation, R.O.C., dated March 17, 2003. Under the share-based employee compensation plan, compensation cost is recognized using the intrinsic value method and pro forma disclosures of net income and earnings per share is prepared under the fair value method.
B. When share-based payment awards held by employees of the acquiree are replaced by the acquirer’s share-based payment awards due to a business combination and are changed to be settled by the equity instruments of the acquirer, the services already received, which are measured by reference to the fair value of the equity instruments granted, should be recognized as acquisition cost for the vested portion, and the unvested portion shall be accounted for as payroll expenses of the acquiree during the remainder vesting period, in accordance with EITF 97-017 of the Accounting Research and Development Foundation, R.O.C., dated January 18, 2008, “Accounting for Share-based Payment Transactions Provided by Stockholders or Affiliated Companies”.

(22) Employees’ bonuses and directors’ and supervisors’ remuneration

Effective January 1, 2008, pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the costs of employees’ bonuses and directors’ and supervisors’ remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be estimated reasonably. However, if the accrued amounts for employees’ bonuses and directors’ and supervisors’ remuneration are significantly different from the distributed amounts resolved by the Board of Directors, then the differences shall be adjusted retroactively in current year’s gain or loss and, if the accrued amounts for employees’ bonuses and directors’ and supervisors’ remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders’ meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF 97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, “Criteria for Listed Companies in Calculating the Number of Shares of Employees’ Stock Bonus”, the Company calculates the number of shares of employees’ stock bonus based on the closing price of the Company’s common stock at the previous day of the stockholders’ meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(23) Earnings per share

A. The Company has a complex capital structure. Pursuant to the R.O.C. SFAS No. 24, “Accounting for Earnings Per Share”, an enterprise with complex capital structure shall present both basic EPS and diluted EPS. The calculations of basic EPS and diluted EPS are as follows:

a. Basic EPS: The amount of earnings (or loss) per share is computed by dividing the amount of net income (or loss) attributable to common stock outstanding for the reporting period by the weighted average number of common shares outstanding during that period.

b. Diluted EPS: The calculation of diluted EPS is consistent with the calculation of basic EPS assuming that all dilutive potential common shares have been converted into common shares at the beginning of the reporting period and the amount of net income (or
loss) attributable to common stock outstanding for the reporting period has been adjusted by the after-tax effect of any other changes in income or expense that would result from the conversion of the dilutive potential common shares.

B. The Company’s potential common shares are the employee stock options issued by the Company and employees’ bonus that could be distributed in the form of stock. The treasury stock method will be used to test whether or not potential common shares have dilutive effect in calculating diluted EPS.

(24) Revenue, cost and expense recognition
A. Revenue is recognized when the earning process is substantially completed and is realized or realizable. Costs and expenses are recorded as incurred.
B. Partial software and solar cell module installation revenue is recognized based on the percentage of completion of the transaction at the balance sheet date, if all of the following conditions are met:
   a. The amount of the revenue can be measured reliably;
   b. It is probable that the economic benefits related to the transaction will flow to the enterprise;
   c. The costs incurred and to be incurred associated with the transaction can be measured reliably; and
   d. The degree of completion of the transaction can be measured reliably at the balance sheet date.

Costs are recognized as incurred. If the transaction outcome indicates loss would occur, the loss is recognized immediately.

(25) Accounting estimates
The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the Republic of China requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

(26) Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

3. CHANGES IN ACCOUNTING PRINCIPLES
(1) Notes receivable, accounts receivable and other receivables
Effective January 1, 2011, the Group adopted the amended Statement of Financial Accounting Standards No 34, “Financial Instruments: Recognition and Measurement”. Under the amended standard, if there is any objective evidence that the notes and accounts receivable, other receivables and other rights of credit are impaired, an impairment loss (or provision for doubtful accounts) is
recognized immediately. The adoption of this regulation had no significant effect on the financial statements.

(2) Operating segments

Effective January 1, 2011, the Group adopted R.O.C. SFAS No. 41, “Operating Segments” which supersedes R.O.C. SFAS No. 20, “Segment Reporting”. Segment information for prior years shall be re-prepared when the Group applies this standard for the first time. However, this adoption had no effect on the Group’s consolidated net income and earnings per share for the years ended December 31, 2011 and 2010.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>$ 6,702</td>
</tr>
<tr>
<td>Checking and demand deposits</td>
<td>32,446,230</td>
</tr>
<tr>
<td>Time deposits</td>
<td>35,202,990</td>
</tr>
<tr>
<td>Cash equivalents-commercial paper</td>
<td>39,984</td>
</tr>
<tr>
<td></td>
<td>$67,695,906</td>
</tr>
</tbody>
</table>

As of December 31, 2011 and 2010, the Group’s overseas checking and demand deposits were $14,611,108 (USD 430,245 thousand, HKD 19,237 thousand, JPY 38,591 thousand, THB14 thousand, PLN 44 thousand, EUR 306 thousand, GBP 9 thousand, CZK 13,397 thousand and RMB 304,359 thousand) and $25,037,135 (USD 824,909 thousand, HKD 10,579 thousand, JPY 361,568 thousand, THB14 thousand, PLN 47 thousand, EUR 2,036 thousand, GBP 10 thousand, CZK 139 thousand and RMB 173,933 thousand), respectively. The overseas time deposits were $7,205,450 (USD 238,000 thousand) and $2,737,280 (USD 94,000 thousand), respectively.
(2) Financial assets at fair value through profit or loss

<p>|                                      | December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets held for trading</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listed stocks</td>
<td>$ 12,021</td>
<td>$ 12,021</td>
</tr>
<tr>
<td>Adjustment of financial assets held</td>
<td>(9,679)</td>
<td>(1,471)</td>
</tr>
<tr>
<td>for trading</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 2,342</td>
<td>$ 10,550</td>
</tr>
<tr>
<td><strong>Non-current items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated as at fair value through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible bonds</td>
<td>$ 1,830,000</td>
<td>$ 1,830,000</td>
</tr>
<tr>
<td>Adjustment of designated as at fair</td>
<td>(9,475)</td>
<td>-</td>
</tr>
<tr>
<td>value through profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,820,525</td>
<td>$ 1,830,000</td>
</tr>
</tbody>
</table>

A. The Group recognized a net gain of $678,350 and $387,111 for the years ended December 31, 2011 and 2010, respectively.

B. The private placement of convertible bonds of $1,580,000 held by the Company were invested before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds”, and are designated as financial assets at fair value through profit or loss and are subsequently remeasured and stated at cost. Since they are hybrid instruments, the fair value of derivatives embedded in the bonds cannot be measured reliably. If there is any objective evidence that the bonds are impaired, the impairment loss is recognized.

C. The private placement of convertible bonds of $240,525 held by Delta Capital which were invested after the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds”, are subsequently remeasured by their estimated fair value.

D. The nature of derivative transactions and related information are summarized as follows:

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Contract amount (Nominal principal)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward exchange contracts:</td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Sell USD / Buy EUR</td>
<td>EUR 2,850</td>
<td>2011.10.14~2012.03.14</td>
</tr>
<tr>
<td>Buy USD / Sell EUR</td>
<td>EUR 1,950</td>
<td>2011.10.05~2012.05.02</td>
</tr>
<tr>
<td>Sell EUR / Buy NTD</td>
<td>EUR 130</td>
<td>2011.10.13~2012.01.31</td>
</tr>
</tbody>
</table>
a. The subsidiaries entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange transactions did not meet the criteria for hedge accounting. Therefore, the subsidiaries did not apply hedge accounting.

b. The forward exchange contracts of certain subsidiaries met all the criteria for hedge accounting and the related information is described in Note 10(9).

(3) Accounts receivable and overdue receivables

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Contract amount (Nominal principal)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward exchange contracts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy JPY / Sell USD</td>
<td>USD 7,800</td>
<td>2010.10.15~2011.03.15</td>
</tr>
<tr>
<td>Buy EUR / Sell USD</td>
<td>EUR 3,300</td>
<td>2010.10.05~2011.03.10</td>
</tr>
<tr>
<td>Buy USD / Sell EUR</td>
<td>EUR 4,200</td>
<td>2010.09.06~2011.04.27</td>
</tr>
<tr>
<td>Sell EUR / Buy NTD</td>
<td>EUR 160</td>
<td>2010.10.29~2011.02.25</td>
</tr>
</tbody>
</table>

A. The Group took out a credit insurance on the accounts receivable from certain main customers, whereby 90% of the receivable amount can be covered when the receivables are uncollectible.

B. The subsidiary entered into an agreement with a financial institution to sell its accounts receivable. Under the agreement, the subsidiary is not required to bear uncollectible risk of the underlying accounts receivable, but is liable for the losses incurred on any business dispute. As of December 31, 2011 and 2010, the outstanding accounts receivable sold to the financial institution were as follows:
Inventories

Expense and losses incurred on inventories recognized for the year:

Note: For the loss on long-term purchase contract, please refer to Note 7(4).

### December 31, 2011

<table>
<thead>
<tr>
<th>Purchaser of accounts receivable</th>
<th>Accounts receivable</th>
<th>Amount advanced</th>
<th>Contract date</th>
<th>Interest rate</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taishin</td>
<td>$1,120,175</td>
<td>$146,961</td>
<td>2011.04.28~</td>
<td>-</td>
<td>None</td>
</tr>
<tr>
<td>International Bank</td>
<td></td>
<td></td>
<td>2012.05.31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### December 31, 2010

<table>
<thead>
<tr>
<th>Purchaser of accounts receivable</th>
<th>Accounts receivable</th>
<th>Amount advanced</th>
<th>Contract date</th>
<th>Interest rate</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taishin</td>
<td>$728,000</td>
<td>$123,033</td>
<td>2010.03.19~</td>
<td>-</td>
<td>None</td>
</tr>
<tr>
<td>International Bank</td>
<td></td>
<td></td>
<td>2011.03.31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(4) Inventories

#### December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>$6,770,010</td>
<td>$6,489,055</td>
</tr>
<tr>
<td>Work in process</td>
<td>$2,012,243</td>
<td>$1,811,508</td>
</tr>
<tr>
<td>Finished goods</td>
<td>$11,299,470</td>
<td>$6,876,258</td>
</tr>
<tr>
<td>Inventory in transit</td>
<td>$570,432</td>
<td>$329,495</td>
</tr>
<tr>
<td></td>
<td>$20,652,155</td>
<td>$15,506,316</td>
</tr>
</tbody>
</table>

Less: Allowance for inventory obsolescence and market price decline

<table>
<thead>
<tr>
<th></th>
<th>1,526,042</th>
<th>717,335</th>
</tr>
</thead>
</table>

|                        | $19,126,113| $14,788,981|

Expense and losses incurred on inventories recognized for the year:

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of goods sold</td>
<td>$137,287,888</td>
<td>$133,329,319</td>
</tr>
<tr>
<td>Loss on long-term purchase contract (Note)</td>
<td>$202,043</td>
<td>$678,166</td>
</tr>
<tr>
<td>Inventory obsolescence and market price decline</td>
<td>$678,673</td>
<td>$362,483</td>
</tr>
<tr>
<td>Others</td>
<td>$131,278</td>
<td>$90,576</td>
</tr>
<tr>
<td></td>
<td>$138,299,882</td>
<td>$134,460,544</td>
</tr>
</tbody>
</table>

Less: Cost of goods sold from discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>-</th>
<th>(79,305)</th>
</tr>
</thead>
</table>

|                        | $138,299,882| $134,381,239|

Note: For the loss on long-term purchase contract, please refer to Note 7(4).
(5) Available-for-sale financial assets

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td><strong>Current items:</strong></td>
<td></td>
</tr>
<tr>
<td>Listed (TSE and OTC) stocks</td>
<td>$679,608</td>
</tr>
<tr>
<td>Adjustment of available-for-sale financial assets</td>
<td>$(155,595)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$524,013</strong></td>
</tr>
<tr>
<td><strong>Non-current items:</strong></td>
<td></td>
</tr>
<tr>
<td>Listed (TSE and OTC) stocks</td>
<td>$189,366</td>
</tr>
<tr>
<td>Adjustment of available-for-sale financial assets</td>
<td>$(63,507)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$125,859</strong></td>
</tr>
</tbody>
</table>

(6) Financial assets carried at cost

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td><strong>Current items:</strong></td>
<td></td>
</tr>
<tr>
<td>Unlisted stocks</td>
<td>$86,180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$86,180</strong></td>
</tr>
<tr>
<td><strong>Non-current items:</strong></td>
<td></td>
</tr>
<tr>
<td>Unlisted stocks</td>
<td>$4,151,128</td>
</tr>
<tr>
<td>Private placement OTC stocks</td>
<td>45,000</td>
</tr>
<tr>
<td>Unlisted stock warrants</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,196,128</strong></td>
</tr>
<tr>
<td>Less: Accumulated impairment</td>
<td>$(38,900)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,157,228</strong></td>
</tr>
</tbody>
</table>

A. The investments held by the Group were measured at cost since the fair value cannot be measured reliably.
B. The private placement - OTC stocks held by the Company were invested before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds”, and were carried at cost as they had no quoted prices in an active market.
C. The Company entered into a public bidding for the cash capital increase of Allied Material Technology Corp. (AMT) on December 17, 2010, and acquired 99.97% ownership of AMT for $2,710,152 in 2011. According to the capital increase subscription contract and relevant regulations, the Company has no control power or significant influence on AMT until the reorganization of AMT is completed and the shareholders’ meeting to re-elect directors had convened.
D. For impairment status, please refer to Note 4(12).

(7) Long-term equity investments accounted for under the equity method

A. Details of long-term equity investments accounted for under the equity method are set forth
Note: The percentage of long-term equity investments include the percentage of common shares held by the Group.

B. Investment income accounted for under the equity method are set forth below:

<table>
<thead>
<tr>
<th>Name of investee company</th>
<th>For the years ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>DET</td>
<td>$537,250</td>
</tr>
<tr>
<td>Cyntec (Note)</td>
<td></td>
</tr>
<tr>
<td>Trillion, etc.</td>
<td>$29,700</td>
</tr>
<tr>
<td></td>
<td>$507,550</td>
</tr>
</tbody>
</table>

Note: Cyntec was originally accounted for under the equity method and became the Company's subsidiary since March 31, 2010. Investment income of the subsidiary for the three-month period ended March 31, 2010 was accounted for under the equity method.

C. The financial statements of other investee companies for the years ended December 31, 2011 and 2010 were audited by other independent accountants. Long-term equity investments in these companies amounted to $5,527,955 and $5,217,792 as of December 31, 2011 and 2010, respectively, and the related investment income was $499,987 and $786,455 for the years then ended, respectively.

D. DNW was dissolved based on a resolution approved during the special shareholder’s meeting on January 15, 2010, and went into the process of liquidation. Pursuant to EITF 88-233 of the Accounting Research and Development Foundation, R.O.C., dated December 29, 1999, “Accounting Treatment of Investee Company Accounted for under the Equity Method during Liquidation”, the subsidiary ceased to be accounted for under the equity method and was excluded from the consolidated financial statements. The process of liquidation had been completed in the second quarter of 2011.

E. For impairment status about investee company – Trillion, please refer to Note 4(12).
(8) Property, plant and equipment

<table>
<thead>
<tr>
<th>Item</th>
<th>Original cost</th>
<th>Appraisal increment</th>
<th>Total</th>
<th>Accumulated depreciation</th>
<th>Accumulated impairment</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 1,779,860</td>
<td>$ 620,497</td>
<td>$ 2,400,357</td>
<td>$ -</td>
<td>($ 16,868)</td>
<td>$ 2,383,489</td>
</tr>
<tr>
<td>Buildings</td>
<td>20,101,112</td>
<td>-</td>
<td>20,101,112</td>
<td>($ 4,901,978)</td>
<td>($ 6,618)</td>
<td>15,192,516</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>23,195,634</td>
<td>-</td>
<td>23,195,634</td>
<td>($ 13,763,163)</td>
<td>-</td>
<td>9,432,471</td>
</tr>
<tr>
<td>Molding equipment</td>
<td>2,168,664</td>
<td>-</td>
<td>2,168,664</td>
<td>($ 1,741,653)</td>
<td>-</td>
<td>427,011</td>
</tr>
<tr>
<td>Computer and communication equipment</td>
<td>1,577,409</td>
<td>-</td>
<td>1,577,409</td>
<td>($ 1,256,606)</td>
<td>-</td>
<td>320,803</td>
</tr>
<tr>
<td>Testing equipment</td>
<td>8,903,472</td>
<td>-</td>
<td>8,903,472</td>
<td>($ 7,138,616)</td>
<td>-</td>
<td>1,764,856</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>237,344</td>
<td>-</td>
<td>237,344</td>
<td>($ 157,169)</td>
<td>-</td>
<td>80,175</td>
</tr>
<tr>
<td>Office equipment</td>
<td>1,851,522</td>
<td>-</td>
<td>1,851,522</td>
<td>($ 1,277,057)</td>
<td>-</td>
<td>574,465</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>190,800</td>
<td>-</td>
<td>190,800</td>
<td>($ 60,664)</td>
<td>-</td>
<td>130,136</td>
</tr>
<tr>
<td>Other equipment</td>
<td>34,516</td>
<td>-</td>
<td>34,516</td>
<td>($ 21,944)</td>
<td>-</td>
<td>12,572</td>
</tr>
<tr>
<td>Construction in progress and prepayments</td>
<td>6,599,291</td>
<td>-</td>
<td>6,599,291</td>
<td>-</td>
<td>-</td>
<td>6,599,291</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 66,639,624</strong></td>
<td><strong>$ 620,497</strong></td>
<td><strong>$ 67,260,121</strong></td>
<td><strong>($ 30,318,850)</strong></td>
<td><strong>($ 23,486)</strong></td>
<td><strong>$ 36,917,785</strong></td>
</tr>
</tbody>
</table>
The Company made a revaluation of its assets in accordance with the relevant laws and regulations. As of December 31, 2011, the revaluation increment amounted to $620,497, after deducting the provision for land revaluation increment tax of $527,556 and was recorded under capital reserve.

<table>
<thead>
<tr>
<th>Item</th>
<th>Original cost</th>
<th>Appraisal increment</th>
<th>Total</th>
<th>Accumulated depreciation</th>
<th>Accumulated impairment</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,693,056</td>
<td>$500,545</td>
<td>$2,193,601</td>
<td></td>
<td>($15,560)</td>
<td>$2,178,041</td>
</tr>
<tr>
<td>Buildings</td>
<td>15,361,626</td>
<td>-</td>
<td>15,361,626</td>
<td>($3,475,891)</td>
<td>($6,104)</td>
<td>11,879,631</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>17,294,829</td>
<td>-</td>
<td>17,294,829</td>
<td>($10,233,532)</td>
<td>-</td>
<td>7,061,297</td>
</tr>
<tr>
<td>Molding equipment</td>
<td>1,902,689</td>
<td>-</td>
<td>1,902,689</td>
<td>($1,527,218)</td>
<td>-</td>
<td>375,471</td>
</tr>
<tr>
<td>Computer and communication equipment</td>
<td>1,162,192</td>
<td>-</td>
<td>1,162,192</td>
<td>($1,035,646)</td>
<td>-</td>
<td>126,546</td>
</tr>
<tr>
<td>Testing equipment</td>
<td>7,193,773</td>
<td>-</td>
<td>7,193,773</td>
<td>($5,815,977)</td>
<td>-</td>
<td>1,377,796</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>167,061</td>
<td>-</td>
<td>167,061</td>
<td>($113,940)</td>
<td>-</td>
<td>53,121</td>
</tr>
<tr>
<td>Office equipment</td>
<td>1,642,202</td>
<td>-</td>
<td>1,642,202</td>
<td>($1,148,671)</td>
<td>-</td>
<td>493,531</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>49,118</td>
<td>-</td>
<td>49,118</td>
<td>($9,705)</td>
<td>-</td>
<td>39,413</td>
</tr>
<tr>
<td>Other equipment</td>
<td>21</td>
<td>-</td>
<td>21</td>
<td></td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Construction in progress and prepayments for equipment</td>
<td>3,315,949</td>
<td>-</td>
<td>3,315,949</td>
<td>-</td>
<td>-</td>
<td>3,315,949</td>
</tr>
<tr>
<td></td>
<td>$49,782,516</td>
<td>$500,545</td>
<td>$50,283,061</td>
<td>($23,360,580)</td>
<td>($21,664)</td>
<td>$26,900,817</td>
</tr>
</tbody>
</table>

The Company made a revaluation of its assets in accordance with the relevant laws and regulations. As of December 31, 2011, the revaluation increment amounted to $620,497, after deducting the provision for land revaluation increment tax of $527,556 and was recorded under capital reserve.
(9) Other intangible assets

A. For impairment status, please refer to Note 4(12).
B. For customer relationship acquired due to business combination, please refer to Note 10(10).

(10) Assets leased to others

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>Land</td>
<td>$9,773</td>
<td>$</td>
</tr>
<tr>
<td>Buildings</td>
<td>103,704</td>
<td>(35,965)</td>
</tr>
<tr>
<td>Other equipment</td>
<td>134,826</td>
<td>(7,001)</td>
</tr>
<tr>
<td></td>
<td>$248,303</td>
<td>($42,966)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2010</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>Buildings</td>
<td>$16,170</td>
<td>($1,887)</td>
</tr>
</tbody>
</table>

(11) Idle assets

Starting from March 1, 2010, the Group ceased all production of cold cathode fluorescent lamps and its factory operations. Consequently, certain fixed assets were idle which are set forth below:

<table>
<thead>
<tr>
<th>Item</th>
<th>December 31, 2011</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>Original cost</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>Buildings</td>
<td>$41,320</td>
<td>($21,820)</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>2,661,346</td>
<td>(1,631,652)</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,918</td>
<td>(1,671)</td>
</tr>
<tr>
<td>Testing equipment</td>
<td>94,152</td>
<td>(85,938)</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>88</td>
<td>(51)</td>
</tr>
<tr>
<td>Office equipment</td>
<td>8,256</td>
<td>(5,528)</td>
</tr>
<tr>
<td></td>
<td>$2,807,080</td>
<td>($1,746,660)</td>
</tr>
</tbody>
</table>
For the disclosure of discontinued operations, please refer to Note 10(11).

(12) Asset impairment

A. The Group recognized impairment loss for the year ended December 31, 2010 as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original cost</th>
<th>Accumulated depreciation</th>
<th>Accumulated impairment</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$41,320</td>
<td>($21,820)</td>
<td>($19,500)</td>
<td>$-</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>2,523,949</td>
<td>(1,559,760)</td>
<td>(964,189)</td>
<td>-</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>1,932</td>
<td>(1,695)</td>
<td>(237)</td>
<td>-</td>
</tr>
<tr>
<td>Testing equipment</td>
<td>90,147</td>
<td>(83,003)</td>
<td>(7,144)</td>
<td>-</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>81</td>
<td>(47)</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment</td>
<td>8,015</td>
<td>(5,500)</td>
<td>(2,515)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,665,444</strong></td>
<td><strong>($1,671,825)</strong></td>
<td><strong>($993,619)</strong></td>
<td><strong>$-</strong></td>
</tr>
</tbody>
</table>

For the year ended December 31, 2010

<table>
<thead>
<tr>
<th>Impairment loss (reversal of impairment loss):</th>
<th>Amount included in income statement</th>
<th>Amount included in shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets carried at cost</td>
<td>$3,002</td>
<td>$-</td>
</tr>
<tr>
<td>Long-term equity investments accounted for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>under the equity method</td>
<td>316,328</td>
<td>-</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>(113,625)</td>
<td>-</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>31,959</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>237,664</td>
<td>-</td>
</tr>
<tr>
<td>Gain on the measurement to fair value less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>costs to sell of discontinued operations</td>
<td>57,065</td>
<td>$294,729</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>57,065</td>
<td>$294,729</td>
</tr>
</tbody>
</table>

B. Impairment loss on financial assets carried at cost of $3,002 was recognized by DIH as the net assets value of stocks of LIGHTech Fiberoptics, Inc. and Power Hub Ventures, LLC was lower than cost.

C. Impairment loss on long-term equity investments accounted for under the equity method of $316,328 was recognized by DIH as the recoverable amount of Trillion Science, Inc. was less than its carrying amount.

D. Reversal of impairment loss of $113,625 was recognized on property, plant and equipment for the Company and subsidiary - DWC sold parts of cold cathode fluorescent lamp equipment and completed reconstruction of plants and buildings of subsidiary - DDG. For the disclosure of discontinued operations, please refer to Note 10(11).

E. Impairment loss on other intangible assets of $31,959 was recognized by DNH for the recoverable amount of customer relationships and patents was less than their carrying amount.
The Company adopted value in use as the recoverable amount on testing impairment of such assets. The discount rate used to estimate the value in use was from 18.86% to 20.06%.

(13) **Short-term loans**

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>$17,599,492</td>
<td>$9,877,658</td>
</tr>
<tr>
<td>Credit lines</td>
<td>$76,472,572</td>
<td>$62,181,263</td>
</tr>
<tr>
<td>Interest rate per annum</td>
<td>0.616%~6.888%</td>
<td>0.46%~4.86%</td>
</tr>
</tbody>
</table>

(14) **Financial liabilities at fair value through profit or loss**

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
</tbody>
</table>

Current items:

- Financial liabilities held for trading
  - Adjustment of derivatives $4,257 $806

A. The Group recognized a net loss of $443,901 and $806 for the years ended December 31, 2011 and 2010, respectively.

B. The nature of derivative transactions and related information are summarized as follows:

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Contract amount (Nominal principal)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward exchange contracts:</td>
<td>(in thousands)</td>
<td>(in thousands)</td>
</tr>
<tr>
<td>Sell USD / Buy JPY</td>
<td>USD 11,800</td>
<td>2011.10.05~2012.03.14</td>
</tr>
<tr>
<td>Sell USD / Buy CZK</td>
<td>CZK 33,000</td>
<td>2011.10.04~2012.01.19</td>
</tr>
<tr>
<td>Sell USD / Buy NTD</td>
<td>USD 8,000</td>
<td>2011.11.07~2012.02.15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>Contract amount (Nominal principal)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward exchange contract:</td>
<td>(in thousands)</td>
<td>(in thousands)</td>
</tr>
<tr>
<td>Buy NTD/Sell USD</td>
<td>USD 4,000</td>
<td>2010.11.24~2011.03.01</td>
</tr>
</tbody>
</table>

a. The subsidiaries entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, these transactions did not meet all the criteria for hedge accounting. Therefore, the subsidiaries did not apply the hedge accounting.

b. The forward exchange contracts of certain subsidiaries met all the criteria for hedge accounting and the related information is described in Note 10(9).
(15) **Long-term loans**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit loans</td>
<td>$23,821,055</td>
<td>$9,650,840</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>1,899,024</td>
<td>-</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>-857,832</td>
<td>-110,656</td>
</tr>
<tr>
<td></td>
<td>$24,862,247</td>
<td>$9,540,184</td>
</tr>
<tr>
<td>Credit lines</td>
<td>$36,614,574</td>
<td>$12,288,240</td>
</tr>
<tr>
<td>Interest rate per annum</td>
<td>0.46% ~ 2.06%</td>
<td>0.64% ~ 1.9754%</td>
</tr>
</tbody>
</table>

A. Under the agreement, the revolving loans of $22,720,000 can be drawn down during the period from March 31, 2011 to December 7, 2014 and are payable before the due date.

B. On February 16, 2009, the subsidiary - DelSolar entered into a five-year syndicated credit facility agreement with 9 financial institutions – Chinatrust Commercial Bank and First Commercial Bank as the lead banks and obtained a credit line in the amount of $4 billion. Under the loan agreement, DelSolar should maintain the following financial ratios during the loan period (based on the audited semiannual/annual consolidated financial statements):
   a. Current assets to current liabilities ratio of at least 1:1;
   b. Liabilities not exceeding 100% of tangible net equity;
   c. Interest coverage of at least 300%; and
   d. Net book value of tangible assets of at least $4,000,000.

Under the agreement, the above revolving loans can be drawn down within five years after August 14, 2009 and are payable before the due date. DelSolar had received the written consent about the unconditional exemption for maintaining interest coverage of at least 300% in 2011 by banks on September 21, 2011.

C. Please refer to Note 6 for collaterals of secured bank loans.

(16) **Accrued pension liabilities**

A. The Company, Cyntec, DelSolar, and DNIT have a non-contributory and funded defined benefit plan in accordance with the Labor Standards Law, covering all regular employees before the implementation of the Labor Pension Act on July 1, 2005. The defined benefit plan will continue to cover the employees who choose to remain with the defined benefit plan.

Upon retirement, pension payments are calculated based on total years of service and average salary of the last six months prior to retirement. Two base units are earned for the first 15 years of service and one unit for each additional year thereafter, with a maximum number of 45 units. The Company and these subsidiaries contribute 2% of the employees’ monthly salaries and wages to an independent retirement trust fund with the Bank of Taiwan, the trustee. For the years ended December 31, 2011 and 2010, the net periodic pension costs of the Company, Cyntec, DelSolar and DNIT were $190,252 and $158,565, respectively. The balance of the retirement trust fund with the Bank of Taiwan was $676,506 and $655,804 as of
December 31, 2011 and 2010, respectively.

B. The reconciliation of the pension plan’s funded status to accrued pension liability of the Company, and the subsidiaries registered in Taiwan as of December 31, 2011 and 2010, the respective measurement dates, are as follows:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vested benefit obligation</td>
<td>($455,556)</td>
<td>($327,650)</td>
</tr>
<tr>
<td>Non-vested benefit obligation</td>
<td>(1,822,387)</td>
<td>(1,535,173)</td>
</tr>
<tr>
<td>Accumulated benefit obligation</td>
<td>(2,277,943)</td>
<td>(1,862,823)</td>
</tr>
<tr>
<td>Effect of future salary increments</td>
<td>(1,207,182)</td>
<td>(1,452,107)</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>(3,485,125)</td>
<td>(3,314,930)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>676,506</td>
<td>655,804</td>
</tr>
<tr>
<td>Funded status</td>
<td>(2,808,619)</td>
<td>(2,659,126)</td>
</tr>
<tr>
<td>Unrecognized transition obligation</td>
<td>22,261</td>
<td>34,315</td>
</tr>
<tr>
<td>Unrecognized net pension loss</td>
<td>1,537,311</td>
<td>1,517,047</td>
</tr>
<tr>
<td>Accrued pension liability</td>
<td>(358,621)</td>
<td>(124,975)</td>
</tr>
<tr>
<td>Accrued pension liability (total)</td>
<td>($1,607,668)</td>
<td>($1,232,739)</td>
</tr>
<tr>
<td>Accrued pension liability (listed)</td>
<td>($1,612,606)</td>
<td>($1,237,662)</td>
</tr>
<tr>
<td>Prepaid pension expenses (shown as other assets)</td>
<td>4,938</td>
<td>4,923</td>
</tr>
<tr>
<td>($1,607,668)</td>
<td>($1,232,739)</td>
<td></td>
</tr>
</tbody>
</table>

The related assumptions used for the actuarial valuation were as follows:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.75%~2.25%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Expected return rate on plan assets</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Average rate of salary increase</td>
<td>3.00%~3.5%</td>
<td>3.00%~4.00%</td>
</tr>
</tbody>
</table>

In 2011 and 2010, the details of net periodic pension cost are as follows:

<table>
<thead>
<tr>
<th>For the years ended December 31,</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$59,694</td>
<td>$62,969</td>
</tr>
<tr>
<td>Interest cost</td>
<td>74,347</td>
<td>60,453</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(13,328)</td>
<td>(12,294)</td>
</tr>
<tr>
<td>Amortization of unrecognized transition obligation</td>
<td>10,094</td>
<td>9,751</td>
</tr>
<tr>
<td>Unrecognized pension loss</td>
<td>59,445</td>
<td>37,686</td>
</tr>
<tr>
<td>Net pension cost</td>
<td>$190,252</td>
<td>$158,565</td>
</tr>
</tbody>
</table>
C. The subsidiaries, DIH and DNH, do not maintain an employee retirement plan. However, certain subsidiaries of DIH and DNH, located in Mainland China maintain a defined contribution retirement plan covering all employees. Under the plan, the employees of DIH and DNH subsidiaries contribute to a separate fund an amount based on a certain percentage of the monthly basic salary of the employees. Further, each DIH’s and DNH’s subsidiary also provides pension reserves for its employees for amounts depending on the employee’s position. As of December 31, 2011 and 2010, the pension reserves of DIH’s and DNH’s subsidiaries were $990,443 and $876,445, respectively.

D. DEJ and the subsidiaries of DIH and DNH located in the United States have defined contribution plans in accordance with the local regulations.

E. Effective July 1, 2005, the Company, Cyntec, DelSolar, DNIT, Ayecom, NEM, DelBio and Delta Capital (collectively referred herein as the subsidiaries registered in Taiwan) have established a defined contribution pension plan under the Labor Pension Act (the “New Plan”) for eligible employees holding Republic of China citizenship. The Company and the subsidiaries registered in Taiwan deposit the pension amount based on 6% of the employees’ monthly salaries and wages into each employee’s personal pension account with the Bureau of Labor Insurance. For the years ended December 31, 2011 and 2010, the pension costs of the Company and the subsidiaries registered in Taiwan amounted to $255,445 and $205,283, respectively.

(17) Common stock

A. In accordance with the Company’s Articles of Incorporation, the total authorized common stock is 2,700,000,000 shares (including 100,000,000 shares for stock warrants conversion). As of December 31, 2011, the total issued and outstanding common stock was 2,403,397,000 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 16,000,000 units of global depository receipts (GDRs), represented by 80,000,000 shares of common stock (Deposited Shares), a unit of GDR represents 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg, with total proceeds of US$134,666,000. 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. 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 and interests of GDR units bear the same rights as common shares.

d. After considering the stock dividend distribution year by year, as of December 31, 2011, there were 1,797,000 units outstanding, representing 8,985,000 common shares of the Company’s common stock.

(18) Capital reserve

The R.O.C. Company Law requires that the capital reserve shall be exclusively used to offset against accumulated deficit or increase capital and shall not be used for any other purpose. The capital reserve can be used to offset against accumulated deficit only when legal reserve and special reserve are insufficient. Only capital reserve from paid-in capital in excess of par value and donated surplus can be used to increase capital and the total amount shall be limited to 10% of outstanding capital each year.

(19) Legal reserve

The R.O.C. Company Law requires that the Company shall set aside 10% of its net income as legal reserve after offsetting against prior years’ losses until the legal reserve equals the Company’s paid-in capital. 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 balance of the reserve exceeds 25% of the Company’s paid-in capital.

(20) Undistributed earnings

A. As stipulated in the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:
   a. Payment of all taxes and dues.
   b. Offset against prior years' operating losses, if any.
   c. Set aside 10% of the remaining amount as legal reserve.
   d. Set aside a certain amount as special reserve, if necessary.
   e. The amount of distributable earnings after deducting items a, b, c and d, plus beginning undistributed earnings (the earnings), shall be distributed in the following percentage according to the resolution approved at the stockholders’ meeting:
      (a) Directors' and supervisors' remuneration: up to 1% of the earnings.
      (b) Employees' bonus: at least 3% of the earnings. The Company can issue the
employee stock bonus to qualified employees of subsidiaries. The related regulations should be authorized by the Company’s Board of Directors or authorized person.

(c) Stockholders' bonus: balance of the earnings after deducting (a) and (b).

B. The Company’s dividend policy is summarized below:
As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company’s financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 50% of the Company’s earnings shall be appropriated as dividends, and cash dividends shall account for at least 5% of the total dividends distributed.

C. a. The distribution of 2010 and 2009 earnings was approved by the shareholders during their meeting on June 24, 2011 and June 15, 2010, respectively. Details are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dividends</td>
<td>Dividends</td>
</tr>
<tr>
<td></td>
<td>Amount (Note A)</td>
<td>Amount (Note B)</td>
</tr>
<tr>
<td></td>
<td>per share (in dollars)</td>
<td>per share (in dollars)</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>$ 1,575,421</td>
<td>$ 1,165,747</td>
</tr>
<tr>
<td>Special reserve</td>
<td>4,796,006</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>12,480,065 $ 5.19546489</td>
<td>10,012,785 $ 4.2</td>
</tr>
</tbody>
</table>

Note A: The shareholders during their meeting had approved to distribute employees’ cash bonuses of $2,914,390 and directors’ and supervisors’ remuneration of $16,700.

Note B: The shareholders during their meeting had approved to distribute employees’ cash bonuses of $2,156,670 and directors’ and supervisors’ remuneration of $16,700.

Information on the appropriation of the Company’s earnings as resolved by the Board of Directors and approved by the stockholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange Corporation.

b. The appropriation of 2011 earnings had been proposed by the Board of Directors on March 20, 2012. Details are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dividends</td>
</tr>
<tr>
<td></td>
<td>Amount (Note A)</td>
</tr>
<tr>
<td></td>
<td>per share (in dollars)</td>
</tr>
<tr>
<td>Reversal of special reserve</td>
<td>$ 3,167,470</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>$ 1,099,103</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>$ 8,417,359 $ 3.5</td>
</tr>
</tbody>
</table>

Note A: The Board of Directors had proposed to distribute employees’ cash bonuses of $1,536,340 and directors’ and supervisors’ remuneration of $16,700.
Note B: The dividend per share is based on the number of outstanding common shares of the Company as of March 12, 2012. If the number of outstanding shares of the Company changes due to exercise of employee stock options and consequently leads to change due to exercise of employee stock options and consequently leads to a change in the dividend distribution ratio approved during the general meeting, the Board of Directors of the Company is authorized to adjust the ratio based on the number of outstanding shares.

As of March 20, 2012, the abovementioned 2011 earnings appropriation had not been approved by the stockholders.

D. The Group’s estimated amounts of employees’ bonus and directors’ and supervisors’ remuneration amounted to $2,078,722 and $18,464 for 2011, respectively, and $3,484,085 and $21,180 for 2010, respectively. The basis of estimates is based on a certain percentage of net income prescribed by the Company’s Articles of Incorporation and resolved by the Board of Directors, after taking into account the legal reserve and other factors. The calculation of shares of stock bonus distributed is based on the closing price of the Company’s common stock at the previous day of the next stockholders’ meeting after taking into account the effects of ex-rights and ex-dividends. While, if the estimated amounts are different from the amounts approved by the stockholders subsequently, the difference is recognized as gain or loss in the following year. However, if the accrued amounts for employees’ bonus and directors’ and supervisors’ remuneration are significantly different from the distributed amounts resolved by the Board of Directors, then the differences shall be adjusted retroactively in the statements of income for the current year. The actual distribution of 2010 earnings was as stated in the previous paragraph. The resolved amounts of the bonus to employees and directors’ and supervisors’ remuneration were consistent with the resolutions during the shareholders’ meeting and the same amount had been charged against earnings for 2010.

E. The Taiwan imputation tax system requires that any undistributed current earnings, on tax basis, be subject to an additional 10% corporate income tax if the earnings are not distributed in the following year.

F. As of December 31, 2011 and 2010, details of tax credits of the Company are as follows:

<table>
<thead>
<tr>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Imputation tax credit account balance</td>
<td>$131,759</td>
<td>$117,146</td>
</tr>
<tr>
<td>Creditable tax ratio</td>
<td>8.29%</td>
<td>5.61%</td>
</tr>
</tbody>
</table>
G. As of December 31, 2011 and 2010, the undistributed earnings are as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Before January 1, 1998</td>
<td>$685,952</td>
</tr>
<tr>
<td>On and after January 1, 1998</td>
<td></td>
</tr>
<tr>
<td>-10% additional tax assessed</td>
<td>1,368,317</td>
</tr>
<tr>
<td>-10% additional tax unassessed</td>
<td>10,991,031</td>
</tr>
<tr>
<td></td>
<td>$13,045,300</td>
</tr>
</tbody>
</table>

(21) Share-based payment - employee compensation plan

A. The Company issued 60,000,000 units of employee stock options with a unit of employee stock option representing one share of common stock, and the total number of shares of new common stock to be issued due to the exercise of employee stock options is 60,000,000, as resolved by the Board of Directors on October 29, 2007. The Company obtained approval from SFB on November 28, 2007.

B. Through a share swap agreement, the Company acquired all the outstanding shares of Cyntec Co., Ltd. (Cyntec) in addition to the shares already held by the Company accounted for under the equity method and thereby assumed the employee stock options of Cyntec. Details are described below:

   a. Cyntec issued 5,000,000 units of employee stock options with a unit of employee stock option representing one share of common stock. The total number of shares of new common stock to be issued due to the exercise of employee stock options is 5,000,000, as resolved by the Board of Directors on February 26, 2004. Cyntec obtained approval from SFB on April 12, 2004.

   b. Cyntec issued 10,000,000 units of employee stock options with a unit of employee stock option representing one share of common stock. The total number of shares of new common stock to be issued due to the exercise of employee stock options is 10,000,000, as resolved by the Board of Directors on October 30, 2007. Cyntec obtained approval from SFB on November 21, 2007.
C. As of December 31, 2011, the Company’s share-based payment transactions are set forth below:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Quantity granted</th>
<th>Contract period</th>
<th>Vesting conditions</th>
<th>Actual resignation rate in the current period</th>
<th>Estimated future resignation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first employee stock options compensation plan of the Company</td>
<td>2007.12.18</td>
<td>$60,000,000</td>
<td>6 years</td>
<td>(Note B)</td>
<td>2.46%</td>
<td>0%</td>
</tr>
<tr>
<td>The second employee stock options compensation plan of Cyntec assumed by the Company</td>
<td>2007.12.3</td>
<td>5,355,070</td>
<td>6 years</td>
<td>(Note B)</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>&quot;</td>
<td>2007.12.27</td>
<td>254,195</td>
<td>6 years</td>
<td>(Note B)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note A: Quantity granted is calculated based on the share conversion ratio between the Company and Cyntec.

Note B: Two years’ service vested 40%; three years’ service vested 70%; four years’ service vested 100%.

D. The exercise price under the stock-based employee compensation plan is based on the closing price of the Company’s common stock at the grant date and is subject to adjustments due to changes in the number of common shares and issuance of cash dividends. The vesting period of the Company’s employee stock option plan is six years. The employees may exercise the stock options in installments after the stock options are granted for two years.
E. Details of the first employee stock options compensation plan of the Company are set forth below:

a. Details of the employee stock options are set forth below:

<table>
<thead>
<tr>
<th>Stock options</th>
<th>For the years ended December 31, 2011</th>
<th>Weighted-average exercise price (in dollars)</th>
<th>Weighted-average exercise price (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options outstanding at beginning of year</td>
<td>$ 39,609,746</td>
<td>$ 76.8</td>
<td>$ 53,840,913</td>
</tr>
<tr>
<td>Options granted</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options exercised</td>
<td>( 6,769,112)</td>
<td>76.2</td>
<td>( 13,348,167)</td>
</tr>
<tr>
<td>Options revoked</td>
<td>( 974,100)</td>
<td>74.1</td>
<td>( 883,000)</td>
</tr>
<tr>
<td>Options outstanding at end of year (Note)</td>
<td>31,866,534</td>
<td>$ 73.0</td>
<td>39,609,746</td>
</tr>
<tr>
<td>Options exercisable at end of year</td>
<td>31,866,534</td>
<td></td>
<td>22,940,246</td>
</tr>
<tr>
<td>Options authorized but not granted at end of year</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Weighted-average exercise price of options outstanding at beginning of year was adjusted due to the change in common stock after taking into account stock dividends and employees’ bonus distributed.

b. Details of the employee stock options outstanding are set forth below:

<table>
<thead>
<tr>
<th>Range of exercise price (in dollars)</th>
<th>No. of shares</th>
<th>Weighted-average expected exercise price (in dollars)</th>
<th>No. of shares</th>
<th>Weighted-average exercise price (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 73.0</td>
<td>31,866,534</td>
<td>1.97 years</td>
<td>31,866,534</td>
<td>$ 73.0</td>
</tr>
</tbody>
</table>
F. Details of the employee stock options compensation plan of Cyntec are set forth below:

a. Details of the employee stock options assumed by the Company are set forth below:

(a) The first employee stock options compensation plan

<table>
<thead>
<tr>
<th>Range of exercise price (in dollars)</th>
<th>Stock options outstanding at December 31, 2010</th>
<th>Stock options exercisable at December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted-average expected exercise price</td>
<td>Weighted-average No. of Weighted-average No. of yrs.</td>
<td>Weighted-average exercise price No. of yrs.</td>
</tr>
<tr>
<td>remaining shares vesting period (in dollars)</td>
<td>(in dollars)</td>
<td>shares</td>
</tr>
<tr>
<td>$ 76.80</td>
<td>39,609,746</td>
<td>2.97</td>
</tr>
</tbody>
</table>

Stock options outstanding at December 31, 2010

<table>
<thead>
<tr>
<th>Stock options</th>
<th>No. of shares</th>
<th>Weighted-average exercise price (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options outstanding at beginning of year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options granted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assumed through business combination</td>
<td>46,727</td>
<td>19.90</td>
</tr>
<tr>
<td>Options exercised</td>
<td>46,727 (</td>
<td>19.90</td>
</tr>
<tr>
<td>Options revoked</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options outstanding at end of year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options exercisable at end of year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options authorized but not granted at end of year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
(b) The second employee stock options compensation plan

<table>
<thead>
<tr>
<th>Stock options</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighted-average</td>
<td>Weighted-average</td>
</tr>
<tr>
<td></td>
<td>No. of shares</td>
<td>exercise price (in dollars)</td>
</tr>
<tr>
<td>Options outstanding at</td>
<td>4,370,977</td>
<td>$40.08</td>
</tr>
<tr>
<td>beginning of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options granted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assumed through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>business combination</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercised</td>
<td>(1,560,651)</td>
<td>39.70</td>
</tr>
<tr>
<td>Options revoked</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options outstanding at</td>
<td>2,810,326</td>
<td>$38.09</td>
</tr>
<tr>
<td>end of year (Note)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercisable at</td>
<td>2,810,326</td>
<td></td>
</tr>
<tr>
<td>end of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options authorized but</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>not granted at end of year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Weighted-average exercise price of options outstanding at beginning of period was adjusted due to the change in common stock after taking into account stock dividends and employees’ bonus distributed.
b. Details of the employee stock options outstanding are set forth below:

The second employee stock options compensation plan

<table>
<thead>
<tr>
<th>Range of exercise price (in dollars)</th>
<th>No. of shares</th>
<th>Weighted-average expected exercise price (in dollars)</th>
<th>Weighted-average remaining vesting period</th>
<th>No. of shares</th>
<th>Weighted-average exercise price (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$37.8~$38.1</td>
<td>2,810,326</td>
<td>$38.09</td>
<td>1.92 years</td>
<td>2,810,326</td>
<td>$38.09</td>
</tr>
<tr>
<td>$39.7~$40.1</td>
<td>4,370,977</td>
<td>$40.08</td>
<td>2.96 years</td>
<td>2,041,075</td>
<td>$40.08</td>
</tr>
</tbody>
</table>

G. The following sets forth the pro forma net income and earnings per share based on the assumption that the compensation cost is accounted for using the fair value method for the first employee stock options compensation plan of the Company which was granted before the effectivity of R.O.C. SFAS No. 39, “Accounting for Share-based Payment”:

<table>
<thead>
<tr>
<th>For the years ended December 31,</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net income</td>
<td>$10,991,031</td>
<td>$15,754,207</td>
</tr>
<tr>
<td>Basic earnings per share (EPS)</td>
<td>$10,872,013</td>
<td>$15,438,933</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$4.58</td>
<td>$6.69</td>
</tr>
<tr>
<td>Pro forma EPS</td>
<td>$4.53</td>
<td>$6.55</td>
</tr>
<tr>
<td>EPS stated in the statement of income</td>
<td>$4.49</td>
<td>$6.58</td>
</tr>
<tr>
<td>Pro forma EPS</td>
<td>$4.44</td>
<td>$6.45</td>
</tr>
</tbody>
</table>

For the stock options granted before January 1, 2008 with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The weighted-average parameters used in the estimation of the fair value and estimated results are as follows:
a. Parameters:

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield rate</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Expected price volatility</td>
<td>33.68%</td>
<td>33.68%</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>2.46%</td>
<td>2.46%</td>
</tr>
<tr>
<td>Expected vesting period</td>
<td>4.45 years</td>
<td>4.45 years</td>
</tr>
<tr>
<td>Weighted-average fair value per share (in dollars)</td>
<td>$73.0</td>
<td>$76.80</td>
</tr>
</tbody>
</table>

b. Conclusion:

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted-average fair value of stock per share (in dollars)</td>
<td>$31.7991</td>
<td>$31.7991</td>
</tr>
<tr>
<td>Compensation cost accounted for using fair value method</td>
<td>$119,018</td>
<td>$315,274</td>
</tr>
</tbody>
</table>

H. Information on estimation of fair value of employee stock options of Cyntec assumed by the Company using the Black-Scholes option-pricing model on the grant date are as follows:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Stock price (in dollars)</th>
<th>Exercise price (in dollars)</th>
<th>Expected dividend yield</th>
<th>Expected vesting period</th>
<th>Risk-free interest rate</th>
<th>Weighed-average fair value (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The second employee stock options compensation plan of Cyntec assumed by the Company</td>
<td>2007.12.3</td>
<td>$100.5</td>
<td>$41.8</td>
<td>40.23%</td>
<td>2.33 years</td>
<td>0.00%</td>
<td>$60.7591</td>
</tr>
<tr>
<td></td>
<td>2007.12.27</td>
<td>100.5</td>
<td>41.4</td>
<td>40.23%</td>
<td>2.48 years</td>
<td>0.00%</td>
<td>61.3189</td>
</tr>
</tbody>
</table>
I. DelSolar’s share-based payment transactions:
   a. As of December 31, 2011, DelSolar’s share-based payment transactions are set forth below:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Quantity granted</th>
<th>Contract period</th>
<th>Vesting conditions</th>
<th>Actual resignation rate in the current period</th>
<th>Estimated resignation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first employee stock options compensation plan</td>
<td>2005.6.20</td>
<td>4,600,000</td>
<td>6 years</td>
<td>Two years’ service vested 40%; three years’ service vested 70%; four years’ service vested 100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The second employee stock options compensation plan</td>
<td>2007.9.14</td>
<td>1,500,000</td>
<td>6 years</td>
<td>Two years’ service vested 25%; three years’ service vested 50%; four years’ service vested 75%; five years’ service vested 100%</td>
<td>6.48%</td>
<td>-</td>
</tr>
<tr>
<td>The third employee stock options compensation plan</td>
<td>2007.11.20</td>
<td>4,000,000</td>
<td>7 years</td>
<td>&quot;</td>
<td>15.71%</td>
<td>-</td>
</tr>
<tr>
<td>The fourth employee stock options compensation plan</td>
<td>2009.8.13</td>
<td>2,000,000</td>
<td>7 years</td>
<td>&quot;</td>
<td>10.45%</td>
<td>-</td>
</tr>
<tr>
<td>The fifth employee stock options compensation plan</td>
<td>2009.10.26</td>
<td>1,470,000</td>
<td>7 years</td>
<td>&quot;</td>
<td>8.08%</td>
<td>-</td>
</tr>
</tbody>
</table>
b. Details of the employee stock options are set forth below:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Quantity granted</th>
<th>Contract period</th>
<th>Vesting conditions</th>
<th>Actual resignation rate in the current period</th>
<th>Estimated future resignation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sixth employee stock options compensation plan</td>
<td>2010.4.22</td>
<td>730,000</td>
<td>7 years</td>
<td>Two years’ service vested 25%; three years’ service vested 50%; four years’ service vested 75%; five years’ service vested 100%</td>
<td>13.47%</td>
<td>7.00%</td>
</tr>
<tr>
<td>The seventh employee stock options compensation plan</td>
<td>2010.10.18</td>
<td>2,100,000</td>
<td>7 years</td>
<td>&quot;</td>
<td>14.66%</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

For the years ended December 31,

<table>
<thead>
<tr>
<th>Stock options</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>Weighted-average exercise price (in dollars)</td>
<td>Weighted-average exercise price (in dollars)</td>
</tr>
<tr>
<td>Options outstanding at beginning of year</td>
<td>9,426,750</td>
<td>$61.33</td>
</tr>
<tr>
<td>Options granted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options revoked</td>
<td>(1,198,500)</td>
<td>65.85</td>
</tr>
<tr>
<td>Options exercised</td>
<td>(37,250)</td>
<td>30.10</td>
</tr>
<tr>
<td>Options outstanding at end of year</td>
<td>8,191,000</td>
<td>60.77</td>
</tr>
<tr>
<td>Options exercisable at end of year</td>
<td>3,026,500</td>
<td>68.24</td>
</tr>
</tbody>
</table>

c. As of December 31, 2011 and 2010, the range of exercise price of stock options outstanding was $29.6–$85 (in dollars) and $10–$85 (in dollars), respectively, and the weighted-average remaining vesting periods were as follows:
d. As the fair value of employee stock options under the fourth and fifth employee stock options plans issued by DelSolar from January 1, 2008 through December 31, 2009 cannot be measured reliably, they are measured at their intrinsic value. According to the Gin-Gwen-Tz Letter No. 0960065898 of the Financial Supervisory Commission, Executive Yuan, R.O.C., dated December 12, 2007, the intrinsic value is referred to as the difference between fair value and exercise price of shares. The fair value of shares of DelSolar is measured based on their net asset value before they are listed on the Stock Exchange. The Gin-Gwen-Tz Letter No. 0960065898 is applicable to the fourth and fifth employee stock options plans as they were issued prior to January 1, 2010.

e. For the stock options under the sixth and seventh employee stock options plans granted by the Company after (on) January 1, 2010 with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model in accordance with the Gin-Gwen-Tz Letter No. 0990006370 of the Financial Supervisory Commission, Executive Yuan, R.O.C., dated March 15, 2010. The weighted-average parameters used in the estimation of the fair value are as follows:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Stock price (in dollars)</th>
<th>Exercise price (in dollars)</th>
<th>Expected price volatility</th>
<th>Expected vesting period</th>
<th>Expected dividend yield</th>
<th>Risk-free interest rate</th>
<th>Weighed-average fair value (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sixth</td>
<td>2010.04.22</td>
<td>$53.64</td>
<td>$53.3</td>
<td>37.18%</td>
<td>5.25 years</td>
<td>0%</td>
<td>1.01%</td>
<td>$18.77</td>
</tr>
<tr>
<td>Seventh</td>
<td>2010.10.18</td>
<td>$58.88</td>
<td>$65.6</td>
<td>32.82%</td>
<td>5.25 years</td>
<td>0%</td>
<td>0.90%</td>
<td>16.01</td>
</tr>
</tbody>
</table>
J. NEM’s share-based payment transactions

a. As of December 31, 2011, NEM’s share-based payment transactions are set forth below:

<table>
<thead>
<tr>
<th>Type of arrangement</th>
<th>Grant date</th>
<th>Quantity granted</th>
<th>Contract period</th>
<th>Vesting conditions</th>
<th>Actual resignation rate in the current period</th>
<th>Estimated future resignation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first employee stock options compensation plan of the Company</td>
<td>2009.11.25</td>
<td>572,600</td>
<td>8 years</td>
<td>(Note)</td>
<td>27.00%</td>
<td>28.05%</td>
</tr>
<tr>
<td>The second employee stock options compensation plan of the Company</td>
<td>2010.04.30</td>
<td>590,000</td>
<td>8 years</td>
<td>(Note)</td>
<td>9.81%</td>
<td>6.95%</td>
</tr>
<tr>
<td>The third employee stock options compensation plan of the Company</td>
<td>2010.12.21</td>
<td>388,000</td>
<td>8 years</td>
<td>(Note)</td>
<td>15.46%</td>
<td>10.85%</td>
</tr>
<tr>
<td>The fourth employee stock options compensation plan of the Company</td>
<td>2011.12.21</td>
<td>1,299,400</td>
<td>8 years</td>
<td>(Note)</td>
<td>0.00%</td>
<td>15.96%</td>
</tr>
</tbody>
</table>

Note: Two years’ service vested 50%; three years’ service vested 75%; four years’ service vested 100%.
b. Details of the employee stock options compensation plan of NEM are set forth below:

(a) Details of the employee stock options are set forth below:

(b) Details of the employee stock options outstanding are set forth below:

<table>
<thead>
<tr>
<th>Stock options</th>
<th>For the years ended December 31, 2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>Weighted-average</td>
</tr>
<tr>
<td>Options outstanding at beginning of year</td>
<td>1,480,600</td>
<td>$ 10</td>
</tr>
<tr>
<td>Options granted</td>
<td>1,299,400</td>
<td>10</td>
</tr>
<tr>
<td>Options exercised</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Options forfeited</td>
<td>(407,600)</td>
<td>10</td>
</tr>
<tr>
<td>Options outstanding at end of year</td>
<td>2,372,400</td>
<td>$ 10</td>
</tr>
<tr>
<td>Options exercisable at end of year</td>
<td>206,000</td>
<td>-</td>
</tr>
<tr>
<td>Options authorized but not granted at end of year</td>
<td>1,150,000</td>
<td>449,400</td>
</tr>
</tbody>
</table>

(b) Details of the employee stock options exercisable at December 31, 2011:

<table>
<thead>
<tr>
<th>Range of exercise price (in dollars)</th>
<th>No. of shares</th>
<th>Weighted-average exercise price</th>
<th>Weighted-average remaining price</th>
<th>Weighted-average exercising period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 10</td>
<td>2,372,400</td>
<td>7.14 years</td>
<td>$ 10</td>
<td>206,000</td>
</tr>
</tbody>
</table>

(b) Details of the employee stock options exercisable at December 31, 2010:

<table>
<thead>
<tr>
<th>Range of exercise price (in dollars)</th>
<th>No. of shares</th>
<th>Weighted-average exercise price</th>
<th>Weighted-average remaining price</th>
<th>Weighted-average exercising period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 10</td>
<td>1,486,000</td>
<td>7.34 years</td>
<td>$ 10</td>
<td>-</td>
</tr>
</tbody>
</table>

(c. The Board of Directors of NEM adopted a resolution to issue 572,600 units of employee stock options on November 25, 2009. As the fair value of shares of NEM cannot be measured reliably, they are measured at their intrinsic value. The intrinsic value is referred to the difference between fair value and exercise price of shares. The shares’
fair value is measured based on their net asset value as per latest financial statements of NEM, which are audited by independent accountants, when they are unlisted and will be measured at their market price after being listed on the Stock Exchange. As the shares’ net asset value as at December 31, 2011 and 2010 was both lower than the subscription price, no expense was incurred on share-based payment transactions for those employee stock options.

d. For the NEM’s stock options granted after January 1, 2010 with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The weighted-average parameters used in the estimation of the fair value and estimated results are as follows:

<table>
<thead>
<tr>
<th>Grant date</th>
<th>April 30, 2010</th>
<th>December 21, 2010</th>
<th>December 21, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield rate</td>
<td>51.68%</td>
<td>48.62%</td>
<td>50.18%</td>
</tr>
<tr>
<td>Expected price volatility</td>
<td>1.30%</td>
<td>1.13%</td>
<td>1.09%</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>5.38 years</td>
<td>5.38 years</td>
<td>5.38 years</td>
</tr>
<tr>
<td>Expected vesting period</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Weighted-average fair value per share (in dollars)</td>
<td>$1.5746</td>
<td>$2.3217</td>
<td>$1.2495</td>
</tr>
</tbody>
</table>

K. Compensation cost incurred on the Group’s equity-settled share-based payment transactions for the years ended December 31, 2011 and 2010 was $43,111 and $59,544, respectively.
(22) **Income tax**

A. The components of deferred income tax assets and liabilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original amount</td>
<td>Tax effect</td>
</tr>
<tr>
<td><strong>Current:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for inventory</td>
<td>$1,142,567</td>
<td>$231,322</td>
</tr>
<tr>
<td>obsolescence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized exchange (gain)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>loss</td>
<td>(96,675)</td>
<td>(18,826)</td>
</tr>
<tr>
<td>Loss on long-term purchase contract</td>
<td>490,878</td>
<td>83,449</td>
</tr>
<tr>
<td>Others</td>
<td>1,609,458</td>
<td>245,912</td>
</tr>
<tr>
<td>Loss carryforwards</td>
<td>110,701</td>
<td>18,803</td>
</tr>
<tr>
<td>Investment tax credits</td>
<td>497,084</td>
<td></td>
</tr>
<tr>
<td><strong>Net deferred income tax assets - current</strong></td>
<td>$1,057,744</td>
<td>$625,360</td>
</tr>
<tr>
<td>Less: Valuation allowance - current</td>
<td>(459,830)</td>
<td></td>
</tr>
<tr>
<td><strong>Net deferred income tax assets - current</strong></td>
<td><strong>$597,914</strong></td>
<td><strong>$89,028</strong></td>
</tr>
</tbody>
</table>

| Non-current:           |                   |                   |                   |                   |
| Long-term equity investment | ($29,658,186)   | ($5,041,856)      | ($31,243,029)     | ($5,311,315)      |
| Depreciation difference between tax and financial basis | 3,556,610 | 805,473          | 2,440,960         | 533,500           |
| Assets impairment      | 1,108,303         | 258,217           | 979,685           | 223,157           |
| Pension liability      | 2,141,384         | 367,293           | 1,428,951         | 236,590           |
| Others                 | (6,414,236)       | (513,537)         | 603,989           | 116,888           |
| Loss carryforwards     | 3,411,208         | 571,296           | 144,362           | 26,512            |
| Investment tax credits | 964,267           |                   | 1,724,320         |                   |
| Less: Valuation allowance - non-current | (1,278,458) |                   | (1,619,143)       |                   |
| **Net deferred income tax liabilities - non-current** | ($3,867,305) | ($4,069,491) | **($0)** | **($0)** |
B. As of December 31, 2011 and 2010, income tax expense and income tax payable are reconciled as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the years ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$2,825,962</td>
</tr>
<tr>
<td>(Including income tax expense</td>
<td></td>
</tr>
<tr>
<td>of $0 and $48,299 from</td>
<td></td>
</tr>
<tr>
<td>discontinued operations)</td>
<td></td>
</tr>
<tr>
<td>Effect of deferred income</td>
<td>447,289</td>
</tr>
<tr>
<td>tax</td>
<td></td>
</tr>
<tr>
<td>Difference between tax</td>
<td>(29,729)</td>
</tr>
<tr>
<td>credits approved</td>
<td></td>
</tr>
<tr>
<td>foreign income and tax</td>
<td></td>
</tr>
<tr>
<td>credits used</td>
<td></td>
</tr>
<tr>
<td>Over provision of income tax</td>
<td>9,807</td>
</tr>
<tr>
<td>in prior years, net</td>
<td></td>
</tr>
<tr>
<td>Prepaid income tax</td>
<td>(1,461,430)</td>
</tr>
<tr>
<td>Income tax payable prior</td>
<td>190,823</td>
</tr>
<tr>
<td>period</td>
<td></td>
</tr>
<tr>
<td>Tax effect due to changes in</td>
<td>26,321</td>
</tr>
<tr>
<td>consolidated subsidiaries</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>58,502</td>
</tr>
<tr>
<td>Income tax payable - net</td>
<td>$2,067,545</td>
</tr>
<tr>
<td>Income tax refundable</td>
<td>($25,374)</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>2,092,919</td>
</tr>
<tr>
<td></td>
<td>$2,067,545</td>
</tr>
</tbody>
</table>

C. As of December 31, 2011, losses available to be carried forward by the Company and subsidiaries and investment tax credits of the companies registered in Taiwan in accordance with the “Statute for Upgrading Industries” were as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>Unused credits</th>
<th>Year of expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss carryforwards</td>
<td>$590,099</td>
<td>Between 2014 and 2021</td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>$1,448,911</td>
<td>Between 2012 and 2013</td>
</tr>
<tr>
<td>Training expenditures</td>
<td>6,508</td>
<td>Between 2012 and 2013</td>
</tr>
<tr>
<td>Expenditures for procurement of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>machinery and equipment</td>
<td>5,932</td>
<td>Between 2012 and 2013</td>
</tr>
<tr>
<td></td>
<td>$1,461,351</td>
<td></td>
</tr>
</tbody>
</table>

D. Under the PRC tax regulations, the corporate income tax of DDG shall be levied at the preferential rate of 15 percent as it was classified as high-tech enterprise after government review. Furthermore, because its additional investment in 2007 is included in the incentive items specified in the “Catalogue for the Guidance of Foreign Investment Industries”, the tax payable for the income from the additional investment can be calculated separately. Thus, for this part, DDG is exempt from corporate income tax for the first and second profit-making years and is subject to a 50% reduction of corporate income tax from the third through fifth profit-making years. Year 2011 is the second year wherein DDG can apply the 50%
reduction of corporate income tax, with a tax rate of 12.5%.

E. Under the PRC tax regulations, DWH is exempt from corporate income tax for the first and second years since 2008 and is subject to a 50% reduction of corporate income tax from the third through fifth years since 2008. Year 2011 is the second year wherein DWH can apply the 50% reduction of corporate income tax.

F. Under the PRC tax regulations, CES is exempt from corporate income tax for the first and second profit-making years and is subject to a 50% reduction of corporate income tax from the third through fifth profit-making years. Year 2011 is the second year wherein CES can apply the 50% reduction of corporate income tax.

G. As of December 31, 2011, the status of the Group’s assessed and approved income tax returns are as follows:

<table>
<thead>
<tr>
<th>Years Assessed by Tax Authority</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>2009</td>
</tr>
<tr>
<td>PreOptix</td>
<td>2008</td>
</tr>
<tr>
<td>Cyntec, DNIT, DelSolar, NEM and Ayecom</td>
<td>2009</td>
</tr>
<tr>
<td>Delta Capital</td>
<td>2010</td>
</tr>
<tr>
<td>DelBio</td>
<td>Not assessed yet</td>
</tr>
</tbody>
</table>
(23) **Earnings per share**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Weighted-average outstanding common shares (in thousands)</th>
<th>Earnings per share (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income before income tax</td>
<td>Net income</td>
<td></td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$13,611,364</td>
<td>$10,785,402</td>
<td>2,401,627</td>
</tr>
<tr>
<td><strong>Dilutive effect of common stock equivalents:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee stock options</td>
<td>-</td>
<td>-</td>
<td>9,906</td>
</tr>
<tr>
<td>Employee bonus (Note )</td>
<td>-</td>
<td>-</td>
<td>37,508</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$13,611,364</td>
<td>$10,785,402</td>
<td>2,449,041</td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary gain</td>
<td>$205,629</td>
<td>$205,629</td>
<td>2,401,627</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary gain</td>
<td>$205,629</td>
<td>$205,629</td>
<td>2,449,041</td>
</tr>
</tbody>
</table>
For the year ended December 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Weighted-average outstanding common shares (in thousands)</th>
<th>Earnings per share (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income before income tax</td>
<td>Net income</td>
<td>Income before income tax</td>
</tr>
<tr>
<td>Basic EPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original weighted-average outstanding common shares</td>
<td>2,263,017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of 123,193 thousand shares of new stocks due to Cyntec share swaps by calculating its weighted-average outstanding common shares</td>
<td>93,154</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$ 18,017,672</td>
<td>$ 15,746,444</td>
<td>2,356,171</td>
</tr>
<tr>
<td>Dilutive effect of common stock equivalents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee stock options</td>
<td>-</td>
<td>-</td>
<td>16,641</td>
</tr>
<tr>
<td>Employee bonus (Note)</td>
<td>-</td>
<td>-</td>
<td>21,073</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$ 18,017,672</td>
<td>$ 15,746,444</td>
<td>2,393,885</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>Net income from discontinued operations</td>
<td>$ 56,062</td>
<td>$ 7,763</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>Net income from discontinued operations</td>
<td>$ 56,062</td>
<td>$ 7,763</td>
</tr>
</tbody>
</table>

(Note) Effective January 1, 2008, as employees’ bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees’ stock bonus issuance in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effect of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year including the shares of employees’ stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders’ meeting held in the reporting year. Since capitalization of employees’ bonus no longer belongs to distribution of stock dividends, the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.
(24) Personnel expenses, depreciation and amortization

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating cost</td>
<td>Operating expense</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$11,113,526</td>
<td>$7,891,806</td>
</tr>
<tr>
<td>Employees’ bonus and</td>
<td>$327,971</td>
<td>$1,769,215</td>
</tr>
<tr>
<td>directors’ and supervisors’ remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor and health insurance</td>
<td>$1,021,453</td>
<td>$544,953</td>
</tr>
<tr>
<td>Pension</td>
<td>$315,798</td>
<td>$249,872</td>
</tr>
<tr>
<td>Others</td>
<td>$322,690</td>
<td>$454,751</td>
</tr>
<tr>
<td></td>
<td>$13,101,438</td>
<td>$10,910,597</td>
</tr>
<tr>
<td>Depreciation (Note)</td>
<td>$4,696,691</td>
<td>$754,189</td>
</tr>
<tr>
<td>Amortization</td>
<td>$245,136</td>
<td>$815,234</td>
</tr>
</tbody>
</table>

Note: Including the depreciation provided for assets leased to others for the years ended December 31, 2011 and 2010 which was recorded as other non-operating loss.
5. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

<table>
<thead>
<tr>
<th>Names of related parties</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics (Thailand) Public Co., Ltd. (DET)</td>
<td>Investee company accounted for under the equity method</td>
</tr>
<tr>
<td>Amita Technologies, Inc. (Amita)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Digital Projection International Ltd. (DPI)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Trillion Science, Inc. (Trillion)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Crystalrich (Hongkong) Co., Ltd.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Cyntec Co., Ltd. (Cyntec)</td>
<td>Investee company accounted for under the equity method (before March 31, 2010)</td>
</tr>
<tr>
<td>Delta Products Corporation (DPC)</td>
<td>A subsidiary of the Company (after March 31, 2010)</td>
</tr>
<tr>
<td>Delta Greentech (China) Co., Ltd. (DGC)</td>
<td>Related party in substance (before October 3, 2011)</td>
</tr>
<tr>
<td>Digital Projection Ltd. (DP)</td>
<td>A subsidiary of DPI</td>
</tr>
<tr>
<td>DET International Holding Ltd. (DET Holding)</td>
<td>A subsidiary of DET</td>
</tr>
<tr>
<td>Delta Energy Systems (Switzerland) AG. (DES Switzerland)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Green Industrial (Thailand) Co., Ltd.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Electronics Europe Ltd. (DEU)</td>
<td>A subsidiary of DET Holding</td>
</tr>
<tr>
<td>Delta Energy Systems (Germany) GmbH (DES Germany)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (India) PVT Ltd. (DES India)</td>
<td>&quot;</td>
</tr>
<tr>
<td>DET Logistics (USA) Corporation</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Electronics (Slovakia) s.r.o.</td>
<td>&quot;</td>
</tr>
<tr>
<td>DET Video Technology Limited</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy System (Arizona), Inc.</td>
<td>&quot;</td>
</tr>
<tr>
<td>DET SGP Pte. Ltd.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta India Electronics PVT Ltd. (Delta India)</td>
<td>A subsidiary of DET Holding</td>
</tr>
<tr>
<td>Delta Power Solutions India PVT Ltd. (DPS India)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Greentech (USA) Corporation (DGA)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Greentech Electronics Industry LLC</td>
<td>&quot;</td>
</tr>
</tbody>
</table>
Delta Greentech (Brasil) S.A. (DGB)
(Formerly "Delta Energy Systems (Brasil) S.A.")

Delta Energy Systems (Finland) Oy
Delta Energy Systems (Italy) s.r.l. (DES Italy)
Delta Energy Systems (Spain) SL.
Delta Energy Systems (Czech Republic) spol
Delta Energy Systems (France) SA.
Delta Energy Systems LLC (Russia)
Delta Energy Systems (Sweden) AB.
Delta Green (Tianjin) Industries Co., Ltd. (DGT)

Cyntec International Ltd.
Cyntec Electronics (SuZhou) Co., Ltd. (CES)

(2) Significant transactions and balances with related parties

A. Sales

<table>
<thead>
<tr>
<th></th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It was originally the subsidiary of DES Switzerland, and it became the subsidiary of DET Holding when the Company changed its investment structure in the third quarter of 2010.</td>
</tr>
<tr>
<td></td>
<td>A subsidiary of DES Switzerland</td>
</tr>
<tr>
<td></td>
<td>Indirectly held investee company accounted for under equity method by DET (before August 1, 2011)</td>
</tr>
<tr>
<td></td>
<td>A subsidiary of DHK (after August 1, 2011)</td>
</tr>
<tr>
<td></td>
<td>A subsidiary of Cyntec</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Names of related parties</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Greentech (Brasil) S.A. (DGB)</td>
<td>It was originally the subsidiary of DES Switzerland, and it became the subsidiary of DET Holding when the Company changed its investment structure in the third quarter of 2010.</td>
</tr>
<tr>
<td>(Formerly &quot;Delta Energy Systems (Brasil) S.A.&quot;)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (Finland) Oy</td>
<td>A subsidiary of DES Switzerland</td>
</tr>
<tr>
<td>Delta Energy Systems (Italy) s.r.l. (DES Italy)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (Spain) SL.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (Czech Republic) spol</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (France) SA.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems LLC (Russia)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Energy Systems (Sweden) AB.</td>
<td>&quot;</td>
</tr>
<tr>
<td>Delta Green (Tianjin) Industries Co., Ltd. (DGT)</td>
<td>Indirectly held investee company accounted for under equity method by DET (before August 1, 2011)</td>
</tr>
<tr>
<td>Cyntec International Ltd.</td>
<td>A subsidiary of DHK (after August 1, 2011)</td>
</tr>
<tr>
<td>Cyntec Electronics (SuZhou) Co., Ltd. (CES)</td>
<td>A subsidiary of Cyntec</td>
</tr>
</tbody>
</table>

(2) Significant transactions and balances with related parties

A. Sales

For the years ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>DGC</td>
<td>5,886,177</td>
<td>7,583,052</td>
</tr>
<tr>
<td>DPC</td>
<td>659,672</td>
<td>961,399</td>
</tr>
<tr>
<td>DP</td>
<td>590,704</td>
<td>435,731</td>
</tr>
<tr>
<td>Delta India</td>
<td>427,870</td>
<td>571,223</td>
</tr>
<tr>
<td>DGB</td>
<td>341,613</td>
<td>173,895</td>
</tr>
<tr>
<td>DES Switzerland</td>
<td>338,086</td>
<td>202,805</td>
</tr>
<tr>
<td>DES Italy</td>
<td>273,848</td>
<td>853,711</td>
</tr>
<tr>
<td>DES Germany</td>
<td>237,295</td>
<td>70,325</td>
</tr>
<tr>
<td>DET</td>
<td>170,727</td>
<td>255,512</td>
</tr>
<tr>
<td>DGT</td>
<td>164,422</td>
<td>347,872</td>
</tr>
<tr>
<td>DPS India</td>
<td>145,812</td>
<td>273,792</td>
</tr>
<tr>
<td>DGA</td>
<td>87,167</td>
<td>131,483</td>
</tr>
<tr>
<td>Others</td>
<td>90,746</td>
<td>51,848</td>
</tr>
<tr>
<td></td>
<td>$ 9,414,139</td>
<td>$ 11,912,648</td>
</tr>
</tbody>
</table>
The sales terms, including prices and collections, were negotiated based on cost, market, competitors and other factors.

B. Purchases

<table>
<thead>
<tr>
<th></th>
<th>For the years ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>DGT</td>
<td>$478,722</td>
<td>$914,732</td>
<td></td>
</tr>
<tr>
<td>DET</td>
<td>446,298</td>
<td>447,966</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>51,620</td>
<td>76,663</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$976,640</td>
<td>$1,439,361</td>
<td></td>
</tr>
</tbody>
</table>

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

C. Accounts receivable

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>DPC</td>
<td>$133,044</td>
</tr>
<tr>
<td>Delta India</td>
<td>129,738</td>
</tr>
<tr>
<td>DES Switzerland</td>
<td>108,756</td>
</tr>
<tr>
<td>DP</td>
<td>107,396</td>
</tr>
<tr>
<td>DGB</td>
<td>107,096</td>
</tr>
<tr>
<td>DES Italy</td>
<td>91,572</td>
</tr>
<tr>
<td>DGC</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>138,854</td>
</tr>
<tr>
<td></td>
<td>$816,456</td>
</tr>
</tbody>
</table>

D. Accounts payable

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>DGT</td>
<td>$</td>
</tr>
<tr>
<td>Others</td>
<td>118,374</td>
</tr>
<tr>
<td></td>
<td>$118,374</td>
</tr>
</tbody>
</table>

E. Property transactions

In December 2011, DHK purchased 50% stock ownership of DGT from DET SGP Pte. Ltd. amounting to $467,803. As of December 31, 2011, such amount had been fully paid. The Company has eliminated the disposal gain of $81,322 from this sidestream intercompany transaction in proportion to the product of its equivalent stock ownership in one investee company multiplied by its equivalent stock ownership in the other investee company.
F. Remuneration information of key management (including directors, supervisors, general manager and vice general managers)

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Including wages, allowances, retirement pension and compensation.</td>
<td>$52,789</td>
<td>$43,785</td>
</tr>
<tr>
<td>B</td>
<td>Including all kinds of incentives.</td>
<td>11,415</td>
<td>13,911</td>
</tr>
<tr>
<td>C</td>
<td>Including traveling allowance, payment for special disbursement, cars and dorms provided by the Group.</td>
<td>2,832</td>
<td>2,514</td>
</tr>
<tr>
<td>D</td>
<td>Including directors’ and supervisors’ remuneration and employees’ bonus.</td>
<td>207,137</td>
<td>205,557</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>274,173</strong></td>
<td><strong>265,767</strong></td>
</tr>
</tbody>
</table>

Note E: For related information, please refer to Annual Report.

6. DETAILS OF PLEDGED ASSETS

As of December 31, 2011 and 2010, the details of pledged assets are as follows:

<table>
<thead>
<tr>
<th>Assets pledged</th>
<th>2011</th>
<th>2010</th>
<th>Purpose of pledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$1,716,158</td>
<td>-</td>
<td>Long-term loans</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>$21,496</td>
<td>-</td>
<td>&quot;</td>
</tr>
<tr>
<td>Construction in progress and prepayments for equipment</td>
<td>$1,137,339</td>
<td>-</td>
<td>&quot;</td>
</tr>
<tr>
<td>Deferred expenses</td>
<td>$6,553</td>
<td>-</td>
<td>&quot;</td>
</tr>
<tr>
<td>Demand deposits and time deposits (shown as other financial assets - current and non-current)</td>
<td>$100,446</td>
<td>$8,503</td>
<td>Collateral for customs duties</td>
</tr>
<tr>
<td>Cash, demand deposits and time deposits (shown as other financial assets - current)</td>
<td>20,000</td>
<td>20,020</td>
<td>Collateral for disposition and seizure</td>
</tr>
<tr>
<td>Time deposit (shown as other assets - current)</td>
<td>24,163</td>
<td>23,923</td>
<td>Performance bonds</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$144,609</td>
<td>$52,446</td>
<td></td>
</tr>
</tbody>
</table>

7. COMMITMENTS AND CONTINGENT LIABILITIES

The Group’s significant commitments as of December 31, 2011 were as follows:

(1) Future lease payments purchase commitment

A. As of December 31, 2011, the future lease payments and the net present value discounted at 1.37%, one-year time deposit interest rate given by the Chunghwa Post Co., Ltd. are as follows:
B. The Group entered into contracts for the construction of new factories and buildings, and the total future payments for the acquisition of equipment amounted to approximately $1,792,412.

C. On December 19, 2011, the Company entered into a contract with E-TEN Information System Co., Ltd. (E-TEN) to purchase an office building in Neihu at $2,530,000. As of December 31, 2011, the Company had paid $506,000 (shown as construction in progress and prepayments for equipment). Future payments required for the contract amounted to $2,024,000.

(2) Research engagement contract and technical cooperation agreement

A. In October 2007, the Company entered into an agreement with the Institute of Nuclear Energy Research, Atomic Energy Council, Executive Yuan, R.O.C. for technology authorization of Concentrating Photovoltaic Modules. The contract is valid through October 2017. In addition to the authorization fee of $5,000, the Company commits to pay royalties based on a certain percentage of total sales from the day the authorized products are sold and the maximum amount of the royalty is $100,000. As of December 31, 2011, the Company has paid $5,000 and royalty fee totaling $621 to the Institute of Nuclear Energy Research. Further, in January, 2010, the Company entered into an agreement with the Institute of Nuclear Energy Research for the temporary termination of the above agreement for two years whereby the Company cannot use the technology authorization during such period.

B. The Company signed a contract with the Industrial Technology Research Institute for the research engagement of LED Projective Array Auto Stereoscopic Display. The contract will expire in November, 2015. As of December 31, 2011, the Company was committed to future research commission payments under the contract totaling $34,650.

C. The Company entered into an agreement with the Industrial Technology Research Institute for preliminary technology authorization of open cloud computing system. The agreement is valid through October, 2012. As of December 31, 2011, the Company was committed to future authorization fee under the agreement totaling $31,500.

D. The Company signed an agreement with the National Central University to build a Union R&D Center jointly. The agreement starts in 2011 and expires in 2020. Under the agreement, the two sides agreed to provide $10,000 each per year for the first three years of the agreement for the establishment of the Union R&D Center. The fund will be managed in a separate account.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$174,261</td>
</tr>
<tr>
<td>2013</td>
<td>120,842</td>
</tr>
<tr>
<td>2014</td>
<td>24,078</td>
</tr>
<tr>
<td>2015</td>
<td>17,343</td>
</tr>
<tr>
<td>2016</td>
<td>8,002</td>
</tr>
<tr>
<td>2017~2021</td>
<td>22,672</td>
</tr>
<tr>
<td>2022~2023</td>
<td>9,069</td>
</tr>
<tr>
<td></td>
<td>$376,267</td>
</tr>
</tbody>
</table>
for this special use only. If the cooperative performance is assessed to be satisfactory after the completion of the three-year execution, the two sides will continue the next three-year plan, and confer on issues including their investment proportions. As of December 31, 2011, the future payments required of the Company under the above agreement was $20,000.

E. The Company signed an industrial and academic cooperation agreement with the National Taiwan University, National Tsing Hua University and National Chiao Tung University. The agreement starts on June 20, 2011 and expires on June 20, 2014. Under the agreement, the Company agreed to contribute $32,000 maximum per year to the fund of “Cloud Computing and Business Application Program”. As of December 31, 2011, the future payments required of the Company under the above agreement was $78,000.

F. DelSolar signed a solar cell joint development agreement with IBM on September 25, 2010. The agreement starts on September 25, 2010 and expires on September 24, 2013. This technical cooperation aims at commercial mass production of chemical-compound thin-film solar cells and gaining technical patent jointly. DelSolar should bear certain amount of development expenses in a period as specified by the agreement. As of December 31, 2011, it had paid US$4.5 million in advance.

(3) Business combination and share ownership trading

A. DIH signed a shares purchase agreement with Cimic Corporation (Cimic) on April 28, 2011 to purchase 100% ownership of Boom Treasure Limited from Cimic for US$89,580 thousand. If the investment is completed, DIH will then hold indirectly 25% ownership of Delta Greentech (China) Co., Ltd. The investment can be executed after approval by the Investment Commission of MOEA.

B. Delta Capital signed an investment agreement with AMIA Co., Ltd. (AMIA) on December 31, 2011 for its commitment to purchase 2,000,000 shares of AMIA at $82,000 from AMIA by March 30, 2012. Delta Capital had remitted such payment on February 1, 2012.

(4) DelSolar’s long-term purchase contracts

A. DelSolar signed long-term purchase contracts with 7 materials suppliers with contract periods from December 2006 to December 2018. According to the contracts, DelSolar agreed to pay those suppliers certain amounts in installments, and the suppliers shall provide DelSolar with materials as DelSolar makes prepayments for purchases. Such prepayments may be offset against the relevant purchase amounts or be returned. As a result of the imbalance between supply and demand in the solar energy industry, the solar cell trade is making silicon wafer unit price modification arrangements with silicon wafer suppliers. As of December 31, 2011, DelSolar had signed memorandums of understanding (MOU) with 4 suppliers, specifying unit price modification mechanisms.

B. A reconciliation arrangement was contracted by DelSolar and its materials supplier - Swiss Wafers AG, one of the 7 materials suppliers stated in the first paragraph, due to Swiss Wafers AG’s default on its delivery commitment under the silicon wafer supply contract. After
negotiations, Swiss Wafers AG still could not fulfill the commitment. On March 18, 2010, DelSolar filed a lawsuit against Swiss Wafers AG to protect its creditor’s rights, which is being tried under the Betreibungsamt Weinfelden Bahnhofstrasse 22 8570 Weinfelden Switzerland. According to the contract, the maximum loss to DelSolar is the total balance of prepayments accrued as at December 31, 2011 amounting to US$3,240 thousand, which might be uncollectible from Swiss Wafers AG. As of the financial reporting date, the final judgment on this case is still pending.

C. DelSolar signed additional contracts such as wafer supply contract, solar cell supply contract and termination agreement contract with certain materials supplier stated in the first paragraph and its affiliated companies on March 8 and June 27, 2011, respectively. The contract period is from March, 2011 to February, 2012. Based on the accounting conservatism principle, DelSolar had recognized loss on long-term purchase contracts totaling $652,257 for the above events.

8. MAJOR CATASTROPHE

None.

9. SUBSEQUENT EVENTS

(1) On October 27, 2011, the board of directors of the Company resolved to establish Delta Smart Green Life Co., Ltd. The Company funded the establishment of Delta Smart Green Life Co., Ltd. for $200,000 on February 1, 2012. The incorporation of Delta Smart Green Life Co., Ltd was approved and registered on February 7, 2012.

(2) In addition to the statement in Note 7(3)B, Delta Capital signed an equity purchase agreement with Crystalvue Medical Corporation (Crystalvue) on January 12, 2012 to purchase 2,400,000 shares of Crystalvue at $72,000 from Crystalvue. Delta Capital had remitted such payment on January 31, 2012.

(3) On February 16, 2012, DPEC signed a contract with Beijing Riva Investment Co., Ltd. to purchase a commercial office building in Beijing at approximately RMB 420,000,000. On February 17, 2012, DPEC has paid the acquisition price of RMB 240,000,000 under the contract.

(4) On March 8, 2012, DelSolar’s Board of Directors resolved to appropriate legal reserve of $211,650 and use paid-in capital in excess of par value of common stock amounting to $1,427,026 to cover the accumulated deficit of $1,638,676. As of March 20, 2012, the above proposal for 2011 earnings distribution had not been approved by stockholders.

(5) On March 19, 2012, DelBio’s Board of Directors adopted a resolution to capitalize capital reserve of 25,000,000 shares issued at $10 per share and the effective date was set on March 28, 2012.

10. OTHERS

(1) Financial statement presentation

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2010 have been reclassified to conform with the consolidated financial statement presentation for the year ended December 31, 2011.
(2) Fair value of the financial instruments

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value</td>
<td>Estimated</td>
</tr>
<tr>
<td></td>
<td>Quotations</td>
<td>using a</td>
</tr>
<tr>
<td></td>
<td>in an active</td>
<td>valuation</td>
</tr>
<tr>
<td></td>
<td>market</td>
<td>technique</td>
</tr>
<tr>
<td>Non-derivative financial instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets with fair values equal to book values</td>
<td>$ 106,969,167</td>
<td>$ -</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,821,706</td>
<td>1,181</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>649,872</td>
<td>649,872</td>
</tr>
<tr>
<td>Financial assets carried at cost</td>
<td>4,243,408</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities with fair values equal to book values</td>
<td>$ 64,776,720</td>
<td>$ -</td>
</tr>
<tr>
<td>Long-term loans (including current portion)</td>
<td>25,720,079</td>
<td>-</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>$ 116,272</td>
<td>$ -</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>$ 51,130</td>
<td>$ -</td>
</tr>
</tbody>
</table>
The methods and assumptions used to estimate the fair values of the above financial instruments are summarized below:

A. Financial assets and liabilities with fair values equal to book values
   a. For short-term instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (excluding income tax refundable), other financial assets - current, short-term loans, accounts payable (including related parties), accrued expenses, other payables and other current liabilities.
   b. The fair value of cash surrender value of life insurance is based on the book value at the balance sheet date.
   c. The fair values of other financial assets - non-current, refundable deposits and guarantee deposits received are based on book values, which approximate present value.
   d. The fair value of long-term loans is based on book value, which approximates present value.

B. The fair value of listed stocks which were recognized as financial assets at fair value through profit or loss is based on the closing price in open market at the balance sheet date. The fair value of private placement of convertible bonds, which were invested before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, “Accounting for private placement of convertible bonds” is measured at cost; while the fair value of those invested after October 8, 2010 is measured based on Binomial Stock Options Pricing Model.

C. The fair values of available-for-sale financial assets are based on the quotations in the active market, which are the latest quoted closing prices at the balance sheet date.

D. The fair values of derivative financial instruments which include unrealized gains or losses on unsettled contracts were determined based on the amounts to be received or paid assuming that the contracts were settled as of the reporting date.

(3) Information on available-for-sale financial assets

The Group recognized the adjustment in equity from available-for-sale financial assets amounting to ($656,934) and $198,071, and the amount removed from equity and recognized in profit or loss was $107,718 and $63,546 for the years ended December 31, 2011 and 2010, respectively.

(4) Information on interest rate risk positions

As of December 31, 2011 and 2010, the Group’s financial assets with fair value risk due to the change of interest amounted to $26,532,443 and $23,943,115, respectively, and the financial liabilities with fair value risk due to the change of interest rate amounted to $5,609,862 and $14,210, respectively. The financial assets with cash flow risk due to the change of interest rate amounted to $10,675,664 and $9,164,589, respectively, and the financial liabilities with cash flow risk due to the change of interest amounted to $37,885,208 and $19,514,288, respectively.
(5) **Procedure of financial risk control and hedge**

The main objective of financial risk control and hedge strategy is to reduce the loss of assets or liabilities (including forecast transactions) resulting from the exchange rate and interest rate fluctuations. The Group achieves financial hedge by entering into derivatives and all activities of hedge follow the principles listed below to achieve the objective of risk control:

A. Nature hedge
B. Does not erode the profit of main business
C. Does not enter into financial instruments besides the transaction currency
D. Should execute stop-loss point
E. Should execute the operating process

In monitoring control, the Group’s Chief Financial Officer and the internal auditors should monitor and manage derivative transactions. Except for evaluating the position twice a month, the authorized persons should monitor financial instrument transactions and the related profit or loss resulting from the transactions at any time. If any unusual event occurred, necessary actions should be taken and reported to the Board of Directors immediately. In addition, the performance of derivative transactions will be evaluated periodically to determine if these transactions are in compliance with the operating strategy and the risk of these transactions is within the tolerable range of the Group. The Group has established the procedures for derivative transactions.

(6) **Information of major financial risk**

A. Certain transactions of the Group involve non-functional currency which are exposed to exchange rate fluctuation. The information on foreign currency denominated monetary assets and liabilities which are significantly affected by exchange rate fluctuation is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monetary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD:NTD</td>
<td>231,700</td>
<td>273,005</td>
</tr>
<tr>
<td>USD:RMB</td>
<td>15,640</td>
<td>120,567</td>
</tr>
<tr>
<td>RMB:USD</td>
<td>1,159,556</td>
<td>1,029,851</td>
</tr>
<tr>
<td><strong>Long-term equity investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THB:USD</td>
<td>4,166,653</td>
<td>5,445,045</td>
</tr>
<tr>
<td>THB:NTD</td>
<td>3,952,955</td>
<td>3,464,410</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency Amount (In thousands)</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD:NTD 231,700</td>
<td>30.275</td>
</tr>
<tr>
<td>USD:RMB 15,640</td>
<td>6.3009</td>
</tr>
<tr>
<td>RMB:USD 1,159,556</td>
<td>0.159</td>
</tr>
<tr>
<td>THB:USD 4,166,653</td>
<td>0.03190</td>
</tr>
<tr>
<td>THB:NTD 3,952,955</td>
<td>0.9647</td>
</tr>
</tbody>
</table>
B. Investments in equity financial instruments

1. Market risk
   The investments in equity financial instruments owned by the Group are exposed to price risk.

2. Credit risk
   The Group assessed the credit condition of counterparties and default is not expected; therefore, the possibility of credit risk is low.

3. Liquidity risk
   a. The Group’s investments in equity financial instruments which have active markets are expected to be sold easily and quickly in the market at the price close to their fair value.
   b. The Group’s investments in equity financial instruments without active markets are expected to have liquidity risk.

4. Cash flow risk due to changes in interest rate
   The Group’s investments in equity financial instruments are non-interest rate instruments; therefore, there is no cash flow risk related to changes in interest rate.

C. Other financial instrument investments

<table>
<thead>
<tr>
<th>Items</th>
<th>December 31, 2011</th>
<th>December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit or loss - private placement of convertible</td>
<td>$1,820,525</td>
<td>$1,830,000</td>
</tr>
</tbody>
</table>
a. **Market risk**
   The private placement of convertible bonds that the Group invested in have no quoted price in active market; hence, they are not affected by the changes in market price. Therefore, no significant market risk would arise.

b. **Credit risk**
   The Company expects that the counterparty of the private placement of convertible bonds that it invested in is not likely to default; therefore, the credit risk is extremely low.

c. **Liquidity risk**
   The Group’s working capital is sufficient to support the capital demand of the Group; therefore, the Group expects no significant liquidity risk.

d. **Cash flow risk due to changes in interest rate**
   Interest on the private placement of convertible bonds that the Group invested in accrues at fixed interest rate; therefore, there is no cash flow risk arising from interest rate fluctuations.

D. **Receivables**

<table>
<thead>
<tr>
<th>Items</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>$1,330,220</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
</tr>
<tr>
<td>(including related parties), net</td>
<td>35,525,143</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,082,657</td>
</tr>
</tbody>
</table>

a. **Market risk**
   The Group’s receivables are all due within one year, therefore, the Group expects no significant market risk.

b. **Credit risk**
   The Group’s receivables are all approved through rigorous credit review procedures and some of which have to take out an insurance policy or provide necessary collaterals; therefore, the Group expects no significant credit risk.

c. **Liquidity risk**
   The Group’s receivables are all due within one year and their working capital is sufficient to support its capital requirements; therefore, the Group expects no significant liquidity risk.

d. **Cash flow risk due to changes in interest rate**
   The Group’s receivables are all due within one year; therefore, there is no significant cash flow risk due to changes in interest rate.
E. Loans

a. Market risk
The loans of the Group have no significant market risk.

b. Credit risk
None.

c. Liquidity risk
The expected future cash flow is sufficient to support the capital requirements of the Group; therefore, the Group expects no significant liquidity risk.

d. Cash flow risk due to changes in interest rate
The loans of the Group are issued at floating interest rate, accordingly, the future cash flow of which will fluctuate with the yield rate of these debt instruments. However, due to the short duration of the short-term loans, there is no significant cash flow risk due to changes in interest rate.

F. Information of derivative transactions
The balance of the Group’s derivative transactions as of December 31, 2011 and 2010 are shown in Notes 4(2), (13) and 10(9). The related risk information are as follows:

a. Market risk
The Group entered into certain derivative contracts in order to hedge risk. Accordingly, no material market risk is expected.

b. Credit risk
The banks, which the Group deals with, all have good credit standing and the Group deals with several banks to disperse the credit risk; therefore, the possibility that the banks will not comply with the terms of the contracts is low.

c. Liquidity risk
The Group has sufficient working capital; therefore no material liquidity risk is expected.

d. Cash flow risk due to changes in interest rate
The Group did not enter into any derivative contract that is interest rate related; therefore, no material cash flow risk due to changes in interest rate is expected.

(7) Off-balance sheet financial instruments with credit risk
None.

(8) Fair value hedge and cash flow hedge
A. Fair value hedge
The foreign currency demand for the subsidiaries is exposed to the risk resulting from fair value changes due to foreign exchange rate changes. The subsidiaries entered into foreign currency
forward contracts which meet all criteria for hedge accounting. The related information is as follows:

**B. Cash flow hedge**

In order to prevent the risk resulting from future cash flow fluctuation due to foreign exchange rate fluctuations, the Group entered into foreign currency forward contracts which meet all criteria for hedge accounting. The related information is as follows:

<table>
<thead>
<tr>
<th>Hedge item</th>
<th>Financial instrument was designated as hedging instrument</th>
<th>Fair value as of December 31, 2011</th>
<th>Fair value as of December 31, 2010</th>
<th>Period of gain (loss) anticipated to be recognized in income statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables in foreign currencies</td>
<td>Forward exchange contracts</td>
<td>$46,524</td>
<td>$50,107</td>
<td>2012.01.05~2012.12.06</td>
</tr>
<tr>
<td>Payables in foreign currencies</td>
<td>Forward exchange contracts</td>
<td>$23,182</td>
<td>$2,620</td>
<td>2012.01.05~2012.12.06</td>
</tr>
</tbody>
</table>

(9) Business mergers and acquisitions

A. The Group conducted the following business mergers and acquisitions and stock ownership adjustments in 2011 and 2010:

a. The Company acquired an additional 64.86% stock ownership in Cyntec by issuing
123,193 thousand shares of new stocks on March 31, 2010. After this transaction, the Company increased its stock ownership in Cyntec from 35.14% to 100.00%.

b. The Company’s subsidiary – DNIT acquired 100% stock ownership in Ayecom by cash in the amount of $55,000 on June 1, 2010. After this transaction, the Company’s consolidated stock ownership in Ayecom was 100.00%.

c. The Company conducted simple merger with PreOptix originally owned by the Company with 94.89% ownership, on March 1, 2011, and paid $17,875 to the minority stockholders of PreOptix for the merger. PreOptix is the dissolved company.

d. The Company’s subsidiary - DHK acquired 100% stock ownership in DGT by cash totaling $938,774 (US$30,904,000) on August 1, 2011 and December 1, 2011.

e. The Company’s subsidiary - DIH acquired 100% stock ownership in Ace by cash in the amount of $416,219 (US$13,655,000) on September 1, 2011 and 100% stock ownership in Drake by cash in the amount of $5,210,822 (US$172,116,000) on October 3, 2011. After this transaction, the Company’s indirectly owned stock ownership in DGC through Ace and Drake were 3.811% and 48.51%, respectively. Including the original 10.38% stock ownership held by the Company, the Company’s consolidated stock ownership in DGC was 62.701%.

All of the above transactions were accounted for by the purchase method, and assets, liabilities and goodwill from the business combination is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 6,565,815</td>
<td>$ 55,000</td>
</tr>
<tr>
<td>Fair value of issued new common stock</td>
<td>-</td>
<td>11,448,584</td>
</tr>
<tr>
<td>Subtotal</td>
<td>6,565,815</td>
<td>11,503,584</td>
</tr>
<tr>
<td>Investment cost before merger</td>
<td>368,726</td>
<td>1,804,092</td>
</tr>
<tr>
<td>Minority interest</td>
<td>1,689,626</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>8,624,167</td>
<td>13,307,676</td>
</tr>
</tbody>
</table>

Fair value of assets and liabilities of the subsidiary were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>11,831,818</td>
<td>3,424,620</td>
</tr>
<tr>
<td>Funds and investments</td>
<td>324,950</td>
<td>100,935</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>781,091</td>
<td>3,448,393</td>
</tr>
<tr>
<td>Intangible assets - patents</td>
<td>-</td>
<td>771,399</td>
</tr>
<tr>
<td>Intangible assets - customer relationship</td>
<td>1,552,101</td>
<td>2,414,312</td>
</tr>
<tr>
<td>Intangible assets - other</td>
<td>224,922</td>
<td>69,049</td>
</tr>
<tr>
<td>Other assets</td>
<td>75,489</td>
<td>66,841</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>( 7,843,879)</td>
<td>( 2,085,393)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>( 62,623)</td>
<td>( 53,865)</td>
</tr>
<tr>
<td></td>
<td>6,883,869</td>
<td>8,156,291</td>
</tr>
<tr>
<td>Goodwill</td>
<td>$ 1,740,298</td>
<td>$ 5,151,385</td>
</tr>
</tbody>
</table>
B. The business activities of each subsidiary were as follows:
   a. Cyntec and its subsidiaries: please refer to Note 11(2)A.
   b. Ayecom: please refer to Note 11(2)A.
   c. PreOptix: manufacturing and sales of lenses and optical engines for projectors.
   d. DGT: please refer to Note 11(3)A.
   e. DGC: please refer to Note 11(3)A.

C. In accordance with paragraph 26 of R.O.C. SFAS No. 25, “Accounting for Business Combination - Purchase Method”, publicly traded companies are required to provide supplemental information on the performance of its operations on a pro forma basis. The assumptions made by each direct subsidiary or indirect subsidiary for their pro forma consolidated statements of income for the years ended December 31, 2011 and 2010 are as follows:
   a. Effective March 31, 2010, the operating results of Cyntec had been included in the Company’s consolidated statements of income. The Company assumed that it had owned 100% stock ownership in Cyntec effective from January 1, 2010 and recognized related investment income and prepared consolidated statements of income.
   b. Effective June 1, 2010, the operating results of Ayecom was included in the consolidated statement of income of DNI, and pro forma supplementary information was prepared under the assumption that DNI and the Company had acquired 100% and 99.20% stock ownership in Ayecom, respectively since January 1, 2010.
   c. PreOptix was originally the consolidated entity of the Company. The proforma information is prepared under the assumption that PreOptix had been dissolved on January 1, 2010. The income (loss) of PreOptix had been included in the consolidated statement of income.
   d. Effective August 1, 2011, the operating results of DGT was included in the consolidated statements of income of DHK, and pro forma supplementary information was prepared under the assumption that DHK and the company had acquired 100% and 94% stock ownership in DGT, respectively since January 1, 2010.
   e. Effective October 3, 2011, the operating results of DGC was included in the consolidated statements of income of DIH, and pro forma supplementary information was prepared under the assumption that DIH and the Company had acquired 62.701% and 58.939% stock ownership in DGC, respectively since January 1, 2010.

Pro forma supplementary information is as follows:
### Delta Electronics, Inc. and Subsidiaries

#### Pro Forma Consolidated Statements of Income

For the Years Ended December 31, 2011 and 2010

(Expressed in thousands of dollars, except earnings per share data)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>$174,167,392</td>
<td>$177,721,709</td>
</tr>
<tr>
<td>Service income</td>
<td>$2,503,689</td>
<td>$2,178,391</td>
</tr>
<tr>
<td><strong>Net operating revenues</strong></td>
<td>$176,671,081</td>
<td>$179,900,100</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(140,207,810)</td>
<td>(138,303,684)</td>
</tr>
<tr>
<td>Service costs</td>
<td>(1,564,891)</td>
<td>(1,377,070)</td>
</tr>
<tr>
<td><strong>Net operating costs</strong></td>
<td>(141,772,701)</td>
<td>(139,680,754)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>34,898,380</td>
<td>40,219,346</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(24,066,650)</td>
<td>(21,863,956)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>10,831,730</td>
<td>18,355,390</td>
</tr>
<tr>
<td><strong>Non-operating income and gains</strong></td>
<td>5,968,359</td>
<td>4,014,508</td>
</tr>
<tr>
<td><strong>Non-operating expenses and losses</strong></td>
<td>(1,732,410)</td>
<td>(1,151,400)</td>
</tr>
<tr>
<td><strong>Income from continuing operations</strong> before income tax</td>
<td>15,067,679</td>
<td>21,218,498</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(2,912,270)</td>
<td>(2,573,047)</td>
</tr>
<tr>
<td><strong>Net income from continuing operations</strong></td>
<td>12,155,409</td>
<td>18,645,451</td>
</tr>
<tr>
<td><strong>Gain from discontinued operations</strong></td>
<td>-</td>
<td>7,763</td>
</tr>
<tr>
<td><strong>Attributed net income</strong></td>
<td>$12,155,409</td>
<td>$18,653,214</td>
</tr>
<tr>
<td><strong>Attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the Company</td>
<td>$10,973,267</td>
<td>$16,112,639</td>
</tr>
<tr>
<td>Minority interest</td>
<td>1,182,142</td>
<td>2,540,575</td>
</tr>
<tr>
<td><strong>Attributed net income</strong></td>
<td>$12,155,409</td>
<td>$18,653,214</td>
</tr>
</tbody>
</table>

#### Earnings Per Share (In Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Before Tax</th>
<th>After Tax</th>
<th>Before Tax</th>
<th>After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$6.27</td>
<td>$5.06</td>
<td>$9.01</td>
<td>$7.92</td>
</tr>
<tr>
<td>Gain from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td>-</td>
</tr>
<tr>
<td>Minority interest income</td>
<td>(0.49)</td>
<td>(0.49)</td>
<td>(1.08)</td>
<td>(1.08)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$5.78</td>
<td>$4.57</td>
<td>$7.95</td>
<td>$6.84</td>
</tr>
<tr>
<td><strong>Diluted earnings per share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>$6.15</td>
<td>$4.96</td>
<td>$8.87</td>
<td>$7.79</td>
</tr>
<tr>
<td>Gain from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td>-</td>
</tr>
<tr>
<td>Minority interest income</td>
<td>(0.48)</td>
<td>(0.48)</td>
<td>(1.06)</td>
<td>(1.06)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$5.67</td>
<td>$4.48</td>
<td>$7.83</td>
<td>$6.73</td>
</tr>
</tbody>
</table>
(10) Discontinued operations

Starting from March 1, 2010, the Group ceased production of all cold cathode fluorescent lamps and its factory operations. The above transaction qualifies under R.O.C. SFAS No. 38, “Accounting for Non-current Assets Held for Sale and Discontinued Operations” and is presented as discontinued operations. The disclosure of income from discontinued operations are as follows:

For the year ended
December 31, 2010

Operating income from discontinued operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating revenues</td>
<td>$94,827</td>
</tr>
<tr>
<td>Operating costs and expenses</td>
<td>(87,745)</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>20,115</td>
</tr>
<tr>
<td>Operating loss from discontinued operations before income tax</td>
<td>27,197</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(38,769)</td>
</tr>
<tr>
<td>Operating loss from discontinued operations</td>
<td>(11,572)</td>
</tr>
<tr>
<td>Gain on disposal of discontinued operations and the to fair value less costs to sell</td>
<td>28,865</td>
</tr>
<tr>
<td>Gain on disposal of discontinued operations and the to fair value less costs to sell before income tax</td>
<td>(9,530)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(19,335)</td>
</tr>
<tr>
<td>Gain from discontinued operations</td>
<td>$7,763</td>
</tr>
</tbody>
</table>

Cash flows from discontinued operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>$12,342</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>$28,324</td>
</tr>
</tbody>
</table>

(11) Extraordinary gain

The subsidiary - DIH originally held 10.38% ownership of DGC (shown as “Financial assets carried at cost”). Effective October 3, 2011, DGC was included in the Company’s consolidated financial statements. The treatment for the equity investment in DGC was changed to the equity method assuming that the change was at the beginning of 2011 and not adopting retroactive adjustment. The difference between investment cost and underlying equity in net assets is analyzed and dealt with by following the allocation procedures of the acquisition cost specified in R.O.C. SFAS No. 25, “Business Combinations - Purchase Method”. As the fair value of identifiable net assets exceeded the investment cost, the excess was recognized as a reduction to the carrying amounts of non-current assets of DGC in proportion to their fair values. The remaining excess of $205,629 after the carrying amounts of identifiable net assets was reduced
to $0 was recognized as extraordinary gain. Cash dividends received from DGC in 2011 was accounted for as investment income under the previous method; accordingly, investment income amounting to $153,267 was offset against the long-term equity investment account.
(1) Significant intercompany transactions between the Company, DIH, DNH, PreOptix, DEN, DelSolar, NEM, Cyntec, Delbio, Delta Capital and DEIL-SG and the consolidated subsidiaries are eliminated when preparing the consolidated financial statements. The details are as follows:

### Transactions

<table>
<thead>
<tr>
<th>Transactions</th>
<th>The Company</th>
<th>DIH</th>
<th>DNH</th>
<th>PreOptix</th>
<th>DEN</th>
<th>DelSolar</th>
<th>NEM</th>
<th>Cyntec</th>
<th>Delbio</th>
<th>Delta Capital</th>
<th>DEIL-SG</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Elimination of long-term investments</td>
<td>($ 86,730,487)</td>
<td>55,048,426</td>
<td>6,537,276</td>
<td>181,496</td>
<td>85,386</td>
<td>4,388,399</td>
<td>95,692</td>
<td>25,741</td>
<td>1,171,924</td>
<td>2,862,753</td>
<td></td>
</tr>
<tr>
<td>(2) Elimination of intercompany receivable (AR) and payable (AP) accounts</td>
<td>4,908,545</td>
<td>148,366</td>
<td>252,648</td>
<td>-</td>
<td>23,122</td>
<td>48,954</td>
<td>242</td>
<td>( 53,974)</td>
<td>949</td>
<td>517</td>
<td>5,329,369</td>
</tr>
<tr>
<td>(3) Elimination of profit and loss accounts</td>
<td>(802,843)</td>
<td>333,856</td>
<td>1,985</td>
<td>-</td>
<td>45,506</td>
<td>296,831</td>
<td>-</td>
<td>72,611</td>
<td>546</td>
<td>-</td>
<td>51,508</td>
</tr>
<tr>
<td>A. Sale and purchase transactions</td>
<td>( 19,782,124)</td>
<td>3,906,401</td>
<td>( 30,071)</td>
<td>-</td>
<td>-</td>
<td>( 5,027)</td>
<td>-</td>
<td>( 4,686)</td>
<td>-</td>
<td>-</td>
<td>( 15,835,939)</td>
</tr>
<tr>
<td>b. Upstream transactions</td>
<td>-</td>
<td>13,472,433</td>
<td>940,980</td>
<td>32,141</td>
<td>198,198</td>
<td>116,380</td>
<td>1,710</td>
<td>( 278,204)</td>
<td>381</td>
<td>-</td>
<td>12,464,267</td>
</tr>
<tr>
<td>c. Sidestream transactions</td>
<td>6,229,527</td>
<td>2,734,453</td>
<td>( 24,710)</td>
<td>( 64,047)</td>
<td>173,719</td>
<td>( 6,460)</td>
<td>( 426)</td>
<td>504</td>
<td>99</td>
<td>25,000</td>
<td>( 3,597,745)</td>
</tr>
<tr>
<td>B. Services revenue, selling expenses, management and administrative expenses</td>
<td>41,695</td>
<td>24,464</td>
<td>40,301</td>
<td>-</td>
<td>-</td>
<td>( 68,832)</td>
<td>-</td>
<td>45,294</td>
<td>( 2,217)</td>
<td>( 103)</td>
<td>-</td>
</tr>
<tr>
<td>C. Rental revenue and rental expense</td>
<td>( 748,424)</td>
<td>314,873</td>
<td>-</td>
<td>2,346</td>
<td>-</td>
<td>1,040,728</td>
<td>20,223</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(4) Elimination of minority interest income</td>
<td>4,740</td>
<td>-</td>
<td>( 4,400)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>( 340)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2011

Refundable deposits and guarantee deposits received
<table>
<thead>
<tr>
<th>Transactions</th>
<th>The Company</th>
<th>DIH</th>
<th>DNH</th>
<th>PreOptix</th>
<th>DEN</th>
<th>DelSolar</th>
<th>NEM</th>
<th>Cyntec</th>
<th>Delbio</th>
<th>Delta Capital</th>
<th>DEIL-SG</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Elimination of long-term investments</td>
<td>($ 81,760,681)</td>
<td>$ 52,044,492</td>
<td>$ 8,770,194</td>
<td>$ 224,312</td>
<td>$ 67,822</td>
<td>$ 5,765,236</td>
<td>$ 81,798</td>
<td>$ 13,854,170</td>
<td>$ 136,133</td>
<td>$ 549,420</td>
<td>$ 267,104</td>
</tr>
<tr>
<td>(2) Elimination of intercompany receivable (AR) and payable (AP) accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Elimination of profit and loss accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Sale and purchase transactions</td>
<td>4,431,710</td>
<td>( 4,374,520)</td>
<td>260,901</td>
<td>( 36,906)</td>
<td>45,200</td>
<td>20,084</td>
<td>( 467)</td>
<td>( 81,616)</td>
<td>802</td>
<td>242</td>
<td>( 265,430)</td>
</tr>
<tr>
<td>a. Downstream transactions</td>
<td>515,555</td>
<td>( 390,860)</td>
<td>(2,224)</td>
<td>- ( 9,894)</td>
<td>( 92,133)</td>
<td>- ( 20,444)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>b. Upstream transactions</td>
<td>( 22,269,911)</td>
<td>20,940,965</td>
<td>7,174</td>
<td>11,122</td>
<td>421</td>
<td>11,429</td>
<td>-</td>
<td>142</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>c. Sidestream transactions</td>
<td>-</td>
<td>1,936,385</td>
<td>( 866,185)</td>
<td>297,276</td>
<td>( 233,008)</td>
<td>( 83,692)</td>
<td>- ( 30,402)</td>
<td>-</td>
<td>-</td>
<td>1,298,658</td>
<td>-</td>
</tr>
<tr>
<td>B. Services revenue, selling expenses, management and administrative expenses</td>
<td>5,734,819</td>
<td>( 5,880,490)</td>
<td>( 22,415)</td>
<td>( 1,518)</td>
<td>169,806</td>
<td>( 102)</td>
<td>- ( 100)</td>
<td>-</td>
<td>-</td>
<td>( 1,020,374)</td>
<td>-</td>
</tr>
<tr>
<td>C. Rental revenue and rental expense</td>
<td>39,951</td>
<td>31,407</td>
<td>41,081</td>
<td>-</td>
<td>-</td>
<td>( 52,723)</td>
<td>-</td>
<td>23,882</td>
<td>( 1,254)</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td>(4) Elimination of minority interest income</td>
<td>810,996</td>
<td>( 645,513)</td>
<td>- ( 1,892)</td>
<td>- ( 178,004)</td>
<td>14,413</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(5) Elimination of other transactions</td>
<td>4,740</td>
<td>- ( 4,400)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>( 340)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2010
## 11. DISCLOSURE INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

### (1) Related information of significant transactions

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

A. Financing activities to any company or person: None.

B. Guarantee information: None.

C. Marketable securities held by the Company at December 31, 2011: (Combined amounts less than $100,000 as of December 31, 2011)

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name and kind of marketable securities</th>
<th>Relationship of the issuers with the Company</th>
<th>General ledger accounts</th>
<th>December 31, 2011</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Book value</td>
<td>Percentage</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta International Holding Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>67,680,000</td>
<td>$55,048,426</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Networks Holding Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>39,800,000</td>
<td>6,537,276</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>DelSolar Co., Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>147,656,278</td>
<td>4,388,399</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>PreOptix (Hong Kong) Co., Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>5,250,000</td>
<td>181,496</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Cyntec Co., Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>414,737,897</td>
<td>16,333,394</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Capital Company common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>125,000,000</td>
<td>1,171,924</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics (Irl) (Singapore) Pte. Ltd. common stock</td>
<td>A subsidiary of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>300,000</td>
<td>2,862,753</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics (Thailand) Public Co., Ltd. common stock</td>
<td>Investee company accounted for under the equity method</td>
<td>Long-term investments accounted for under the equity method</td>
<td>69,128,140</td>
<td>3,813,416</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Amita Technologies, Inc. common stock</td>
<td>Investee company accounted for under the equity method</td>
<td>Long-term investments accounted for under the equity method</td>
<td>14,244,000</td>
<td>292,791</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>D-Link Co., Ltd. common stock</td>
<td>None</td>
<td>Available-for-sale financial assets</td>
<td>11,540,547</td>
<td>236,004</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>December 31, 2011</td>
<td>Note</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------</td>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Tong Hsing Electronic Industries, Ltd. common stock</td>
<td>None</td>
<td>Available-for-sale financial assets</td>
<td>3,175,000</td>
<td>$ 232,410</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta America Ltd. preferred shares</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>2,100,000</td>
<td>103,064</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Allied Material Technology Corp. common stock</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>271,017,597</td>
<td>2,710,152</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Dynapack International Technology Corporation convertible bond</td>
<td>None</td>
<td>Financial assets at fair value through profit or loss - non-current</td>
<td>-</td>
<td>860,000</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Bright Led Electronics Corp. convertible bond</td>
<td>None</td>
<td>Financial assets at fair value through profit or loss - non-current</td>
<td>-</td>
<td>720,000</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Others</td>
<td></td>
<td></td>
<td>807,902</td>
<td>807,902</td>
</tr>
</tbody>
</table>

Note: The carrying value is based on the initial investment cost plus the investment income recognized by the combined ownership percentage of 20.01%. The market value of the long-term investment calculated by the Company's ownership is $1,447,128. The combined ownership percentage of 20.01% of the market value of the long-term investment is $5,224,988 as of December 31, 2011.
D. Marketable securities acquired or sold in excess of $100,000 or 20% of capital:

<table>
<thead>
<tr>
<th>Acquirer/ seller</th>
<th>Name of marketable security</th>
<th>General ledger accounts</th>
<th>Name of transaction parties</th>
<th>Relationship</th>
<th>January 1, 2011</th>
<th>Addition</th>
<th>Disposal</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Amount</td>
<td>Number of shares</td>
<td>Amount</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Capital Company common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Delta Electronics Capital Company</td>
<td>Investee company accounted for under the equity method</td>
<td>55,000,000</td>
<td>$ 549,420</td>
<td>70,000,000</td>
<td>$ 622,504 (Note a)</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>PreOptix (Hong Kong) Co., Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>PreOptix Co. Ltd.</td>
<td>Investee company accounted for under the equity method</td>
<td>-</td>
<td>-</td>
<td>5,250,000</td>
<td>181,496 (Note b)</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>PreOptix Co., Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>PreOptix Co. Ltd.</td>
<td>Investee company accounted for under the equity method</td>
<td>26,570,000</td>
<td>224,312</td>
<td>1,430,000</td>
<td>14,210 (Note c)</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Tera Xtal Technology Corporation common stock</td>
<td>Financial assets carried at cost</td>
<td>The emerging stock markets</td>
<td>None</td>
<td>1,116,000</td>
<td>31,248</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Allied Material Technology Corp. common stock</td>
<td>Financial assets carried at cost</td>
<td>Allied Material Technology Corp.</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>271,017,597</td>
<td>2,710,152</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Edison Opto Corporation common stock</td>
<td>Available-for-sale financial assets</td>
<td>Stock exchange market</td>
<td>None</td>
<td>3,265,968</td>
<td>571,544</td>
<td>423,895 (Note d)</td>
<td>388,825 (Note e)</td>
</tr>
</tbody>
</table>

Note a: The Company invested $700,000 in Delta Electronics Capital Company and recognized investment loss under the equity method.
Note b: The Company conducted simple merger with PreOptix Co. Ltd. on March 1, 2011. The Company is the surviving company and PreOptix Co. Ltd. is the dissolved company. Thus, the long-term equity investment of PreOptix Co. Ltd. in PreOptix (Hong Kong) Co., Ltd. accounted for under the equity method, amounting to $170,782, and associated investment loss and adjustment for net asset value change were absorbed by the Company.

Note c: The Company conducted simple merger with PreOptix Co. Ltd. on March 1, 2011 and paid $17,875 to the minority stockholders of PreOptix Co. Ltd. for the merger, which includes investment loss before the merger and adjustment for net asset value change. PreOptix Co. Ltd. was dissolved after the merger.

Note d: The increase in number of shares is stock dividends.

Note e: The decrease in amount was recognized due to adjustment of valuation of fair value.

E. Acquisition of real estate in excess of $100,000 or 20% of capital: None.

F. Disposal of real estate in excess of $100,000 or 20% of capital: None.

G. Related party purchases or sales transactions in excess of $100,000 or 20% of capital: Please refer to Notes 5(2)A to C.

H. Receivables from related parties in excess of $100,000 or 20% of capital:

<table>
<thead>
<tr>
<th>Name of creditor</th>
<th>Transaction parties</th>
<th>Relationship</th>
<th>Balance of receivable from related parties</th>
<th>Turnover rate</th>
<th>Amount</th>
<th>Action adopted for overdue accounts</th>
<th>Subsequent collections (Note)</th>
<th>Allowance for doubtful accounts provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>A subsidiary of DEI</td>
<td>Accounts receivable</td>
<td>9.00</td>
<td>753,852</td>
<td>-</td>
<td>-</td>
<td>$69,387</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>A subsidiary of DEI</td>
<td>Other receivables</td>
<td>-</td>
<td>303,362</td>
<td>220,746</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics International Ltd.</td>
<td>A subsidiary of DIH</td>
<td>Accounts receivable</td>
<td>7.07</td>
<td>179,608</td>
<td>132,434</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics International Ltd.</td>
<td>A subsidiary of DIH</td>
<td>Other receivables</td>
<td>1,336</td>
<td>8,377</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics (Thailand) Public Co., Ltd.</td>
<td>Investee company accounted for under the equity method</td>
<td>Other receivables</td>
<td>30,614</td>
<td>128,413</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: The amounts represent collections subsequent to December 31, 2011 up to March 20, 2012.

I. Information on derivative transactions: Please refer to Notes 10. (2) and 10. (7).
(2) Disclosure information of investee company

Information related to investee companies’ investment income or loss was translated at the average rate of 2011 while others are translated at the rate of exchange prevailing at the balance sheet date.

A. Information of investee company:

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of investee company</th>
<th>Address</th>
<th>Main activities</th>
<th>Original investment</th>
<th>Held as of December 31, 2011</th>
<th>Income (loss) of the investee company</th>
<th>Investment income (loss) recognized by the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta International Holding Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD $8,922,118</td>
<td>NTD $67,080,000</td>
<td>NTD $55,048,426</td>
<td>NTD $5,268,825</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Networks Holding Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD 1,377,206</td>
<td>NTD 39,800,000</td>
<td>NTD 6,537,276</td>
<td>NTD 1,106,545</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Solar Co., Ltd.</td>
<td>Taiwan</td>
<td>Manufacturing and sales of solar batteries and related systems</td>
<td>NTD 3,773,403</td>
<td>NTD 1,170,278</td>
<td>NTD 4,318,399</td>
<td>NTD 2,500,226</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Cyntec Co., Ltd.</td>
<td>Taiwan</td>
<td>Research, development, manufacturing and sales of thin film optic-electronic devices</td>
<td>NTD 12,067,931</td>
<td>NTD 414,737,897</td>
<td>NTD 16,333,394</td>
<td>NTD 2,585,231</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Amta Technologies, Inc.</td>
<td>Taiwan</td>
<td>Manufacturing of lithium polymer batteries and related systems</td>
<td>NTD 429,319</td>
<td>NTD 1,244,000</td>
<td>NTD 292,791</td>
<td>NTD 133,901</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Capital Company</td>
<td>Taiwan</td>
<td>Equity investments</td>
<td>NTD 1,250,000</td>
<td>NTD 550,000</td>
<td>NTD 1,170,924</td>
<td>NTD 37,976</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Singapore</td>
<td>Sales of electronics products</td>
<td>NTD 7,270</td>
<td>NTD 300,000</td>
<td>NTD 2,862,765</td>
<td>NTD 2,862,765</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>DeltaBio Inc.</td>
<td>Taiwan</td>
<td>Manufacturing, wholesale and retail of medical equipment</td>
<td>NTD 140,000</td>
<td>NTD 140,000</td>
<td>NTD 25,741</td>
<td>NTD 110,392</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name of investee company</td>
<td>Address</td>
<td>Main activities</td>
<td>Original investment Balance as of December 31, 2011</td>
<td>Held as of December 31, 2011</td>
<td>Income (loss) of the investee company</td>
<td>Investment income (loss) recognized by the Company</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------</td>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics (Netherlands) B.V.</td>
<td>Netherlands</td>
<td>Sales of electronic products</td>
<td>NTD $36,723</td>
<td>NTD $36,723</td>
<td>NTD 765,000</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta Electronics, Inc.</td>
<td>NeoEnergy Microelectronics, Inc.</td>
<td>Taiwan</td>
<td>Designing and fabricating of integrated circuit and semiconductor device and information software design service</td>
<td>NTD 242,036</td>
<td>NTD 151,596</td>
<td>NTD 2,420,360</td>
<td>80.68</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Malaysia</td>
<td>Sales of electronic products</td>
<td>NTD 60,550</td>
<td>NTD 60,550</td>
<td>NTD 2,000,000</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (H.K.) Ltd.</td>
<td>Hong Kong</td>
<td>Equity investments</td>
<td>NTD 9,942,222</td>
<td>NTD 8,973,422</td>
<td>NTD 2,492,097,000</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>OMC Holding (Cayman) Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD 488,046</td>
<td>NTD 488,046</td>
<td>NTD 2,220,000</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (Japan), Inc.</td>
<td>Japan</td>
<td>Sales of power products, display solution products, electronic components, industrial automation products and related materials</td>
<td>NTD 80,555</td>
<td>NTD 53,782</td>
<td>NTD 5,600</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Digital Projection International Ltd.</td>
<td>Britain</td>
<td>Equity investments</td>
<td>NTD 240,394</td>
<td>NTD 240,394</td>
<td>NTD 7,583,000</td>
<td>32.11</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>ProOptics (Hong Kong) Co., Ltd.</td>
<td>Hong Kong</td>
<td>Equity investments</td>
<td>NTD 242,200</td>
<td>NTD 242,200</td>
<td>NTD 8,000,000</td>
<td>60.38</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Ace Pillar Holding Ltd.</td>
<td>Samoa</td>
<td>Equity investments</td>
<td>NTD 413,420</td>
<td>NTD 413,420</td>
<td>NTD 2,858,788</td>
<td>100.00</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Drake Overseas Financial Investment Ltd.</td>
<td>British Virgin Islands</td>
<td>Equity investments</td>
<td>NTD 5,210,822</td>
<td>NTD 5,210,822</td>
<td>NTD 5,302,809</td>
<td>100.00</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name of investee company</td>
<td>Address</td>
<td>Main activities</td>
<td>Original investment</td>
<td>Book value</td>
<td>Amount</td>
<td>New Investment or Cash outflow recognized by the investee company</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------</td>
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<td>---------------------</td>
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<td>------------------------</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Power Sharp Ltd.</td>
<td>U.S.A.</td>
<td>Research and development of advanced material and system automation equipment and telecommunication equipment</td>
<td>NTD 39,153</td>
<td>NTD 58,888</td>
<td>NTD 953</td>
<td>Equity in investments</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (H.K.) Ltd.</td>
<td>Hong Kong</td>
<td>Trading of networking systems and peripherals</td>
<td>NTD 1,059,625</td>
<td>NTD 2,966,047</td>
<td>NTD 737,847</td>
<td>Equity in investments</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Networks, Inc.</td>
<td>U.S.A.</td>
<td>Trading of networking systems and peripherals</td>
<td>NTD 466,816</td>
<td>NTD 1,442,845</td>
<td>NTD 68,528</td>
<td>Equity in investments</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>Taiwan</td>
<td>Manufacturing and sales of networking systems and peripherals</td>
<td>NTD 30,275</td>
<td>NTD 467,689</td>
<td>NTD 460,676</td>
<td>Equity in investments</td>
</tr>
<tr>
<td>Delta Networks, Inc.</td>
<td>Delta Networks, Inc.</td>
<td>Malaysia</td>
<td>Trading of networking systems and peripherals</td>
<td>NTD 30,275</td>
<td>NTD 467,689</td>
<td>NTD 460,676</td>
<td>Equity in investments</td>
</tr>
</tbody>
</table>
## Currencies Balance as of December 31, 2011

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of investee company</th>
<th>Address</th>
<th>Main activities</th>
<th>Currencies Original investment</th>
<th>Currencies Balance as of December 31, 2011</th>
<th>Number of shares</th>
<th>Percentage of ownership</th>
<th>Currencies Book value</th>
<th>Currencies Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>Ayecom Technology Co., Ltd.</td>
<td>Taiwan</td>
<td>Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices</td>
<td>NTD $ 185,000</td>
<td>NTD $ 185,000</td>
<td>30,000,000</td>
<td>100.00</td>
<td>NTD $ 18,974</td>
<td>NTD $ 72,977</td>
<td>(Note e)</td>
</tr>
<tr>
<td>Delta Solar Co., Ltd.</td>
<td>DelSolar Holding (Cayman) Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD 4,079,842</td>
<td>NTD 3,889,722</td>
<td>129,150,000</td>
<td>100.00</td>
<td>NTD 3,984,232</td>
<td>NTD 262,562</td>
<td>(Note g)</td>
</tr>
<tr>
<td>Delta Solar Co., Ltd.</td>
<td>DelSolar Holding Singapore Pte. Ltd.</td>
<td>Singapore</td>
<td>Equity investments</td>
<td>NTD 6,000</td>
<td>NTD -</td>
<td>209,900</td>
<td>100.00</td>
<td>NTD -</td>
<td>NTD 31,111</td>
<td>(Note g)</td>
</tr>
<tr>
<td>Delta Solar Co., Ltd.</td>
<td>DelSolar India EPC Company Private Ltd.</td>
<td>India</td>
<td>Equity investments</td>
<td>NTD -</td>
<td>NTD -</td>
<td>1</td>
<td>100.00</td>
<td>NTD -</td>
<td>NTD 30,052</td>
<td>(Note g)</td>
</tr>
<tr>
<td>Delta Solar Holding (Cayman) Ltd.</td>
<td>DelSolar (H.K.) Ltd.</td>
<td>Hong Kong</td>
<td>Equity investments</td>
<td>NTD 3,630,028</td>
<td>NTD 3,630,028</td>
<td>120,100,000</td>
<td>100.00</td>
<td>NTD 3,736,162</td>
<td>NTD (282,989)</td>
<td>(Note h)</td>
</tr>
<tr>
<td>Delta Solar Holding (Cayman) Ltd.</td>
<td>DelSolar US Holdings (Delaware) Corp.</td>
<td>U.S.A</td>
<td>Equity investments</td>
<td>NTD 272,475</td>
<td>NTD -</td>
<td>900</td>
<td>100.00</td>
<td>NTD 277,395</td>
<td>NTD 4,778</td>
<td>(Note h)</td>
</tr>
<tr>
<td>Delta Solar US Holdings (Delaware) Corp.</td>
<td>DelSolar Development (Delaware) LLC</td>
<td>U.S.A</td>
<td>Design and sale of solar systems</td>
<td>NTD 254,007</td>
<td>NTD -</td>
<td>-</td>
<td>100.00</td>
<td>NTD 259,295</td>
<td>NTD 5,133</td>
<td>(Note i)</td>
</tr>
<tr>
<td>Delta Solar Development (Delaware) LLC</td>
<td>DSS-RAL LLC</td>
<td>U.S.A</td>
<td>Contractor of solar systems project</td>
<td>NTD 149,861</td>
<td>NTD -</td>
<td>-</td>
<td>100.00</td>
<td>NTD 186,080</td>
<td>NTD 35,345</td>
<td>(Note j)</td>
</tr>
<tr>
<td>Delta Solar Development (Delaware) LLC</td>
<td>DSS-USP PHX LLC</td>
<td>U.S.A</td>
<td>Contractor of solar systems project</td>
<td>NTD 69,633</td>
<td>NTD -</td>
<td>-</td>
<td>100.00</td>
<td>NTD 69,633</td>
<td>NTD -</td>
<td>(Note j)</td>
</tr>
<tr>
<td>Delta Solar Holding Singapore Pte. Ltd.</td>
<td>DelSolar India EPC Company Private Ltd.</td>
<td>India</td>
<td>Contractor of solar systems project</td>
<td>NTD 6,055</td>
<td>NTD -</td>
<td>890,166</td>
<td>100.00</td>
<td>NTD (31,409)</td>
<td>NTD (39,052)</td>
<td>(Note k)</td>
</tr>
<tr>
<td>Cyntec Co., Ltd.</td>
<td>Fairview Assets Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD 1,109,005</td>
<td>NTD 1,107,555</td>
<td>32,500,062</td>
<td>100.00</td>
<td>NTD 7,703,134</td>
<td>NTD 2,511,329</td>
<td>(Note l)</td>
</tr>
<tr>
<td>Name of investor company</td>
<td>Address</td>
<td>Main activities</td>
<td>Original investment</td>
<td>Held as of December 31, 2011</td>
<td>Income (loss) of the investee company</td>
<td>Investment income (loss) recognized by the Company</td>
<td>Note</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
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<td>-----------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairview Assets Ltd.</td>
<td>Cayman Islands</td>
<td>Equity investments</td>
<td>NTD $2,938,492</td>
<td>NTD 2,682,853</td>
<td>100.00</td>
<td>NTD $6,800,138</td>
<td>NTD $2,511,024</td>
<td>NTD $2,511,024 (Note m)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grandview Holding Ltd.</td>
<td>Malaysia</td>
<td>Trading</td>
<td>NTD 151,375</td>
<td>NTD 151,375</td>
<td>100.00</td>
<td>NTD 3,298,405</td>
<td>NTD 2,387,362</td>
<td>NTD 2,387,362 (Note n)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grandview Holding Ltd.</td>
<td>Hong Kong</td>
<td>Equity investments</td>
<td>NTD 2,787,117</td>
<td>NTD 2,331,478</td>
<td>100.00</td>
<td>NTD 3,901,728</td>
<td>NTD 129,286</td>
<td>NTD 129,286 (Note n)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note a: Investment income / loss recognized by Delta International Holding Ltd.
Note b: Investment income / loss recognized by Delta Electronics (H.K.) Ltd.
Note c: Investment income / loss recognized by Delta Networks Holding Ltd.
Note d: Investment income / loss recognized by Delta Networks, Inc.
Note e: Investment income / loss recognized by Delta Networks, Inc. (Taiwan)
Note f: PreOptix (Hong Kong) Co., Ltd. is a subsidiary jointly controlled by the Company and DIH. It is recognized as investments by the Company, PreOptix Co., Ltd. (dissolved after merger with the Company on March 1, 2011) and Delta International Holding Ltd. The Group’s consolidated stock ownership in PreOptix (Hong Kong) Co., Ltd. was 96.38%, respectively.
Note g: Investment income / loss recognized by DeSolar Co., Ltd.
Note h: Investment income / loss recognized by DeSolar Holding (Cayman) Ltd.
Note i: Investment income / loss recognized by DeSolar US Holdings (Delaware) Corp.
Note j: Investment income / loss recognized by DeSolar Development (Delaware) LLC.
Note k: Investment income / loss recognized by DeSolar Holding Singapore Pte. Ltd.
Note l: Investment income / loss recognized by Cyntec Co., Ltd.
Note m: Investment income / loss recognized by Fairview Assets Ltd.
Note n: Investment income / loss recognized by Grandview Holding Ltd.
Note o: The investment income / loss is net of the elimination of intercompany transactions.
Note p: The weighted average shareholding ratio was 20.01% and the investment income included the elimination of intercompany transactions.
### B. Financing activities to any company or person:

<table>
<thead>
<tr>
<th>Number</th>
<th>Creditor</th>
<th>Borrower</th>
<th>General ledger account</th>
<th>Maximum outstanding balance during the year ended December 31, 2011</th>
<th>Balance at December 31, 2011</th>
<th>Interest rate</th>
<th>Nature of loan</th>
<th>Amount of transactions with the borrower</th>
<th>Reason for short-term financing</th>
<th>Allowance for doubtful accounts</th>
<th>Collateral Item</th>
<th>Value</th>
<th>Limit on loans granted to a single party</th>
<th>Ceiling on total loans granted</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Other receivables-related parties</td>
<td>$1,513,750</td>
<td>$1,513,750</td>
<td>1.37375%</td>
<td>Short-term financing</td>
<td>$ -</td>
<td>Additional operating capital</td>
<td>None</td>
<td>$ -</td>
<td>$5,858,619</td>
<td>$11,717,238</td>
<td>(Note d)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (Wuhan) Co., Ltd.</td>
<td>Other receivables-related parties</td>
<td>968,800</td>
<td>605,500</td>
<td>1.36695%</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>5,858,619</td>
<td>11,717,238</td>
<td>(Note d)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Delta International Holding Ltd.</td>
<td>Delta Electron Optics (Wujiang) Ltd.</td>
<td>Other receivables-related parties</td>
<td>605,500</td>
<td>605,500</td>
<td>1.37375%</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>5,858,619</td>
<td>11,717,238</td>
<td>(Note d)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Other receivables-related parties</td>
<td>272,475</td>
<td>-</td>
<td>-</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>5,858,619</td>
<td>11,717,238</td>
<td>(Note d)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Other receivables-related parties</td>
<td>432,441</td>
<td>432,441</td>
<td>6.56000%</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>503,108</td>
<td>2,012,431</td>
<td>(Note e)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Other receivables-related parties</td>
<td>336,343</td>
<td>336,343</td>
<td>6.56000%</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>427,676</td>
<td>1,710,784</td>
<td>(Note e)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Delta Electron Optics (Wujiang) Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Other receivables-related parties</td>
<td>288,294</td>
<td>288,294</td>
<td>6.56000%</td>
<td>Short-term financing</td>
<td>-</td>
<td>Additional operating capital</td>
<td>None</td>
<td>-</td>
<td>380,495</td>
<td>1,521,982</td>
<td>(Note e)</td>
<td></td>
</tr>
</tbody>
</table>
Note a: Number 0 represents the Company; the investee companies are in order from number 1.

Note b: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2011, which the Company reported to the Securities and Futures Bureau.

Note c: The amount of giving loans actually is the same with the certain monetary limit resolved by the Board of Directors.

Note d: 1. In accordance with the Delta Internation Holding Ltd. Operating Procedures of Fund Lending, the limits for each recipient according to reasons of lending are as follows:
   
   When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and shall not exceed 10 percent of the Company’s net worth as stated in the Company’s latest financial statements.
   
   When providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 10 percent of the Company’s net worth as stated in the Company’s latest financial statements.

   2. In accordance with the Delta Internation Holding Ltd. Operating Procedures of Fund Lending, the limits for total amount of fund lending according to its reasons are as follows:
   
   When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and the total amount lent shall not exceed 20 percent of the Company’s net worth as stated in the Company’s latest financial statements.
   
   When providing short-term financing to other companies or enterprises, the total short-term financing amount shall not exceed 20 percent of the Company’s net worth as stated in the Company’s latest financial statements.

   The aggregate amount of total funds lent to other companies or enterprises with which the Company has business relations and total short-term financing provided to other companies or enterprises shall not exceed 20 percent of the Company’s net worth as stated in the Company’s latest financial statements.

Note e: 1. In accordance with the Delta Electronics (Jiangsu) Ltd., Delta Electronics Components (Wujiang) Ltd., Delta Electro-Optics (Wujiang) Ltd., and Fairview Assets Ltd. Operating Procedures of Fund Lending, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and the total amount lent shall not exceed 10 percent of the Company’s net worth as stated in the Company’s latest financial statements.

   2. In accordance with the Delta Electronics (Jiangsu) Ltd., Delta Electronics Components (Wujiang) Ltd., Delta Electro-Optics (Wujiang) Ltd., and Fairview Assets Ltd. Operating Procedures of Fund Lending, the limits for total amount of fund lending shall not exceed the total transaction amount between the recipient and the Company in the most recent year and the total amount lent shall not exceed 40 percent of the Company’s net worth as stated in the Company’s latest financial statements.
### C. Guarantee information:

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Parties being guaranteed</th>
<th>Limit on guarantees provided for a single party</th>
<th>Highest outstanding guarantee amount in 2011</th>
<th>Outstanding guarantee amount at December 31, 2011</th>
<th>Amount of guarantee with collateral placed</th>
<th>Ratio of accumulated guarantee amount to net value of the Company</th>
<th>Ceiling of the outstanding guarantee to the respective party</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DelSolar Co., Ltd.</td>
<td>Delta Electronics, Inc.</td>
<td>$1,486,652</td>
<td>$270,600</td>
<td>$270,600</td>
<td>$-</td>
<td>-</td>
<td>$2,229,978</td>
<td>(Note c)</td>
</tr>
<tr>
<td>2</td>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>302,750</td>
<td>302,750</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>363,300</td>
<td>(Note d)</td>
</tr>
</tbody>
</table>

**Note a:** Number 0 represents the Company; the investee companies are numbered starting from 1.

**Note b:** Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2011, which the Company reported to the Securities and Futures Bureau.

**Note c:** In accordance with the guarantee procedure of DelSolar Co., Ltd., DelSolar Co., Ltd.’s guarantees to others should not be in excess of 30% of the Company’s net assets, and the company’s limit on guarantees provided for a single party should not be in excess of 20% of the company’s net assets.

**Note d:** In accordance with the guarantee procedure of Delta International Holding Ltd., Delta International Holding Ltd.’s guarantees to others should not be in excess of USD 12 million, and the company’s limit on guarantees provided for a single party should not be in excess of USD 10 million.
D. Marketable securities held by the Company as of December 31, 2011: (Combined the individual amount less than $100,000 as of December 31, 2011)

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name and kind of marketable securities</th>
<th>Relationship of the issuers with the Company</th>
<th>General ledger accounts</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics International Ltd. common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 2,000,000</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>DAC Holding (Cayman) Limited common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 22,200,000</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics (Japan) Inc. common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 5,600</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics (H.K.) Ltd. common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 2,549,297,600</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Ace Pillar Holding Co., Ltd. common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 2,858,718</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Drake Overseas Financial Investment Ltd. common stock</td>
<td>A subsidiary of DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 1</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>PreOptix (Hong Kong) Co., Ltd. common stock</td>
<td>A subsidiary jointly controlled by the Company and DIH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 8,000,000</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Electronics (Thailand) Public Co., Ltd. common stock</td>
<td>Investee company accounted for under the equity method of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 191,984,450</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Digital Projection International Ltd. common stock</td>
<td>Investee company accounted for under the equity method of the Company</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Number of shares: 7,583,000</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>Number of shares</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------</td>
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<td>----------------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Greentech (China) Co., Ltd. common stock</td>
<td>A subsidiary jointly controlled by DIH, Ace and Drake</td>
<td>Long-term investments accounted for under the equity method</td>
<td>58,940,390</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Solarflare Communications, Inc. preferred shares</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>9,547,235</td>
</tr>
<tr>
<td>Delta International Holding Ltd. (DIH)</td>
<td>Delta Power Sharp Ltd. common stock, etc.</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Dongguan) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Shanghai) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Wuhan) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Chenzhou) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics (Jiangsu) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>December 31, 2011</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics Components (Wujiang) Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,350,987</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>55.00</td>
</tr>
<tr>
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<td></td>
<td>$2,350,987</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electro-Optics (Wujiang) Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>$2,027,110</td>
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<td>55.00</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>$2,027,110</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Video Display System (Wujiang) Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$924,824</td>
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<td></td>
<td>55.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$924,824</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Green (Tianjin) Industries Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$982,623</td>
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<tr>
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<td>100.00</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>$982,623</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd. (DHK)</td>
<td>Delta Electronics International Mexico S.A. DE C.V. common stock, etc.</td>
<td></td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
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<td></td>
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<td>$144,364</td>
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<td>144,364</td>
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</tr>
<tr>
<td>Ace Pillar Holding Co., Ltd. (Ace)</td>
<td>Delta Greentech (China) Co., Ltd. common stock</td>
<td>A subsidiary jointly controlled by DHK, Ace and Drake</td>
<td>Long-term investments accounted for under the equity method</td>
<td>21,646,341</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>171,290</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>171,290</td>
</tr>
<tr>
<td>Delta Electronics (Wuhu) Co., Ltd. (DWH)</td>
<td>Wuhu Delta Technology Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DWH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$155,444</td>
</tr>
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<td></td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$155,444</td>
</tr>
<tr>
<td>Delta Electronics (Chenzhou) Co., Ltd. (DCZ)</td>
<td>Chenzhou Delta Technology Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of DCZ</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$137,802</td>
</tr>
<tr>
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<td></td>
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<td></td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$137,802</td>
</tr>
<tr>
<td>Drake Overseas Financial Investment Ltd. (Drake)</td>
<td>Drake Investment (HK) Ltd. common stock</td>
<td>A subsidiary of Drake</td>
<td>Long-term investments accounted for under the equity method</td>
<td>304,504,306</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,165,899</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,165,899</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>Number of shares</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Drake Investment (HK) Ltd. (Drake-HK)</td>
<td>Delta Greentech (China) Co., Ltd. common stock</td>
<td>A subsidiary jointly controlled by DIH, Ace and Drake</td>
<td>Long-term investments accounted for under the equity method</td>
<td>275,549,268</td>
</tr>
<tr>
<td>Delta Networks Holding Ltd. (DNH)</td>
<td>Delta Networks, Inc. (Cayman) common stock</td>
<td>A subsidiary of DNH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>1,196,886,000</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Cayman) (DNI Cayman)</td>
<td>Delta Networks, Inc. (Taiwan) common stock</td>
<td>A subsidiary of DNI Cayman</td>
<td>Long-term investments accounted for under the equity method</td>
<td>50,040,838</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Cayman) (DNI Cayman)</td>
<td>Delta Networks International Ltd. common stock</td>
<td>A subsidiary of DNI Cayman</td>
<td>Long-term investments accounted for under the equity method</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Cayman) (DNI Cayman)</td>
<td>Delta Networks (H.K.) Ltd. common stock</td>
<td>A subsidiary of DNI Cayman</td>
<td>Long-term investments accounted for under the equity method</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Cayman) (DNI Cayman)</td>
<td>DNI Logistic (USA) Corp. common stock</td>
<td>A subsidiary of DNI Cayman</td>
<td>Long-term investments accounted for under the equity method</td>
<td>500,000</td>
</tr>
<tr>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>Ayeecom Technology Co., Ltd. common stock, etc.</td>
<td></td>
<td></td>
<td>( )</td>
</tr>
<tr>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Delta Networks (Dongguan) Ltd. certificate of amount contributed certificate of amount contributed</td>
<td>A subsidiary of DNIHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>-</td>
</tr>
<tr>
<td>Delta Networks (H.K.) Ltd. (DNHK)</td>
<td>Delta Networks (Shanghai) Ltd. certificate of amount contributed certificate of amount contributed, etc.</td>
<td></td>
<td></td>
<td>94,195</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>December 31, 2011</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>PreOptix (Hong Kong) Co., Ltd. (PHK)</td>
<td>PreOptix (JiangSu) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of PHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- $430,643</td>
</tr>
<tr>
<td>DelSolar Co., Ltd. (DelSolar)</td>
<td>DelSolar Holding (Cayman) Ltd. common stock</td>
<td>A subsidiary of DelSolar</td>
<td>Long-term investments accounted for under the equity method</td>
<td>129,150,000 $3,736,162 100.00 $3,736,162</td>
</tr>
<tr>
<td>DelSolar Co., Ltd. (DelSolar)</td>
<td>DelSolar Holding Singapore Pte.Ltd.common stock, etc.</td>
<td></td>
<td></td>
<td>(31,111) (31,111)</td>
</tr>
<tr>
<td>DelSolar Holding (Cayman) Ltd. (DSH)</td>
<td>DelSolar (H.K.) Ltd. common stock</td>
<td>A subsidiary of DSH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>120,100,000 $3,736,162 100.00 $3,736,162</td>
</tr>
<tr>
<td>DelSolar Holding (Cayman) Ltd. (DSH)</td>
<td>DelSolar US Holdings (Delaware) Corp. common stock</td>
<td>A subsidiary of DSH</td>
<td>Long-term investments accounted for under the equity method</td>
<td>900 $277,397 100.00 $277,397</td>
</tr>
<tr>
<td>DelSolar (H.K.) Ltd. (DSHK)</td>
<td>DelSolar (Wujiang) Ltd. certificate of amount contributed</td>
<td>A subsidiary of DSHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- $3,733,683 100.00 $3,733,683</td>
</tr>
<tr>
<td>DelSolar US Holdings (Delaware) Corp. (DSUS)</td>
<td>DelSolar Development (Delaware) LLC common stock</td>
<td>A subsidiary of DSUS</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- $259,295 100.00 $259,295</td>
</tr>
<tr>
<td>DelSolar Development (Delaware) LLC (DS Delaware)</td>
<td>DSS-RAL LLC common stock</td>
<td>A subsidiary of DS Delaware</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- $186,680 100.00 $186,680</td>
</tr>
<tr>
<td>DelSolar Development (Delaware) LLC (DS Delaware)</td>
<td>DSS-USF PHX LLC common stock</td>
<td>A subsidiary of DS Delaware</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- $69,633 100.00 $69,633</td>
</tr>
<tr>
<td>Name of investor</td>
<td>Name and kind of marketable securities</td>
<td>Relationship of the issuers with the Company</td>
<td>General ledger accounts</td>
<td>December 31, 2011</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
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<td>-------------------</td>
</tr>
<tr>
<td>DelSolar Holding Singapore Pte. (DSH-SG)</td>
<td>DelSolar India EPC Company Private Ltd. common stock</td>
<td>A subsidiary of DSH-SG</td>
<td>Long-term investments accounted for under the equity method</td>
<td>890,166 $(31,409)</td>
</tr>
<tr>
<td>Cyntec Co., Ltd. (Cyntec)</td>
<td>Fairview Assets Ltd. common stock</td>
<td>A subsidiary of Cyntec</td>
<td>Long-term investments accounted for under the equity method</td>
<td>32,500,062 7,705,134</td>
</tr>
<tr>
<td>Cyntec Co., Ltd. (Cyntec)</td>
<td>SUSUMU Co., Ltd. common stock</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>200,000 104,081</td>
</tr>
<tr>
<td>Fairview Assets Ltd. (Fairview)</td>
<td>Grandview Holding Ltd. common stock</td>
<td>A subsidiary of Fairview</td>
<td>Long-term investments accounted for under the equity method</td>
<td>97,060,000 6,800,138</td>
</tr>
<tr>
<td>Grandview Holding Ltd. (Grandview)</td>
<td>Cyntec International Ltd. common stock</td>
<td>A subsidiary of Grandview</td>
<td>Long-term investments accounted for under the equity method</td>
<td>5,000,000 3,298,405</td>
</tr>
<tr>
<td>Grandview Holding Ltd. (Grandview)</td>
<td>Cyntec Holding (H.K.) Ltd. common stock</td>
<td>A subsidiary of Grandview</td>
<td>Long-term investments accounted for under the equity method</td>
<td>92,060,000 3,501,728</td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd. (CHK)</td>
<td>Cyntec (Suzhou) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of CHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- 1,759,435</td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd. (CHK)</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd. certificate of amount contributed</td>
<td>A subsidiary of CHK</td>
<td>Long-term investments accounted for under the equity method</td>
<td>- 1,742,355</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>ALLTOP Technology Co., Ltd. convertible bond</td>
<td>None</td>
<td>Financial assets at fair value through profit or loss - non-current</td>
<td>- 240,525</td>
</tr>
</tbody>
</table>
### Table: Marketable Securities Acquired or Sold in Excess of $100,000 or 20% of Capital

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name and kind of marketable securities</th>
<th>Relationship of the issuers with the Company</th>
<th>General ledger accounts</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Ching Ming Shan Optronics Corporation common stock</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Candmark Enterprise common stock</td>
<td>None</td>
<td>Financial assets carried at cost - non-current</td>
<td>4,809,000</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Tong Hsing Electronic Industries, Ltd. common stock</td>
<td>None</td>
<td>Available-for-sale financial assets</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Ledlink Optics, Inc. common stock, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**E. Marketable securities acquired or sold in excess of $100,000 or 20% of capital:**

<table>
<thead>
<tr>
<th>Acquirer/ seller</th>
<th>Name and kind of marketable security</th>
<th>General ledger accounts</th>
<th>Name of transaction parties</th>
<th>Relationship</th>
<th>January 1, 2011</th>
<th>Addition</th>
<th>Disposal</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Amount</td>
<td>Number of shares</td>
<td>Amount</td>
</tr>
<tr>
<td>Fairview Assets Ltd.</td>
<td>Grandview Holding Ltd., common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Grandview Holding Ltd.</td>
<td>Subsidiary</td>
<td>82,010,000</td>
<td>$4,755,234</td>
<td>15,050,000</td>
<td>$2,044,904 (Note a)</td>
</tr>
<tr>
<td>Grandview Holding Ltd.</td>
<td>Cyntec Holding (H.K.) Ltd., common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Cyntec Holding (H.K.) Ltd.</td>
<td>Subsidiary</td>
<td>77,010,000</td>
<td>$2,650,281</td>
<td>15,050,000</td>
<td>851,447 (Note b)</td>
</tr>
<tr>
<td>Acquirer/seller</td>
<td>Name and kind of marketable security</td>
<td>General ledger accounts</td>
<td>Name of transaction parties</td>
<td>Relationship</td>
<td>January 1, 2011</td>
<td>Addition</td>
<td>Disposal</td>
<td>December 31, 2011</td>
</tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Amount</td>
<td>Number of shares</td>
<td>Amount</td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd.</td>
<td>Cyntec (Suzhou) Co., Ltd. certificate of amount contributed</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Cyntec (Suzhou) Co., Ltd.</td>
<td>Subsidiary</td>
<td>-</td>
<td>$1,263,604</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cyntec Holding (H.K.) Ltd.</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd. certificate of amount contributed</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Subsidiary</td>
<td>-</td>
<td>1,387,013</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DelSolar Co., Ltd.</td>
<td>DelSolar Holding (Cayman) Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>DelSolar Holding (Cayman) Ltd.</td>
<td>Subsidiary</td>
<td>120,150,000</td>
<td>3,696,959</td>
<td>9,000,000</td>
<td>287,273 (Note e)</td>
</tr>
<tr>
<td>DelSolar Holding (Cayman) Ltd.</td>
<td>DelSolar US Holdings (Delaware) Corp. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>DelSolar US Holdings (Delaware) Corp.</td>
<td>Subsidiary</td>
<td>-</td>
<td>-</td>
<td>900</td>
<td>277,397 (Note f)</td>
</tr>
<tr>
<td>DelSolar US Holdings (Delaware) Corp.</td>
<td>DelSolar Development (Delaware) LLC common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>DelSolar Development (Delaware) LLC</td>
<td>Subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>259,295 (Note g)</td>
</tr>
<tr>
<td>Acquirer/seller</td>
<td>Name and kind of marketable security</td>
<td>General ledger accounts</td>
<td>Name of transaction parties</td>
<td>Relationship</td>
<td>January 1, 2011</td>
<td>Addition</td>
<td>Disposal</td>
<td>December 31, 2011</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Amount</td>
<td>Number of shares</td>
<td>Amount of shares</td>
</tr>
<tr>
<td>DelSolar Development (Delaware) LLC</td>
<td>DSS-RAL LLC common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>DSS-RAL LLC</td>
<td>Subsidiary</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
<td>$ 186,680</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd. certificate of amount contributed</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Subsidiary</td>
<td>-</td>
<td>989,402</td>
<td>-</td>
<td>925,413</td>
</tr>
<tr>
<td>Delta Electronics (H.K.) Ltd.</td>
<td>Delta Green (Tianjin) Industries Co., Ltd. certificate of amount contributed</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Apex Investment (HK) Limited, Jade Investment (HK) Limited, Kernford Investment Limited and DET SGP Pte. Ltd.</td>
<td>(Note k)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>982,623</td>
</tr>
<tr>
<td>Acquirer/ seller</td>
<td>Name and kind of marketable security</td>
<td>General ledger accounts</td>
<td>Name of transaction parties</td>
<td>Relationship</td>
<td>January 1, 2011</td>
<td>Addition</td>
<td>Disposal</td>
<td>December 31, 2011</td>
</tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Number of shares</td>
<td>Amount</td>
<td>Number of shares</td>
<td>Selling price</td>
</tr>
<tr>
<td>Delta Networks (Wujiang) Ltd.</td>
<td>Delta Networks (Wujiang) Ltd. certificate of amount contributed</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Delta Networks (Wujiang) Ltd.</td>
<td>Subsidiary</td>
<td>-</td>
<td>548,694</td>
<td>-</td>
<td>($ 18,626)</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Delta Electronics (H.K.) Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Delta Electronics (H.K.) Ltd.</td>
<td>Subsidiary</td>
<td>2,300,000,000</td>
<td>20,378,585</td>
<td>249,297,600</td>
<td>6,179,338</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Ace Pillar Holding Co., Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Cyber South Management Limited</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>2,858,718</td>
<td>424,044</td>
</tr>
<tr>
<td>Delta International Holding Ltd.</td>
<td>Drake Overseas Financial Investment Ltd. common stock</td>
<td>Long-term investments accounted for under the equity method</td>
<td>Lombard International PCC Limited</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>5,302,809</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Candmark Enterprise common stock</td>
<td>Financial assets carried at cost-non-current</td>
<td>Candmark Enterprise common stock</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Delta Electronics Capital Company</td>
<td>Tong Hsing Electronic Industries, Ltd. common stock</td>
<td>Available-for-sale financial assets</td>
<td>Tong Hsing Electronic Industries, Ltd. common stock</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>1,400,000</td>
<td>102,480</td>
</tr>
</tbody>
</table>
Note a: Fairview Assets Ltd. invested $458,724 in Grandview Holding Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note b: Grandview Holding Ltd. invested $458,724 in Cyntec Holding (H.K.) Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note c: Cyntec Holding (H.K.) Ltd. invested $287,250 in Cyntec ( Suzhou) Co., Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note d: Cyntec Holding (H.K.) Ltd. invested $152,400 in Cyntec Electronics ( Suzhou) Co., Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note e: DelSolar Co., Ltd. invested $260,120 in DelSolar Holding (Cayman) Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note f: DelSolar Holding (Cayman) Ltd. invested $258,525 in DelSolar US Holding (Delaware) Corp. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note g: DelSolar US Holdings (Delaware) Corp. invested $241,003 in DelSolar Development (Delaware) LLC. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note h: DelSolar Development (Delaware) LLC invested $142,189 in DSS-RAL LLC. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note i: Delta Electronics (H.K.) Ltd. invested $586,900 in Delta Electronics ( Shanghai) Co., Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note j: Delta Electronics (H.K.) Ltd. invested $1,436,250 in Delta Electronics (Wuhu) Co., Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note k: Apex Investment (H.K.) Limited, Jade investment (HK) Limited and Kernford Investment Limited did not have relationship with the Company. DET SGP Pte Ltd. is a subsidiary of Delta Electronics (Thailand) Public Co., Ltd. which is investee company accounted for under the equity method by the Company.

Note l: Delta Electronics (H.K.) Ltd. invested $938,774 in Delta Green ( Tianjin) Industries Co., Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note m: Delta Networks (Wujiang) Ltd. has completed its process of liquidation in the second quarter of 2011. The selling price which include the effect due to change in exchange rate is the paid in capital sent back after the liquidation process.

Note n: Delta International Holding Ltd. invested $972,080 in Delta Electronics (H.K.) Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note o: Delta International Holding Ltd. invested $416,219 in Ace Pillar Holding Co., Ltd. Investment income or loss accounted for under the equity method was recorded.

Note p: Delta International Holding Ltd. invested $5,210,822 in Drake Overseas Financial Investment Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary’s net asset value was recorded.

Note q: Delta Electronics Capital Company invested $147,000 in Tong Hsin Electronic Industries, Ltd. The decrease due to adjustment of valuation of fair value was recognized.
F. Acquisition of real estate in excess of $100,000 or 20% of capital:

<table>
<thead>
<tr>
<th>Property acquired by</th>
<th>Property acquired</th>
<th>Date of transaction</th>
<th>Transaction amount</th>
<th>Status of payment</th>
<th>Counterparty</th>
<th>Relationship with the Company</th>
<th>Original owner who sold the property to counterparty</th>
<th>Relationship of the owner with the Company</th>
<th>Date of the original transfer</th>
<th>Amount</th>
<th>Basis or reference used in setting the price</th>
<th>Reason for acquisition of properties and status of the properties</th>
<th>Other commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics (Japan), Inc.</td>
<td>Land and Buildings</td>
<td>2011.02.25</td>
<td>$ 178,500</td>
<td>Cash</td>
<td>General Motors Japan Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>Price declared by the government</td>
<td>Office</td>
<td>None</td>
</tr>
<tr>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Buildings</td>
<td>2011.05.12</td>
<td>769,439</td>
<td>Cash</td>
<td>Jiangsu Nantong Liu Jian Construction Group Co., Ltd., etc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Quotations on the market</td>
<td>R&amp;D building</td>
<td>None</td>
</tr>
<tr>
<td>DelSolar Co., Ltd.</td>
<td>Buildings</td>
<td>2011.10.17</td>
<td>1,540,697</td>
<td>Cash</td>
<td>Li Jin Engineering Co., Ltd., etc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Obtained quotations to compare and negotiate price</td>
<td>Office and for operation use</td>
<td>None</td>
</tr>
<tr>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Buildings</td>
<td>2011.12.01</td>
<td>237,962</td>
<td>Cash</td>
<td>China Construction First Building (Group) Co., Ltd., etc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Obtained quotations to compare and negotiate price</td>
<td>Employees' living quarters</td>
<td>None</td>
</tr>
</tbody>
</table>

G. Disposal of real estate in excess of $100,000 or 20% of capital: None.
### I. Related party purchases or sales transactions in excess of $100,000 or 20% of capital:

The transactions of the Company and its consolidated subsidiaries: Please see Notes 5. (2) A and C.

<table>
<thead>
<tr>
<th>Name of the counterparty</th>
<th>Name of transaction parties</th>
<th>Relationship</th>
<th>Pct of total purchases/sales</th>
<th>Credit terms</th>
<th>Description of and reasons for difference in transaction terms compared to non-related party transactions</th>
<th>Accounts or notes receivable (payable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics</td>
<td>Delta Green (Tianjin)</td>
<td>Affiliated enterprise</td>
<td>$289,723</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td>Industries Co., Ltd.</td>
<td></td>
<td>0.52</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>1,586,644</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>2.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>4,660,587</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>7.29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electronics (Jiangsu) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>4,322,062</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>6.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Affiliated enterprise</td>
<td>740,002</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>1.16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Affiliated enterprise</td>
<td>1,145,176</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>1.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Affiliated enterprise</td>
<td>877,743</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>1.37</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Delta Electronics</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>367,741</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Ltd.</td>
<td></td>
<td></td>
<td>0.57</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Name of the counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship</td>
<td>Transaction terms</td>
<td>Description of and reasons for difference in transaction terms compared to non-related party transactions</td>
<td>Accounts or notes receivable (payable)</td>
<td>% of total accounts or notes receivable (payable)</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $254,489</td>
<td>0.40</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Wuhan) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $739,227</td>
<td>1.16</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Japan), Inc.</td>
<td>Affiliated enterprise</td>
<td>Sales $722,075</td>
<td>1.13</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>DEI Logistics (USA) Corporation</td>
<td>Affiliated enterprise</td>
<td>Sales $13,630,105</td>
<td>21.31</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Inrl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $1,952,488</td>
<td>3.05</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Digital Projection Ltd.</td>
<td>Associate</td>
<td>Sales $520,066</td>
<td>0.81</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Energy Systems (Germany) GmbH</td>
<td>Associate</td>
<td>Sales $227,660</td>
<td>0.36</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta India Electronics Pvt Ltd.</td>
<td>Associate</td>
<td>Sales $170,120</td>
<td>0.27</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Greentech (Brasil) S.A.</td>
<td>Associate</td>
<td>Sales $111,890</td>
<td>0.17</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Delta Electronics International Ltd.</td>
<td>Delta Products Corporation</td>
<td>Related party in substance</td>
<td>Sales $182,043</td>
<td>0.28</td>
<td>75 days</td>
<td>-</td>
</tr>
<tr>
<td>Name of the counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship</td>
<td>Transaction terms</td>
<td>Description of and reasons for difference in transaction terms compared to non-related party transactions</td>
<td>Accounts or notes receivable (payable)</td>
<td>% of total accounts or notes receivable (payable)</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>--------------------------------------</td>
</tr>
<tr>
<td>Delta Electronics</td>
<td>Delta Electronics, Inc.</td>
<td>Ultimate parent company</td>
<td>Purchases (sales) (Note a)</td>
<td>Amount</td>
<td>% of total Purchases (sales)</td>
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<td>International Ltd.</td>
<td></td>
<td></td>
<td>Sales</td>
<td>$3,861,360</td>
<td>6.06</td>
<td>75 days</td>
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<td>Delta Electronics</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Purchase</td>
<td>466,065</td>
<td>0.43</td>
<td>75 days</td>
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<td>International Ltd.</td>
<td></td>
<td></td>
<td>Sales</td>
<td>5,831,944</td>
<td>5.07</td>
<td>75 days</td>
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<td>Delta Electronics</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>16,585,480</td>
<td>14.42</td>
<td>75 days</td>
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<td>Power (Dongguan) Co., Ltd.</td>
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<td>Sales</td>
<td>11,456,994</td>
<td>9.96</td>
<td>75 days</td>
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<td>Delta Electronics</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>2,298,885</td>
<td>2.00</td>
<td>75 days</td>
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<td>Components (Wujiang) Ltd.</td>
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<td></td>
<td>Sales</td>
<td>2,792,292</td>
<td>2.43</td>
<td>75 days</td>
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<td>Delta Electronics</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
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<td>Sales</td>
<td>3,986,608</td>
<td>3.47</td>
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<td>Name of transaction parties</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
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<td>Sales</td>
<td>$1,080,417</td>
<td>0.94</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
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<td>Sales</td>
<td>357,230</td>
<td>0.31</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
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<td>Sales</td>
<td>2,944,013</td>
<td>2.56</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Wuhu Delta Technology Co., Ltd.</td>
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<td>323,415</td>
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<td>Delta Electronics (Japan), Inc.</td>
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<td>473,580</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
<td>3,347,431</td>
<td>2.91</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Pre Optix (JiangSu) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>202,328</td>
<td>0.18</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
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<td>204,974</td>
<td>0.18</td>
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<tr>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Deltronics (Netherlands) B.V.</td>
<td>Affiliated enterprise</td>
<td>Sales $144,511</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Green (Tianjia) Industries Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $237,465</td>
<td>75 days</td>
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<td>-</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics, Inc. Ultimate parent company</td>
<td>Ultimate parent company</td>
<td>Sales $15,835,939</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta India Electronics Pvt Ltd.</td>
<td>Associate</td>
<td>Sales $239,453</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Energy Systems (Switzerland) AG</td>
<td>Associate</td>
<td>Sales $246,727</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Greentech (Brasl) S.A.</td>
<td>Associate</td>
<td>Sales $217,064</td>
<td>75 days</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Power Solutions (India) Pvt Ltd.</td>
<td>Associate</td>
<td>Sales $102,247</td>
<td>75 days</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Products Corporation Related party in substance</td>
<td>Related party in substance</td>
<td>Sales $412,193</td>
<td>75 days</td>
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<tr>
<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $ 196,677 6.68 75 days - -</td>
<td>$ 36,188</td>
<td>8.48</td>
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<tr>
<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 138,686 4.70 75 days - -</td>
<td>24,200</td>
<td>5.67</td>
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<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 124,332 4.22 75 days - -</td>
<td>39,312</td>
<td>9.21</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 10,212,240 36.92 75 days - -</td>
<td>1,194,480</td>
<td>23.85</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 16,354,405 59.12 75 days - -</td>
<td>3,566,355</td>
<td>71.21</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 458,944 1.66 75 days - -</td>
<td>125,060</td>
<td>2.50</td>
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<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 2,682,408 26.37 75 days - -</td>
<td>223,230</td>
<td>9.80</td>
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<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 5,740,303 56.42 75 days - -</td>
<td>1,681,759</td>
<td>73.85</td>
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<tr>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $240,324</td>
<td>75 days</td>
<td>$5,871</td>
<td>0.26</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $13,100,086</td>
<td>75 days</td>
<td>$2,948,263</td>
<td>47.35</td>
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<td>Delta Networks International Ltd.</td>
<td>DNI Logistic (USA) Corp.</td>
<td>Affiliated enterprise</td>
<td>Sales $2,709,029</td>
<td>75 days</td>
<td>$470,689</td>
<td>7.56</td>
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<tr>
<td>Delta Networks International Ltd.</td>
<td>Ayecom Technology Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $527,947</td>
<td>75 days</td>
<td>$193,388</td>
<td>3.11</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>Affiliated enterprise</td>
<td>Sales $446,769</td>
<td>75 days</td>
<td>$78,470</td>
<td>1.26</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $14,264,698</td>
<td>75 days</td>
<td>$2,371,754</td>
<td>92.84</td>
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<td>Delta Networks, Inc. (Taiwan)</td>
<td>Delta Networks International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $851,273</td>
<td>75 days</td>
<td>$104,968</td>
<td>20.98</td>
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<td>Ayecom Technology Co., Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $271,735</td>
<td>75 days</td>
<td>$36,947</td>
<td>14.58</td>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $12,978,045</td>
<td>75 days</td>
<td>$457,017</td>
<td>14.61</td>
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<tr>
<td>Name of the counterparty</td>
<td>Name of transaction parties</td>
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<td>Transaction terms</td>
<td>Purchases (sales) (Note a)</td>
<td>% of total Purchases (sales)</td>
<td>Credit terms</td>
</tr>
<tr>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$24,331,358</td>
<td>61.78</td>
<td>75 days</td>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$306,954</td>
<td>0.78</td>
<td>75 days</td>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$1,102,704</td>
<td>2.80</td>
<td>90 days</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$4,643,782</td>
<td>49.01</td>
<td>90 days</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$1,837,424</td>
<td>19.39</td>
<td>75 days</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$774,832</td>
<td>8.18</td>
<td>75 days</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$1,527,879</td>
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<td>75 days</td>
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<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>$1,786,664</td>
<td>24.48</td>
<td>75 days</td>
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<td>Name of the counterparty</td>
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<td>Relationship</td>
<td>Transaction terms</td>
<td>Accounts or notes receivable (payable)</td>
<td>Note</td>
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<tr>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales $4,419,842</td>
<td>75 days</td>
<td>$449,286</td>
<td>14.36</td>
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<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 105,275</td>
<td>75 days</td>
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<td>25,296</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 5,471,081</td>
<td>75 days</td>
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<td>378,942</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 614,361</td>
<td>75 days</td>
<td>-</td>
<td>469,986</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 171,312</td>
<td>90 days</td>
<td>-</td>
<td>-</td>
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<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 377,558</td>
<td>90 days</td>
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<td>403,736</td>
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<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 3,136,927</td>
<td>75 days</td>
<td>-</td>
<td>98,403</td>
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<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 669,676</td>
<td>75 days</td>
<td>-</td>
<td>79,748</td>
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<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount $4,781,840, % of total purchases 55.69, credit terms 75 days</td>
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<td>Wuhu Delta Technology Co., Ltd.</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 596,400, % of total purchases 58.16, credit terms 75 days</td>
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<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 1,253,615, % of total purchases 22.83, credit terms 75 days</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 4,236,474, % of total purchases 77.17, credit terms 75 days</td>
<td>-</td>
<td>-</td>
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<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 2,904,410, % of total purchases 98.52, credit terms 75 days</td>
<td>-</td>
<td>-</td>
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<tr>
<td>PreOptix (JiangSu) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 443,833, % of total purchases 86.58, credit terms 75 days</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales</td>
<td>Amount 924,101, % of total purchases 100.00, credit terms 75 days</td>
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<tr>
<td>Delta Solar Co., Ltd.</td>
<td>Delta Energy Systems (Italy) Srl</td>
<td>Associate</td>
<td>Sales</td>
<td>Amount 273,848, % of total purchases 3.06, credit terms 120~240 days</td>
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<td>(Note b)</td>
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</table>
### Purchases (sales)

<table>
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<tr>
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<th>% of total accounts or notes receivable (payable)</th>
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<tbody>
<tr>
<td>Delsolar (Wujiang) Ltd.</td>
<td>Delsolar Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Purchases (sales) (Note a)</td>
<td>Amount $5,752,000, % of total Purchases (sales) 80.00, Credit terms 30 days</td>
<td>Balance $893,615</td>
<td>93.00</td>
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<td>Cyntec International Ltd.</td>
<td>Cyntec Co., Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 402,553</td>
<td>Credit period (Note b), Balance 88,572</td>
<td>2.82</td>
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<td>Cyntec Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
<td>Affiliated enterprise</td>
<td>Sales 1,650,108</td>
<td>Credit period (Note c), Balance 176,852</td>
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<td>Cyntec International Ltd.</td>
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<td>Sales 2,019,775</td>
<td>Credit period (Note d), Balance 275,446</td>
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<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
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<td>Sales 2,561,075</td>
<td>Credit period (Note d), Balance 315,101</td>
<td>100.00</td>
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</table>

**Note a:** Including the service income in excess of $100,000.

**Note b:** The collection terms to third parties are receipt in advance or 30~90 days after acceptance.

**Note c:** Selling price is based on materials cost plus administration fees and related costs. The collection term to related parties is 60~90 days after delivery and to third parties is receipt in advance or 30~120 days after delivery.

**Note d:** Selling price is based on materials cost plus administration fees and related costs. The collection term to related parties is 45~120 days after monthly billings and to third parties is 30~120 days after monthly billings.
## I. Receivables from related parties in excess of $100,000 or 20% capital:

<table>
<thead>
<tr>
<th>Name of creditor</th>
<th>Transaction parties</th>
<th>Relationship</th>
<th>Balance of receivable from related parties</th>
<th>Turnover rate</th>
<th>Overdue receivable</th>
<th>Action adopted for overdue accounts</th>
<th>Subsequent collections (Note)</th>
<th>Allowance for doubtful accounts provided</th>
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<tr>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics International Ltd.</td>
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<td>$282,224</td>
<td>6.78</td>
<td>282,224</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
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<td>1,374,106</td>
<td>4.37</td>
<td>1,347,121</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
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<td>4,040,955</td>
<td>4.23</td>
<td>3,274,077</td>
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<td>3,568,117</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
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<td>1,492,011</td>
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<td>1,687,064</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
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<td>334,344</td>
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<td>10,879</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
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<td>547,099</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
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<td>444,742</td>
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<td>4,837</td>
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<td>1.94</td>
<td>$82,699</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Products Corporation</td>
<td>Related party in substance</td>
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<td>Delta Energy Systems (Switzerland) AG</td>
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<td>2.47</td>
<td>-</td>
<td>-</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Greentech (Brasil) S.A.</td>
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<td>Affiliated enterprise</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
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<tr>
<td>Name of creditor</td>
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<td>Balance of receivable from related parties</td>
<td>Subsequent collections (Note)</td>
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<td>Delta Electronics Ltd. (Shanghai)</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
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</tbody>
</table>

(Note) | Allowance for doubtful accounts provided | Balance of receivable from related parties | Subsequent collections (Note) | Action adopted for overdue accounts | Turnover rate |
<table>
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<tr>
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<td>Delta Greentech (China) Co., Ltd.</td>
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<td>Delta Electronics Ltd. (Shanghai)</td>
<td>Delta Greentech (China) Co., Ltd.</td>
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<td>Delta Electronics Ltd. (Shanghai)</td>
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(Note) | Allowance for doubtful accounts provided | Balance of receivable from related parties | Subsequent collections (Note) | Action adopted for overdue accounts | Turnover rate |
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<td>Delta Electronics Ltd. (Shanghai)</td>
<td>Delta Greentech (China) Co., Ltd.</td>
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</tbody>
</table>

(Note) | Allowance for doubtful accounts provided | Balance of receivable from related parties | Subsequent collections (Note) | Action adopted for overdue accounts | Turnover rate |
<table>
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<tr>
<td>Delta Electronics Ltd. (Shanghai)</td>
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<tr>
<td>Delta Electronics Ltd. (Wuhu)</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
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(Note) | Allowance for doubtful accounts provided | Balance of receivable from related parties | Subsequent collections (Note) | Action adopted for overdue accounts | Turnover rate |
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<tr>
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</tbody>
</table>

(Note) | Allowance for doubtful accounts provided | Balance of receivable from related parties | Subsequent collections (Note) | Action adopted for overdue accounts | Turnover rate |
The amount represents collections subsequent to December 31, 2011 up to March 20, 2012.

J. Information on derivative transactions:

The information on derivative transactions of investee companies for the year ended December 31, 2011 are as follows:
(a) Market risk: The investee companies entered into these contracts in order to hedge. Accordingly, no material market risk is expected.
(b) Credit risk: The banks, which the subsidiaries deal with, are all in good credit standing and the subsidiaries deal with several banks to disperse the credit risk. Therefore, the possibility is low for the banks not to comply with the terms of the contracts.
(c) Liquidity risk: Subsidiaries have sufficient working capital; therefore, no material liquidity risk is expected.
(d) Cash flow risk due to changes in interest rate: Subsidiaries did not enter into any derivative contract that is interest rate related; therefore, no material cash flow risk due to changes in interest rate is expected.

The nature and related information of investee companies' outstanding derivative transactions as of December 31, 2011 are summarized as follows:
<table>
<thead>
<tr>
<th>Derivative transactions</th>
<th>Par value, contract amount or nominal principal (Note)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Delta Electronics Int’l (Singapore) Pte. Ltd. (A subsidiary of the Company)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy JPY</td>
<td>USD 11,800</td>
<td>2011.10.05 – 2012.03.14</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Buy USD, sell EUR</td>
<td>EUR 1,950</td>
<td>2011.10.05 – 2012.05.02</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy EUR</td>
<td>EUR 2,850</td>
<td>2011.10.14 – 2012.03.14</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy CZK</td>
<td>CZK 33,000</td>
<td>2011.10.04 – 2012.01.19</td>
</tr>
<tr>
<td>B. Delta Electronics International Ltd. (A subsidiary of DIH)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward foreign currency contracts – Buy USD, sell RMB</td>
<td>USD 70,000</td>
<td>2011.08.18 – 2012.02.27</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy RMB</td>
<td>USD 366,000</td>
<td>2011.09.23 – 2012.08.24</td>
</tr>
<tr>
<td>C. Delta Electronics (Dongguan) Co., Ltd. (A subsidiary of DHK)</td>
<td></td>
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</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy RMB</td>
<td>USD 18,000</td>
<td>2011.08.18 – 2012.01.12</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Buy USD, sell RMB</td>
<td>USD 112,000</td>
<td>2011.09.23 – 2012.08.22</td>
</tr>
<tr>
<td>D. Delta Electronics Power (Dongguan) Co., Ltd. (A subsidiary of DHK)</td>
<td></td>
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</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy RMB</td>
<td>USD 52,000</td>
<td>2011.08.18 – 2012.02.03</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Buy USD, sell RMB</td>
<td>USD 254,000</td>
<td>2011.09.23 – 2012.07.24</td>
</tr>
</tbody>
</table>

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $2,849.
E. Delta Networks (Dongguan) Ltd. (A subsidiary of DNIK)

Forward foreign currency contracts – Sell USD, buy RMB
USD 101,000 2011.04.21 – 2012.08.07
Forward foreign currency contracts – Buy USD, sell RMB
USD 81,000 2011.09.23 – 2012.12.06

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $173,379 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to $29,883 as these met all the criteria for hedge accounting.

F. Delta Networks International Ltd. (A subsidiary of DNI Cayman)

Forward foreign currency contracts – Buy USD, sell RMB
USD 25,000 2011.04.21 – 2012.03.07
Forward foreign currency contracts – Sell USD, buy RMB
USD 81,000 2011.09.23 – 2012.12.06

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $100,940 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to $1,240 as these met all the criteria for hedge accounting.

G. DelSolar Co., Ltd. (A subsidiary of the Company)

Forward foreign currency contracts – Buy NTD, sell EUR
EUR 1,000 2011.12.16 – 2012.02.16
Forward foreign currency contracts – Buy EUR, sell NTD
EUR 4,000 2011.12.06 – 2012.01.10
Forward foreign currency contracts – Buy NTD, sell USD
USD 12,400 2011.11.28 – 2012.03.15
Forward foreign currency contracts – Buy NTD, sell INR
USD 1,000 2011.12.14 – 2012.03.15

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $46,019.

H. DelSolar (Wujiang) Co., Ltd. (A subsidiary of DSHK)

Forward foreign currency contracts – Buy USD, sell EUR
EUR 2,000 2011.12.06 – 2012.01.13

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $2,620.
<table>
<thead>
<tr>
<th>Derivative transactions</th>
<th>Par value, contract amount or nominal principal (Note)</th>
<th>Contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Cyntec Co., Ltd. (A subsidiary of the Company)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell USD, buy NTD</td>
<td>USD 8,000</td>
<td>2011.11.07 ~ 2012.02.15</td>
</tr>
<tr>
<td>Forward foreign currency contracts – Sell EUR, buy NTD</td>
<td>EUR 130</td>
<td>2011.10.13 ~ 2012.01.31</td>
</tr>
<tr>
<td>The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $159.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J Cyntec (Suzhou) Co., Ltd. (A subsidiary of the CHK)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The derivative financial instruments held by Cyntec (Suzhou) Co., Ltd. were all settled. The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $1,448.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K Cyntec Electronics (Suzhou) Co., Ltd. (A subsidiary of CHK)</td>
<td></td>
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</tr>
<tr>
<td>The derivative financial instruments held by Cyntec Electronics (Suzhou) Co., Ltd. were all settled. The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $962.</td>
<td></td>
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<tr>
<td>Note: Unit: Thousands of dollars.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## (3) Disclosure of information on indirect investments in Mainland China (Units: In thousands)

### A. Basic information

<table>
<thead>
<tr>
<th>Name of investee in Mainland China</th>
<th>Main activities of investee</th>
<th>Capital</th>
<th>Investment method</th>
<th>Accumulated remittance as of January 1, 2011</th>
<th>Remitted out</th>
<th>Collected</th>
<th>Accumulated remittance as of December 31, 2011</th>
<th>Ownership held by Company (direct and indirect)</th>
<th>Investment income (loss) recognized by the Company during the year</th>
<th>Ending balance of investment</th>
<th>Investment income (loss) remitted back as of December 31, 2011</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Manufacturing and sales of transformers and power supplies</td>
<td>$ 2,961,198</td>
<td>Invested by DHK</td>
<td>$ 2,035,418</td>
<td>-</td>
<td>-</td>
<td>$ 2,035,418</td>
<td>94.00</td>
<td>$ 650,233</td>
<td>$ 3,887,069</td>
<td>$ 292,457</td>
<td>(Note c)</td>
</tr>
<tr>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>Manufacturing and sales of uninterruptible power systems</td>
<td>2,729,183</td>
<td>Invested by DIH, Ace and Drake</td>
<td>276,037</td>
<td>5,286,787</td>
<td>-</td>
<td>5,562,824</td>
<td>60.58</td>
<td>97,154</td>
<td>2,524,821</td>
<td>-</td>
<td>(Note d)</td>
</tr>
<tr>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus</td>
<td>1,059,625</td>
<td>Invested by DNHK</td>
<td>1,353,485</td>
<td>-</td>
<td>-</td>
<td>1,353,485</td>
<td>100.00</td>
<td>699,393</td>
<td>2,261,908</td>
<td>-</td>
<td>(Note e)</td>
</tr>
<tr>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Manufacturing and sales of power supplies</td>
<td>1,274,578</td>
<td>Invested by DHK</td>
<td>512,253</td>
<td>-</td>
<td>-</td>
<td>512,253</td>
<td>94.00</td>
<td>1,307,565</td>
<td>3,150,880</td>
<td>406,774</td>
<td>(Note f)</td>
</tr>
<tr>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Manufacturing and sales of power supplies</td>
<td>1,211,000</td>
<td>Invested by DHK</td>
<td>626,087</td>
<td>-</td>
<td>-</td>
<td>626,087</td>
<td>51.70</td>
<td>859,373</td>
<td>2,581,781</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Name of investee in Mainland China</td>
<td>Main activities of investee</td>
<td>Capital</td>
<td>Investment method</td>
<td>Accumulated remittance as of January 1, 2011</td>
<td>Remitted or collected this period</td>
<td>Accumulated remittance as of December 31, 2011</td>
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<td>Note</td>
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</tr>
<tr>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Manufacturing and sales of transformers</td>
<td>$2,688,723</td>
<td>Invested by DHK</td>
<td>$626,087</td>
<td>$ - $ -</td>
<td>$626,087</td>
<td>51.70</td>
<td>$355,251</td>
<td>$2,209,927</td>
<td>(Note g)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Manufacturing and sales of peripherals and electronic control equipments</td>
<td>$877,975</td>
<td>Invested by DHK</td>
<td>391,304</td>
<td>- -</td>
<td>391,304</td>
<td>51.70</td>
<td>541,005</td>
<td>1,905,483</td>
<td>53,413</td>
<td>(Note h)</td>
<td></td>
</tr>
<tr>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Manufacturing and sales of various projectors</td>
<td>$877,975</td>
<td>Invested by DHK</td>
<td>203,478</td>
<td>- -</td>
<td>203,478</td>
<td>51.70</td>
<td>141,040</td>
<td>869,334</td>
<td>(Note i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Product design</td>
<td>$1,758,849</td>
<td>Invested by DHK</td>
<td>- - -</td>
<td>-</td>
<td>-</td>
<td>94.00</td>
<td>193,710</td>
<td>1,799,926</td>
<td>(Note j)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>$4,056,850</td>
<td>Invested by DHK</td>
<td>170,751</td>
<td>- -</td>
<td>170,751</td>
<td>94.00</td>
<td>(169,100)</td>
<td>3,461,149</td>
<td>(Note k)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Networks (Shanghai) Ltd.</td>
<td>Design of computer software</td>
<td>$60,550</td>
<td>Invested by DNHK</td>
<td>85,812</td>
<td>- -</td>
<td>85,812</td>
<td>100.00</td>
<td>3,299</td>
<td>72,991</td>
<td>(Note l)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Manufacturing and sales of power supplies and transformers</td>
<td>$1,907,325</td>
<td>Invested by DHK</td>
<td>- - -</td>
<td>-</td>
<td>-</td>
<td>94.00</td>
<td>66,409</td>
<td>1,947,493</td>
<td>(Note m)</td>
<td></td>
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</tr>
<tr>
<td>Name of investee in Mainland China</td>
<td>Main activities of investee</td>
<td>Capital</td>
<td>Investment method</td>
<td>Accumulated remittance as of January 1, 2011</td>
<td>Remitted or collected this period</td>
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</tr>
<tr>
<td>Cyntec (Suzhou) Co., Ltd.</td>
<td>Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products</td>
<td>$1,513,750</td>
<td>Invested by CHK</td>
<td>$1,103,898</td>
<td>$302,750</td>
<td>$1,406,648</td>
<td>100.00</td>
<td>$62,131</td>
<td>$1,759,435</td>
<td>$-</td>
<td>(Note n)</td>
<td></td>
</tr>
<tr>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale, import and export of similar products</td>
<td>$1,271,550</td>
<td>Invested by CHK</td>
<td>$1,120,175</td>
<td>151,375</td>
<td>$1,271,550</td>
<td>100.00</td>
<td>68,346</td>
<td>$1,742,355</td>
<td>$-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>PreOptix (JiangSu) Co., Ltd.</td>
<td>Manufacturing and sales of lenses and optical engines for projectors</td>
<td>401,144</td>
<td>Invested by PHK</td>
<td>386,612</td>
<td>-</td>
<td>386,612</td>
<td>96.38</td>
<td>(796)</td>
<td>415,054</td>
<td>(Note p)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DelSolar (Wujiang) Ltd.</td>
<td>Manufacturing and sales of solar batteries and related systems</td>
<td>3,633,000</td>
<td>Invested by DSHK</td>
<td>3,633,000</td>
<td>-</td>
<td>3,633,000</td>
<td>59.04</td>
<td>(278,210)</td>
<td>3,733,683</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Delta Green (Tianjin) Industries Co., Ltd.</td>
<td>Manufacturing and sales of transformers and bluetooth module</td>
<td>685,729</td>
<td>Invested by DET</td>
<td>60,580</td>
<td>879,470</td>
<td>940,050</td>
<td>94.00</td>
<td>(11,700)</td>
<td>923,665</td>
<td>(Note q)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of investee in Mainland China</td>
<td>Main activities of investee</td>
<td>Capital</td>
<td>Investment method</td>
<td>Accumulated remittance as of January 1, 2011</td>
<td>Remitted or collected this period</td>
<td>Accumulated remittance as of December 31, 2011</td>
<td>Ownership held by Company (direct and indirect)</td>
<td>Investment income (loss) recognized by the Company during the year</td>
<td>Ending balance of investment</td>
<td>Investment income (loss) remitted back as of December 31, 2011</td>
<td>Note</td>
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</tr>
<tr>
<td>DP Cinema Ltd.</td>
<td>Marketing and sales of high-end cinema projector systems</td>
<td>$12,046</td>
<td>Invested by DET</td>
<td>$ -</td>
<td>$ 220</td>
<td>$ -</td>
<td>$ 220</td>
<td>1.82</td>
<td>$ -</td>
<td>$ 16</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Installation, consulting and trading of electronic products</td>
<td>$12,110</td>
<td>Invested by DHK</td>
<td>$ -</td>
<td>11,383</td>
<td>$ -</td>
<td>11,383</td>
<td>94.00</td>
<td>$ 19,912</td>
<td>$ 32,531</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Guangzhou Crystalrich Lighting Inc.</td>
<td>Sales of other lighting-emitting diode and wafer</td>
<td>$227,063</td>
<td>Invested by Crystalrich (HongKong) Co., Ltd.</td>
<td>$ -</td>
<td>64,032</td>
<td>$ -</td>
<td>64,032</td>
<td>28.20</td>
<td>( 37)</td>
<td>63,994</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Delta Networks ( Xiahen) Ltd.</td>
<td>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</td>
<td>$21,193</td>
<td>Invested by DNHK</td>
<td>$ -</td>
<td>21,193</td>
<td>$ -</td>
<td>21,193</td>
<td>100.00</td>
<td>( 54)</td>
<td>21,204</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Name of investee in Mainland China</td>
<td>Main activities of investee</td>
<td>Capital</td>
<td>Investment method</td>
<td>Accumulated remittance as of January 1, 2011</td>
<td>Remitted or collected this period</td>
<td>Accumulated remittance as of December 31, 2011</td>
<td>Ownership held by Company (direct and indirect)</td>
<td>Investment income (loss) recognized by the Company during the year</td>
<td>Ending balance of investment as of December 31, 2011</td>
<td>Investment income (loss) remitted back as of December 31, 2011</td>
<td>Note</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Wuhan Delta Technology Co., Ltd.</td>
<td>Manufacturing and sales of transformers and power supplies</td>
<td>$ 141,745</td>
<td>Invested by DWH</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>-</td>
<td>94.00</td>
<td>$ 18,866</td>
<td>$ 146,117</td>
<td>- (Note r)</td>
<td></td>
</tr>
<tr>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>Manufacturing and sales of transformers and power supplies</td>
<td>$ 122,525</td>
<td>Invested by DCZ</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>94.00</td>
<td>50,852</td>
<td>129,534</td>
<td>- (Note r)</td>
<td></td>
</tr>
</tbody>
</table>

Note a: The capital was translated based on the currencies of capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.3009 to US$1 and RMB 4.8049 to NT$1.

Note b: The accumulated remittance as of January 1, 2011, remitted or collected this period, accumulated remittance as of December 31, 2011 and investment income remitted back as of December 31, 2011 was translated into New Taiwan Dollars at the average exchange rate of NTD 30.275 to US$1 at the balance sheet date.

Note c: The merger of Delta Electronics (Dongguan) Co., Ltd. and Delta Electronics Components (Dongguan) Co., Ltd. was completed in November, 2010. Delta Electronics (Dongguan) Co., Ltd. was the surviving entity. Except for the facility of US$67,231 permitted by Investment Commission, the capitalization of earnings of US$27,081 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note d: Except for the facility of US$183,775 permitted by Investment Commission, the capitalization of earnings of US$980 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note e: Except for the facility of US$47,056 permitted by Investment Commission, the capitalization of earnings of US$11,312 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note f: Except for the facility of US$47,000 is excluded from the Company’s amount of investment in Mainland China.
Note k: Except for the facility of US$5,640 permitted by Investment Commission, the capitalization of earnings of US$120,320 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note l: Except for the facility of US$2,834 permitted by Investment Commission, the capitalization of earnings of US$298 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note m: The capitalization of earnings of US$59,220 is excluded from the Company’s amount of investment in Mainland China.

Note n: Except for the facility of US$46,462 permitted by Investment Commission, the capitalization of earnings of US$4,000 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note o: Except for DP Cinema Ltd. in which the company holds less than 20% of the investee company’s voting shares and has no significant influence on the investee’s operational decisions, the Company recognized investment income/loss through DIH, DNH, PreOptix (dissolved after merger by the Company on March 1, 2011), PHK, DelSolar, Cyntec and DET based on the audited financial statements.

Note p: Except for the facility of US$7,520 permitted by Investment Commission, the investment of US$5,250 by PreOptix Co., Ltd. was permitted by Investment Commission.

Note q: Except for the facility of US$31,050 permitted by Investment Commission, the capitalization of earnings of US$265 permitted by Investment Commission is excluded from the Company’s amount of investment in Mainland China.

Note r: Wuhu Delta Technology Co., Ltd. and Chenzhou Delta Technology Co., Ltd. are the investee companies of the Company’s investee companies in Mainland China. 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 in Wuhu Delta Technology Co., Ltd. and Chenzhou Delta Technology Co., Ltd. are excluded from the calculation for the Company’s ceiling of investment amount in Mainland China.

Note s: Delta Networks (Wujiang) Ltd., an indirect investment of the Company, was liquidated in June 30, 2011. The Company’s indirect investment and earnings turned into investment in Delta Networks (Wujiang) Ltd., originally approved by the Investment Commission of MOEA, were US$17,389 and US$10,802, respectively.

B. The ceiling amount of investment in Mainland China (Units in thousands of currencies indicated)

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Accumulated amount remitted out of Taiwan to Mainland China</th>
<th>Investment amount approved by the Investment Commission</th>
<th>Ceiling of investment amount of the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics, Inc. (Note b and c)</td>
<td>$12,771,330</td>
<td>$13,248,988</td>
<td>-</td>
</tr>
<tr>
<td>DelSolar Co., Ltd.</td>
<td>3,633,000</td>
<td>3,633,000</td>
<td>4,459,957</td>
</tr>
<tr>
<td>Cyntec Co., Ltd. (Note c)</td>
<td>2,678,198</td>
<td>2,920,398</td>
<td>-</td>
</tr>
</tbody>
</table>

Note a: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD 30.275 to US$1 at the balance sheet date.

Note b: The investment income of US$10,509 and US$14,351 were remitted back on June 24, 2009 and December 29, 2005, respectively, from the investee companies in Mainland China and was permitted by Investment Commission on 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 c: According to “Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China”, the Company obtained the approval of operation head quarters from Industrial Development Bureau of Ministry of Economic Affairs. There is no ceiling of investment amount.

C. The significant direct and indirect transactions of the Company with the investee companies in Mainland China:

The significant transactions directly between the Company and the investee companies for the year ended December 31, 2011 are described in Note 5.

The significant purchases, sales, accounts payable and accounts receivable are directly conducted with DelSolar Co., Ltd. through DelSolar (Wujiang) Ltd. and the Company indirectly conducted with investee companies in Mainland China through the DIH’s subsidiary, Delta Electronics International Ltd. (DEIL-Lubuan), Delta Electronics Int’l (Singapore) Pte. Ltd. (DEIL-SG), Delta Networks International Ltd. (DNIL-Labuan), Cyntec International Ltd. (CIL-Labuan) for the year ended December 31, 2011 are shown in Note 11.(2)H.

(4) The relationship and significant transactions between the Company and its subsidiaries

For the year ended December 31, 2011:

<table>
<thead>
<tr>
<th>Number (Note a)</th>
<th>Name of counterparty</th>
<th>Name of transaction parties</th>
<th>Relationship (Note b)</th>
<th>Subject</th>
<th>Amount (Note j)</th>
<th>Transaction terms</th>
<th>Percentage of total combined revenue or total assets (Note e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int’l Ltd.</td>
<td>1</td>
<td>Services revenue</td>
<td>$2,650,863</td>
<td>(Note d)</td>
<td>1.54</td>
</tr>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics Int’l (Singapore) Pte. Ltd.</td>
<td>1</td>
<td>Services revenue</td>
<td>$3,340,686</td>
<td>(Note d)</td>
<td>1.94</td>
</tr>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>1</td>
<td>Services revenue</td>
<td>$181,210</td>
<td>(Note d)</td>
<td>0.11</td>
</tr>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>1</td>
<td>Sales</td>
<td>$272,628</td>
<td>(Note d)</td>
<td>0.16</td>
</tr>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>DEI Logistics (USA) Corp.</td>
<td>1</td>
<td>Sales</td>
<td>$245,140</td>
<td>(Note d)</td>
<td>0.14</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$1,586,644</td>
<td>(Note d)</td>
<td>0.92</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$4,660,587</td>
<td>(Note d)</td>
<td>2.71</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$4,322,062</td>
<td>(Note d)</td>
<td>2.51</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$740,002</td>
<td>(Note d)</td>
<td>0.43</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$1,145,176</td>
<td>(Note d)</td>
<td>0.67</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$877,743</td>
<td>(Note d)</td>
<td>0.51</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note j)</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
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<td>---------</td>
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<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$367,741</td>
<td>(Note d)</td>
<td>0.21</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$254,489</td>
<td>(Note d)</td>
<td>0.15</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$739,227</td>
<td>(Note d)</td>
<td>0.43</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Japan),Inc.</td>
<td>3</td>
<td>Sales</td>
<td>$722,075</td>
<td>(Note d)</td>
<td>0.42</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>DEI Logistics (USA) Corp.</td>
<td>3</td>
<td>Sales</td>
<td>$13,630,105</td>
<td>(Note d)</td>
<td>7.92</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$1,952,488</td>
<td>(Note d)</td>
<td>1.13</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics, Inc.</td>
<td>2</td>
<td>Sales</td>
<td>$3,861,360</td>
<td>(Note d)</td>
<td>2.24</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$5,831,944</td>
<td>(Note d)</td>
<td>3.39</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$16,585,480</td>
<td>(Note d)</td>
<td>9.64</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$11,456,994</td>
<td>(Note d)</td>
<td>6.66</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$2,298,885</td>
<td>(Note d)</td>
<td>1.34</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$2,792,292</td>
<td>(Note d)</td>
<td>1.62</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$3,986,608</td>
<td>(Note d)</td>
<td>2.32</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$1,080,417</td>
<td>(Note d)</td>
<td>0.63</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$357,230</td>
<td>(Note d)</td>
<td>0.21</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$2,944,013</td>
<td>(Note d)</td>
<td>1.71</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Infl (Singapore) Pte. Ltd.</td>
<td>Wuhu Delta Technology Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$323,415</td>
<td>(Note d)</td>
<td>0.19</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note j)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note d)</td>
</tr>
<tr>
<td>-----------------</td>
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<td>------------------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 473,580</td>
<td>(Note-d)</td>
<td>0.28</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>PreOptix (Jiangsu) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>3,347,431</td>
<td>(Note-d)</td>
<td>1.95</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>202,328</td>
<td>(Note-d)</td>
<td>0.12</td>
</tr>
<tr>
<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Deltronics (Netherlands) B.V.</td>
<td>3</td>
<td>Sales</td>
<td>204,974</td>
<td>(Note-d)</td>
<td>0.12</td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>2</td>
<td>Sales</td>
<td>257,465</td>
<td>(Note-d)</td>
<td>0.14</td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>144,511</td>
<td>(Note-d)</td>
<td>0.08</td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics (Japan), Inc.</td>
<td>Delta Electronics, Inc.</td>
<td>3</td>
<td>Sales</td>
<td>15,835,939</td>
<td>(Note-d)</td>
<td>9.20</td>
</tr>
<tr>
<td>4</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>10,212,240</td>
<td>(Note-d)</td>
<td>0.07</td>
</tr>
<tr>
<td>4</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>16,354,405</td>
<td>(Note-d)</td>
<td>0.07</td>
</tr>
<tr>
<td>4</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>459,944</td>
<td>(Note-d)</td>
<td>0.07</td>
</tr>
<tr>
<td>5</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>2,682,408</td>
<td>(Note-d)</td>
<td>0.14</td>
</tr>
<tr>
<td>5</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>5,740,303</td>
<td>(Note-d)</td>
<td>0.14</td>
</tr>
<tr>
<td>5</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>240,324</td>
<td>(Note-d)</td>
<td>0.14</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty (Note b)</td>
<td>Name of transaction parties (Note c)</td>
<td>Relationship (Note d)</td>
<td>Subject (Note e)</td>
<td>Amount (Note f)</td>
<td>Percentage of total combined revenue or total assets (Note g)</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
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<td>----------------------</td>
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<td>----------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$13,100,086</td>
<td>7.61</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Electronic Logistics (USA) Corp.</td>
<td>3</td>
<td>Sales</td>
<td>2,709,029</td>
<td>1.57</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks International Ltd.</td>
<td>Ayecom Technology Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>527,947</td>
<td>0.31</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>3</td>
<td>Sales</td>
<td>446,769</td>
<td>0.26</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>14,264,698</td>
<td>8.29</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>277,135</td>
<td>0.16</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Electronics (Taiwan) ltd.</td>
<td>3</td>
<td>Sales</td>
<td>851,273</td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>12,871,463</td>
<td>7.54</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Electronics (Taiwan) ltd.</td>
<td>3</td>
<td>Sales</td>
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<td>14.14</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
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<td>0.18</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
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<td>0.64</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Electronics Components (Taiwan)</td>
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<td>Sales</td>
<td>1,837,424</td>
<td>1.07</td>
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<td>Delta Greentech (China) Co., Ltd.</td>
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<td>Sales</td>
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<td>2.70</td>
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<td>Delta Electronics (Shanghai) Co., Ltd.</td>
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<td>0.45</td>
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<td>Delta Electronics Components (Taiwan)</td>
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<td>0.90</td>
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<td>Delta Electronics Components (Taiwan)</td>
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<td>1.04</td>
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<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Transaction terms (Note c)</td>
<td>Amount (Note d)</td>
<td>Percentage of total combined revenue or total assets (Note e)</td>
<td>Description</td>
</tr>
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<td>12</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$4,419,842</td>
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<td>106,275</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
<td>5,471,081</td>
<td>3.18</td>
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<td>13</td>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>614,356</td>
<td>0.39</td>
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<td>13</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>171,312</td>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>3,138,927</td>
<td>1.82</td>
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<td>Delta Greentech (China) Co., Ltd.</td>
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<td>Sales</td>
<td>375,558</td>
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<td>Sales</td>
<td>669,676</td>
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<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
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<td>Sales</td>
<td>1,235,615</td>
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<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>4,236,744</td>
<td>2.46</td>
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<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>Delta Electronics (Wujiang) Trading Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>2,904,410</td>
<td>1.69</td>
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<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>596,460</td>
<td>0.35</td>
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<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>1,235,615</td>
<td>0.73</td>
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<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>4,236,744</td>
<td>2.46</td>
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</tr>
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<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>2,904,410</td>
<td>1.69</td>
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<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>443,833</td>
<td>0.26</td>
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<td>Delta Electronics International Ltd.</td>
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<td>924,101</td>
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<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>3.34</td>
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<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note j)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
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<tr>
<td>22</td>
<td>Cyntec International Ltd.</td>
<td>Cyntee Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$402,553</td>
<td>(Note g)</td>
<td>0.23</td>
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<td>23</td>
<td>Cyntec Co., Ltd.</td>
<td>Cyntee International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$1,650,108</td>
<td>(Note h)</td>
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<td>24</td>
<td>Cyntec (Suzhou) Co., Ltd.</td>
<td>Cyntee International Ltd.</td>
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<td>Sales</td>
<td>$2,019,775</td>
<td>(Note h)</td>
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<td>25</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Cyntee International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$2,561,075</td>
<td>(Note h)</td>
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<td>26</td>
<td>Delta Green (Tianjin) Industries Co., Ltd.</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$466,065</td>
<td>(Note d)</td>
<td>0.27</td>
</tr>
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<td>26</td>
<td>Delta Green (Tianjin) Industries Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$289,723</td>
<td>(Note d)</td>
<td>0.17</td>
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<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics International Ltd.</td>
<td>1</td>
<td>Other receivables</td>
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<td>(Note d)</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Japan) Inc.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$132,203</td>
<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
<td>DEI Logistics (USA) Corporation</td>
<td>3</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
<td>0.71</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
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<td>(Note d)</td>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
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<td>Delta Electronics Components (Wujiang) Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
<td>0.21</td>
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<td>Relationship (Note b)</td>
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<td>Amount (Note j)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>-----------------</td>
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<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$135,179</td>
<td>(Note d)</td>
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<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
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<td>Accounts receivable</td>
<td>$559,237</td>
<td>(Note d)</td>
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<td>Chenzhou Delta Technology Co., Ltd.</td>
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<td>$137,707</td>
<td>(Note d)</td>
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<td>Delta Electronics (Wuha) Co., Ltd.</td>
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<td>(Note d)</td>
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<td>Wuhu Delta Technology Co., Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics (Japan),Inc.</td>
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<td>(Note d)</td>
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<td>Delta Green (Tianjin) Industries Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$125,866</td>
<td>(Note d)</td>
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<td>2</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics, Inc.</td>
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<td>Accounts receivable</td>
<td>$6,140,150</td>
<td>(Note d)</td>
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<td>Delta Electronics, Inc.</td>
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<td>Other receivables</td>
<td>$101,477</td>
<td>(Note d)</td>
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<td>18</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$214,401</td>
<td>(Note d)</td>
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<td>4</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$3,566,355</td>
<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$1,194,480</td>
<td>(Note d)</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$125,060</td>
<td>(Note d)</td>
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<td>5</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$223,230</td>
<td>(Note d)</td>
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<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Amount (Note j)</td>
<td>Transaction terms</td>
<td>Percentage of total consolidated revenue or total assets (Note c)</td>
<td></td>
</tr>
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<td>1</td>
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<td>DNI Logistic (USA) Corp.</td>
<td>Accounts receivable</td>
<td>$2,948,263</td>
<td>(Note d)</td>
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<td>Ayecom Technology Co., Ltd.</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>Accounts receivable</td>
<td>193,388</td>
<td>(Note d)</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Accounts receivable</td>
<td>2,371,754</td>
<td>(Note d)</td>
<td>1.23</td>
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<td>Delta Networks International Ltd.</td>
<td>DNI Logistic (USA) Corp.</td>
<td>Accounts receivable</td>
<td>104,908</td>
<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>Accounts receivable</td>
<td>457,017</td>
<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Electronics Inf. (Singapore) Pte. Ltd.</td>
<td>Accounts receivable</td>
<td>2,196,722</td>
<td>(Note d)</td>
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<td>Delta Electronics Inf. (Singapore) Pte. Ltd.</td>
<td>Accounts receivable</td>
<td>338,140</td>
<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Electronics Inf. (Singapore) Pte. Ltd.</td>
<td>Accounts receivable</td>
<td>187,573</td>
<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Electronics Inf. (Singapore) Pte. Ltd.</td>
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<td>134,484</td>
<td>(Note d)</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Electronics (Taiwan) Ltd.</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Electronics (Taiwan) Ltd.</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Electronics (Taiwan) Ltd.</td>
<td>Accounts receivable</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Electronics (Taiwan) Ltd.</td>
<td>Accounts receivable</td>
<td>493,716</td>
<td>(Note d)</td>
<td>0.21</td>
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</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note j)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------</td>
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<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>15</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$1,105,639</td>
<td>(Note d)</td>
<td>0.57</td>
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<tr>
<td>17</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>688,928</td>
<td>(Note d)</td>
<td>0.36</td>
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<tr>
<td>20</td>
<td>Delta Electronics (Shanghai) Co., Ltd.</td>
<td>Delta Greentech (China) Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>1,075,386</td>
<td>(Note e)</td>
<td>0.56</td>
</tr>
<tr>
<td>26</td>
<td>Delta Green (Tianjin) Industries Co., Ltd.</td>
<td>Delta Electronics Int'l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>134,280</td>
<td>(Note d)</td>
<td>0.07</td>
</tr>
<tr>
<td>21</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>DelSolar Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>893,615</td>
<td>(Note f)</td>
<td>0.46</td>
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<tr>
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<td>Cyntec Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>176,852</td>
<td>(Note h)</td>
<td>0.09</td>
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<td>24</td>
<td>Cyntec (Suzhou) Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
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<td>Accounts receivable</td>
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<td>25</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
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<td>Accounts receivable</td>
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<tr>
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<td>Delta Networks, Inc. (Taiwan)</td>
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<td>Asset leased to others</td>
<td>572,003</td>
<td>(Note i)</td>
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<tr>
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<td>Delta Electronics, Inc.</td>
<td>DelBio Inc.</td>
<td>1</td>
<td>Asset leased to others</td>
<td>149,271</td>
<td>(Note i)</td>
<td>0.08</td>
</tr>
<tr>
<td>10</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>3</td>
<td>Asset leased to others</td>
<td>517,098</td>
<td>(Note i)</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Note a: The transaction information of the Company and the consolidated subsidiaries should be noted in column “Number”. The number means:
1. Number 0 represents the Company.
2. The consolidated subsidiaries are in order from number 1.

Note b: The relationships with the transaction parties are as follows:
1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

Note c: Ratios of asset/liability are divided by consolidated total assets, and ratios of gain/loss accounts are divided by consolidated sales revenue.

Note d: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 75 days.

Note e: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 90 days.
Note f: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 30 days.

Note g: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 60–90 days.

Note h: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 45–120 days.

Note i: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and charge the rental monthly.

Note j: Only related party transactions in excess of $100,000 are disclosed.

For the year ended December 31, 2010:

<table>
<thead>
<tr>
<th>Number (Note a)</th>
<th>Name of counterparty</th>
<th>Name of transaction parties</th>
<th>Relationship (Note b)</th>
<th>Subject</th>
<th>Amount (Note h)</th>
<th>Transaction terms</th>
<th>Percentage of total combined revenue or total assets (Note c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Electronics International Ltd.</td>
<td>1</td>
<td>Services revenue</td>
<td>$5,468,693</td>
<td>(Note d)</td>
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<tr>
<td>0</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
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<td>(Note d)</td>
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<td>DEI Logistic (USA) Corp.</td>
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<td>Sales</td>
<td>254,605</td>
<td>(Note d)</td>
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<tr>
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<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
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<td>Sales</td>
<td>9,977,405</td>
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<td>5.82</td>
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<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>19,926,088</td>
<td>(Note d)</td>
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<tr>
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<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Components (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
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<td>(Note d)</td>
<td>0.63</td>
</tr>
<tr>
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<td>Delta Electronics (Jiangsu) Ltd.</td>
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<td>Sales</td>
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<td>Sales</td>
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<tr>
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<td>Delta Video Display System (Wujiang) Ltd.</td>
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<td>Sales</td>
<td>5,228,701</td>
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<td>Delta Electronics (Japan),Inc.</td>
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<td>Sales</td>
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<td>(Note d)</td>
<td>8.66</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note h)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
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<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
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<td>Sales</td>
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<tr>
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<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
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<tr>
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<td>Delta Electronics (Wuhu) Co., Ltd.</td>
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<td>Deltronics (Netherland) B.V.</td>
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<tr>
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<td>Delta Electronics, Inc.</td>
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<td>Sales</td>
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<td>(Note d)</td>
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<td>Delta Electronics Components (Dongguan) Co., Ltd. (Note i)</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
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<td>Sales</td>
<td>160,837</td>
<td>(Note d)</td>
<td>0.09</td>
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<tr>
<td>2</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
<td>1,360,655</td>
<td>(Note d)</td>
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<tr>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Delta Networks (Dongguan) Ltd.</td>
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<td>Sales</td>
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<td>(Note d)</td>
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<tr>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
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<td>Sales</td>
<td>336,764</td>
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<td>Delta Networks International Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
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<td>Sales</td>
<td>9,641,745</td>
<td>(Note d)</td>
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<td>Delta Networks International Ltd.</td>
<td>DNI Logistic (USA) Corp.</td>
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<td>Sales</td>
<td>2,135,042</td>
<td>(Note d)</td>
<td>1.25</td>
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<td>6</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Networks International Ltd.</td>
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<td>Sales</td>
<td>11,045,155</td>
<td>(Note d)</td>
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<td>Delta Networks, Inc. (Taiwan)</td>
<td>Delta Networks International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>716,012</td>
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<td>Number (Note a)</td>
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<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note h)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
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<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>PreOptix (Jiangsu) Co., Ltd.</td>
<td>PreOptix Co., Ltd. (PreOptix)</td>
<td>3</td>
<td>Sales</td>
<td>$ 565,169</td>
<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Sales</td>
<td>$ 1,463,587</td>
<td>(Note d)</td>
<td>0.85</td>
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<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 357,239</td>
<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 2,588,034</td>
<td>(Note d)</td>
<td>1.51</td>
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<td>11</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 5,784,298</td>
<td>(Note d)</td>
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<tr>
<td>11</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 126,108</td>
<td>(Note d)</td>
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<tr>
<td>12</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 5,609,141</td>
<td>(Note d)</td>
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<td>13</td>
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<td>Cyntec International Ltd.</td>
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<td>Sales</td>
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<td>Cyntec International Ltd.</td>
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<td>Sales</td>
<td>$ 1,120,560</td>
<td>(Note e)</td>
<td>0.65</td>
</tr>
<tr>
<td>15</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 1,858,819</td>
<td>(Note d)</td>
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<tr>
<td>16</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Cyntec Co., Ltd.</td>
<td>3</td>
<td>Sales</td>
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<td>(Note e)</td>
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<tr>
<td>18</td>
<td>PreOptix Co., Ltd. (PreOptix)</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>3</td>
<td>Sales</td>
<td>$ 297,660</td>
<td>(Note d)</td>
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<tr>
<td>19</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>DelSolar Co., Ltd.</td>
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<td>Sales</td>
<td>$ 3,079,358</td>
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<td>3</td>
<td>Sales</td>
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<td>(Note f)</td>
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<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note h)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------------------------</td>
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<td>20</td>
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<td>Sales</td>
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<td>Delta Electronics Int’l (Singapore) Pte. Ltd.</td>
<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Delta Electronics, Inc.</td>
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<td>Sales</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Sales</td>
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<td>Delta Electronics International Ltd.</td>
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<td>Other receivables</td>
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<td>22</td>
<td>DEI Logistics (USA) Corp.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Other receivables</td>
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<td>(Note d)</td>
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<td>Delta Electronics International Ltd.</td>
<td>1</td>
<td>Accounts receivable</td>
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<td>Delta Electro-Optics (Wujiang) Ltd.</td>
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<td>Accounts receivable</td>
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<td>Delta Electronics (Dongguan) Co., Ltd.</td>
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<td>Accounts receivable</td>
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<td>(Note d)</td>
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<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
<td>3.11</td>
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<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
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<td>(Note d)</td>
<td>1.29</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$352,251</td>
<td>(Note d)</td>
<td>0.22</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$362,292</td>
<td>(Note d)</td>
<td>0.22</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$416,409</td>
<td>(Note d)</td>
<td>0.26</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Chenzhou Delta Technology Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$332,643</td>
<td>(Note d)</td>
<td>0.21</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note h)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>-----------------------</td>
<td>------------------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>DEI Logistics (USA) Corp.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$3,538,487</td>
<td>(Note d)</td>
<td>2.19</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Japan) Inc.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>633,305</td>
<td>(Note d)</td>
<td>0.39</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>530,766</td>
<td>(Note d)</td>
<td>0.33</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>193,162</td>
<td>(Note d)</td>
<td>0.12</td>
</tr>
<tr>
<td>1</td>
<td>Delta Electronics International Ltd.</td>
<td>Delta Electronics, Inc.</td>
<td>2</td>
<td>Accounts receivable</td>
<td>4,345,796</td>
<td>(Note d)</td>
<td>2.69</td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>3,869,761</td>
<td>(Note d)</td>
<td>2.39</td>
</tr>
<tr>
<td>3</td>
<td>Delta Electronics Power (Dongguan) Co., Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>100,076</td>
<td>(Note d)</td>
<td>0.06</td>
</tr>
<tr>
<td>4</td>
<td>Delta Electronics (Dongguan) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>2,409,690</td>
<td>(Note d)</td>
<td>1.49</td>
</tr>
<tr>
<td>23</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>1,069,454</td>
<td>(Note d)</td>
<td>0.66</td>
</tr>
<tr>
<td>23</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>Delta Electronics Int’l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>1,336,121</td>
<td>(Note d)</td>
<td>0.83</td>
</tr>
<tr>
<td>12</td>
<td>Delta Video Display System (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>357,821</td>
<td>(Note d)</td>
<td>0.22</td>
</tr>
<tr>
<td>11</td>
<td>Delta Electronics Components (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>506,355</td>
<td>(Note d)</td>
<td>0.31</td>
</tr>
<tr>
<td>10</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>101,945</td>
<td>(Note d)</td>
<td>0.06</td>
</tr>
<tr>
<td>10</td>
<td>Delta Electro-Optics (Wujiang) Ltd.</td>
<td>Delta Electronics Int’l (Singapore) Pte. Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>334,646</td>
<td>(Note d)</td>
<td>0.21</td>
</tr>
<tr>
<td>5</td>
<td>Delta Networks International Ltd.</td>
<td>DNI Logistics (USA) Corp.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>446,169</td>
<td>(Note d)</td>
<td>0.28</td>
</tr>
<tr>
<td>5</td>
<td>Delta Networks International Ltd.</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>2,602,000</td>
<td>(Note d)</td>
<td>1.61</td>
</tr>
<tr>
<td>Number (Note a)</td>
<td>Name of counterparty</td>
<td>Name of transaction parties</td>
<td>Relationship (Note b)</td>
<td>Subject</td>
<td>Amount (Note h)</td>
<td>Transaction terms</td>
<td>Percentage of total combined revenue or total assets (Note c)</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------</td>
<td>-----------------------------</td>
<td>-----------------------</td>
<td>---------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>6</td>
<td>Delta Networks (Dongguan) Ltd.</td>
<td>Delta Networks International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$ 2,497,789</td>
<td>(Note d)</td>
<td>1.54</td>
</tr>
<tr>
<td>7</td>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>Delta Networks International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$1,729,540</td>
<td>(Note d)</td>
<td>0.11</td>
</tr>
<tr>
<td>9</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$3,370,000</td>
<td>(Note d)</td>
<td>0.21</td>
</tr>
<tr>
<td>9</td>
<td>Delta Electronics (Wuhu) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$1,501,745</td>
<td>(Note d)</td>
<td>0.93</td>
</tr>
<tr>
<td>21</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$706,477</td>
<td>(Note d)</td>
<td>0.44</td>
</tr>
<tr>
<td>21</td>
<td>Delta Electronics Intl (Singapore) Pte. Ltd.</td>
<td>Delta Electronics, Inc.</td>
<td>2</td>
<td>Accounts receivable</td>
<td>$1,229,719</td>
<td>(Note d)</td>
<td>0.76</td>
</tr>
<tr>
<td>14</td>
<td>Cyntec (Suzhou) Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$125,752</td>
<td>(Note e)</td>
<td>0.08</td>
</tr>
<tr>
<td>15</td>
<td>Cyntec Electronics (Suzhou) Co., Ltd.</td>
<td>Cyntec International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$178,021</td>
<td>(Note e)</td>
<td>0.11</td>
</tr>
<tr>
<td>16</td>
<td>Delta Electronics (Chenzhou) Co., Ltd.</td>
<td>Delta Electronics International Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$994,167</td>
<td>(Note e)</td>
<td>0.61</td>
</tr>
<tr>
<td>19</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>DelSolar Co., Ltd.</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$543,204</td>
<td>(Note f)</td>
<td>0.34</td>
</tr>
<tr>
<td>8</td>
<td>PreOptix (Jiangsu) Co., Ltd.</td>
<td>PreOptix Co., Ltd. (PreOptix)</td>
<td>3</td>
<td>Accounts receivable</td>
<td>$110,294</td>
<td>(Note f)</td>
<td>0.07</td>
</tr>
<tr>
<td>0</td>
<td>Delta Electronics, Inc.</td>
<td>Delta Networks, Inc. (Taiwan)</td>
<td>1</td>
<td>Assets leased to others</td>
<td>$579,961</td>
<td>(Note g)</td>
<td>0.36</td>
</tr>
<tr>
<td>23</td>
<td>Delta Electronics (Jiangsu) Ltd.</td>
<td>DelSolar (Wujiang) Ltd.</td>
<td>3</td>
<td>Assets leased to others</td>
<td>$453,918</td>
<td>(Note g)</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Note a: The transaction information of the Company and the consolidated subsidiaries should be noted in column “Number”. The number means:
1. Number 0 represents the Company.
2. The consolidated subsidiaries are in order from number 1.

Note b: The relationships with the transaction parties are as follows:
1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

Note c: Ratios of asset/liability are divided by consolidated total assets, and ratios of gain/loss accounts are divided by consolidated sales revenue.

Note d: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 75 days.

Note e: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 45~120 days.

Note f: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 30~70 days.

Note g: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and charge the rental monthly.

Note h: Only related party transactions in excess of $100,000 are disclosed.

Note i: Delta Electronics Components (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. on November 19, 2010 and was dissolved.
12. OPERATING SEGMENT INFORMATION

(1) General information

The Group considers the business from a product perspective. The Group’s business is segregated into power electronics business, energy management business and smart green life business. Breakdown of the revenue from all sources is as follows:

A. Power electronics business:
Design, manufacture, and sales of power supply and electronic components. The main products are Server power supply, Workstation power supply, Desktop power supply, notebook power supply, High Efficiency Electronic Lighting Ballast / LED Power, Display Power Supply, Gaming Power supply, magnetic component, EMI filters, Precision Motors, Fans and Fans Module, Cooling Module, Blower, Mini Wind Energy Shell Parts, Heat Exchanger, Touch Panel Module (including sensor IC), RF/wireless component, Bluetooth Module, Optical Transceiver Module, Networking Component, etc.

B. Energy management business:
Design, manufacture, and sales of power supply/convertor and industrial automation products. The main products are Telecom and Industrial Power System, Uninterruptible Power Supplies (UPS), Photovoltaic Inverter (PIV), Medium Voltage Drive, Vehicle Power Product Line, Micro PV Inverter Product Line, AMI Product Line, Programmable Logic Controllers, AC Motor Drives, AC Servo Motors and Drives, Brushless DC Motors and Drives, Human Machine Interfaces, Temperature Controllers, Encoders, Electric Vehicle Motors and Drives, etc.

C. Smart green life business:
Design, manufacture, and sales of projectors, LED lighting products, LED component and module, Saving-Energy Panel and the related electronic product, interactive speech recognition system, cloud computing related hardware and software products. The main products are professional high end digital projectors, digital electronic cinema, home cinema projectors, video conference projection systems, educational use and portable digital projectors, game use projectors, digital display wall, digital signage display, streetlights, architectural lights, lamps, general luminaries as troffer and highbay, e-paper devices in various panel sizes, e-paper based cloud information delivery solutions, and the world's first highly customizable QR-LPD e-Paper product development kit for accelerated new product development, interactive speech recognition system of contact center of financial service industry and phone query system of telecommunication industry, voice keyword spotting solution, voice biometrics with language independent technology, power solution, cooling solution, server rack, networking product, storage solution, computing and management solution, etc.
(2) Measurement of segment information

The Group’s segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 2.
(3) Information on segment profit (loss) and assets

The segment information provided to the chief operating decision-maker for the reportable segments for the years ended December 31, 2011 and 2010 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the year ended December 31, 2011</th>
<th>For the year ended December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Power electronics business</td>
<td>Energy management business</td>
</tr>
<tr>
<td>Revenue from external customers</td>
<td>$107,086,428</td>
<td>$35,430,208</td>
</tr>
<tr>
<td>Measurement amount of segment profit (loss)</td>
<td>$11,980,694</td>
<td>($343,927)</td>
</tr>
<tr>
<td>Segment’s total assets (Note)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

(Note) According to EITF 99-151, “Explanation for Segment Reporting”, of the R.O.C. Accounting Research and Development Foundation, dated June 28, 2010, enterprises should disclose the measurement amount of reportable segments assets in accordance with paragraph 24 of R.O.C. SFAS No. 41, “Operating Segments”. As the Company did not provide the measurement amount of assets to the chief operating decision-maker, measurement amount of assets that should be disclosed was $0.
(4) Reconciliation information for segment profit (loss)
A. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.
B. A reconciliation of reportable segments profit (loss) to profit (loss) before tax and discontinued operations is provided as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable segments' profit</td>
<td>$11,935,667</td>
<td>$18,713,242</td>
</tr>
<tr>
<td>Other segments’ loss</td>
<td>(1,617,421)</td>
<td>(1,444,125)</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>4,983,179</td>
<td>3,979,758</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>(716,435)</td>
<td>(1,102,885)</td>
</tr>
<tr>
<td>Profit before tax and discontinued operations</td>
<td>$14,584,990</td>
<td>$20,145,990</td>
</tr>
</tbody>
</table>

C. The amount of assets was not provided to the chief operating decision-maker in accordance with EITF 99-151, “Explanation for Segment Reporting”, of the R.O.C. Accounting Research and Development Foundation dated June 28, 2010. The measurement amount of assets that should be disclosed is $0 and the reconciliation is provided as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable segments' assets</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unallocated items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>130,007,582</td>
<td>113,242,766</td>
</tr>
<tr>
<td>Funds and investments</td>
<td>12,129,644</td>
<td>10,645,811</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>36,917,785</td>
<td>26,900,817</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>12,096,932</td>
<td>9,029,563</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,042,036</td>
<td>1,919,517</td>
</tr>
<tr>
<td>Total assets</td>
<td>$193,193,979</td>
<td>$161,738,474</td>
</tr>
</tbody>
</table>

(5) Information about products and services
As the Group considered the business from a product perspective, the reportable segments were based on different products and services. Revenues from external customers are the same as in Note 12(3).

(6) Information about geographic areas
Information about geographic areas for the years ended December 31, 2011 and 2010 were as follows:
There are no customers accounting for more than 10% of the Group’s operating revenues for the years ended December 31, 2011 and 2010.

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

Pursuant to the regulations of the Financial Supervisory Commission, Executive Yuan, R.O.C. (FSC) effective January 1, 2013, a public company whose stock is listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins (IFRSs) that are ratified by FSC.

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of FSC, dated February 2, 2010:

(1) Major contents and status of execution of the Company’s plan for IFRSs adoption:

The Company has established the IFRSs taskforce headed by the Company’s chief financial officer, which is responsible for setting up a plan relative to the Company’s transition to IFRSs. The major contents and status of execution of this plan are outlined below:

<table>
<thead>
<tr>
<th>Working Items for IFRSs Adoption</th>
<th>Status of Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Establish the IFRSs taskforce</td>
<td>Completed</td>
</tr>
<tr>
<td>b. Setting up a plan relative to the Group’s transition to IFRSs</td>
<td>Completed</td>
</tr>
<tr>
<td>c. Identification of the differences between current accounting policies and IFRSs</td>
<td>Completed</td>
</tr>
<tr>
<td>d. Identification of consolidated entities under IFRSs</td>
<td>Completed</td>
</tr>
<tr>
<td>e. Evaluation of the impact of each exemption and option on the Company under IFRS 1 - First-time Adoption of International Financial Reporting Standards</td>
<td>Completed</td>
</tr>
<tr>
<td>f. Evaluation of adjustments of information system</td>
<td>Completed</td>
</tr>
</tbody>
</table>

### Comparison of major customers between 2011 and 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue 2011</th>
<th>Non-current assets 2011</th>
<th>Revenue 2010</th>
<th>Non-current assets 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>$4,048,454</td>
<td>$21,217,061</td>
<td>$3,562,179</td>
<td>$17,092,904</td>
</tr>
<tr>
<td>USA</td>
<td>$27,612,335</td>
<td>$185,569</td>
<td>$25,097,560</td>
<td>-</td>
</tr>
<tr>
<td>Mainland China</td>
<td>$97,242,048</td>
<td>$28,701,888</td>
<td>$99,509,652</td>
<td>$20,068,372</td>
</tr>
<tr>
<td>Others</td>
<td>$43,153,474</td>
<td>$952,235</td>
<td>$43,133,062</td>
<td>$688,621</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$172,056,311</strong></td>
<td><strong>$51,056,753</strong></td>
<td><strong>$171,302,453</strong></td>
<td><strong>$37,849,897</strong></td>
</tr>
<tr>
<td>Working Items for IFRSs Adoption</td>
<td>Status of Execution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. Evaluation of modification to the relevant internal controls</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h. Determine IFRSs accounting policies</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Selection of exemptions and options available under IFRS 1 - First-time Adoption of International Financial Reporting Standards</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Preparation of statement of financial position on the opening date of IFRSs</td>
<td>In progress according to the plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Preparation of comparative financial information under IFRSs for 2012</td>
<td>In progress according to the plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l. Modification of relevant internal controls (including financial reporting process and relevant information system)</td>
<td>In progress according to the plan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future:

The Company uses the IFRSs already ratified currently by FSC and the “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be applied in 2013 as the basis for evaluation of material differences in accounting policies as mentioned above. However, the Company’s current evaluation results may be different from the actual differences that may arise when new issuances of or amendments to IFRSs are subsequently ratified by FSC or relevant interpretations or amendments to the “Rules Governing the Preparation of Financial Statements by Securities Issuers” come in the future.

Material differences identified by the Company that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future are set forth below:

A. Functional currency

Pursuant to current accounting standards in R.O.C., as the Company is not a foreign company, it does not need to determine its functional currency. However, in accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates”, each of the Group’s entities (including parent company) included in the consolidated financial statements should determine its functional currency.

B. Financial assets: equity instruments

Before the amendment of “Rules Governing the Preparation of Financial Statements by Securities Issuers”, dated July 7, 2011, unlisted stocks and emerging stocks held by the Group should be measured at cost and recognized in “Financial assets carried at cost”. However, in
accordance with IAS 39, “Financial Instruments: Recognition and Measurement”, investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value.

C. Business combinations

(a) Although no rules concerning the recognition of costs related to the acquisition in a business combination are specified in current accounting standards in R.O.C., in practice, certain acquisition-related costs are usually viewed as part of the acquisition cost of the acquiring corporation. However, in accordance with IFRS 3, “Business Combinations”, all acquisition-related costs must be expensed by the acquiring corporation when such costs are incurred and services are received.

(b) The measurement date for the equity stock issued in a business combination is the announcement date of the combination agreement in accordance with current accounting standards in R.O.C. and is the acquisition date in accordance with IFRS 3, “Business Combinations”.

(c) In accordance with current accounting standards in R.O.C., when the fair value of identifiable net assets acquired exceeds the acquisition cost, the difference should be assigned to non-current assets acquired proportionate to their respective fair values. If the book values of those non-current assets are reduced to zero, the remaining excess should be recorded as extraordinary gains. However, in accordance with IFRS 3, “Business Combinations”, the difference should be directly recognized in profit or loss.

(d) In accordance with current accounting standards in R.O.C., the minority interest on the consolidated financial statements should be measured based on the book value of the acquired corporation. In accordance with IFRS 3, “Business Combinations”, the non-controlling interest in the acquired corporation should be measured at fair value (or at the non-controlling interest’s proportionate share of the acquired corporation’s identifiable net assets).

(e) In accordance with current accounting standards in R.O.C., where the distribution of additional consideration may be contingent on maintaining or achieving specified future earnings level for the acquired corporation and it is reasonably certain that the event is likely to occur and the amount can be reasonably estimated, such contingent consideration should be included in the acquisition cost; where additional consideration may be contingent on the market price of a particular security issued as a result of a business combination, then the acquiring corporation should record the current fair value of the additional securities issued and simultaneously reduce the book value of the securities issued at acquisition date. In accordance with IFRS 3, “Business Combinations”, the acquiring corporation should recognize the contingent consideration at fair value at
acquisition date as part of the consideration transferred to acquire a business. The acquiring corporation should classify the obligation to pay contingent consideration as a liability or as equity, and shall classify as an asset the right to the return of previously transferred consideration when certain criteria are met.

D. Consolidated financial statements

(a) In accordance with current accounting standards in R.O.C., in case the parent company changes its share ownership of the subsidiary but does not lose control over the subsidiary after control was obtained, the purchase method of accounting is used to account for the increase in ownership interest, while the decrease in ownership interest is regarded as disposal of shares and the related disposal gain or loss is recognized in profit or loss. In accordance with IAS 27, “Consolidated and Separate Financial Statements”, changes in a parent company’s ownership interest that do not result in the parent company losing control of the subsidiary are equity transactions, which would not affect profit or loss and goodwill would not be remeasured.

(b) In accordance with current accounting standards in R.O.C., in case the parent company changes its share ownership of the subsidiary and loses control over the subsidiary, any investment retained in the former subsidiary is measured at the book value multiplied by the residual share ownership ratio at the date when control is lost. In accordance with IAS 27, “Consolidated and Separate Financial Statements”, any investment retained in the former subsidiary should be recognized at its fair value at the date when control is lost.

(c) In accordance with current accounting standards in R.O.C., losses applicable to the minority in a consolidated subsidiary cannot exceed the minority interest in the subsidiary’s equity. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. In accordance with IAS 27, “Consolidated and Separate Financial Statements”, the excess of losses applicable to the non-controlling interest in a consolidated subsidiary over the non-controlling interest in the subsidiary’s equity is continuously attributed to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

E. Investments in associates/long-term equity investments accounted for under equity method

(a) Current accounting standards in R.O.C. do not prescribe that the investor and the associate should use uniform accounting policies in the preparation of financial statements. However, in accordance with IAS 28, “Investments in Associates”, an associate should use uniform accounting policies as the investor in the preparation of its financial statements for like transactions and other events in similar circumstances; otherwise, the associate’s financial statements should be adjusted to reflect the investor’s accounting policies for the purpose of applying the equity method.
(b) In accordance with current accounting standards in R.O.C., for long-term equity investment under equity method, if an investor company loses its significant influence over an investee company because of a decrease in ownership or other reasons and therefore ceases using the equity method, the cost of investment will be the book value at the time of change. If there is a balance on additional paid-in capital or other equity adjustment items from the long-term equity investment, then an investor company shall calculate its share when the investment is sold, so that the pro-rata gains or losses from the disposal of the long-term investment can be accounted for. In accordance with IAS 28, “Investments in Associates”, when an investment ceases to be an associate, the fair value of the remaining investment at the date when it ceases to be an associate should be regarded as its fair value on initial recognition of the financial asset. If there is a balance on additional paid-in capital or other equity adjustment items from the long-term equity investment, it shall be written off totally by the investor company when the investment is sold, so that the gains or losses from the disposal of the long-term investment can be accounted for.

(c) In accordance with current accounting standards in R.O.C., if an investee company issues new shares and original shareholders do not purchase or acquire new shares proportionately, but the investor company does not lose its significant influence over the investee company, the investment percentage, and therefore the equity in net assets for the investment that an investor company has invested, will be changed. Such difference shall be used to adjust the ‘Additional paid-in capital’ and the ‘Long-term equity investments’ accounts. However, in accordance with IAS 28, “Investments in Associates”, increase in investment percentage is accounted for as an acquisition of investment; while, decrease in investment percentage is accounted for as a disposal of investment and any related disposal gain or loss is recognized.

F. Investment property

In accordance with current accounting standards in R.O.C., the Company’s property that is leased to others is presented in ‘Other assets’ account. In accordance with IAS 40, “Investment Property”, property that meets the definition of investment property is classified and accounted for as ‘Investment property’.

G. Pensions

(a) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end day of the reporting period) instead.
In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, in accordance with IAS 19, “Employee Benefits”, the unrecognized transitional net benefit obligation should be amortized on a straight-line basis within 5 years after adoption.

In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.

In accordance with current accounting standards in R.O.C., actuarial pension gain or loss of the Group is recognized in net pension cost of current period using the ‘corridor’ method. However, IAS 19, “Employee Benefits”, requires that actuarial pension gain or loss should be recognized immediately in other comprehensive income.

The current accounting standards in R.O.C. do not specify the rules on the recognition of accumulated unused compensated absences. The Group recognizes such costs as expenses upon actual payment. However, IAS 19, “Employee Benefits”, requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period.

The current accounting standards in R.O.C. do not specify the rules on the recognition of other long-term employee benefits other than pensions. However, IAS 19, “Employee Benefits”, requires that the costs of other long-term employee benefits other than pensions should be recognized as expenses as the employees render service.

The share-based payment arrangements of the Group include employee stock options and employees’ bonus.

The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072, “Accounting for Employee Stock Options”, of the R.O.C. Accounting Research and Development Foundation, dated March 17, 2003. Compensation cost of such employee stock options is recognized as an expense using the intrinsic value method. Compensation cost of treasury stock transferred to employees and cash capital increase reserved for employee preemption incurred before December 31, 2007 was not recognized as an expense by the Company. Employees’ bonus distributed before 2007 was accounted for as appropriation of earnings and was not recognized as an expense by the Company.
(b) Compensation cost of employee stock options, whose grant date was after (on) January 1, 2008 and before January 1, 2010 is recognized as an expense using the intrinsic value method according to the Jin-Guan-six-Zi Order No. 0960065898 of the Financial Supervisory Commission, dated December 12, 2007.

(c) However, according to IFRS 2, “Share-based Payment”, the cost of the share-based payment arrangements stated above should be expensed at the fair value of the equity instruments over the vesting period.

J. Income taxes

(a) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or noncurrent according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, “Presentation of Financial Statements”, an entity should not classify a deferred tax asset or liability as current.

(b) In accordance with current accounting standards in R.O.C., when evidence shows that part or whole of the deferred tax asset with 50% probability or above will not be realized, an entity should reduce the amount of deferred tax asset by adjusting the valuation allowance account. In accordance with IAS 12, “Income Taxes”, a deferred tax asset should be recognized if, and only if, it is considered highly probable that it will be realized.

(c) Regarding tax rates that shall apply to the deferred tax assets or liabilities associated with unrealized gains or losses arising from transactions between parent company and subsidiaries by buyer tax rate or seller tax rate, the current accounting standards in R.O.C. do not specify the rules for this issue; while, the Company adopts seller tax rate for computation. However, under IAS 12, “Income Taxes”, temporary differences in the consolidated financial statements are determined by comparing the carrying amounts of assets and liabilities in those statements and applicable taxation basis. The Company’s taxation basis is determined by reference to the Group entities’ income tax returns. Accordingly, buyer tax rate shall apply to the deferred tax assets or liabilities in the consolidated financial statements.

Some of the above differences may not have a material effect on the Company in transition to IFRSs due to the exemption rules in IFRS 1, “First-time Adoption of International Financial Reporting Standards”, adopted by the Company.