



Smarter Solutions, Greener Planet

Delta's LEED Gold-certified green building reduced energy consumption by 47% with our own solutions in 2014.

DELTA ELECTRONICS, INC. 2014 ANNUAL REPORT

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A Letter to Our Shareholders



Yancey Hai, Chairman

Dear Shareholders:

Thanks to the hardwork of our colleagues, Delta has performed well, growing in both revenues and profits this past year. Delta reported consolidated revenues of NT\$190.6 billion in the year 2014, an 8% growth compared to the year before. Gross profits amount to NT\$51.5 billion, with a profit margin of 27%, a 14% increase compared to the year before. Net operating profits amount to NT\$22.8 billion, accounting for 12% of the revenues, growing 17% compared to the year before. And net income after tax amount to NT\$20.7 billion, a net profit margin of 10.9%, growing 16% compared to the year before. Delta's EPS (earnings per share) for the year 2014 reached a new record of NT\$8.49 with a ROE (return on equity) of 21.1%, which has also grown steadily compared to 2013. Delta's market capitalization has surpassed NT\$450 billion, with over 70% of shares being held by foreign institutional investors, implying that Delta's management philosophy and operating performance is well acknowledged by the market. The following summarizes the business results and future prospects of Delta's three major business categories:

Power Electronics

Power Electronics has served as the cornerstone on which Delta has built its technology and operation upon. It has been a long term major contributor to Delta's revenues and profits. Delta continues to be a dominant player in the world's power supply and brushless DC fan market. We desire not only to continue extending our lead in IT, automotive and consumer electronic fields, but also to apply our technologies in new fields such as cloud computing, medical care, electric vehicles, LED lighting, and smart homes. This stance has been widely acknowledged by our customers. By extending our technologies' applications, increasing energy conversion efficiency, and integrating energy recycling into low power consumption ultra slim products, Delta can create exceptional value for ODM customers and also cooperate with them to pioneer new global markets. We believe that the prevalence of cloud computing and "Internet

of things" can bring about countless opportunities. Riding on the growing trend of stringent environmental restrictions, Delta's Power Electronics business group will continue to grow and contribute significantly to our revenues and profits.

Energy Management

Energy Management has been Delta's duty through which we strive to fulfill our mission, as it is at the forefront of Delta's brand philosophy "Smarter, Greener, Together.". It is the very reason why Delta has invested so much into developing key products, systems and solutions for energy management, industrial automation, power systems, and power quality management in the recent years.

Delta has invested in industrial automation for over 20 years, developing innovative products such as the SCARA industrial robot, machine vision systems, CNC controllers, energy efficient industrial automation solutions and other smart solutions. Through constant feedback from the market, we can optimize these products and allow our customers to increase their production lines' efficiency and quality. Delta's nomination in the ROBO-STOX is testament to Delta's development in the industrial automation market through the buildup and integration of professionals in respective fields, an exceptional customer support team, regional sales platform and advanced technology. This achievement has been well acknowledged and recognized. Delta's telecom power sales have continued to grow in scale with the development of the global communications infrastructure. With the successful M&A of Eltek ASA by our European subsidiary, we have moved one step closer to becoming the leader in global telecom power. We custom design data centers and UPS for key infrastructural organizations such as government, transportation, telecom, semiconductor and financial groups, to not only ensure seamless operation of key services required by customers, but also provide savings in energy and operations cost. We have achieved important breakthroughs in various areas such as electric vehicles, renewable energy, and energy storage and management. With these technologies, Delta has built power plants in Japan and also smart charging systems with built-in communications capabilities that can flexibly arrange charging conditions according to information provided by the power grid in the U.S. These management systems can support power companies to lower the investment that they need to expand the general power infrastructure, and allow electric vehicles to use off-peak power to charge and thereby lower their charging cost. With the increasing demand for smart energy management and flexible automated production, we believe that Energy Management will be the primary driving force for Delta to continue to grow.

Smart Green Life

Networking and display solutions are Delta's representatives in the Smart Green Life category. Delta Networks is Delta Electronics' answer to network communication. Not only does it provide services for various enterprise customers, it is also Delta's internal networking specialist. Delta Networks has performed exceptionally well, developing systems and solutions for all other business groups within the corporation. Delta's display business seeks to maintain our leading position in high-end projection sector. It has provided a brand new solution for remote monitoring. By integrating the most advanced network control system with a completely embedded display wall controller, it is the first custom-designed multi-panel video wall display controlling system that integrates both image and sound in command and control centers. Boasting the most advanced DSP (Digital signal processing) technology to support over 10,000 signal sources and display units simultaneously, the system enhances image processing capability and allows for real-time previews with synchronized playback features, fulfilling all needs to remote monitoring and management. Delta's display business unit's strategy to move from single display monitors to image systems and integrated remote monitoring systems has proven successful, with satisfied customers applying it to power grid, transportation networks, communications networks, social security, and smart buildings. Having invested steadfastly into Smart Green Life for a prolonged period and riding on the growing use of internet communication and various cloud applications, we believe that the Smart Green Life business will continue to support the growth of Delta.

With a strong ODM foundation and gradual transition to provide integrated systematic solutions, we have successfully completed nearly 200 solution projects across the globe. We strive hard to make the best of all opportunities and work towards the company's mission of "providing innovative, clean, and energy-efficient solutions for a better tomorrow" to bring about positive effects. To successfully develop a solutions-oriented business model, Delta requires the professional knowledge to evaluate a customer's issue, and provides suitable integrated products and technology. To do this, the horizontal integration and cooperation between different business groups and related technologies is critical to success. In response to the constantly evolving industry, products and technology, Delta not only strives to develop new industries and technologies, enhances the organization capability from within, but also seeks other methods such as M&A and alliances with other corporations to fulfill customers' demands promptly. Some examples include the previously mentioned merger with the Norwegian power supply company, and the cooperation between Delta and Mitsubishi Heavy Industries to enter the area of battery energy storage. Through both internal development and external opportunities, we believe that Delta can effectively increase the efficiency in systematic services and provide customer solutions in Taiwan and the rest of the world.

Last year, Delta was listed amongst the top 20 international brands in Taiwan for the fourth time, making us the only industrial brand in the domestic electronics industry to be accredited with such an honor for four consecutive years. Not only have we moved up four ranks, but upon evaluation, Delta's brand value has increased 24% to reach USD\$ 170 million, demonstrating our outstanding brand management performance. Delta has also been commended by many of our long term customers such as SONY, Panasonic, Celestica, and Lenovo. Our efforts in improving the enterprise's social responsibility, corporate governance, and investor services have also been widely acknowledged by the general public. Last year, Delta was ranked first place by CommonWealth magazine as Taiwan's Most Admired Company in the electronics industry sector for thirteen consecutive years. We also received the top award honor of "Excellence in Corporate Social Responsibility" in the large corporation category for the eighth consecutive year. Delta was accredited top rank in Global View magazine's 10th Annual Corporate Social Responsibility (CSR) reward for both "Overall Performance" and "Sustainable Operations". Since the award's inception in 2005, Delta has been awarded top rank for 9 times, the highest in Taiwan. Delta was also selected by Dow Jones Sustainability Indices (DJSI) World Index for four years in a row and the second consecutive year for the DJSI-Emerging Markets Index published in 2013. Last year, Delta participated in the Carbon Disclosure Project (CDP) and surpassed nearly 2000 listed company around the globe. Not only did Delta receive the highest appraisal, it was also the only company from the Greater China region to be selected as part of the Climate Performance Leadership Index (CPLI). In terms of corporate management, Delta has received the highest ranking of A++ for information disclosure. These all demonstrate the recognition of the general public towards Delta's efforts.

Our stable and superb performance is the result of the unwavering efforts from our colleagues to which we express our immense gratitude. We are also deeply grateful for the support of our customers, suppliers, shareholders and the public towards Delta. We will strive to continue towards our strategic goal, to deliver the Delta philosophy, to fulfill our corporate society responsibility, and to improve our operation efficiency and profitability. We will demonstrate the strength of Delta, earn global respect and make our colleagues proud of being a Delta family member.

Yancey Hai, Chairman



Corporate Governance

Delta believes that high quality corporate governance is the best way to ensure that the company always delivers excellent performance and provides an optimum balance for all stakeholders' interests. Corporate governance is therefore our top priority.

At Delta, the board currently consists of thirteen directors, including three independent directors. The role of CEO and chairman has been split since 2004. To enhance the board's responsibility and trust, it convenes at least once quarterly to review the company's performance and discuss important strategic issues. In 2014, the board convened on eight occasions. The overall attendance rate was 90.5%.

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.

The board has organized a Compensation Committee consisting of three independent directors, to evaluate the performance-linked compensation of the company's directors and executive officers. An Audit Committee is responsible for reviewing the financial reports, performance of accountants, implementation of internal control systems, compliance with regulations and risk management. The committee is also composed of three independent directors. Apart from the board meetings and committee meetings, all of the directors also take part in Delta's internal strategy meetings to ensure they are familiar with the company's current activities and can provide appropriate advice when necessary.

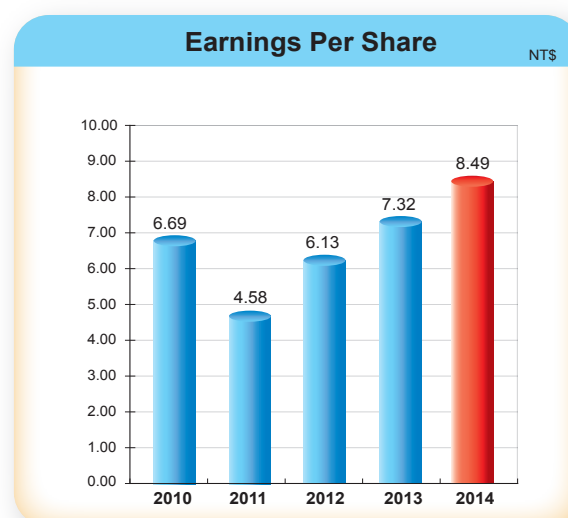
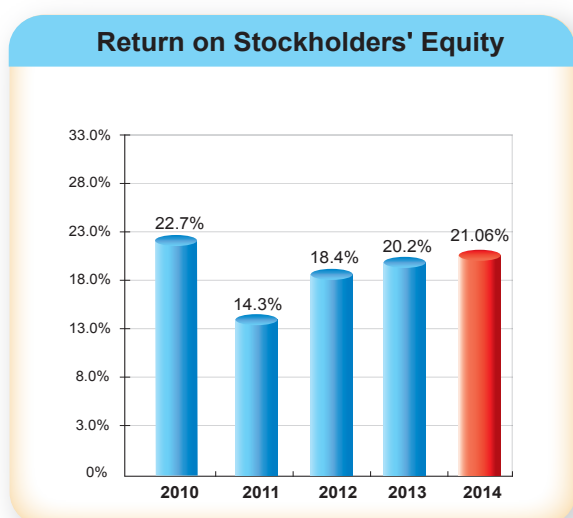
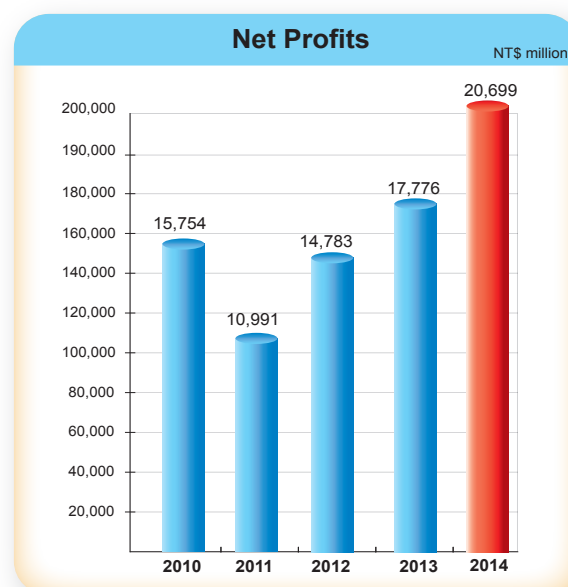
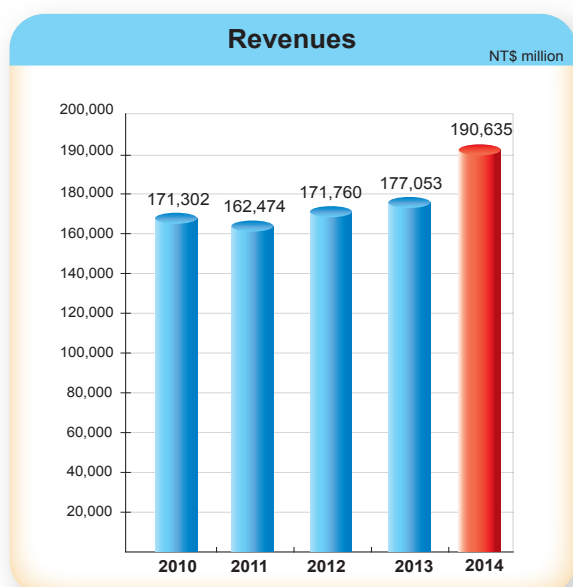
We do not participate in high-risk or highly leveraged investments. Through our auditing, finance, legal and intellectual property departments, and others, we are able to assess and manage risks associated with all operations to maintain company sustainability.

Delta's efforts in corporate governance continued to win outside recognition in 2014. Since 2011, Delta has been selected as a member of the prestigious Dow Jones Sustainability™ World Index (DJSI World) for 4 consecutive years. In 2014 it was also included in the DJSI Emerging Markets Index and ranked first in five criteria among DJSI's World-leading Electronic Equipment, Instrument and Component Companies segment. We received an A++ Information Disclosure and Transparency Ranking for three consecutive years from the Securities and Futures Institute in Taiwan.

Consolidated Financial Highlights

(in NT\$ million, except otherwise indicated)

	2014	2013
Sales	190,635	177,053
Gross profit	51,495	45,020
Gross margin	27.0%	25.4%
Operating profit	22,817	19,508
Operating Margin	12.0%	11.0%
Net Income After Tax	20,699	17,776
Net Margin	10.9%	10.0%
EPS (NT\$)	8.49	7.32
Total Assets	220,452	197,329
Total Shareholders' Equity	102,885	93,648
ROE (%)	21.06%	20.20%



*2010~2011 financials are based on Taiwan GAAP ;
2012~2014 financials are based on IFRS.

Financial Report

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2014 AND 2013**

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

PWCR14000323

To Delta Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in 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. We did not audit the financial statements of certain investments accounted for under equity method, which statements reflect total assets (including investments accounted for under equity method) of \$6,519,788 thousand and \$6,051,355 thousand, constituting 2.96% and 3.07% of the consolidated total assets as of December 31, 2014 and 2013, respectively, and total comprehensive income (including share of profit of associates and joint ventures accounted for under equity method and share of other comprehensive income of associates and joint ventures accounted for under equity method) of \$1,101,031 thousand and \$993,227 thousand, constituting 4.44% and 3.99% of the consolidated total comprehensive income for the years then ended, respectively. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent accountants.

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those standards 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 independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, 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, 2014 and 2013, and their financial performance and cash flows for the years then ended, in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission (FSC).

We have also audited the parent company only financial statements of Delta Electronics, Inc. as of and for the years ended December 31, 2014 and 2013, on which we have expressed a modified unqualified opinion on such financial statements.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as of and for the year ended December 31, 2014 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 \$31.65 to US\$1.00 at December 31, 2014. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

PricewaterhouseCoopers, Taiwan

March 10, 2015

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, 2014 AND 2013
(Expressed in thousands of dollars)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2014	December 31, 2014	December 31, 2013
Current assets				
Cash and cash equivalents	6(1)	\$ 2,321,005	\$ 73,459,818	\$ 59,023,870
Financial assets at fair value through profit or loss - current	6(2)	1,252	39,626	82,749
Available-for-sale financial assets - current	6(3)	21,748	688,324	686,511
Derivative financial assets for hedging - current	6(5)	-	-	13,340
Notes receivable, net		62,275	1,971,006	1,535,567
Accounts receivable, net	6(6)	1,357,226	42,956,211	41,121,837
Accounts receivable - related parties	7	39,814	1,260,102	1,083,328
Other receivables		14,704	465,368	407,045
Other receivables - related parties	7	1,375	43,507	157,570
Current income tax assets	6(30)	12,664	400,804	5,957
Inventories	6(7)	681,579	21,571,975	18,041,829
Prepayments		147,835	4,678,972	4,183,426
Other current assets	8	<u>9,366</u>	<u>296,443</u>	<u>160,072</u>
Total current assets		<u>4,670,843</u>	<u>147,832,156</u>	<u>126,503,101</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	3,663	115,924	109,810
Available-for-sale financial assets - non-current	6(3)	220,130	6,967,099	7,677,790
Financial assets carried at cost - non-current	6(4)	23,658	748,761	400,605
Investments accounted for under equity method	6(8)	224,339	7,100,336	6,696,275
Property, plant and equipment	6(9)	1,163,184	36,814,759	37,194,762
Investment property, net	6(10)	70,264	2,223,848	1,960,453
Intangible assets	6(11)	369,858	11,706,015	10,857,876
Deferred income tax assets	6(30)	135,358	4,284,096	3,288,189
Other non-current assets	6(13)	<u>84,025</u>	<u>2,659,428</u>	<u>2,639,953</u>
Total non-current assets		<u>2,294,479</u>	<u>72,620,266</u>	<u>70,825,713</u>
Total assets		<u>\$ 6,965,322</u>	<u>\$ 220,452,422</u>	<u>\$ 197,328,814</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

DECEMBER 31, 2014 AND 2013

(Expressed in thousands of dollars)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2014	December 31, 2014	December 31, 2013
Current liabilities				
Short-term borrowings	6(14)	\$ 183,295	\$ 5,801,298	\$ 4,561,722
Financial liabilities at fair value through profit or loss - current	6(15)	1,631	51,606	16,883
Derivative financial liabilities for hedging - current	6(5)	-	-	2,644
Notes payable		-	-	808
Accounts payable		1,058,584	33,504,170	32,628,527
Accounts payable - related parties	7	7,735	244,813	187,088
Other payables		607,310	19,221,347	17,533,426
Current income tax liabilities	6(30)	53,665	1,698,484	1,390,013
Other current liabilities	6(16)	<u>129,625</u>	<u>4,102,644</u>	<u>3,046,701</u>
Total current liabilities		<u>2,041,845</u>	<u>64,624,362</u>	<u>59,367,812</u>
Non-current liabilities				
Long-term borrowings	6(16)	836,275	26,468,103	18,827,664
Deferred income tax liabilities	6(30)	310,054	9,813,212	7,431,813
Other non-current liabilities	6(17)	<u>123,465</u>	<u>3,907,668</u>	<u>3,815,895</u>
Total non-current liabilities		<u>1,269,794</u>	<u>40,188,983</u>	<u>30,075,372</u>
Total Liabilities		<u>3,311,639</u>	<u>104,813,345</u>	<u>89,443,184</u>
Equity				
Share capital				
Share capital - common stock	6(19)	770,156	24,375,433	24,375,433
Capital surplus				
Capital surplus	6(20)	815,885	25,822,764	25,790,922
Retained earnings				
	6(21)			
Legal reserve		491,383	15,552,256	13,774,636
Special reserve		16,668	527,556	4,074,505
Unappropriated retained earnings		1,059,805	33,542,818	25,212,328
Other equity interest				
Other equity interest		<u>96,811</u>	<u>3,064,085</u>	<u>419,768</u>
Equity attributable to owners of the parent		3,250,708	102,884,912	93,647,592
Non-controlling interest	6(22)	<u>402,975</u>	<u>12,754,165</u>	<u>14,238,038</u>
Total equity		<u>3,653,683</u>	<u>115,639,077</u>	<u>107,885,630</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		<u>\$ 6,965,322</u>	<u>\$ 220,452,422</u>	<u>\$ 197,328,814</u>

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

See report of independent accountants dated March 10, 2015.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	US Dollars		New Taiwan Dollars	
		2014	2014	2014	2013
Sales revenue	6(23) and 7	\$ 6,023,227	\$ 190,635,120	\$ 177,053,122	
Operating costs	6(24) and 7	(4,396,227)	(139,140,582)	(132,033,192)	
Gross profit		<u>1,627,000</u>	<u>51,494,538</u>	<u>45,019,930</u>	
Operating expenses	6(28)(29)				
Selling expenses		(301,794)	(9,551,788)	(8,412,757)	
General and administrative expenses		(211,200)	(6,684,466)	(5,824,674)	
Research and development expenses		(393,093)	(12,441,396)	(11,274,117)	
Total operating expenses		<u>(906,087)</u>	<u>(28,677,650)</u>	<u>(25,511,548)</u>	
Operating profit		<u>720,913</u>	<u>22,816,888</u>	<u>19,508,382</u>	
Non-operating income and expenses					
Other income	6(25)(32)	106,762	3,379,023	3,036,141	
Other gains and losses	6(26)	(15,703)	(497,007)	(752,798)	
Finance costs	6(27)	(5,183)	(164,035)	(175,959)	
Share of profit of associates and joint ventures accounted for under equity method	6(8)	<u>30,963</u>	<u>979,988</u>	<u>880,788</u>	
Total non-operating income and expenses		<u>116,839</u>	<u>3,697,969</u>	<u>2,988,172</u>	
Profit before income tax		837,752	26,514,857	22,496,554	
Income tax expense	6(30)	(132,748)	(4,201,486)	(3,581,786)	
Profit for the year from continuing operations		705,004	22,313,371	18,914,768	
Profit for the year from discontinued operations	6(12)	-	-	119,628	
Profit for the year		<u>\$ 705,004</u>	<u>\$ 22,313,371</u>	<u>\$ 19,034,396</u>	

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	US Dollars	New Taiwan Dollars	
		2014	2014	2013
Other comprehensive income				
Financial statements translation differences of foreign operations		\$ 141,637	\$ 4,482,798	\$ 3,524,544
Unrealized (loss) gain on valuation of available-for-sale financial assets		(46,202)	(1,462,288)	2,594,163
Cash flow hedges		(359)	(11,359)	(15,109)
Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method		(242)	(7,654)	3,453
Income tax relating to the components of other comprehensive income	6(30)	(15,772)	(499,175)	(258,127)
Other comprehensive income for the year		<u>\$ 79,062</u>	<u>\$ 2,502,322</u>	<u>\$ 5,848,924</u>
Total comprehensive income for the year		<u>\$ 784,066</u>	<u>\$ 24,815,693</u>	<u>\$ 24,883,320</u>
Profit attributable to:				
Owners of the parent		<u>\$ 653,994</u>	<u>\$ 20,698,900</u>	<u>\$ 17,776,202</u>
Non-controlling interest		<u>\$ 51,010</u>	<u>\$ 1,614,471</u>	<u>\$ 1,258,194</u>
Comprehensive income attributable to:				
Owners of the parent		<u>\$ 737,543</u>	<u>\$ 23,343,226</u>	<u>\$ 23,004,286</u>
Non-controlling interest		<u>\$ 46,523</u>	<u>\$ 1,472,467</u>	<u>\$ 1,879,034</u>
Basic earnings per share (in dollars) 6(31)				
Profit from continuing operations		\$ 0.27	\$ 8.49	\$ 7.10
Profit from discontinued operations		-	-	0.22
Total basic earnings per share		<u>\$ 0.27</u>	<u>\$ 8.49</u>	<u>\$ 7.32</u>
Diluted earnings per share (in dollars) 6(31)				
Profit from continuing operations		\$ 0.27	\$ 8.42	\$ 7.02
Profit from discontinued operations		-	-	0.22
Total diluted earnings per share		<u>\$ 0.27</u>	<u>\$ 8.42</u>	<u>\$ 7.24</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 10, 2015.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars)

	Equity attributable to owners of the parent											
	Retained earnings					Other equity interest						
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Equity directly related to non-current assets held for sale	Total	Non-controlling interest	Total equity
2013 New Taiwan Dollars												
Balance at January 1, 2013	\$ 24,211,780	\$ 24,774,551	\$ 12,163,682	\$ 2,156,092	\$ 23,808,695	(\$ 4,259,517)	(\$ 492,915)	\$ 26,229	(\$ 26,975)	\$ 82,361,622	\$ 15,966,356	\$ 98,327,978
Share-based payments	163,653	934,077	-	-	-	-	-	-	-	1,097,730	-	1,097,730
Distribution of 2012 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,610,954	-	(1,610,954)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,918,413	(1,918,413)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,843,202)	-	-	-	-	(12,843,202)	-	(12,843,202)
Change in equity of associates and joint ventures accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	47,950	-	-	-	-	-	-	-	47,950	-	47,950
Changes in non-controlling interests	-	34,344	-	-	-	-	-	-	(55,138)	(20,794)	-	(20,794)
Other comprehensive income for the year	-	-	-	-	-	-	-	(7,351)	-	(3,607,352)	(3,607,352)	-
Profit for the year	-	-	-	-	17,776,202	2,556,027	2,597,295	(7,351)	82,113	5,228,084	620,840	5,848,924
Balance at December 31, 2013	<u>\$ 24,375,433</u>	<u>\$ 25,790,922</u>	<u>\$ 13,774,636</u>	<u>\$ 4,074,505</u>	<u>\$ 25,212,328</u>	<u>(\$ 1,703,490)</u>	<u>\$ 2,104,380</u>	<u>\$ 18,878</u>	<u>\$ -</u>	<u>\$ 93,647,592</u>	<u>\$ 14,238,038</u>	<u>\$ 107,885,630</u>
2014 New Taiwan Dollars												
Balance at January 1, 2014	\$ 24,375,433	\$ 25,790,922	\$ 13,774,636	\$ 4,074,505	\$ 25,212,328	(\$ 1,703,490)	\$ 2,104,380	\$ 18,878	\$ -	\$ 93,647,592	\$ 14,238,038	\$ 107,885,630
Distribution of 2013 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,777,620	-	(1,777,620)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,546,949)	3,546,949	-	-	-	-	(14,137,739)	-	(14,137,739)
Cash dividends	-	-	-	-	(14,137,739)	-	-	-	-	-	-	-
Change in equity of associates and joint ventures accounted for under equity method	-	32,255	-	-	-	-	-	-	-	32,255	-	32,255
Share of changes in equities of subsidiaries	-	(73)	-	-	-	-	-	-	-	(73)	-	(73)
Proceeds from investments accounted for under the equity method	-	(340)	-	-	-	(9)	-	-	-	(349)	-	(349)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,956,340)	(2,956,340)
Other comprehensive income for the year	-	-	-	-	-	4,118,876	(1,462,302)	(12,248)	-	2,644,326	(142,004)	2,502,322
Profit for the year	-	-	-	-	20,698,900	-	-	-	-	20,698,900	1,614,471	22,313,371
Balance at December 31, 2014	<u>\$ 24,375,433</u>	<u>\$ 25,822,764</u>	<u>\$ 15,552,256</u>	<u>\$ 527,556</u>	<u>\$ 33,542,818</u>	<u>\$ 2,415,377</u>	<u>\$ 642,078</u>	<u>\$ 6,630</u>	<u>\$ -</u>	<u>\$ 102,884,912</u>	<u>\$ 12,754,165</u>	<u>\$ 115,639,077</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars)

Notes	Equity attributable to owners of the parent										Total equity	
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Equity directly related to non-current assets held for sale	Total		Non-controlling interest
2014 U.S. Dollars												
Balance at January 1, 2014	\$ 770,156	\$ 814,879	\$ 435,218	\$ 128,736	\$ 796,598	(\$ 53,823)	\$ 66,489	\$ 596	\$ -	\$ 2,958,849	\$ 449,859	\$ 3,408,708
Distribution of 2013 earnings	-	-	-	-	(56,165)	-	-	-	-	-	-	-
Legal reserve	-	-	56,165	-	(112,068)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(112,068)	112,068	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(446,690)	-	-	-	-	(446,690)	-	(446,690)
Change in equity of associates and joint ventures accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-	-
Share of changes in equities of subsidiaries	-	1,019	-	-	-	-	-	-	-	1,019	-	1,019
Proceeds from investments accounted for under the equity method	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Changes in non-controlling interests	-	(11)	-	-	-	-	-	-	-	(11)	-	(11)
Other comprehensive income for the year	-	-	-	-	-	130,138	(46,202)	(387)	-	-	(93,407)	(93,407)
Profit for the year	-	-	-	-	653,994	-	-	-	-	83,549	(4,487)	79,062
Balance at December 31, 2014	\$ 770,156	\$ 815,885	\$ 491,383	\$ 16,668	\$ 1,059,805	\$ 76,315	\$ 20,287	\$ 209	\$ -	\$ 3,250,708	\$ 402,975	\$ 3,653,683

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 10, 2015.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	US Dollars	New Taiwan Dollars	
		2014	2014	2013
Profit before tax for the year from continuing operations		\$ 837,752	\$ 26,514,857	\$ 22,496,554
Profit before tax for the year from discontinued operations	6(12)	-	-	132,798
Consolidated profit before tax for the year		837,752	26,514,857	22,629,352
Adjustments to reconcile net income to net cash generated from operating activities				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10)	208,953	6,613,373	7,227,049
Amortization	6(11)	32,310	1,022,608	1,114,557
Provision for bad debts	6(6)	7,885	249,547	177,496
Interest expense	6(27)	5,134	162,480	242,701
Interest income	6(25)	(29,995)	(949,336)	(724,410)
Dividend income	6(25)	(4,478)	(141,714)	(140,180)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(26)	1,953	61,827	(56,480)
Share of profit of associates accounted for under the equity method	6(8)	(30,963)	(979,988)	(880,788)
Loss on disposal of property, plant and equipment	6(26)	370	11,725	9,303
Gain on disposal of non-current assets classified as held for sale (shown as profit (loss) from discontinued operations)	6(12)	-	-	(25,989)
(Gain) loss on disposal of investments	6(26)	(1,805)	(57,117)	400,298
Impairment loss on financial assets	6(26)	898	28,420	42,012
Impairment loss on non-financial assets	6(26)	1,731	54,800	32,141
Reversal of impairment loss on non-financial assets (shown as profit (loss) from discontinued operations)	6(12)	-	-	(809,194)
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Financial assets at fair value through profit or loss		(1,878)	(59,439)	(15,515)
Notes receivable		(13,758)	(435,439)	(214,819)
Accounts receivable		(86,316)	(2,731,916)	(6,554,316)
Accounts receivable - related parties		15,214	481,531	450,800
Other receivables		(1,770)	(56,029)	43,592
Other receivables - related parties		3,604	114,063	75,440
Inventories		(111,537)	(3,530,146)	(2,753,789)
Prepayments		(15,781)	(499,479)	(1,672,894)
Other current assets		(879)	(27,820)	171,821
Other non-current assets		(3,596)	(113,808)	(79,596)
Net changes in liabilities relating to operating activities				
Notes payable		(26)	(808)	808
Accounts payable		27,627	874,379	6,293,187
Accounts payable - related parties		1,790	56,643	(49,045)
Other payables		52,666	1,666,867	3,062,366
Other current liabilities		34,184	1,081,930	(184,513)
Other non-current liabilities		2,900	91,773	24,936
Cash generated from operations		932,189	29,503,784	27,836,331
Interest received		29,995	949,336	724,410
Dividend received		25,247	799,053	308,122
Interest paid		(5,131)	(162,395)	(226,124)
Income taxes paid		(102,829)	(3,254,540)	(3,220,469)
Net cash provided by operating activities		879,471	27,835,238	25,422,270

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of dollars)

	Notes	US Dollars		New Taiwan Dollars	
		2014	2014	2013	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of financial assets at fair value through profit or loss, designated upon initial recognition		(\$ 911)	(\$ 28,844)	(\$ 114,700)	
Proceeds from disposal of financial assets at fair value through profit or loss, designated upon initial recognition		-	-	970,000	
Acquisition of available-for-sale financial assets		(52,260)	(1,654,042)	(362,670)	
Proceeds from disposal of available-for-sale financial assets		32,231	1,020,122	801,448	
Proceeds from capital reduction of available-for-sale financial assets		572	18,112	-	
Acquisition of financial assets at cost		(10,833)	(342,878)	-	
Proceeds from capital reduction of financial assets carried at cost		10	306	-	
Acquisition of investments accounted for using equity method		(3,537)	(111,948)	-	
Proceeds from disposal of investments accounted for under the equity method		3,290	104,144	939	
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(32)	(83,609)	(2,646,215)	(605,843)	
Proceeds from disposal of subsidiaries	6(12)	-	-	(644,799)	
Acquisition of property, plant and equipment	6(9)	(174,782)	(5,531,856)	(8,823,567)	
Proceeds from disposal of property, plant and equipment		5,596	177,119	443,672	
Acquisition of intangible assets	6(11)	(12,658)	(400,617)	(398,634)	
Increase in other financial assets		(3,381)	(106,993)	(12,841)	
Decrease (increase) in other non-current assets		2,938	92,972	(320,291)	
Net cash used in investing activities		(297,334)	(9,410,618)	(9,067,286)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (decrease) in short-term borrowings		39,165	1,239,576	(576,247)	
Proceeds from long-term debt		834,862	26,423,380	18,324,619	
Repayment of long-term debt		(594,004)	(18,800,236)	(16,396,307)	
Exercise of employee share options	6(18)	-	-	1,097,730	
Change in non-controlling interests		(68,963)	(2,182,681)	(803,844)	
Cash dividends paid		(446,690)	(14,137,739)	(12,843,202)	
Net cash used in financing activities		(235,630)	(7,457,700)	(11,197,251)	
Effects due to changes in exchange rate		109,605	3,469,028	2,770,009	
Increase in cash and cash equivalents		456,112	14,435,948	7,927,742	
Cash and cash equivalents at beginning of year		1,864,893	59,023,870	51,096,128	
Cash and cash equivalents at end of year		\$ 2,321,005	\$ 73,459,818	\$ 59,023,870	

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 10, 2015.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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

1. HISTORY AND ORGANIZATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 10, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs" in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures— Transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures— Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, ‘Consolidated financial statements’	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11, ‘Joint arrangements’	January 1, 2013
IFRS 12, ‘Disclosure of interests in other entities’	January 1, 2013
IFRS 13, ‘Fair value measurement’	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendment to IAS 12)	January 1, 2012
IAS 19 (revised), ‘Employee benefits’	January 1, 2013
IAS 27, ‘Separate financial statements’	January 1, 2013
IAS 28, ‘Investments in associates and joint ventures’	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, ‘Stripping costs in the production phase of a surface mine’	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009— 2011	January 1, 2013

Based on the Group’s assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except the following:

A. IAS 19 (revised), ‘Employee benefits’

The standard requires additional disclosures to present how defined benefit plans may affect the amount, timing and uncertainty of the entity’s future cash flows.

The Group expects to recognise previously unrecognised past service cost and as a consequence of the elimination of the corridor approach to recognise prior unrecognised actuarial losses by increasing accrued pension liabilities by \$25,830, increasing deferred tax assets by \$56,653, increasing deferred tax liabilities by \$32,367 and decreasing retained earnings by \$79,197, decreasing non-controlling interests by \$11,488 and decreasing long-term equity investments by \$89,141 at January 1, 2014, and by decreasing accrued pension liabilities by \$111,338,

increasing deferred tax assets by \$63,987, increasing deferred tax liabilities by \$62,446, increasing retained earnings by \$36,485, decreasing non-controlling interests by \$7,205 and decreasing long-term equity investments by \$83,599 at December 31, 2014; operating expenses would decrease by \$1,679, gain on investment would increase by \$5,541, income tax expense would increase by \$1,345 and other comprehensive income would increase by \$110,106 for the year ended December 31, 2014.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment Entities: Applying the Consolidation Exception (IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2017
Disclosure Initiative (Amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Available-for-sale financial assets measured at fair value.
 - (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.
 - (d) Defined benefit liabilities recognised based on the net amount of pension fund assets plus unrecognised past service cost and unrecognised actuarial losses, and less unrecognised actuarial gains and present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the

fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electronics, Inc.	Delta International Holding Ltd. (DIH)	Equity investments	94.00	94.00	
Delta Electronics, Inc.	Delta Networks Holding Ltd. (DNH)	Equity investments	100.00	100.00	
Delta Electronics, Inc.	Deltronics (Netherlands) B.V. (DEN)	Trading of equipment, components and materials of telecom and computer systems	100.00	100.00	
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	39.62	39.62	
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc. (NEM)	Designing and experimenting on integrated circuit and information software services	83.11	83.11	
Delta Electronics, Inc.	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100.00	100.00	
Delta Electronics, Inc.	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100.00	100.00	
Delta Electronics, Inc.	Delta Electronics Capital Company (Delta Capital)	Equity investments	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100.00	100.00	
Delta Electronics, Inc.	Delta Smart Green Life Co., Ltd. (DSGL)	Research and development, energy technology, meeting, exhibition, and leasing services, etc.	-	100.00	Note G
Delta Electronics, Inc.	Allied Material Technology Corp. (AMT)	Manufacturing and sales of color filter and lease services, etc.	99.97	99.97	
Delta Electronics, Inc.	Delta Robot Automatic Co., Ltd. (Delta Robot)	Research, designing, development, manufacturing and sales of intelligent robot systems and automation engineering, etc.	-	100.00	Note C
Delta Electronics, Inc.	SYN-TEK Automation Co., Ltd. (STA)	Research, designing, development, manufacturing and sales of industrial automation equipment, etc.	70.00	70.00	Note B
Delta Electronics, Inc.	Delta Green Life Co., Ltd. (DGL) (Formerly known as Vivitek Corporation)	Providing installment construction of lighting equipment	100.00	-	Note A Note H
Delta International Holding Ltd. (DIH)	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100.00	100.00	
Delta International Holding Ltd. (DIH)	Delta Electronics International Ltd. (DEIL-Labuan)	Sales of electronic products	100.00	100.00	
Delta International Holding Ltd. (DIH)	Delta Power Sharp Ltd. (DPS)	Operations and engineering services	100.00	100.00	
Delta International Holding Ltd. (DIH)	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta International Holding Ltd. (DIH)	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and their materials	100.00	100.00	
Delta International Holding Ltd. (DIH)	DAC Holding (Cayman) Ltd. (DAC)	Equity investments	100.00	100.00	
Delta International Holding Ltd. (DIH)	Ace Pillar Holding Co., Ltd. (Ace)	Equity investments	100.00	100.00	Note D
Delta International Holding Ltd. (DIH)	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	60.38	60.38	
Delta International Holding Ltd. (DIH)	Drake Overseas Financial Investment Ltd. (Drake)	Equity investments	100.00	100.00	Note D
Delta International Holding Ltd. (DIH)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power systems	10.38	10.38	Note D
Delta International Holding Ltd. (DIH)	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	100.00	100.00	Note B
Delta International Holding Ltd. (DIH)	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100.00	54.83	Note B Note D Note E
Delta International Holding Ltd. (DIH)	Delta Electronics Europe Ltd. (DEU)	Repair centre and providing of support services	100.00	-	Note A
Delta International Holding Ltd. (DIH)	Boom Treasure Ltd. (Boom)	Equity investments	100.00	-	Note D Note A

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and power supplies	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of transformer and power supplies	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design and management consulting service, etc.	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of transformers	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electro-Optics (Wujiang) Ltd. (DWO)	Manufacturing and sales of peripherals and electronic control equipment	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management of industrial automation product and telecommunications equipment	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Wujiang) Trading Co., Ltd. (DWT)	Installation, consulting and trading of electronic products	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers and bluetooth module	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	100.00	-	Note A
PreOptix (Hong Kong) Co., Ltd. (PHK)	PreOptix (Jiang Su) Co., Ltd. (PJS)	Manufacturing and sales of lenses and optical engines for projectors	100.00	100.00	
Delta Electronics (Japan), Inc. (DEJ)	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100.00	100.00	
Delta Electronics (Japan), Inc. (DEJ)	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products, electronic components, industrial automation products and their materials	100.00	100.00	
DAC Holding (Cayman) Ltd. (DAC)	Delta Electronics Mexico S.A. DE C.V. (DEM)	Manufacturing and sales of electronic products	100.00	100.00	
DAC Holding (Cayman) Ltd. (DAC)	Delta Viedeo Technology Ltd. (DVT)	Sales of electronic products	100.00	100.00	
Drake Overseas Financial Investment Ltd. (Drake)	Drake Investment (HK) Ltd. (Drake-Investment Ltd. HK)	Equity investments	100.00	100.00	Note D
Ace Pillar Holding Co., Ltd. (Ace)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power systems	3.81	3.81	Note D

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Drake Investment (HK) Ltd. (Drake-HK)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power systems	48.51	48.51	Note D
Delta Greentech SGP Pte. Ltd. (DGSG)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of power supplies and transformers	8.21	8.21	Note D
Boom Treasure Ltd. (Boom)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of power supplies and transformers	25.00	-	Note D Note F
Delta Electronics (Wuhu) Co., Ltd. (DWH)	Wuhu Delta Technology Co., Ltd. (WDT)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (Wuhu) Co., Ltd. (DWH)	Delta Energy Technology (Wuhu) Co., Ltd. (DET-WH)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	30.00	30.00	
Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Delta Energy Technology (Chenzhou) Co., Ltd. (DET-CZ)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	30.00	30.00	
Delta Electronics (Dongguan) Co., Ltd. (DDG)	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	30.00	30.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electro-Optics (Wujiang) Ltd. (DWO)	Delta Energy Technology (Wujiang) Co., Ltd. (DET-WJ)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	30.00	30.00	
Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Delta Energy Technology (Wuhu) Co., Ltd. (DET-WH)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	70.00	70.00	
Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Delta Energy Technology (Chenzhou) Co., Ltd. (DET-CZ)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	70.00	70.00	
Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	70.00	70.00	
Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Delta Energy Technology (Wujiang) Co., Ltd. (DET-WJ)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	70.00	70.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	10.00	10.00	
Delta Greentech (China) Co., Ltd. (DGC)	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	90.00	90.00	
Delta Networks Holding Ltd. (DNH)	Delta Networks, Inc. (DNI Cayman)	Equity investments	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks, Inc. (Taiwan) (DNIT)	Manufacturing and sales of networking system and peripherals	99.98	99.98	
Delta Networks, Inc. (DNI Cayman)	DNI Logistics (USA) Corp. (ALN)	Trading of networking system and peripherals	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks International Ltd. (DNIL-Labuan)	Trading of networking system and peripherals	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks (H.K.) Ltd. (DNHK)	Equity investments	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio transmission apparatus, incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	100.00	100.00	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Shanghai) Ltd. (DNS)	Design of computer software	100.00	100.00	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Xiamen) Ltd. (DNX)	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	100.00	100.00	
Delta Networks, Inc. (Taiwan) (DNIT)	Ayecom Technology Co., Ltd. (Ayecom)	Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices	100.00	100.00	
Cyntec Co., Ltd. (Cyntec)	Fairview Assets Ltd. (Fairview)	Equity investments	100.00	100.00	
Fairview Assets Ltd. (Fairview)	Grandview Holding Ltd. (Grandview)	Equity investments	100.00	100.00	
Grandview Holding Ltd. (Grandview)	Cyntec Holding (H.K.) Ltd. (CHK)	Equity investments	100.00	100.00	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2014	December 31, 2013	
Grandview Holding Ltd. (Grandview)	Cyntec International Ltd. (CIL-Labuan)	Trading	100.00	100.00	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec (Suzhou) Co., Ltd. (CSC)	Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products	100.00	100.00	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale, import and export of similar products	100.00	100.00	
DelBio Inc. (DelBio)	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100.00	100.00	Note B

Note A: Companies were established or acquired through merger during 2014.

Note B: Companies were established or acquired through merger during 2013.

Note C: On April 1, 2014, the Company's wholly-owned subsidiary – Delta Robot Automatic Co., Ltd. was merged into the Company and the surviving company was the Company.

Note D: DIH acquired stock ownership in Ace, Drake, DGSG (please refer to Note E) and Boom (please refer to Note F) which indirectly acquired 3.811%, 48.51%, 8.21% and 25% stock ownership, respectively in DGC. Including the original 10.38% stock ownership held by DIH, the Company's consolidated stock ownership in DGC was 95.91% and DGC was included in the consolidated financial statements.

Note E: DIH indirectly held 8.21% share ownership of DGC through DGSG, and acquired 54.83% share ownership of DGSG on April 1, 2013. DGSG was included in the consolidated financial statements effective on that date, and DIH acquired 45.17% share ownership of DGSG on September 1, 2014.

Note F: DIH acquired 100% share ownership of Boom on September 1, 2014. Boom was included in the consolidated financial statement effective on that date, and DIH

indirectly held 25% share ownership of DGC.

Note G: Formerly known as Delta Smart Green Life Co., Ltd. and was renamed on August 25, 2014. Liquidation was completed at December 4, 2014.

Note H: Formerly known as Vivitek Corporation and was renamed on December 29, 2014.

Note I: On December 19, 2012, the Board of Directors of DelSolar and NSP resolved to merge through share exchange. Each common share of DelSolar will be converted into 0.735 share of NSP. DelSolar will be the dissolved company and NSP will be the surviving company after the consolidation. The effective date was May 31, 2013. The Company acquired 17% ownership of NSP after share exchange and does not have control over NSP. Therefore, the Company deconsolidated DelSolar from May 31, 2013. Gain or loss arising from loss of control is disclosed in Note 6(12).

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies

that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

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

B. Translation of foreign operations

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

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

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

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

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

(a) Hybrid (combined) contracts; or

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

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

B. On a regular way purchase or sale basis, financial assets held for trading are recognised and derecognised using trade date accounting. Derivatives and financial assets designated as at fair value through profit or loss on initial recognition are recognised and derecognised using settlement date accounting.

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

(8) Available-for-sale financial assets

- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
- C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in ‘financial assets measured at cost’.

(9) Notes and accounts receivable, other receivables

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

(10) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
 - (a) Significant financial difficulty of the issuer or debtor;
 - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (c) The Group, for economic or legal reasons relating to the borrower’s financial difficulty,

granted the borrower a concession that a lender would not otherwise consider;

- (d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
 - (e) The disappearance of an active market for that financial asset because of financial difficulties; or
 - (f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
 - (g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;
 - (h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.
- C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

- (a) Financial assets measured at amortised cost

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

- (b) Financial assets measured at cost

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

(c) Available-for-sale financial assets

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

(11) Derecognition of financial assets

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

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recorded at standard cost and variances are allocated to inventories and cost of goods sold at the balance sheet date. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal group) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Investments accounted for under the equity method / associates

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

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred / legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss or transferred directly to retained earnings. If it retains significant influence over the associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Cash surrender value of life insurance

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

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives (leasehold improvements are amortized over the term of the lease). If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 2~8 years except for buildings, the estimated useful life of which is 5~55 years.

(17) Investment property

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

(18) Intangible assets

A. Goodwill

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

B. Trademarks

- (a) Separately acquired trademarks with finite useful lives are stated at acquisition cost and are amortized on a straight-line basis over their estimated useful lives.
- (b) Certain trademarks which are assessed to generate net cash inflows and have indefinite useful lives are recorded at actual cost. These are not amortized and instead are tested for impairment annually.

C. Intangible assets other than goodwill and trademarks, mainly computer software, patents, customer relationship and technology authorization fees, are amortized on a straight-line basis over their estimated useful lives of 2~12 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortized cost where no impairment loss was recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. Goodwill for impairment testing purpose is allocated to cash generating units. This allocation is identified based on operating segments. Goodwill is allocated to a cash generating unit or a group of cash generating unit that expects to benefit from business combination that will produce goodwill.

(20) Borrowings

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

(21) Notes and accounts payable

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

(22) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Derivatives are classified in this category of held for trading unless they are designated as hedges. Derivatives are initially recognised at fair value, and related transaction costs are expensed in

profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported at net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Derivative financial instruments and hedging activities

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

B. The Group designates certain derivatives as either:

- (a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);

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

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

E. Fair value hedge

- (a) Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.
- (b) If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

F. Cash flow hedge

- (a) The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'other gains and losses'.
- (b) When a hedging instrument expires, or is sold, cancelled or executed, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in such corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Actuarial gains and losses arising on defined benefit plans are recognised in profit or loss using the corridor method.
- iii. Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.

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

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, after taking into account the effects of ex-rights and ex-dividends.

(27) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at the fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognised in profit or loss.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 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. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. Part of unused investment tax credits arising from expenditures incurred on acquisitions of equipment or technology, research and development are recognised as deferred income tax assets to the extent that it is probable that future taxable profit will be available against the investment tax credits.

(29) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(30) Dividends

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

(31) Revenue recognition

A. Sales of goods

The Group manufactures and sells computer information system, power supply, components and related products. Revenue is measured at the fair value of the consideration received or receivable taking into account the value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue

arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

The Group provides the installation of partial software and module services. Revenue is recognised 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.

(32) Government grants

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

(33) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable

net assets.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

A. Financial assets-impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would suffer an additional loss of \$8,404,184 in its 2014 financial statements, for the transfer of the accumulated fair value adjustments recognised in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss.

B. Investment property

The Group uses part of the property for its own use and part to earn rentals or for capital appreciation. When the portions cannot be sold separately, the property is classified as

investment property only if the own-use portion accounts for less than 20% of the property.

(2) Critical accounting estimates and assumptions

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

A. Revenue recognition

In principle, sales revenues are recognised when the earning process is completed. The Group estimates discounts and returns based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognised. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

B. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

C. Impairment assessment of goodwill

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

D. Impairment assessment of investments accounted for under the equity method

The Group assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount is not recoverable. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group's share of expected future cash flows of the investee, and analyzes the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Cash on hand	\$ 6,052	\$ 5,068
Checking and demand deposits	49,206,516	22,951,196
Time deposits	<u>24,247,250</u>	<u>36,067,606</u>
Total	<u>\$ 73,459,818</u>	<u>\$ 59,023,870</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

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

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

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Current items:		
Financial assets held for trading		
Listed stocks	\$ 26,573	\$ 22,979
Convertible bonds	<u>4,500</u>	<u>18,000</u>
	31,073	40,979
Valuation adjustment of financial assets held for trading	<u>8,553</u>	<u>41,770</u>
Total	<u>\$ 39,626</u>	<u>\$ 82,749</u>

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Non-current items:		
Financial assets designated as at fair value through profit or loss		
Convertible bonds	\$ 96,700	\$ 96,700
Valuation adjustment of financial assets designated as at fair value through profit or loss on initial recognition	<u>19,224</u>	<u>13,110</u>
Total	<u>\$ 115,924</u>	<u>\$ 109,810</u>

- A. The Group recognised net gain on financial assets held for trading of \$7,708 and \$49,975 for the years ended December 31, 2014 and 2013, respectively. The Group recognised net gain on financial assets designated as at fair value through profit or loss on initial recognition of \$8,471 and \$20,868 for the years ended December 31, 2014 and 2013, respectively.
- B. The counterparties of the Group's private placement of convertible bonds are mostly listed companies in Taiwan and overseas. The Group expects that the counterparties of the private placement of convertible bonds that it invested in are not likely to default. The maximum exposure to credit risk at balance sheet date is the carrying amount of financial assets designated as at fair value through profit or loss on initial recognition.
- C. The non-hedging derivative instrument transactions and contract information are as follows:

Financial instruments	December 31, 2014		
	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell USD / Buy RMB	USD	584,500	103.10.16~104.06.30
- Buy USD / Sell EUR	EUR	3,000	103.09.25~104.03.30
- Sell USD / Buy SGD	SGD	17,469	103.01.23~104.11.04
- Buy USD / Sell SGD	SGD	631	103.04.03~104.01.14
- Sell USD / Buy TWD	USD	14,000	103.10.16~104.02.25
- Sell EUR / Buy TWD	EUR	40	103.12.11~104.02.04
- Sell USD / Buy JPY	USD	2,500	103.11.14~104.02.09
- Buy USD / Sell JPY	USD	1,000	103.12.02~104.01.20
- Sell USD / Buy EUR	EUR	4,200	103.10.30~104.02.12
- Sell USD / Buy CZK	CZK	20,000	103.12.03~104.01.22
- Buy USD / Sell RMB	USD	102,000	103.12.05~104.03.25
- Sell JPY / Buy USD	JPY	1,500	103.12.16~104.03.04
- Sell USD / Buy HKD	HKD	95,395	103.11.24~104.05.13
- Buy USD / Sell KRW	USD	672	103.11.18~104.02.06

December 31, 2013			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell USD / Buy RMB	USD	160,000	102.07.18~103.04.10
- Sell USD / Buy EUR	EUR	2,550	102.11.01~103.03.13
- Sell USD / Buy CZK	CZK	12,500	102.12.04~103.01.23
- Sell USD / Buy TWD	USD	9,200	102.11.22~103.02.10
- Sell JPY / Buy USD	JPY	2,000	102.12.06~103.01.24
- Sell USD / Buy SGD	SGD	11,736	102.01.31~103.10.14
- Sell EUR / Buy TWD	EUR	50	102.09.26~103.01.27
- Sell USD / Buy JPY	USD	11,800	102.10.30~103.03.13
- Buy USD / Sell EUR	EUR	5,600	102.09.25~103.04.29
- Buy USD / Sell KRW	USD	900	102.11.18~103.02.07

The Group 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 Group did not apply hedge accounting.

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

(3) Available-for-sale financial assets

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Current items:		
Listed stocks	\$ 947,304	\$ 763,466
Emerging stocks	36,526	-
Valuation adjustment of available-for-sale financial assets	(295,506)	(76,955)
	<u>\$ 688,324</u>	<u>\$ 686,511</u>

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Non-current items:		
Listed stocks	\$ 4,594,911	\$ 4,090,714
Emerging stocks	141,000	254,492
Unlisted stocks	<u>1,356,108</u>	<u>1,183,109</u>
	6,092,019	5,528,315
Valuation adjustment of available-for-sale financial assets	945,512	2,191,487
Accumulated impairment- available-for-sale financial assets	(70,432)	(42,012)
	<u>\$ 6,967,099</u>	<u>\$ 7,677,790</u>

- A. The Group recognised fair value change in other comprehensive (loss) income of (\$1,419,468) and \$2,188,356 for the years ended December 31, 2014 and 2013, respectively.
- B. The net asset value of the Group's equity investment in WK Technology Fund V and WK Technology Fund VIII declined significantly to below its initial investment cost. Accordingly, the Group recognised impairment loss of \$15,549 for the year ended December 31, 2014.
- C. The net assets of the Group's equity investment in HELIO Optoelectronics Corp. declined significantly to below its initial investment cost. Accordingly, the Group recognized impairment loss of \$12,871 and \$42,012 for the years ended December 31, 2014 and 2013, respectively.
- D. The Group has no debt instruments available-for-sale financial assets.
- E. As of December 31, 2014 and 2013, the Group has no available-for-sale financial assets pledged to others.

(4) Financial assets measured at cost

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Non-current items:		
Unlisted stocks	\$ 773,911	\$ 424,525
Accumulated impairment - financial assets measured at cost	(25,150)	(23,920)
	<u>\$ 748,761</u>	<u>\$ 400,605</u>

Based on the Group's intention, its stocks investment should be classified as available-for-sale financial assets. However, as those stocks are not traded in active market, and sufficient industry information of companies similar to stocks investment companies and their financial information cannot be obtained, the fair value of the stocks investment cannot be measured reliably. The Group classified those stocks as financial assets measured at cost.

(5) Hedge accounting

Items	December 31, 2014 Assets (Liabilities)	December 31, 2013 Assets (Liabilities)
Current items:		
Forward foreign exchange contracts		
- cash flow hedge	\$ -	\$ 10,696

A. The Group entered into derivative financial instruments contracts with a variety of financial institutions with high credit quality and the Group deals with several banks to disperse the credit risk. The maximum exposure to credit risk at balance sheet date is the carrying amount of derivative financial instruments for hedging.

B. Cash flow hedges

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:

Hedged items	Designated for hedging instruments		Period of anticipated cash flow	Period of gain (loss) expected to be recognized in profit or loss
	Derivative instruments designated as hedges	Fair value December 31, 2013		
Receivables in foreign currencies	Forward exchange contracts	(\$ 2,644)	2014.03.18	2014.03.18
Payables in foreign currencies	Forward exchange contracts	13,340	2014.03.18 ~2014.08.12	2014.03.18 ~2014.08.12

a) The hedged highly probable forecast transactions denominated in foreign currency are expected to occur during the next 12 months. Amounts accumulated in other comprehensive income as of December 31, 2014 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

b) Information about gain or loss arising from cash flow hedges recognised in profit or loss and other comprehensive income:

Items	Years ended December 31,	
	2014	2013
Amount of gain or loss adjusted in other comprehensive income	(\$ 12,914)	\$ 13,151
Amount of gain or loss transferred from other comprehensive income to profit or loss	(1,555)	28,260

(6) Accounts receivable and overdue receivables

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Accounts receivable	\$ 43,711,298	\$ 41,694,257
Less: Allowance for doubtful accounts	(755,087)	(572,420)
	<u>42,956,211</u>	<u>41,121,837</u>
Overdue receivables (shown as other non-current assets)	80,029	75,700
Less: Allowance for doubtful accounts	(80,029)	(75,700)
	<u>\$ 42,956,211</u>	<u>\$ 41,121,837</u>

- 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 Group entered into an agreement with a financial institution to sell its accounts receivable. Under the agreement, the Group 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, 2014 and 2013, the outstanding accounts receivable sold to the financial institution were as follows:

	<u>December 31, 2014</u>		
	Accounts		
<u>Purchaser of accounts receivable</u>	<u>receivable sold</u>	<u>Amount advanced</u>	<u>Collateral</u>
Taishin International Bank	<u>\$ 47,249</u>	<u>\$ -</u>	None
	<u>December 31, 2013</u>		
	Accounts		
<u>Purchaser of accounts receivable</u>	<u>receivable sold</u>	<u>Amount advanced</u>	<u>Collateral</u>
Taishin International Bank	<u>\$ 132,438</u>	<u>\$ -</u>	None

- C. The aging analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Up to 90 days	\$ 2,554,237	\$ 2,170,070
91 to 180 days	377,851	254,398
181 to 365 days	646,493	535,647
Over 365 days	432,783	313,596
	<u>\$ 4,011,364</u>	<u>\$ 3,273,711</u>

The above aging analysis was based on past due date.

D. Movements on the Group's provision for impairment of accounts receivable are as follows:

	2014		
	Individual provision	Group provision	Total
At January 1	\$ 75,700	\$ 572,420	\$ 648,120
Provision for impairment	8,464	241,083	249,547
Write-offs during the period	(8,641)	(84,026)	(92,667)
Net exchange differences	4,506	25,610	30,116
At December 31	<u>\$ 80,029</u>	<u>\$ 755,087</u>	<u>\$ 835,116</u>

	2013		
	Individual provision	Group provision	Total
At January 1	\$ 70,383	\$ 408,601	\$ 478,984
Provision for impairment	5,795	171,701	177,496
Write-offs during the period	(2,296)	(1,271)	(3,567)
Effect of decrease in consolidated entities	-	(23,245)	(23,245)
Net exchange differences	1,818	16,634	18,452
At December 31	<u>\$ 75,700</u>	<u>\$ 572,420</u>	<u>\$ 648,120</u>

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

	December 31, 2014	December 31, 2013
Group 1	\$ 26,956,282	\$ 24,843,119
Group 2	11,988,565	13,005,007
	<u>\$ 38,944,847</u>	<u>\$ 37,848,126</u>

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

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

F. The maximum exposure to credit risk at December 31, 2014 and 2013 was the carrying amount of each class of accounts receivable.

(7) Inventories

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,368,533	(\$ 536,922)	\$ 5,831,611
Work in process	1,697,115	-	1,697,115
Finished goods	14,441,030	(796,464)	13,644,566
Inventory in transit	398,683	-	398,683
	<u>\$ 22,905,361</u>	<u>(\$ 1,333,386)</u>	<u>\$ 21,571,975</u>

	December 31, 2013		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,450,697	(\$ 489,750)	\$ 4,960,947
Work in process	1,588,689	-	1,588,689
Finished goods	12,098,739	(778,125)	11,320,614
Inventory in transit	171,579	-	171,579
	<u>\$ 19,309,704</u>	<u>(\$ 1,267,875)</u>	<u>\$ 18,041,829</u>

	Years ended December 31,	
	2014	2013
Cost of goods sold	\$ 137,107,429	\$ 131,377,438
Loss on long-term purchase contract	-	9,853
Provision for inventory obsolescence and market price decline	131,583	246,504
Others	358,756	443,536
	<u>137,597,768</u>	<u>132,077,331</u>
Less: Cost of goods sold from discontinued operations	-	(1,650,665)
	<u>\$ 137,597,768</u>	<u>\$ 130,426,666</u>

(8) Investments accounted for under the equity method

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

<u>Name of associates</u>	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>%</u>	<u>Book value</u>	<u>%</u>	<u>Book value</u>
Delta Electronics (Thailand) Public Co., Ltd. (DET)	20.93	\$ 6,519,788	20.93	\$ 6,051,355
Amita Technologies, Inc. (Amita)	26.93	254,160	30.97	233,118
Digital Projection International Ltd. (DPI)	41.00	292,213	32.11	280,034
Trillion Science Inc. (Trillion), etc.		34,175		131,768
		<u>\$ 7,100,336</u>		<u>\$ 6,696,275</u>

Note: The percentage of ownership in associates represent the percentage of common shares held by the Group.

B. Share of profit (loss) of associates accounted for under the equity method are set forth below:

<u>Name of associates</u>	<u>Years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
DET	\$ 1,070,975	\$ 992,012
DPI, etc.	(90,987)	(111,224)
	<u>\$ 979,988</u>	<u>\$ 880,788</u>

C. The financial statements of DET were reviewed by other independent accountants. Investments accounted for under the equity method in these companies amounted to \$6,519,788 and \$6,051,355 as of December 31, 2014 and 2013, and share of profit and other comprehensive income of associates accounted for under the equity method were \$1,101,031 and \$993,227 for the years ended December 31, 2014 and 2013, respectively.

D. The financial information of the Group's principal associates is summarized below:

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Profit/(Loss)</u>
<u>December 31, 2014</u>				
DET	\$ 36,982,505	\$ 10,295,501	\$ 41,879,493	\$ 5,536,586
Amita	781,222	429,491	600,183	27,537
DPI	784,145	725,498	1,419,449	(51,370)
Others	175,833	3,892	1	(11,128)
	<u>\$ 38,723,705</u>	<u>\$ 11,454,382</u>	<u>\$ 43,899,126</u>	<u>\$ 5,501,625</u>

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Profit/(Loss)</u>
<u>December 31, 2013</u>				
DET	\$ 33,675,899	\$ 10,540,890	\$ 40,809,811	\$ 5,217,471
Amita	355,504	145,974	212,373	(76,423)
DPI	623,417	519,378	1,181,897	(29,564)
Others	441,834	11,384	-	124,828
	<u>\$ 35,096,654</u>	<u>\$ 11,217,626</u>	<u>\$ 42,204,081</u>	<u>\$ 5,236,312</u>

E. The Group's investment in DET has quoted market price. The fair value of DET as of December 31, 2014 and 2013 was \$17,800,959 and \$12,761,160, respectively.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2014</u>							
Cost	\$ 4,960,552	\$ 29,285,538	\$ 26,236,404	\$ 9,928,498	\$ 7,942,014	\$ 757,920	\$ 79,110,926
Accumulated depreciation and impairment	(12,260)	(7,791,223)	(19,132,188)	(8,664,472)	(6,316,021)	-	(41,916,164)
	<u>\$ 4,948,292</u>	<u>\$ 21,494,315</u>	<u>\$ 7,104,216</u>	<u>\$ 1,264,026</u>	<u>\$ 1,625,993</u>	<u>\$ 757,920</u>	<u>\$ 37,194,762</u>
<u>2014</u>							
Opening net book amount	\$ 4,948,292	\$ 21,494,315	\$ 7,104,216	\$ 1,264,026	\$ 1,625,993	\$ 757,920	\$ 37,194,762
Additions	-	153,471	1,496,328	1,002,221	798,211	2,081,625	5,531,856
Acquired through business combinations	-	-	27	1,223	4,292	-	5,542
Disposal	-	(1,120)	(109,249)	(10,473)	(46,056)	(21,946)	(188,844)
Transfer	(80,151)	333,819	30,449	29,056	259,580	(985,013)	(412,260)
Depreciation charge	-	(1,646,003)	(2,810,990)	(873,497)	(1,134,018)	-	(6,464,508)
Impairment loss	-	(240)	(26,013)	(112)	-	-	(26,365)
Net exchange differences	102,529	1,037,593	768,728	99,885	146,955	(981,114)	1,174,576
Closing net book amount	<u>\$ 4,970,670</u>	<u>\$ 21,371,835</u>	<u>\$ 6,453,496</u>	<u>\$ 1,512,329</u>	<u>\$ 1,654,957</u>	<u>\$ 851,472</u>	<u>\$ 36,814,759</u>
<u>At December 31, 2014</u>							
Cost	\$ 4,982,097	\$ 30,256,283	\$ 26,454,466	\$ 10,350,897	\$ 8,408,929	\$ 851,472	\$ 81,304,144
Accumulated depreciation and impairment	(11,427)	(8,884,448)	(20,000,970)	(8,838,568)	(6,753,972)	-	(44,489,385)
	<u>\$ 4,970,670</u>	<u>\$ 21,371,835</u>	<u>\$ 6,453,496</u>	<u>\$ 1,512,329</u>	<u>\$ 1,654,957</u>	<u>\$ 851,472</u>	<u>\$ 36,814,759</u>

	Land	Buildings	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2013</u>							
Cost	\$ 4,580,052	\$ 27,289,755	\$ 28,388,711	\$ 9,439,403	\$ 7,296,759	\$ 4,771,034	\$ 81,765,714
Accumulated depreciation and impairment	(14,528)	(7,205,436)	(18,986,732)	(7,924,944)	(5,725,707)	-	(39,857,347)
	4,565,524	20,084,319	9,401,979	1,514,459	1,571,052	4,771,034	41,908,367
Less: Classified as non-current assets held for sale	-	(1,915,993)	(2,609,463)	(60,633)	(207,319)	(1,836,513)	(6,629,921)
	<u>\$ 4,565,524</u>	<u>\$ 18,168,326</u>	<u>\$ 6,792,516</u>	<u>\$ 1,453,826</u>	<u>\$ 1,363,733</u>	<u>\$ 2,934,521</u>	<u>\$ 35,278,446</u>
<u>2013</u>							
Opening net book amount	\$ 4,565,524	\$ 20,084,319	\$ 9,401,979	\$ 1,514,459	\$ 1,571,052	\$ 4,771,034	\$ 41,908,367
Additions	586,507	2,472,266	2,894,933	863,111	969,101	1,024,867	8,810,785
Acquired through business combinations	-	-	-	3,756	4,405	-	8,161
Effect of decrease in consolidated entities	-	(1,655,949)	(3,299,181)	(67,236)	(485,281)	(659,813)	(6,167,460)
Disposals	-	(3,181)	(324,006)	(66,812)	(58,751)	-	(452,750)
Transfer	(155,971)	1,634,799	1,271,134	46,603	637,274	(4,253,365)	(819,526)
Depreciation charge	-	(1,699,945)	(3,244,341)	(1,088,767)	(1,090,231)	-	(7,123,284)
Impairment loss	-	-	(32,080)	(61)	-	-	(32,141)
Net exchange differences	(47,768)	662,006	435,778	58,973	78,424	(124,803)	1,062,610
Closing net book amount	<u>\$ 4,948,292</u>	<u>\$ 21,494,315</u>	<u>\$ 7,104,216</u>	<u>\$ 1,264,026</u>	<u>\$ 1,625,993</u>	<u>\$ 757,920</u>	<u>\$ 37,194,762</u>
<u>At December 31, 2013</u>							
Cost	\$ 4,960,552	\$ 29,285,538	\$ 26,236,404	\$ 9,928,498	\$ 7,942,014	\$ 757,920	\$ 79,110,926
Accumulated depreciation and impairment	(12,260)	(7,791,223)	(19,132,188)	(8,664,472)	(6,316,021)	-	(41,916,164)
	<u>\$ 4,948,292</u>	<u>\$ 21,494,315</u>	<u>\$ 7,104,216</u>	<u>\$ 1,264,026</u>	<u>\$ 1,625,993</u>	<u>\$ 757,920</u>	<u>\$ 37,194,762</u>

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2014</u>			
Cost	\$ 385,573	\$ 3,573,416	\$ 3,958,989
Accumulated depreciation and impairment	-	(1,998,536)	(1,998,536)
	<u>\$ 385,573</u>	<u>\$ 1,574,880</u>	<u>\$ 1,960,453</u>
<u>2014</u>			
Opening net book amount	\$ 385,573	\$ 1,574,880	\$ 1,960,453
Reclassifications	80,151	332,109	412,260
Depreciation charge	-	(148,865)	(148,865)
Closing net book amount	<u>\$ 465,724</u>	<u>\$ 1,758,124</u>	<u>\$ 2,223,848</u>
<u>At December 31, 2014</u>			
Cost	\$ 465,724	\$ 4,321,469	\$ 4,787,193
Accumulated depreciation and impairment	-	(2,563,345)	(2,563,345)
	<u>\$ 465,724</u>	<u>\$ 1,758,124</u>	<u>\$ 2,223,848</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2013</u>			
Cost	\$ 229,602	\$ 2,109,236	\$ 2,338,838
Accumulated depreciation and impairment	-	(1,106,703)	(1,106,703)
	<u>\$ 229,602</u>	<u>\$ 1,002,533</u>	<u>\$ 1,232,135</u>
<u>2013</u>			
Opening net book amount	\$ 229,602	\$ 1,002,533	\$ 1,232,135
Additions (from purchase)	-	12,782	12,782
Disposals	-	(225)	(225)
Reclassifications	155,971	663,555	819,526
Depreciation charge	-	(103,765)	(103,765)
Closing net book amount	<u>\$ 385,573</u>	<u>\$ 1,574,880</u>	<u>\$ 1,960,453</u>
<u>At December 31, 2013</u>			
Cost	\$ 385,573	\$ 3,573,416	\$ 3,958,989
Accumulated depreciation and impairment	-	(1,998,536)	(1,998,536)
	<u>\$ 385,573</u>	<u>\$ 1,574,880</u>	<u>\$ 1,960,453</u>

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

	Years ended December 31,	
	2014	2013
Rental revenue from the lease of the investment property	\$ 234,352	\$ 109,997
Direct operating expenses arising from the investment property that generated rental income for the period	\$ -	\$ -
Direct operating expenses arising from the investment property that did not generate rental income for the period	\$ 23,035	\$ 12,755

B. The fair value of the investment property held by the Group as at December 31, 2014 and 2013 was \$2,470,502 and \$2,031,366, respectively, which was revalued by independent appraisers. Valuations were made using the market approach.




(11) Intangible assets

	Customer					
	Trademarks	Patents	Goodwill	Relationship	Others	Total
At January 1, 2014						
Cost	\$ 413,165	\$ 1,045,014	\$ 6,906,772	\$ 3,784,422	\$ 1,381,174	\$ 13,530,547
Accumulated depreciation and impairment	(3,567)	(840,984)	-	(1,280,410)	(547,710)	(2,672,671)
	<u>\$ 409,598</u>	<u>\$ 204,030</u>	<u>\$ 6,906,772</u>	<u>\$ 2,504,012</u>	<u>\$ 833,464</u>	<u>\$ 10,857,876</u>
2014						
Opening net book amount	\$ 409,598	\$ 204,030	\$ 6,906,772	\$ 2,504,012	\$ 833,464	\$ 10,857,876
Additions-acquired separately	-	3,573	-	-	397,044	400,617
Additions-acquired through business combinations	-	-	3,276	1,251,533	-	1,254,809
Reclassifications	-	(1,006)	-	-	1,006	-
Amortization	(3,293)	(190,447)	-	(448,453)	(380,415)	(1,022,608)
Impairment loss	-	-	(27,263)	(1,172)	-	(28,435)
Net exchange differences	-	405	107,652	137,234	(1,535)	243,756
Closing net book amount	<u>\$ 406,305</u>	<u>\$ 16,555</u>	<u>\$ 6,990,437</u>	<u>\$ 3,443,154</u>	<u>\$ 849,564</u>	<u>\$ 11,706,015</u>
At December 31, 2014						
Cost	\$ 413,165	\$ 1,013,508	\$ 6,989,919	\$ 5,207,669	\$ 1,637,465	\$ 15,261,726
Accumulated depreciation and impairment	(6,860)	(996,953)	518	(1,764,515)	(787,901)	(3,555,711)
	<u>\$ 406,305</u>	<u>\$ 16,555</u>	<u>\$ 6,990,437</u>	<u>\$ 3,443,154</u>	<u>\$ 849,564</u>	<u>\$ 11,706,015</u>

	Trademarks	Patents	Goodwill	Relationship	Others	Total
<u>At January 1, 2013</u>						
Cost	\$ 413,164	\$ 1,040,791	\$ 6,856,128	\$ 3,684,059	\$ 795,921	\$ 12,790,063
Accumulated depreciation and impairment	(274)	(639,825)	-	(820,654)	(386,488)	(1,847,241)
	412,890	400,966	6,856,128	2,863,405	409,433	10,942,822
Less: Classified as non-current assets held for sale	-	-	-	-	(5,009)	(5,009)
	<u>\$ 412,890</u>	<u>\$ 400,966</u>	<u>\$ 6,856,128</u>	<u>\$ 2,863,405</u>	<u>\$ 404,424</u>	<u>\$ 10,937,813</u>
<u>2013</u>						
Opening net book amount	\$ 412,890	\$ 400,966	\$ 6,856,128	\$ 2,863,405	\$ 409,433	\$ 10,942,822
Additions - acquired separately	-	-	-	4,451	394,183	398,634
Additions - acquired through business combinations	-	-	6,287	20,411	524,691	551,389
Effect of decrease in consolidated entities	-	-	-	-	(10,425)	(10,425)
Amortization	(3,292)	(198,283)	-	(419,234)	(493,748)	(1,114,557)
Net exchange differences	-	1,347	44,357	34,979	9,330	90,013
Closing net book amount	<u>\$ 409,598</u>	<u>\$ 204,030</u>	<u>\$ 6,906,772</u>	<u>\$ 2,504,012</u>	<u>\$ 833,464</u>	<u>\$ 10,857,876</u>
<u>At December 31, 2013</u>						
Cost	\$ 413,165	\$ 1,045,014	\$ 6,906,772	\$ 3,784,422	\$ 1,381,174	\$ 13,530,547
Accumulated depreciation and impairment	(3,567)	(840,984)	-	(1,280,410)	(547,710)	(2,672,671)
	<u>\$ 409,598</u>	<u>\$ 204,030</u>	<u>\$ 6,906,772</u>	<u>\$ 2,504,012</u>	<u>\$ 833,464</u>	<u>\$ 10,857,876</u>

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

	Years ended December 31,	
	2014	2013
Operating costs	\$ 30,917	\$ 32,655
Selling expenses	368,529	317,344
Administrative expenses	159,027	240,695
Research and development expenses	464,135	523,863
	<u>\$ 1,022,608</u>	<u>\$ 1,114,557</u>

B. The Group bought registered or under-application trademarks rights such as 、、VIVITEK、麗訊 and  totaling \$413,164 from Luxeon International Holding Ltd. in the fourth quarter of 2012. Trademarks registered in certain countries are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortized but are tested for impairment annually.

C. Goodwill and trademarks with indefinite useful lives are allocated as follows to the Group's cash-generating units identified according to operating segment:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Goodwill:		
Cyntec and its subsidiaries	\$ 5,124,137	\$ 5,124,137
DGC	1,834,985	1,728,016
Others	31,315	54,619
	<u>\$ 6,990,437</u>	<u>\$ 6,906,772</u>
Trademarks:		
Smart green life business	<u>\$ 386,823</u>	<u>\$ 386,823</u>

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

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

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill and indefinite useful lives trademarks were not impaired. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

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

- E. The subsidiary – Ayecom Technology Co., Ltd. was merged into Delta Networks., Ltd. (Taiwan) starting from the effective date of consolidation of January 1, 2015. The Group has assessed and recognised impairment loss on goodwill and customer relationship of \$28,435 for the year ended December 31, 2014.

(12) Non-current assets held for sale and discontinued operations

- A. On December 19, 2012, the Board of Directors of DelSolar and Neo Solar Power Corporation (NSP) resolved to merge both companies through share exchange. Each common share of DelSolar will be converted into 0.735 share of NSP. DelSolar will be the dissolved company and NSP will be the surviving company after the consolidation. The effective date was May 31, 2013. DelSolar meets the criteria of the subsidiary classified as held for sale due to the merger through share exchange. The assets, liabilities and equity relating to DelSolar classified as disposal group as held for sale meets the definition of discontinued operations to be presented in discontinued operations. The disposal group classified as held for sale originally belonged to energy management business.

Analysis of the result and cash flows of discontinued operations, and the result recognized on the remeasurement of assets or disposal group, is as follows:

	For the period from January 1 to May 31, 2013
Operating revenue	\$ 1,219,537
Operating costs and expenses	(1,930,290)
Total non-operating income and expenses	8,368
Loss before tax from discontinued operations	(702,385)
Income tax expense	(13,170)
Loss from discontinued operations, net	(715,555)
Pre-tax gain recognized on the remeasurement of assets of disposal group	809,194
Pre-tax gain recognized on the disposal of disposal group	25,989
Income tax	-
Gain recognized on the remeasurement of assets of disposal group, net of tax and on the disposal of disposal group	835,183
Total profit from discontinued operations	\$ 119,628

	For the period from January 1 to May 31, 2013	
Cash flows from operating activities	\$	153,587
Cash flows from investing activities	(365,185)
Cash flows from financing activities	(515,024)
Effect on exchange rate changes		85,091
Total cash flows	(\$	<u>641,531</u>)

(13) Other non-current assets

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Long-term prepaid rent	\$ 1,296,245	\$ 1,281,917
Prepayments for business facilities	1,030,137	925,750
Guarantee deposits paid	121,209	174,999
Cash surrender value of life insurance	111,650	112,832
Prepayments for investments	-	38,000
Others	100,187	106,455
	<u>\$ 2,659,428</u>	<u>\$ 2,639,953</u>

(14) Short-term borrowings

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Unsecured bank loans	\$ 5,801,298	\$ 4,561,722
Credit lines	\$ 83,349,486	\$ 83,452,252
Interest rate per annum	<u>0.53%~2.16%</u>	<u>0.45%~2.21%</u>

(15) Financial liabilities at fair value through profit or loss

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Current item:		
Valuation adjustment of non-hedging derivatives	<u>\$ 51,606</u>	<u>\$ 16,883</u>

A. The Group recognized net (loss) gain of (\$72,100) and \$4,576 for the years ended December 31, 2014 and 2013, respectively.

B. The non-hedging derivative instruments transaction and contract information are provided in Note 6(2)C.

The Group 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 Group did not apply the hedge accounting.

<u>Type of borrowings</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Credit loans	\$ 26,520,214	\$ 18,908,043
Less: Current portion (shown as other current liabilities)	(52,111)	(80,379)
	<u>\$ 26,468,103</u>	<u>\$ 18,827,664</u>
Credit lines	<u>\$ 33,892,214</u>	<u>\$ 26,863,542</u>
Interest rate per annum	<u>0.43%~0.90%</u>	<u>0.43%~1.5%</u>

As of December 31, 2014, the revolving loans of \$26,366,000 can be drawn down during the period from May 30, 2014 to December 31, 2016 and are payable before the due date under the agreement.

(17) Pensions

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

- i. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.
- ii. Certain subsidiaries located in Mainland China maintain defined benefit retirement (resignation) plans with relative contribution scheme. The employees and the subsidiaries contribute an amount relatively based on a certain percentage of the monthly basic salary depending on the employee's position. When an employee retires or resigns, the total contribution from the employee is reimbursed based on the accumulated contribution (without interest) less withdrawals made by the employee in advance during the service period. The employee is also entitled to receive benefits calculated based on the accumulated contribution (without interest) from the related subsidiary multiplied by the approved benefit percentage for the employee's service years less withdrawals made by the employee in advance during the service period.

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

	December 31,	
	2014	2013
Present value of funded defined benefit obligations	(\$ 3,978,106)	(\$ 4,079,520)
Fair value of plan assets	<u>644,925</u>	<u>687,276</u>
Present value of unfunded defined benefit obligations	(3,333,181)	(3,392,244)
Unrecognised actuarial losses/(gains)	-	-
Unrecognised past service cost	(109,617)	7,398
Net liability in the balance sheet	<u>-</u>	<u>-</u>
	<u>(\$ 3,442,798)</u>	<u>(\$ 3,384,846)</u>

c) Movements in present value of defined benefit obligations are as follows:

	2014	2013
Present value of defined benefit obligations		
At January 1	\$ 4,079,520	\$ 4,198,165
Current pension costs	119,298	119,763
Actuarial gain (loss)	(151,654)	(205,584)
Exchange difference	46,448	46,200
Benefits paid	(110,623)	(78,881)
Settlement	(4,883)	(143)
	3,978,106	4,079,520
Classified as non-current assets held for sale	<u>-</u>	<u>-</u>
	<u>\$ 3,978,106</u>	<u>\$ 4,079,520</u>

d) Movements in fair value of plan assets:

	2014	2013
Fair value of plan assets		
At January 1	\$ 687,276	\$ 696,559
Expected return on plan assets	12,060	10,725
Actuarial gain (loss)	3,994	(1,882)
Employer contributions	49,258	49,166
Benefits paid	(107,663)	(63,642)
Decrease due to consolidated subsidiaries	<u>-</u>	<u>(3,650)</u>
	644,925	687,276
Classified as non-current assets held for sale	<u>-</u>	<u>(3,650)</u>
	<u>\$ 644,925</u>	<u>\$ 683,626</u>

e) Amounts of expenses recognised in statements of comprehensive income:

	Years ended December 31,	
	2014	2013
Current service cost	\$ 109,548	\$ 129,359
Interest cost	79,347	63,583
Expected return on plan assets	(10,240)	(10,725)
Actuarial gain (loss)	1,863	-
Profit (loss) arising from curtailment or settlement	(3,731)	-
Current pension cost	<u>\$ 176,787</u>	<u>\$ 182,217</u>

Details of cost and expenses recognised in statements of comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Cost of sales	\$ 73,393	\$ 67,980
Selling expenses	10,523	11,506
General and administrative expenses	40,564	50,481
Research and development expenses	52,307	52,250
	<u>\$ 176,787</u>	<u>\$ 182,217</u>

f) i. The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The composition of fair value of plan assets as of December 31, 2014 and 2013 is given in the Annual Labor Retirement Fund Utilisation Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund Utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The actual return on plan assets of the Company's and domestic subsidiaries' for the years ended December 31, 2014 and 2013 were \$16,135 and \$8,843,

ii. The defined benefit pension plans maintained by the subsidiaries located in Mainland China do not have plan assets.

g) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2014	2013
Discount rate	1.875%~4%	1.75%~4.5%
Future salary increases	3%~3.5%	3%~3.5%
Expected return on plan assets	1.75%	1.75%

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

h) Historical information of experience adjustments was as follows:

	Years ended December 31,		
	2014	2013	2012
Present value of defined benefit obligation	(\$ 4,008,199)	(\$ 4,079,520)	(\$ 4,198,165)
Fair value of plan assets	644,925	687,276	696,559
Surplus/(deficit) in the plan	(\$ 3,363,274)	(\$ 3,392,244)	(\$ 3,501,606)
Experience adjustments on plan liabilities	\$ 38,534	\$ 12,492	(\$ 24,360)
Experience adjustments on plan assets	\$ 4,260	(\$ 3,001)	(\$ 6,907)

i) Expected contributions to the defined benefit pension plans of the Group within one year from December 31, 2014 are \$54,156.

B. a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company and its domestic subsidiaries for the years ended December 31, 2014 and 2013 were \$267,404 and \$253,168, respectively.

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

(18) Share-based payment

A. a) As of December 31, 2013, the Company's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
First employee stock options compensation plan of the Company	2007.12.18	60,000,000	6 years	(Note A)
Second employee stock option compensation plan of Cyntec assumed by the Company	2007.12.03	5,355,070 (Note B)	6 years	"
"	2007.12.27	254,195 (Note B)	6 years	"

Note A: Two years' service vested 40%; three years' service vested 70%; four years' service vested 100%.

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

b) Details of the above share-based payment arrangements are as follows:

i. First employee stock options compensation plan of the Company

	<u>Year ended December 31, 2013</u>	
	<u>No. of shares</u>	<u>Weighted-average exercise price (in dollars) (Note)</u>
Options outstanding at beginning of the year	15,910,798	\$ 70.1
Options granted	-	-
Options exercised	(15,701,418)	68.4
Options forfeited	(209,380)	68.1
Options outstanding at end of the year (Note)	-	\$ -
Options exercisable at end of the year	-	-

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.

ii. Second employee stock options compensation plan of Cyntec assumed by the Company

	<u>Year ended December 31, 2013</u>	
	No. of shares	Weighted-average exercise price (in dollars)(Note)
Options outstanding at beginning of the year	642,079	\$ 36.59
Options granted	-	-
Options exercised	(641,922)	35.76
Options forfeited	(157)	35.19
Options outstanding at end of the year (Note)	<u>-</u>	<u>\$ -</u>
Options exercisable at end of the year (Note)	<u>-</u>	<u>-</u>

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.

- c) The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2013 was \$135.3 (in dollars).
- d) As of December 31, 2013, the Company's share-based payment arrangements were all expired.
- e) 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:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected vesting period	Expected dividend yield rate	Risk-free interest rate	Weighted-average fair value (in dollars)
Second employee stock options compensation plan of Cyntec assumed by the Company	2007.12.03	\$ 100.5	\$ 41.8	40.23%	2.33 years	0.00%	0.853%	\$60.7591
"	2007.12.27	100.5	41.4	40.23%	2.48 years	0.00%	0.877%	61.3189

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

B. NEM's share-based payment transactions

a) For the years ended December 31, 2014 and 2013, NEM's share-based payment transactions are set forth below:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
First employee stock options compensation plan	2009.11.25	572,600	8 years	Two years' service vested 50%; three years' service vested 75%; four years' service vested 100%
Second employee stock options compensation plan	2010.04.30	590,000	8 years	"
Third employee stock options compensation plan	2010.12.21	388,000	8 years	"
Fourth employee stock options compensation plan	2011.12.21	1,299,400	8 years	"
Fifth employee stock options compensation plan	2012.12.10	847,000	8 years	"
Sixth employee stock options compensation plan	2013.03.11	155,000	8 years	"
Seventh employee stock options compensation plan	2013.07.29	40,000	8 years	"
Eighth employee stock options compensation plan	2013.10.28	65,000	8 years	"
Ninth employee stock options compensation plan	2014.04.29	1,433,600	8 years	"

b) Details of the employee stock options compensation plan of NEM are set forth below:

	Years ended December 31,			
	2014		2013	
	No. of shares	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	2,623,400	\$ 10	2,605,400	\$ 10
Options granted	1,433,600	10	260,000	10
Options exercised	-	-	-	-
Options forfeited	(1,172,000)	10	(242,000)	10
Options outstanding at end of the year	<u>2,885,000</u>	<u>\$ 10</u>	<u>2,623,400</u>	<u>\$ 10</u>
Options exercisable at end of the year	<u>1,006,800</u>		<u>1,062,950</u>	

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

		December 31, 2014		December 31, 2013	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)	No. of shares	Exercise price (in dollars)
2009.11.25	2017.11.24	157,000	\$ 10	317,000	\$ 10
2010.04.30	2018.04.29	125,000	10	157,000	10
2010.12.21	2018.12.20	288,000	10	328,000	10
2011.12.21	2019.12.20	194,400	10	764,400	10
2012.12.10	2020.12.09	582,000	10	797,000	10
2013.03.11	2021.03.10	155,000	10	155,000	10
2013.07.29	2021.07.28	40,000	10	40,000	10
2013.10.28	2021.10.27	65,000	10	65,000	10
2014.04.29	2022.04.28	1,278,000	10	-	-

d) The fair value of employee stock options of NEM granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected		Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
				price volatility (Note)	Exercise option life			
First	2009.11.25	\$ 3.49	\$ 10	55.50%	5.375 years	0%	1.25%	\$ 0.8315
Second	2010.04.30	5.27	10	51.68%	5.38 years	0%	1.30%	1.5746
Third	2010.12.21	6.87	10	48.62%	5.38 years	0%	1.13%	2.3217
Fourth	2011.12.21	4.81	10	50.18%	5.38 years	0%	1.09%	1.2495
Fifth	2012.12.10	2.85	10	47.48%	5.38 years	0%	0.99%	0.3621
Sixth	2013.03.11	2.79	10	49.57%	5.38 years	0%	1.19%	0.3984
Seventh	2013.07.29	1.44	10	47.81%	5.38 years	0%	1.23%	0.0707
Eighth	2013.10.28	1.46	10	46.28%	5.38 years	0%	1.31%	0.0632
Ninth	2014.04.29	0.23	10	43.34%	5.38 years	0%	1.17%	0.0001

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

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

	Years ended December 31,	
	2014	2013
Equity-settled	(\$ 88)	\$ 1,278
Cash-settled	-	-
	(\$ 88)	\$ 1,278

(19) Share capital

A. In accordance with the Company's Articles of Incorporation, the total authorized common stock is 2.7 billion shares (including 100 million shares for stock warrants conversion). As of December 31, 2014, the total issued and outstanding common stock was 2,437,543 thousand shares with par value of \$10 (in dollars) per share.

Reconciliation for number of common shares outstanding from the beginning to the end of year:

	2014 (Note)	2013 (Note)
At January 1	2,437,543	2,421,178
Employee stock options exercised	-	16,365
At December 31	2,437,543	2,437,543

Note: In thousand shares.

B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

a. Voting rights

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

b. Redemption of GDRs

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

c. Distribution of dividends, preemptive rights and other rights

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

d. After considering the stock dividend distribution year by year, as of December 31, 2014, there were 1,149 thousand units outstanding, representing 5,745 thousand common shares of the Company's common stock.

(20) Capital surplus

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

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:
- a. Payment of all taxes and dues.
 - b. Offset against prior years' operating losses, if any.
 - c. Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company.
 - d. Setting aside or reversing a special reserve according to relevant regulations when 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' 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 distributable earnings as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 5% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the

assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

- E. a) The appropriations of 2013 and 2012 earnings had been approved by the shareholders during their meeting on June 10, 2014 and June 7, 2013, respectively. Details are summarized below:

	Years ended December 31,			
	2013		2012	
	Amount (Note A)	Dividends per share (in dollars)	Amount (Note B)	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 1,777,620		\$ 1,610,954	
(Reversal of) appropriation for special reserve	(3,546,949)		1,918,413	
Cash dividends	14,137,751	\$ 5.8	12,843,222	\$ 5.29101501

Note A: The shareholders during their meeting had approved to distribute employees' cash bonuses of \$2,492,438 and directors' and supervisors' remuneration of \$30,400.

Note B: The shareholders during their meeting had approved to distribute employees' cash bonuses of \$2,047,925 and directors' and supervisors' remuneration of \$30,400.

There was no difference in the amounts of the earnings appropriation as approved by the stockholders with that proposed by the Board of Directors. The information is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- b) The appropriations of 2014 earnings had been proposed by the Board of Directors on March 10, 2015. Details are summarized below:

	2014	
	Amount (Note)	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 2,069,890	
Appropriation for special reserve	527,556	
Cash dividends	14,625,260	\$ 6

Note: The Board of Directors proposed to distribute employees' cash bonuses of \$2,893,928 and directors' and supervisors' remuneration of \$32,900.

As of March 10, 2015, the abovementioned 2014 earnings appropriation had not been approved by the stockholders.

- F. For the years ended December 31, 2014 and 2013, employees' bonus were accrued at \$3,758,478 and \$3,333,446, respectively, and directors' and supervisors' remuneration were accrued at \$30,854 and \$32,182, 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 during the stockholders' meeting 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 statement of comprehensive income for the current year. The proposed amounts of the bonus to employees and directors' and supervisors' remuneration were consistent with the resolution during the stockholders' meeting and the same amount had been charged against earnings for 2013.

(22) Non-controlling interest

	Years ended December 31,	
	2014	2013
At January 1	\$ 14,238,038	\$ 15,966,356
Share attributable to non-controlling interest:		
Profit for the period	1,614,471	1,258,194
Currency translation differences	(142,008)	621,136
Unrealised gain on valuation of available-for-sale financial assets	4	11
Loss on hedges belonging to effective hedging in cash flow hedge	-	(307)
Decrease in non-controlling interest	(2,956,340)	(3,607,352)
At December 31	\$ 12,754,165	\$ 14,238,038

Because the Group's certain subsidiaries have traded with non-controlling interest, have distributed cash dividends and were affected by the consolidated entity's movement for the years ended December 31, 2014 and 2013, the non-controlling interest decreased by \$2,956,340 and \$3,607,352 for the years ended December 31, 2014 and 2013, respectively.

(23) Operating revenue

	Years ended December 31,	
	2014	2013
Sales revenue	\$ 188,437,064	\$ 176,302,888
Service revenue	1,063,348	1,305,968
Other operating revenue	1,134,708	663,803
	190,635,120	178,272,659
Less: Operating revenue from discontinued operations	-	(1,219,537)
	\$ 190,635,120	\$ 177,053,122

(24) Operating cost

	Years ended December 31,	
	2014	2013
Cost of sales	\$ 137,597,768	\$ 132,077,331
Cost of services	720,332	971,486
Other operating costs	882,482	635,040
	<u>139,200,582</u>	<u>133,683,857</u>
Less: Operating costs from discontinued operations	-	(1,650,665)
	<u>\$ 139,200,582</u>	<u>\$ 132,033,192</u>

(25) Other income

	Years ended December 31,	
	2014	2013
Interest income	\$ 949,336	\$ 724,410
Rental income	330,879	188,506
Dividend income	141,714	140,180
Others	1,957,094	2,031,330
	<u>3,379,023</u>	<u>3,084,426</u>
Less: Other income from discontinued operations	-	(48,285)
	<u>\$ 3,379,023</u>	<u>\$ 3,036,141</u>

(26) Other gains and losses

	Years ended December 31,	
	2014	2013
(Loss) gain on financial assets (liabilities) at fair value through profit or loss	(\$ 61,827)	\$ 56,480
Net currency exchange gain	266,881	210,444
Gain (loss) on disposal of investments	57,117	(400,298)
Loss on disposal of property, plant and equipment	(11,725)	(9,303)
Impairment loss	(83,220)	(74,153)
Miscellaneous disbursements	(664,233)	(537,403)
	<u>(497,007)</u>	<u>(754,233)</u>
Less: Other gain and loss from discontinued operations	-	1,435
	<u>(\$ 497,007)</u>	<u>(\$ 752,798)</u>

(27) Finance costs

	Years ended December 31,	
	2014	2013
Interest expense	\$ 162,480	\$ 242,701
Loss (gain) on effective cash flow hedges reclassified from equity to profit or loss	1,555	(28,260)
	164,035	214,441
Less: Finance costs from discontinued operations	-	(38,482)
	<u>\$ 164,035</u>	<u>\$ 175,959</u>

(28) Expenses by nature

	Years ended December 31,	
	2014	2013
Changes in inventories of finished goods and work in process, raw materials and consumables used	\$ 99,746,574	\$ 97,875,265
Employee benefit expense	32,814,321	29,365,601
Depreciation charges on property, plant and equipment	6,464,508	7,123,284
Amortisation charges on intangible assets	1,022,608	1,114,557
Transportation expenses	1,807,614	1,705,979
Advertising costs	777,141	966,585
Operating lease payments	326,448	318,336
Other expenses	24,859,018	21,005,423
Total cost of sales and operating expenses	167,818,232	159,475,030
Less: Cost of sales and operating expenses from discontinued operations	-	(1,930,290)
	<u>\$ 167,818,232</u>	<u>\$ 157,544,740</u>

(29) Employee benefit expense

	Years ended December 31,	
	2014	2013
Wages and salaries	\$ 24,791,319	\$ 22,536,768
Employees' bonuses	3,749,479	3,344,004
Labor and health insurance fees	2,602,120	2,099,103
Pensions costs	489,512	468,550
Other personnel expenses	1,181,891	917,176
	<u>\$ 32,814,321</u>	<u>\$ 29,365,601</u>

(30) Income tax

A. Income tax expense

a) Components of income tax expense:

	Years ended December 31,	
	2014	2013
Current tax:		
Current tax on profits for the year	\$ 3,663,253	\$ 2,927,085
Adjustments in respect of prior years	(348,084)	(263,072)
Total current tax	<u>3,315,169</u>	<u>2,664,013</u>
Deferred tax:		
Origination and reversal of temporary differences	912,994	933,500
Origination and reversal of loss carryforward	(26,677)	(2,557)
Total deferred tax	<u>886,317</u>	<u>930,943</u>
Income tax expense	\$ 4,201,486	\$ 3,594,956
Less: Income tax expense on discontinued operations	-	(13,170)
	<u>\$ 4,201,486</u>	<u>\$ 3,581,786</u>

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

	Years ended December 31,	
	2014	2013
Fair value gain on available-for-sale financial assets	\$ 9	(\$ 3,142)
Currency translation differences	498,277	268,720
Cash flow hedges	889	(7,451)
	<u>\$ 499,175</u>	<u>\$ 258,127</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2014	2013
Tax calculated based on profit before tax and statutory tax rate	\$ 7,067,495	\$ 6,435,610
Effects from items disallowed by tax regulation	(1,751,709)	(2,289,852)
Effect from investment tax credits	(745,592)	(307,942)
Effect from net operating loss carryforward	(20,624)	20,212
Prior year income tax overestimate	(348,084)	(263,072)
Income tax expense	4,201,486	3,594,956
Less: Income tax expense from discontinued operations	-	(13,170)
	<u>\$ 4,201,486</u>	<u>\$ 3,581,786</u>

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

	Year ended December 31, 2014				
	January 1	Recognised in profit or loss	Recognised in comprehensive income other	Recognised in equity	December 31
Temporary differences:					
— Deferred tax assets:					
Allowance for inventory obsolescence	\$ 156,189	\$ 41,863	\$ -	\$ -	\$ 198,052
Investments tax credits	23,497	354,647	-	-	378,144
Pension liability	731,109	(232,040)	-	-	499,069
Assets impairment	45,883	189,648	-	-	235,531
Net operating loss carryforward	3,986	26,677	-	-	30,663
Depreciation difference between tax and financial basis	1,183,306	283,346	-	-	1,466,652
Others	1,144,219	331,766	-	-	1,475,985
Subtotal	3,288,189	995,907	-	-	4,284,096
— Deferred tax liabilities:					
Long-term equity investments	(\$ 5,972,059)	(\$ 1,868,569)	(\$ 499,175)	\$ -	(\$ 8,339,803)
Land revaluation increment tax	(119,862)	-	-	-	(119,862)
Others	(1,339,892)	(13,655)	-	-	(1,353,547)
Subtotal	(7,431,813)	(1,882,224)	(499,175)	-	(9,813,212)
Total	(\$ 4,143,624)	(\$ 886,317)	(\$ 499,175)	\$ -	(\$ 5,529,116)

Year ended December 31, 2013

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
— Deferred tax assets:					
Allowance for inventory obsolescence	\$ 150,646	\$ 5,543	\$ -	\$ -	\$ 156,189
Investment tax credits	44,810	(21,313)	-	-	23,497
Pension liability	768,109	(37,000)	-	-	731,109
Assets impairment	224,176	(178,293)	-	-	45,883
Net operating loss carryforward	1,429	2,557	-	-	3,986
Depreciation difference between tax and financial basis	740,196	443,110	-	-	1,183,306
Others	507,555	636,664	-	-	1,144,219
Subtotal	2,436,921	851,268	-	-	3,288,189
— Deferred tax liabilities:					
Long-term equity investments	(\$ 4,708,630)	(\$ 1,005,302)	\$ 258,127	\$ -	(\$ 5,972,059)
Land revaluation increment tax	(119,862)	-	-	-	(119,862)
Others	(562,983)	(776,909)	-	-	(1,339,892)
Subtotal	(5,391,475)	(1,782,211)	(258,127)	-	(7,431,813)
Total	(\$ 2,954,554)	(\$ 930,943)	\$ 258,127	-	(\$ 4,143,624)

D. According to Act for Industrial Innovation and Statute for Upgrading Industries (before its abolishment), details of the Company's investments tax credits and unrecognized deferred tax assets are as follows:

December 31, 2014			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Tax credit of investment usable until
Investments in emerging important strategic industries	\$ 378,144	\$ -	2016

December 31, 2013			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Tax credit of investment usable until
Machinery and equipment	\$ 1,141	\$ 281	2014
Employees' training	109	109	2013
Investments in emerging important strategic industries	408,072	385,435	2016
	\$ 409,322	\$ 385,825	

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

December 31, 2014				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2014	\$ 8,305,131	\$ 8,222,491	\$ 8,099,839	2024

December 31, 2013				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2013	\$ 8,028,877	\$ 7,998,841	\$ 7,981,567	2023

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

	December 31,	
	2014	2013
Deductible temporary differences	\$ 440,537	\$ 417,427

G. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2014 and 2013, the amounts of temporary differences unrecognised as deferred tax liabilities were \$153,223,544 and \$143,317,539, respectively.

H. The status of the Company and its domestic subsidiaries' assessed and approved income tax returns are as follows:

	<u>Latest year assessed by Tax Authority</u>
The Company	2012
Cyntec and DNIT	2011
Delta Capital, NEM, AMT, DelBio, Ayecom, Delta Robot and DGL	2012
DSGL	2014
SYN-TKE	Not assessed yet

I. Unappropriated retained earnings:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Earnings generated in and before 1997	\$ 685,952	\$ 685,952
Earnings generated in and after 1998	<u>32,859,866</u>	<u>24,526,376</u>
	<u>\$ 33,545,818</u>	<u>\$ 25,212,328</u>

J. The balance of the imputation tax credit account and the creditable tax rate are as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Imputation tax credit account balance	<u>\$ 872,035</u>	<u>\$ 1,074,283</u>
	<u>2014 (Estimated)</u>	<u>2013 (Actual)</u>
Creditable tax ratio	<u>2.65%</u>	<u>2.80%</u>

(31) Earnings per share

	<u>Year ended December 31, 2014</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of</u>	<u>per share</u>
		<u>ordinary shares</u>	<u>per share</u>
		<u>outstanding</u>	<u>(in dollars)</u>
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 20,698,900</u>	<u>2,437,543</u>	<u>\$ 8.49</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 20,698,900	2,437,543	
Assumed conversion of all dilutive potential ordinary shares (Note):			
Employees' bonus	<u>-</u>	<u>21,681</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 20,698,900</u>	<u>2,459,224</u>	<u>\$ 8.42</u>

(Note) The share-based payment arrangements were all expired on December 17, 2013. There is no effect on diluted earnings per share for the year ended December 31, 2014.

Year ended December 31, 2013

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 17,244,431	2,427,935	\$ 7.10
Gain from discontinued operations attributable to ordinary shareholders of the parent	<u>531,771</u>	<u>2,427,935</u>	<u>0.22</u>
Profit attributable to ordinary shareholders of the parent	<u>\$ 17,776,202</u>	<u>2,427,935</u>	<u>\$ 7.32</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders of the parent	\$ 17,244,431	2,427,935	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' stock option	-	4,612	
Employees' bonus	<u>-</u>	<u>23,763</u>	
Profit from continuing operations attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	17,244,431	2,456,310	\$ 7.02
Profit from discontinued operations attributable to ordinary shareholders of the parent	<u>531,771</u>	<u>2,456,310</u>	<u>0.22</u>
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 17,776,202</u>	<u>2,456,310</u>	<u>\$ 7.24</u>

(32) Business combinations

A. Business combination transactions of the Group for the years ended December 31, 2014 and 2013 are as follows:

(a) On January 3, 2013, the Group acquired 100% stock ownership of Vivitek by cash totaling \$43,560 through DIH and obtained control over Vivitek, an overhead projector and related products and materials retailer operating in the US. As a result of the acquisition, the Group expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

(b) The Group has acquired 54.83% share ownership in DGSG from the associate, DET, through DIH on April 1, 2013 for cash of \$447,375, and has gained control over DGSG. The Group expects to increase profit in Mainland China market after the acquisition.

(c) The Group established its subsidiary STA in 2013 and has signed assets transaction agreement with SYN-TEK Technologies Inc. (hereinafter referred to as SYN-TEK) to purchase inventory, equipment, software, and ownership and obligations of other existing clients. Thereafter, the Group expects to improve its competitiveness on related products of industrial automation.

(d) On April 8, 2014, the Company acquired 100% share ownership in Vivitek-TW for cash of \$135,083.

(e) On August 1, 2014, the Group acquired 100% share ownership in DEU from the Group's associate, DET, for cash of \$111,337.

(f) On September 1, 2014, the Group acquired 100% share ownership in Boom through DIH for cash of \$2,652,858.

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

	Years ended December 31,	
	2014	2013
Purchase consideration		
Cash paid	\$ 2,899,278	\$ 640,935
Fair value of the non-controlling interest	-	363,282
	<u>2,899,278</u>	<u>1,004,217</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	253,063	35,092
Accounts receivable	76	85,466
Accounts receivable - related parties	10,235	-
Other current assets	6,226	2,404
Inventories	-	75,851
Dividends receivable	126,591	-
Investments accounted for using equity method	1,317,347	399,930
Property, plant and equipment	5,542	8,161
Customer relationship	1,251,533	-
Goodwill	-	6,287
Other non-current assets	197	548,495
Bank borrowings	- (49,441)
Accounts payable	(1,264)	(57,130)
Accounts payable - related parties	(1,082)	-
Income tax payable	(6,334)	-
Other current liabilities	(23,335)	(24,362)
Other non-current liabilities	- (18,865)
Deferred income tax liabilities	(42,793)	-
Total identifiable net assets	<u>2,896,002</u>	<u>1,011,888</u>
Goodwill (gain recognized in bargain purchase transaction)	<u>\$ 3,276</u>	<u>(\$ 7,671)</u>

C. Starting from the acquisition of share ownership of Vivitek-TW, DEU and Boom, the operating revenue and profit (loss) before tax included in the consolidated statements of comprehensive income and contributed by those companies amounted to \$191,901 and (\$138,735), respectively. Had those companies been consolidated from January 1, 2013, the consolidated statement of comprehensive income would show operating revenue and profit before income tax as follows:

	Years ended December 31,	
	2014	2013
Operating revenue	\$ 190,697,230	\$ 177,259,653
Profit before income tax	26,518,104	22,657,541

7. RELATED PARTY TRANSACTIONS

(1) Significant transactions and balances with related parties

A. Sales of goods

	Years ended December 31,	
	2014	2013
Sales of goods:		
Associates	\$ 3,919,209	\$ 3,793,085
Others	1,023,383	1,220,921
	<u>\$ 4,942,592</u>	<u>\$ 5,014,006</u>

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

B. Purchases of goods:

	Years ended December 31,	
	2014	2013
Purchases of goods:		
Associates	\$ 667,260	\$ 830,559
Others	56,825	49,784
	<u>\$ 724,085</u>	<u>\$ 880,343</u>

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

C. Period-end balances arising from sales of goods:

	December 31, 2014	December 31, 2013
Receivables from related parties:		
Associates	\$ 985,685	\$ 898,335
Others	274,417	184,993
	<u>\$ 1,260,102</u>	<u>\$ 1,083,328</u>

The receivables from related parties arise mainly from sales transactions. The receivables are due 60~90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

D. Period-end balances arising from purchases of goods:

	December 31, 2014	December 31, 2013
Payables to related parties:		
Associates	\$ 225,241	\$ 178,224
Others	19,572	8,864
	<u>\$ 244,813</u>	<u>\$ 187,088</u>

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

E. Period-end balances arising from other transactions:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Other receivables-related parties		
Associates	\$ 40,790	\$ 153,190
Others	2,717	4,380
	<u>\$ 43,507</u>	<u>\$ 157,570</u>

The above pertain mainly to advance payments.

F. Property transactions:

- (a) The Group has separately acquired 45.17% and 54.83% share ownership of DGSG for \$393,351 and \$450,000 from an associate in 2014 and 2013, respectively. The related costs have been fully paid as of December 31, 2014.
- (b) The Group acquired 100% share ownership of DEU for \$109,434 from an associate in 2014. The related costs have been fully paid as of December 31, 2014.
- (c) The Group has increased its investment in the associate – DPI by \$106,523 during 2014, and the shareholding ratio was 41% after the capital increase.

(2) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Salaries and other short-term employee benefits	<u>\$ 529,412</u>	<u>\$ 432,759</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>		<u>Pledge purpose</u>
	<u>December 31, 2014</u>	<u>December 31, 2013</u>	
Demand deposits and time deposits (shown as other assets - current and non-current)	\$ 3,000	\$ 4,021	Collateral for customs duties
Time deposits (shown as other current assets)	160,769	52,754	Performance bonds and land lease
	<u>\$ 163,769</u>	<u>\$ 56,775</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital commitments

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

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Property, plant and equipment	<u>\$ 571,260</u>	<u>\$ 466,857</u>

B. Operating lease commitments

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

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Not later than one year	\$ 107,460	\$ 80,035
Later than one year but not later than five years	178,419	156,240
Later than five years	<u>102,221</u>	<u>22,672</u>
	<u>\$ 388,100</u>	<u>\$ 258,947</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) The Group acquired 100% of share capital of Vitor Technology Inc. for cash of \$79,575 on January 1, 2015. As of March 10, 2015, \$70,075 had been paid.
- (2) In order to integrate overall resources, expand operations and improve operating performance and competitiveness, on November 24, 2014, the Board of Directors of Delta Networks, Inc. and its wholly-owned investee – Ayecom Technology Co., Ltd. both agreed on the merger. Ayecom Technology Co., Ltd. was merged into Delta Networks, Inc. and was dissolved after the merger. The surviving company was Delta Networks, Inc. The effective date had been proposed to be January 1, 2015.
- (3) The Company's wholly-owned subsidiary – DEN participated in the bid for share capital of Eltek ASA (Norway) and won the bid on December 15, 2014. The period for public tender offer is from January 12, 2015 to February 10, 2015. DEN acquired 100% share capital of Eltek ASA (Norway) at NOK\$11.75 per share, and the total transaction amount was estimated to be approximately NOK\$38.7 billion. As of the expiration of the public tender offer period, the share capital of Eltek ASA (Norway) which participated in the bid has reached 94.2598%.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Fair value information of financial instruments

The fair value of financial instruments measured at amortized cost (including notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term loans, notes payable, accounts payable (including related parties) and other payables) are based on their book value as book value is approximate to fair value. The fair value of long-term loans (including current portion) is based on book value as their interest rate is approximate to market interest rate. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2), 6(5) and 6(15)).

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group treasury.
- iii. The Group adopts the derivative financial instruments like forward exchange contracts / forward exchange transactions, etc. to hedge the fair value risk and cash flow risk due to foreign exchange rate fluctuations. The Group monitors at any time and pre-sets a “stop loss” amount to limit its foreign exchange risk.
- iv. The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2014			
(Foreign currency: Functional currency)	Foreign currency		
	amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 333,368	\$ 31.6500	\$ 10,551,109
USD : RMB (Note)	439,811	6.2156	13,941,537
RMB : USD (Note)	900,511	0.1611	4,592,520
<u>Non-monetary items</u>			
RMB : USD (Note)	\$ 8,990,047	0.1611	\$ 45,848,339
NTD : USD (Note)	2,016,062	0.0316	2,016,062
USD : NTD	3,241,478	31.6500	102,592,789
THB : NTD	6,483,117	0.9670	6,269,174
THB : USD (Note)	259,166	0.0306	250,614
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 303,767	31.6500	\$ 9,614,220
USD : RMB (Note)	443,890	6.2156	14,070,834
RMB : USD (Note)	1,474,719	0.1611	7,520,925

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information. When a subsidiary's functional currency is RMB, it shall also consider its USD foreign currency position.

December 31, 2013			
(Foreign currency: Functional currency)	Foreign currency		
	amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 361,992	\$ 29.8050	\$ 10,789,174
USD : RMB (Note)	507,266	6.0520	15,119,066
RMB : USD (Note)	1,318,179	0.1652	6,491,769
<u>Non-monetary items</u>			
RMB : USD (Note)	\$ 6,935,119	\$ 0.1652	\$ 34,154,074
NTD : USD (Note)	1,811,490	0.0336	1,811,490
USD : NTD	2,850,254	29.8050	84,951,812
THB : NTD	5,548,147	0.9135	5,342,282
THB : USD (Note)	776,215	0.0306	709,073
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 339,002	\$ 29.8050	\$ 10,103,950
USD : JPY (Note)	23,776	104.9800	708,645
USD : RMB (Note)	553,164	6.0520	16,487,063
RMB : USD (Note)	1,133,961	0.1652	5,584,532

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information. When a subsidiary's functional currency is RMB, it shall also consider its USD foreign currency position.

Year ended December 31, 2014			
(Foreign currency: Functional currency)	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 105,511	\$ -
USD : RMB (Note)	1%	139,415	-
RMB : USD (Note)	1%	45,925	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 96,142	\$ -
USD : RMB (Note)	1%	140,708	-
RMB : USD (Note)	1%	75,209	-

(Foreign currency: Functional currency)	Year ended December 31, 2013		
	Sensitivity analysis		
	Extent of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 107,892	\$ -
USD : RMB (Note)	1%	151,191	-
RMB : USD (Note)	1%	64,918	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 101,040	\$ -
USD : RMB (Note)	1%	164,871	-
RMB : USD (Note)	1%	55,845	-
USD : JPY (Note)	1%	7,086	-

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information. When a subsidiary's functional currency is RMB, it shall also consider its USD foreign currency position.

Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio to control this risk.

The Group's investments in equity securities comprise listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2014 and 2013 would have increased/decreased by \$258 and \$218, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$76,554 and \$83,643 as of December 31, 2014 and 2013, respectively, as a result of gain/loss on equity securities classified as available-for-sale.

Interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear variable interest rate. During the years ended December 31, 2014 and 2013, the Group's borrowings

at variable rate were denominated in NTD and USD.

- ii. If the interest rate increases by 0.25%, and all other conditions are the same, the impact on post-tax profit would decrease by \$68,000 and \$49,333 for the years ended December 31, 2014 and 2013, respectively, resulting from the variable rate borrowings.

b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations as described below:
 - a. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
 - b. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
 - c. For banks and financial institutions, only well rated parties are accepted.
 - d. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.
- ii. The management does not expect any significant losses from non-performance by these counterparties.
- iii. The credit quality information of significant financial assets that are neither past due nor impaired is described in Note 6(6).

c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's (including non-current disposal group classified as held for sale) non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 5,801,298	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	33,748,983	-	-	-
Other payables	19,221,347	-	-	-
Long-term borrowings (including current portion)	52,111	26,456,375	11,728	-

<u>December 31, 2013</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 4,561,722	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	32,816,423	-	-	-
Other payables	17,533,426	-	-	-
Long-term borrowings (including current portion)	80,379	18,749,638	78,026	-

Derivative financial liabilities:

As of December 31, 2014 and 2013, the derivative financial liabilities which were operated by the Group are due within 1 year.

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

(3) Fair value estimation

- A. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's financial assets and liabilities (including non-current disposal group classified as held for sale) that are measured at fair value at December 31, 2014 and 2013.

<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 25,774	\$ -	\$ -	\$ 25,774
Forward exchange contracts	-	8,047	-	8,047
Convertible bonds	5,805	115,924	-	121,729
Available-for-sale financial assets				
Equity securities	<u>6,373,236</u>	<u>-</u>	<u>1,282,187</u>	<u>7,655,423</u>
	<u>\$ 6,404,815</u>	<u>\$ 123,971</u>	<u>\$ 1,282,187</u>	<u>\$ 7,810,973</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 51,606</u>	<u>\$ -</u>	<u>\$ 51,606</u>
<u>December 31, 2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 21,782	\$ -	\$ -	\$ 21,782
Forward exchange contracts	-	40,987	-	40,987
Convertible bonds	19,980	109,810	-	129,790
Derivative financial assets for hedging				
	-	13,340	-	13,340
Available-for-sale financial assets				
Equity securities	<u>7,255,613</u>	<u>-</u>	<u>1,108,688</u>	<u>8,364,301</u>
	<u>\$ 7,297,375</u>	<u>\$ 164,137</u>	<u>\$ 1,108,688</u>	<u>\$ 8,570,200</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 16,883	\$ -	\$ 16,883
Derivative financial liabilities for hedging				
	-	<u>2,644</u>	-	<u>2,644</u>
	<u>\$ -</u>	<u>\$ 19,527</u>	<u>\$ -</u>	<u>\$ 19,527</u>

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or

regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments and debt instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

- C. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- D. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- E. Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments.
 - The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
 - Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.
- F. The following table presents the changes in level 3 instruments for the years ended December 31, 2014 and 2013:

	Convertible bonds		Equity securities	
	Years ended December 31,			
	2014	2013	2014	2013
Beginning balance	\$ -	\$ -	\$ 1,108,688	\$ 946,298
Gains and losses recognised in profit or loss	-	-	(12,871)	(42,012)
Gains and losses recognised in other comprehensive income	-	-		18,247
Transfers out from level 3	-	(88,992)	(238,579)	(122,150)
Acquired in the period	28,844	88,992	483,576	209,528
Return of share capital	-	-	(18,112)	-
Transfer from convertible bonds to equity securities	(28,844)	-	31,201	88,992
Net exchange differences	-	-	(71,715)	9,785
Ending balance	\$ -	\$ -	\$ 1,282,188	\$ 1,108,688

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others:

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014 (Note b)	Balance at December 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
1	Delta International Holding Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Other receivables-related parties	Yes	\$ 633,000	\$ -	\$ -	0.73360%	Short-term financing	\$ -	Additional operating capital	\$ -	None	-	\$ 6,630,183	\$ 13,260,366	(Note c)
1	Delta International Holding Ltd.	Delta Electro-Optics (Wujiang) Ltd.	Other receivables-related parties	Yes	633,000	-	-	0.73360%	Short-term financing	-	Additional operating capital	-	None	-	6,630,183	13,260,366	(Note c)
1	Delta International Holding Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables-related parties	Yes	1,582,500	-	-	0.73360%	Short-term financing	-	Additional operating capital	-	None	-	6,630,183	13,260,366	(Note c)
2	Cyntec International Ltd.	Cyntec (Suzhou) Co., Ltd.	Other receivables-related parties	Yes	316,500	316,500	189,900	0.888626%	Short-term financing	-	Additional operating capital	-	None	-	5,583,989	5,583,989	(Note d)
2	Cyntec International Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Other receivables-related parties	Yes	1,899,000	1,266,000	949,500	0.888626%	Short-term financing	-	Additional operating capital	-	None	-	5,583,989	5,583,989	(Note d)

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, 2014, which the Company reported to the Securities and Futures Bureau.

Note c: 1. In accordance with the Delta International 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 International 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 d: 1. In accordance with the Cyntec International Ltd. Operating Procedures of Fund Lending, when providing short-term financing to other companies or other enterprise, the amount lent to a single recipient shall not exceed 40 percent of the company's net worth as stated in the company's latest financial statements.

2. In accordance with the Cyntec International Ltd. Operating Procedures of Fund Lending, the limits for total amount of fund lending shall not exceed 40 percent of the company's net worth as stated in the company's latest financial statements.

B. Provision of endorsements and guarantees to others:

Number (Note a)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party (Note c)	Maximum outstanding endorsement / guarantee amount as of December 31, 2014 (Note d)	Outstanding endorsement / guarantee amount at December 31, 2014 (Note d)	Actual amount drawn down (Note d)	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note c)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Note
		Company name	Relationship with the endorser/ guarantor (Note b)											
1	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	1	\$ 326,352	\$ 5,355	\$ -	\$ -	\$ -	-	\$ 652,704	N	N	Y	

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

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

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

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note c: In accordance with the Delta Electronics (Shanghai) Co., Ltd. Operating Procedures of endorsements and guarantees, endorsements and guarantees provided to other companies or other enterprise shall not exceed 10 percent of the company's net worth, the amount lent to a single recipient shall not exceed 5 percent of the company's net worth as stated in the company's latest financial statements.

Note d: Using the exchange rate at December 31, 2014, which the Company reported to the Securities and Futures Bureau.

C. Holding of marketable securities at the end of the period: (not including subsidiaries, associates and joint ventures. Combined amounts less than \$100,000 as of December 31, 2014)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2014				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	Dynapack International Technology Corporation common stock	None	Available-for-sale financial assets	5,013,459	\$ 369,492	3.30	\$ 369,492	-
Delta Electronics, Inc.	Tong Hsing Electronic Industries, Ltd. common stock	None	Available-for-sale financial assets	1,021,000	111,289	0.63	111,289	-
Delta Electronics, Inc.	Neo Solar Power Corp. common stock	None	Available-for-sale financial assets	161,590,296	4,831,550	18.87	4,831,550	-
Delta Electronics, Inc.	Delta America Ltd. preferred shares	None	Financial assets carried at cost - non-current	2,100,000	103,065	Preferred shares	103,065	-
Delta Electronics, Inc.	Others	None			406,837		406,838	-
Delta International Holding Ltd.	Solarflare Communications, Inc. preferred shares	None	Available-for-sale financial assets	9,547,235	302,170	4.10	302,170	-
Delta International Holding Ltd.	Mentis Technology, LLC, etc.	None			96,307		96,307	-
Deltronics (Netherlands) B.V.	Delta America Ltd.	None	Financial assets carried at cost - non-current	350,000	29,658	2.77	29,658	-
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets carried at cost - non-current	200,000	104,081	11.53	104,081	-
Cyntec Co., Ltd.	LUXTERA, INC. preferred shares	None	Financial assets carried at cost - non-current	52,056,222	313,220	3.60	313,220	-
Delta Electronics Capital Company	Bihai Investment Company Limited convertible bonds	None	Financial assets at fair value through profit or loss - non-current		115,924		115,924	-
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Available-for-sale financial assets	1,769,000	192,821	1.09	192,821	-
Delta Electronics Capital Company	FineTek Co., Ltd. common stock	None	Available-for-sale financial assets	771,750	111,518	2.09	111,518	-
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd.	None	Available-for-sale financial assets	1,987,890	218,400	0.87	218,400	-
Delta Electronics Capital Company	Ledlink Optics, Inc. common stock, etc.	None			1,250,043		1,250,043	-

D. Aggregate purchases or sales of the same securities reaching \$300 million or 20% of paid-in capital:

Investor	Marketable security	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2014		Addition		Disposal				Balance as at December 31, 2014	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Delta Electronics Inc.	Dynapack International Technology Corporation	Available-for-sale financial assets	Centralised trading market	None	9,292,459	\$ 771,274	-	\$ 211,983 (Note a)	4,279,000	\$ 332,687	\$613,765	(\$ 281,078)	5,013,459	\$ 369,492
Delta Electronics Inc.	Neo Solar Power Corp.	Available-for-sale financial assets	Neo Solar Power Corp.	None	121,524,872	5,353,171	40,065,424	(521,621) (Note b)	-	-	-	-	161,590,296	4,831,550
Delta International Holding Ltd.	Delta Greentech SGP Pte Ltd.	Investments accounted for under the equity method	Delta Greentech International Holding Ltd.	Associate	6,676,368	464,758	5,499,102	415,286 (Note c)	-	-	-	-	12,175,470	880,044
Delta International Holding Ltd.	Boom Treasure Limited	Investments accounted for under the equity method	Lombard International PCC Ltd.	None	-	-	1	2,728,918 (Note d)	-	-	-	-	1	2,728,918
Fairview Assets Ltd.	Grandview Holding Ltd.	Investments accounted for under the equity method	Grandview Holding Ltd.	Subsidiary	172,140,000	14,594,006	35,040,000	6,150,289 (Note e)	-	-	-	-	207,180,000	20,744,295
Grandview Holding Ltd.	Cyntec Holding (H.K.) Ltd.	Investments accounted for under the equity method	Cyntec Holding (H.K.) Ltd.	Subsidiary	167,140,000	5,660,823	35,040,000	1,114,519 (Note f)	-	-	-	-	202,180,000	6,775,342

Investor	Marketable security	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2014		Addition				Disposal				Balance as at December 31, 2014	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Gain (loss) on disposal	Book value	Selling price	Number of shares	Amount
Cyntec Holding (H.K.) Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Investments accounted for under the equity method	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	-	\$ 3,662,794	-	\$ 1,101,478 (Note g)	-	\$ -	-	\$ -	-	\$ -	-	\$ 4,764,272
Cyntec Co., Ltd.	LUXTERA Inc.	Financial assets carried at cost-non-current	None	None	-	-	52,056,222	313,220 (Note h)	-	-	-	-	52,056,222	-	-	313,220

Note a: The amount is the reversal of decrease in fair value caused by disposal.

Note b: In November 2014, Delta Electronics Inc. has acquired Neo Solar Power Corp. for cash of \$1,061,734, which includes the recognition of valuation of fair value in the period.

Note c: In September 2014, Delta International Holding Ltd. has acquired Delta Greentech SGP Pte Ltd. for cash of \$393,351, which includes the profit (loss) of associates recognised in the period and changes in net value.

Note d: In September 2014, Delta International Holding Ltd. has acquired Boom Treasure Limited for cash of \$2,652,858, which includes the profit (loss) of associates recognised in the period.

Note e: Fairview Assets Ltd. invested \$1,109,016 in Grandview Holding Ltd. and recognized share of profit (loss) accounted for under equity method and adjustment of change in net asset value.

Note f: Grandview Holding Ltd. invested \$1,109,016 in Cyntec Holding (H.K.) Ltd. and recognized share of profit (loss) accounted for under equity method and adjustment of change in net asset value.

Note g: Cyntec Holding (H.K.) invested \$1,107,750 in Cyntec Electronics (Suzhou) Co., Ltd. and recognized share of profit (loss) accounted for under equity method and adjustment of change in net asset value.

Note h: In December 2014, Cyntec Co., Ltd. has acquired Luxtera Inc. for cash of \$313,220.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital:

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference price used in setting the price	Reason for acquisition of real estate and status of the real estate	Other Counterparty commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Delta Electronics (Shanghai) Co., Ltd.	Buildings in Hangzhou	2014.8.29	\$ 528,532	Acquired by cash	Hangzhou Insignia Technology Industry Investment Co., Ltd	-	-	-	\$ -	Compare and negotiate the price in open bids	Office building	None	

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more:

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction term compared to third party transactions		Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	
Delta Electronics Inc.	Delta Electronics International Ltd.	Subsidiary	Sales	\$ 1,522,424	3.94	75 days	\$ -	-	\$ 60,517	0.79
Delta Electronics Inc.	Delta Electro-Optics (Wujiang) Ltd.	Subsidiary	Sales	200,435	0.52	75 days	-	-	80,131	0.60
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Sales	243,507	0.63	75 days	-	-	46,008	1.45
Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Sales	252,341	0.65	75 days	-	-	111,087	0.02
Delta Electronics Inc.	Cyntec (Suzhou) Co. Ltd.	Subsidiary	Sales	105,617	0.27	75 days	-	-	1,836	20.27
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Sales	6,765,156	17.52	75 days	-	-	1,554,521	1.04
Delta Electronics International Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	499,030	2.04	75 days	-	-	-	-
Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	14,782,130	60.50	75 days	-	-	2,570,334	85.71
Delta Electronics International Ltd.	Vivitek Corporation	Affiliated enterprise	Sales	390,982	1.60	75 days	-	-	127	0.00
Delta Electronics International Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales	154,137	0.63	75 days	-	-	152	0.01
Delta Electronics International Ltd.	Deltronics (Netherlands) B.V.	Affiliated enterprise	Sales	140,161	0.57	75 days	-	-	93,376	3.11

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	\$ 310,500	1.27	75 days	\$ -	-	\$ -	-	
Delta Electronics International Ltd.	Delta India Electronics Pvt. Ltd.	Associate	Sales	120,429	0.49	75 days	-	-	-	-	
Delta Electronics International Ltd.	Digital Projection Ltd.	Associate	Sales	216,411	0.89	75 days	-	-	-	-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	2,398,348	1.49	75 days	-	-	375,642	0.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	8,229,621	5.12	75 days	-	-	1,857,451	4.73	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	20,008,561	12.46	75 days	-	-	5,054,974	12.89	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	16,958,401	10.56	75 days	-	-	1,701,454	4.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	4,802,320	2.99	75 days	-	-	959,908	2.45	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	Affiliated enterprise	Sales	4,133,441	2.57	75 days	-	-	139	0.00	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	5,737,360	3.57	75 days	-	-	846,636	2.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	1,685,998	1.05	75 days	-	-	499,860	1.27	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions			Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co. Ltd.	Affiliated enterprise	Sales	\$ 592,268	0.37	75 days	\$ -	-	-	\$ 132,266	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	3,554,712	2.21	75 days	-	-	-	543,604	1.39	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	Affiliated enterprise	Sales	170,849	0.11	75 days	-	-	-	26,039	0.07	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	1,804,518	1.12	75 days	-	-	-	564,295	1.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Sales	150,198	0.09	75 days	-	-	-	38,788	0.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	2,607,817	1.62	75 days	-	-	-	2,728,493	6.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	PreOptix (Jiang Su) Co. Ltd.	Affiliated enterprise	Sales	179,666	0.11	75 days	-	-	-	33,089	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	Sales	238,022	0.15	75 days	-	-	-	119,607	0.30	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks International Ltd.	Affiliated enterprise	Sales	1,234,930	0.77	75 days	-	-	-	425,808	1.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Sales	23,569,539	14.67	75 days	-	-	-	8,086,265	20.61	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B.V.	Affiliated enterprise	Sales	937,771	0.58	75 days	-	-	-	225,047	0.57	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Energy Systems (Switzerland) AG	Associate	Sales	317,707	0.20	75 days	-	-	-	70,895	0.18	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions			Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Associate	Sales	\$ 366,154	0.23	75 days	\$ -	-	-	\$ 178,601	0.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Power Solutions (India) Pvt Ltd.	Associate	Sales	184,660	0.11	75 days	-	-	-	53,389	0.14	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (USA) Corporation	Associate	Sales	884,302	0.55	75 days	-	-	-	172,842	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta India Electronics Pvt. Ltd.	Associate	Sales	547,678	0.34	75 days	-	-	-	127,429	0.32	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Associate	Sales	535,302	0.33	75 days	-	-	-	50,566	0.13	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Products Corporation	Related party in substance	Sales	972,483	0.61	75 days	-	-	-	270,571	0.69	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Associate	Sales	337,672	0.21	75 days	-	-	-	197,750	0.50	
Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	17,838,798	46.77	75 days	-	-	-	4,987,852	43.67	
Delta Networks International Ltd.	DNI Logistics (USA) Corp.	Affiliated enterprise	Sales	9,873,057	25.88	75 days	-	-	-	3,510,293	30.74	
Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	Affiliated enterprise	Sales	275,559	0.72	75 days	-	-	-	35,390	0.31	
Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	Sales	562,268	1.47	75 days	-	-	-	120,301	1.05	
Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	Affiliated enterprise	Sales	17,744,340	82.06	75 days	-	-	-	5,231,508	91.22	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions			Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	Affiliated enterprise	Sales	\$ 1,312,539	41.69	75 days	\$ -	-	-	\$ 251,200	30.26	
Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Corp.	Affiliated enterprise	Sales	1,145,962	36.40	75 days	-	-	-	355,181	42.79	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	469,273	3.93	75 days	-	-	-	48,424	16.53	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	9,084,945	76.17	75 days	-	-	-	2,124,400	72.52	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	711,219	5.96	75 days	-	-	-	219,198	7.48	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	5,900,413	22.19	75 days	-	-	-	683,488	10.97	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	19,056,881	71.67	75 days	-	-	-	5,033,049	80.80	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	1,263,510	4.75	75 days	-	-	-	456,091	7.32	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	207,342	0.78	75 days	-	-	-	51,966	0.83	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	3,689,164	9.39	75 days	-	-	-	7,025	0.15	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions			Notes / accounts receivable (payable)	
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	Note
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	\$ 3,255,952	8.29	75 days	\$ -	-	\$ 1,369,010	28.88	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	Sales	250,124	0.64	75 days	-	-	642	0.01	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	31,797,117	80.93	75 days	-	-	3,283,924	69.28	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	171,035	2.09	75 days	-	-	5,687	0.26	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	1,120,205	13.68	75 days	-	-	999,278	46.24	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	6,678,035	81.57	75 days	-	-	1,005,845	46.54	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	1,514,721	14.89	75 days	-	-	-	-	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	5,968,199	58.65	75 days	-	-	1,033,405	68.96	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	173,687	1.71	75 days	-	-	431,595	28.80	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	2,493,590	24.50	75 days	-	-	19,430	1.30	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	3,678,700	44.19	75 days	-	-	28,410	2.16	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	\$ 1,636,710	19.66	75 days	\$ -	-	\$ 686,029	52.09	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	Sales	539,438	6.48	75 days	-	-	27,701	2.10	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	2,180,029	26.18	75 days	-	-	539,683	40.98	
Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	251,397	27.63	75 days	-	-	25	0.13	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	5,559,122	76.80	75 days	-	-	1,281,962	95.24	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	1,679,074	23.20	75 days	-	-	64,035	4.76	
Wuhu Delta Technology Co., Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	427,879	64.56	75 days	-	-	83,000	75.43	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	6,042,932	98.93	75 days	-	-	947,826	99.88	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	701,393	20.56	75 days	-	-	278,705	30.74	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	2,586,340	75.81	75 days	-	-	610,516	67.33	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	10,270,683	59.76	75 days	-	-	3,058,708	58.11	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions			Notes / accounts receivable (payable)		Note
			Purchases (sales) (Note a)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)		
PreOptix (Jiang Su) Co. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	\$ 572,365	0.99	75 days	\$ -	-	-	\$ 48,720	0.96	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	596,211	12.24	75 days	-	-	-	140,495	20.85	
Cyntec Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	2,062,956	57.44	(Note b)	(Note b)	(Note b)	(Note b)	198,533	33.70	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Sales	196,747	5.48	75 days	-	-	-	52,927	8.98	
Cyntec (Suzhou) Co. Ltd	Cyntec International Ltd.	Affiliated enterprise	Sales	2,778,456	100.00	(Note c)	(Note c)	(Note c)	(Note c)	510,785	100.00	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	5,321,911	99.76	(Note c)	(Note c)	(Note c)	(Note c)	764,184	99.91	
Cyntec International Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Sales	740,004	5.02	(Note c)	(Note c)	(Note c)	(Note c)	136,808	2.49	
Cyntec International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	483,261	2.98	75 days	-	-	-	141,335	2.57	

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

Note b: 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 c: Selling price is based on materials cost plus administration fees and related costs. The credit term to related parties is 60~90 days, while 30~120 days for the third parties.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more:

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note a)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note b)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	\$ 111,087	3.96	\$ -	-	\$ 56,316	\$ -
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	1,754,633	5.89	-	-	1,754,633	-
Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	2,570,334	4.37	225,484	-	2,549,625	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	375,642	7.86	-	-	358,686	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	1,857,451	4.46	-	-	1,857,451	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	5,054,974	4.05	-	-	5,054,974	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,701,454	9.26	-	-	1,701,454	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	959,908	7.46	-	-	959,908	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	846,636	6.62	-	-	846,636	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	499,860	4.24	-	-	499,860	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note a)	Overdue receivables		Amount collected subsequent to the balance date (Note b)	Allowance for doubtful accounts
				Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co. Ltd.	Affiliated enterprise	\$ 132,266	\$ -	-	\$ 88,620	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	543,604	-	-	543,604	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	564,295	-	-	376,161	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	2,728,493	-	-	618,170	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	119,607	-	-	72,235	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks International Ltd.	Affiliated enterprise	425,808	-	-	425,808	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	8,086,265	-	-	3,915,474	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B.V.	Affiliated enterprise	225,047	-	-	185,730	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Associate	178,601	-	-	83,997	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (USA) Corporation	Associate	172,842	-	-	67,416	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta India Electronics Pvt. Ltd.	Associate	127,429	-	-	73,301	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Products Corporation	Related party in substance	270,571	-	-	165,197	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Associate	197,750	-	-	112,483	-
Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	4,987,852	-	-	4,108,170	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note a)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note b)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Networks International Ltd.	DNI Logistics (USA) Corp.	Affiliated enterprise	\$ 3,510,293	3.03	\$ -	-	\$ 1,937,043	-
Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	120,301	4.84	-	-	120,071	-
Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	Affiliated enterprise	5,231,508	4.23	-	-	4,039,054	-
Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	Affiliated enterprise	251,200	5.15	-	-	183,441	-
Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Corp.	Affiliated enterprise	355,181	4.07	-	-	172,339	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,124,400	4.36	-	-	1,827,087	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	219,198	4.25	-	-	146,070	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	683,488	5.10	-	-	683,488	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,033,049	4.36	-	-	2,756,936	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	456,091	3.92	-	-	19,396	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,369,010	4.44	-	-	857,104	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,283,924	10.39	-	-	3,283,924	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note a)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note b)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 999,278	4.36	\$ -	-	\$ 647,582	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,005,845	9.13	-	-	1,005,845	-
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,033,405	4.26	-	-	1,007,172	-
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	431,595	0.83	-	-	14,468	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	686,029	3.85	-	-	457,735	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	539,683	8.38	-	-	539,683	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,281,962	5.46	-	-	1,281,962	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	947,826	6.66	-	-	947,826	-
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	278,705	5.22	-	-	-	-
Chenzhou Delta Technology Co. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	610,516	4.71	-	-	377,390	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note a)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note b)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	\$ 3,058,708	3.91	\$ -	-	\$ 1,899,842	-
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	140,495	4.07	-	-	42,858	-
Cyntec Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	198,533	9.22	-	-	198,533	-
Cyntec (Suzhou) Co. Ltd.	Cyntec International Ltd.	Affiliated enterprise	510,785	8.57	-	-	510,785	-
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	764,184	10.48	-	-	764,184	-
Cyntec International Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	136,808	3.53	-	-	136,808	-
Cyntec International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	141,335	4.52	-	-	83,738	-

Note a: Including other receivable in excess of \$100,000.

Note b: The amount represents collections subsequent to December 31, 2014 up to March 10, 2015.

I. Derivative financial instruments undertaken during the year ended December 31, 2014: see Notes 6(2), 6(5), 6(15) and 12(2).

J. Significant inter-company transactions during the year ended December 31, 2014:

Number (Note a)	Company name	Counterparty	Relationship (Note b)	Transaction			
				General ledger account	Amount (Note h)	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note c)
0	Delta Electronics Inc.	Delta Electronics International Ltd.	1	Sales	\$ 1,522,424	(Note d)	0.80
0	Delta Electronics Inc.	Delta Electro-Optics (Wujiang) Ltd.	1	Sales	200,435	(Note d)	0.11
0	Delta Electronics Inc.	DEI Logistics (USA) Corp.	1	Sales	243,507	(Note d)	0.13
0	Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	1	Sales	252,341	(Note d)	0.13
0	Delta Electronics Inc.	Cyntec (Suzhou) Co. Ltd.	1	Sales	105,617	(Note d)	0.06
0	Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	1	Sales	6,765,156	(Note d)	3.55
1	Delta Electronics International Ltd.	Delta Electronics (Japan), Inc.	3	Sales	499,030	(Note d)	0.26
1	Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	3	Sales	14,782,130	(Note d)	7.75
1	Delta Electronics International Ltd.	Vivitek Corporation	3	Sales	390,982	(Note d)	0.21
1	Delta Electronics International Ltd.	Delta Electronics Inc.	2	Sales	154,137	(Note d)	0.08
1	Delta Electronics International Ltd.	Deltronics (Netherlands) B. V.	3	Sales	140,161	(Note d)	0.07
1	Delta Electronics International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	310,500	(Note d)	0.16
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Sales	2,398,348	(Note d)	1.26
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Sales	8,229,621	(Note d)	4.32
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	20,008,561	(Note d)	10.50
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	16,958,401	(Note d)	8.90
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	4,802,320	(Note d)	2.52
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Sales	4,133,441	(Note d)	2.17
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Sales	5,737,360	(Note d)	3.01
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	1,685,998	(Note d)	0.88
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co. Ltd.	3	Sales	592,268	(Note d)	0.31
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	3,554,712	(Note d)	1.86
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	3	Sales	170,849	(Note d)	0.09
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	3	Sales	1,804,518	(Note d)	0.95
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	3	Sales	150,198	(Note d)	0.08
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	3	Sales	2,607,817	(Note d)	1.37
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	PreOptix (Jiang Su) Co. Ltd.	3	Sales	179,666	(Note d)	0.09
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	3	Sales	238,022	(Note d)	0.12
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks International Ltd.	3	Sales	1,234,930	(Note d)	0.65
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	2	Sales	23,569,539	(Note d)	12.36
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B. V.	3	Sales	937,771	(Note d)	0.49
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	3	Sales	337,672	(Note d)	0.18
3	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	17,838,798	(Note d)	9.36
3	Delta Networks International Ltd.	DNI Logistics (USA) Corp.	3	Sales	9,873,057	(Note d)	5.18

Number (Note a)	Company name	Counterparty	Relationship (Note b)	Transaction			Percentage of consolidated total operating revenue or total assets (Note c)
				General ledger account	Amount (Note h)	Transaction terms	
3	Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	3	Sales	\$ 275,559	(Note d)	0.14
3	Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	3	Sales	562,268	(Note d)	0.29
4	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Sales	17,744,340	(Note d)	9.31
5	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Sales	1,312,539	(Note d)	0.69
5	Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Corp.	3	Sales	1,145,962	(Note d)	0.60
6	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	469,273	(Note d)	0.25
6	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	9,084,945	(Note d)	4.77
6	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	711,219	(Note d)	0.37
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	5,900,413	(Note d)	3.10
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	19,056,881	(Note d)	10.00
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	1,263,510	(Note d)	0.66
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	207,342	(Note d)	0.11
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	3	Sales	3,689,164	(Note d)	1.94
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	3,255,952	(Note d)	1.71
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Sales	250,124	(Note d)	0.13
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	31,797,117	(Note d)	16.68
9	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	171,035	(Note d)	0.09
9	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	1,120,205	(Note d)	0.59
9	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	6,678,035	(Note d)	3.50
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	1,514,721	(Note d)	0.79
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	5,968,199	(Note d)	3.13
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	173,687	(Note d)	0.09
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	2,493,590	(Note d)	1.31
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	3,678,700	(Note d)	1.93
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	1,636,710	(Note d)	0.86
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Sales	539,438	(Note e)	0.28
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	2,180,029	(Note e)	1.14
12	Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	251,397	(Note e)	0.13
13	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	5,559,122	(Note e)	2.92
13	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	1,679,074	(Note e)	0.88
14	Wuhu Delta Technology Co., Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	427,879	(Note d)	0.22
15	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	6,042,932	(Note d)	3.17
16	Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	701,393	(Note d)	0.37
16	Chenzhou Delta Technology Co. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	2,586,340	(Note d)	1.36
17	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	10,270,683	(Note d)	5.39

Number (Note a)	Company name	Counterparty	Relationship (Note b)	Transaction			Percentage of consolidated total operating revenue or total assets (Note c)
				General ledger account	Amount (Note h)	Transaction terms	
18	PreOptix (Jiang Su) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	\$ 572,365	(Note d)	0.30
19	Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	596,211	(Note d)	0.31
20	Cyntec Co., Ltd.	Cyntec International Ltd.	3	Sales	2,062,956	(Note d)	1.08
20	Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	3	Sales	196,747	(Note d)	0.10
21	Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Sales	2,778,456	(Note d)	1.46
22	Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Sales	5,321,911	(Note d)	2.79
23	Cyntec International Ltd.	Cyntec Co., Ltd.	3	Sales	740,004	(Note d)	0.39
23	Cyntec International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	483,261	(Note d)	0.25
0	Delta Electronics Inc.	Delta Greentesh (China) Co., Ltd.	1	Accounts receivable	111,087	(Note d)	0.05
0	Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	1	Accounts receivable and other receivables	1,754,633	(Note d)	0.80
1	Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	3	Accounts receivable	2,570,334	(Note d)	1.17
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	375,642	(Note d)	0.17
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Accounts receivable	1,857,451	(Note d)	0.84
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Accounts receivable	5,054,974	(Note d)	2.29
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Accounts receivable	1,701,454	(Note d)	0.77
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Accounts receivable	959,908	(Note d)	0.44
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Accounts receivable	846,636	(Note d)	0.38
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Accounts receivable	499,860	(Note d)	0.23
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co. Ltd.	3	Accounts receivable	132,266	(Note d)	0.06
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Accounts receivable	543,604	(Note d)	0.25
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	3	Accounts receivable	564,295	(Note d)	0.26
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	3	Accounts receivable	2,728,493	(Note d)	1.24
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	3	Accounts receivable	119,607	(Note d)	0.05
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks International Ltd.	3	Accounts receivable	425,808	(Note d)	0.19
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	2	Accounts receivable	8,086,265	(Note d)	3.67
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B.V.	3	Accounts receivable	225,047	(Note d)	0.10
3	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	4,987,852	(Note d)	2.26
3	Delta Networks International Ltd.	DNI Logistics (USA) Corp.	3	Accounts receivable	3,510,293	(Note d)	1.59
3	Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	3	Accounts receivable	120,301	(Note d)	0.05
4	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Accounts receivable	5,231,508	(Note d)	2.37
5	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Accounts receivable	251,200	(Note d)	0.11
5	Delta Networks, Inc. (Taiwan)	DNI Logistics (USA) Corp.	3	Accounts receivable	355,181	(Note d)	0.16
6	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	2,124,400	(Note d)	0.96
6	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	219,198	(Note d)	0.10

Number (Note a)	Company name	Counterparty	Relationship (Note b)	Transaction			Percentage of consolidated total operating revenue or total assets (Note c)
				General ledger account	Amount (Note h)	Transaction terms	
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	\$ 683,488	(Note d)	0.31
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	5,033,049	(Note d)	2.28
7	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	456,091	(Note d)	0.21
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	1,369,010	(Note d)	0.62
8	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	3,283,924	(Note d)	1.49
9	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	999,278	(Note d)	0.45
9	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	1,005,845	(Note d)	0.46
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	1,033,405	(Note d)	0.47
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Accounts receivable	431,595	(Note d)	0.20
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	686,029	(Note d)	0.31
11	Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	539,683	(Note d)	0.24
13	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	1,281,962	(Note d)	0.58
15	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	947,826	(Note d)	0.43
16	Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Accounts receivable	278,705	(Note d)	0.13
16	Chenzhou Delta Technology Co. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Accounts receivable	610,516	(Note d)	0.28
17	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Accounts receivable	3,058,708	(Note d)	1.39
19	Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	140,495	(Note d)	0.06
20	Cyntec Co., Ltd.	Cyntec International Ltd.	3	Accounts receivable	257,709	(Note e)	0.12
21	Cyntec (Suzhou) Co. Ltd	Cyntec International Ltd.	3	Accounts receivable	510,785	(Note e)	0.23
22	Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Accounts receivable	764,184	(Note e)	0.35
23	Cyntec International Ltd.	Cyntec Co., Ltd.	3	Accounts receivable	136,808	(Note e)	0.06
23	Cyntec International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	141,335	(Note d)	0.06

Note a: The transaction information of the Company and the consolidated subsidiaries should be noted in column "Number". The number means:

1. Parent company is '0'
2. The subsidiaries are numbered in order starting from '1'.

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

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary

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

Note 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 60-90 days.

Note f: Only related party transactions in excess of \$100 million are disclosed.

(2) Information on investees

Information related to investee companies' profit or loss was translated at the average rate for the year ended December 31, 2014, others are translated at the rate of exchange prevailing at the balance sheet date.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Ltd.	Cayman Islands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	94.00	\$ 62,215,252	\$ 5,842,455	(Note j)	
Delta Electronics, Inc.	Delta Networks Holding Ltd.	Cayman Islands	Equity investments	1,377,206	1,377,206	39,800,000	100.00	11,975,432	2,403,674	-	
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	159,935	159,935	5,250,000	39.62	216,191	14,966	-	
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of thin film optic-electronic devices	12,067,931	12,067,931	1,139,489,778	100.00	26,580,579	3,828,755	-	
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	2,500,000	2,500,000	250,000,000	100.00	2,697,879	148,574	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014				Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value				
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronics products	\$ 7,270	\$ 7,270	300,000	100.00	\$ 7,014,745	\$ 7,162,453	\$ 6,801,612	-	
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	800,000	540,000	80,000,000	100.00	174,058	(187,228)	(187,228)	-	
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Manufacturing and sales of color filter and lease services, etc.	2,710,152	2,710,152	271,017,597	99.97	2,740,151	71,819	71,797	-	
Delta Electronics, Inc.	Delta Robot Automatic Co., Ltd.	Taiwan	Research, designing, development, manufacturing and sales of intelligent robot systems and automation engineering, etc.	-	250,000	-	-	-	(18,449)	(18,449)	-	
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc.	Taiwan	Designing and experimenting on integrated circuit and information software services	13,135	332,442	1,313,530	83.11	(37,766)	(71,082)	(59,078)	-	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Co., Ltd.	Thailand	Manufacturing and sales of electronic products	114,615	114,615	69,128,140	5.54	6,269,174	5,532,426	1,070,975	(Note k)	
Delta Electronics, Inc.	Amrita Technologies, Inc.	Taiwan	Manufacturing of lithium polymer batteries and related systems	247,066	426,848	8,197,200	26.93	254,160	31,753	(3,590)	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Deltronics (Netherlands) B.V.	Netherlands	Sales of electronic products	\$ 192,224	\$ 36,723	4,765,000	100.00	\$ 336,354	\$ 37,940	\$ 57,108	-
Delta Electronics, Inc.	Delta Smart Green Life Co., Ltd.	Taiwan	Research, development, energy, technology, meeting exhibition, and leasing services	-	10,000	-	-	-	(159)	(161)	-
Delta Electronics, Inc.	SYN-TEK Automation Co., Ltd.	Taiwan	Manufacturing of electronic parts, etc.	110,250	110,250	11,025,000	70.00	88,338	(22,033)	(15,423)	-
Delta Electronics, Inc.	Delta Green Life Co., Ltd.	Taiwan	Installment construction of lighting equipment	135,083	-	23,650,000	100.00	130,262	(4,821)	(4,821)	-
Delta International Holding Ltd.	Delta Electronics International Ltd.	Malaysia	Sales of electronic products	63,300	63,300	2,000,000	100.00	7,997,412	1,652,232	1,920,987	(Notes a and j)
Delta International Holding Ltd.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments	10,393,768	10,393,768	2,549,297,600	100.00	40,954,071	4,151,800	4,151,800	(Note a)
Delta International Holding Ltd.	DAC Holding (Cayman) Ltd.	Cayman Islands	Equity investments	510,839	510,839	22,200,000	100.00	356,650	47,208	47,208	(Note a)
Delta International Holding Ltd.	Trillion Science, Inc.	U.S.A	Research on special chemical materials used in precision coating process	569,700	569,700	9,000,000	19.78	34,176	(140,772)	(33,728)	(Note a)
Delta International Holding Ltd.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and their materials	90,486	90,486	5,600	100.00	222,401	53,940	53,940	(Note a)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Delta International Holding Ltd.	Digital Projection International Ltd.	Britain	Equity investments	\$ 362,087	\$ 251,312	19,249,667	41.00	\$ 292,213	(\$ 53,349)	(Note a)	
Delta International Holding Ltd.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	253,200	253,200	8,000,000	60.38	312,920	22,710	(Note a)	
Delta International Holding Ltd.	Delta Power Sharp Ltd.	Hong Kong	Operations management and engineering services	40,931	40,931	10,000,000	100.00	60,832	(1,251)	(Note a)	
Delta International Holding Ltd.	DEI Logistics (USA) Corp.	U.S.A	Warehousing and logistics services	15,825	15,825	500,000	100.00	119,463	9,561	(Note a)	
Delta International Holding Ltd.	Ace Pillar Holding Ltd.	Samoa	Equity investments	432,196	432,196	2,858,718	100.00	493,047	12,877	(Note a)	
Delta International Holding Ltd.	Drake Overseas Financial Investment Ltd.	British Virgin Islands	Equity investments	5,447,482	5,447,482	1	100.00	6,144,260	155,254	(Note a)	
Delta International Holding Ltd.	Delta Electronics International Mexico SA DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	-	-	1	-	-	2,641	(Note a)	
Delta International Holding Ltd.	Vivitek Corporation	U.S.A	Sales of projector products	47,475	47,475	9,000,000	100.00	76,572	(5,486)	(Note a)	
Delta International Holding Ltd.	Delta Greentech SGP Pte Ltd.	Singapore	Equity investments	884,005	474,750	12,175,470	100.00	880,044	4,707	(Note a)	
Delta International Holding Ltd.	Delta Electronics Europe Limited	Britain	Repair centre and providing of support service	115,839	-	500,000	100.00	116,964	4,886	(Note a)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Delta International Holding Ltd.	Boom Treasure Limited	Hong Kong	Equity investments	\$ 2,757,376	\$ -	1	100.00	\$ 2,728,918	\$ 16,021	(Note a)	
Delta Electronics (H.K.) Ltd.	Crystairich (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	94,950	-	-	-	(263)	(Note b)	
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico SA DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	33,232	33,232	252,002	100.00	8,857	2,641	(Note b)	
Drake Overseas Financial Investment Ltd.	Drake Investment (H.K.) Ltd.	Hong Kong	Equity investments	1,235,585	1,235,585	304,504,306	100.00	3,364,785	315,666	(Note c)	
Delta Networks Holding Ltd.	Delta Networks Inc.	Cayman Islands	Equity investments	5,629,236	5,629,236	1,196,886,000	100.00	11,946,291	2,436,632	(Note d)	
Delta Networks, Inc.	Delta Networks (H.K.) Limited	Hong Kong	Equity investments	1,107,750	1,107,750	35,000,000	100.00	3,924,802	697,348	(Note e)	
Delta Networks, Inc.	Delta Networks, Inc. (Taiwan)	Taiwan	Manufacturing and sales of networking system and peripherals	466,816	466,816	50,040,838	99.98	2,016,062	256,787	(Note e)	
Delta Networks, Inc.	Delta Networks International Ltd.	Malaysia	Trading of networking system and peripherals	31,650	31,650	1,000,000	100.00	6,016,600	1,591,988	(Note e)	
Delta Networks, Inc.	DNI Logistics (USA) Corp.	U.S.A	Trading of networking system and peripherals	17,599	17,599	500,000	100.00	49,213	4,334	(Note e)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net income (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognized by the Company for the year ended December 31, 2014	Note
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Delta Networks, Inc. (Taiwan)	Ayecom Technology Co., Ltd.	Taiwan	Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices	\$ 185,000	\$ 185,000	30,000,000	100.00	\$ 133,767	\$ 47,130	\$ 17,212	(Note f)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,112,600	1,111,403	32,620,062	100.00	20,754,884	4,455,585	4,455,585	(Note g)
Fairview Assets Ltd.	Grandview Holding Ltd.	Cayman Islands	Equity investments	6,557,247	5,448,231	207,180,000	100.00	20,744,295	4,461,500	4,461,500	(Note h)
Grandview Holding Ltd.	Cyntec International Ltd.	Malaysia	Trading	158,250	158,250	5,000,000	100.00	13,964,438	4,669,625	4,623,987	(Notes i and j)
Grandview Holding Ltd.	Cyntec Holding (H.K.) Ltd.	Hong Kong	Equity investments	6,398,997	5,289,981	202,180,000	100.00	6,775,342	(162,492)	(162,492)	(Note i)

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 Drake Overseas Financial Investment Ltd.

Note d: Investment income / loss recognized by Delta Networks Holding Ltd.

Note e: Investment income / loss recognized by Delta Networks, Inc.

Note f: Investment income / loss recognized by Delta Networks, Inc. (Taiwan)

Note g: Investment income / loss recognized by Cyntec Co., Ltd.

Note h: Investment income / loss recognized by Fairview Assets Ltd.

Note i: Investment income / loss recognized by Grandview Holding Ltd.

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

Note k: The weighted average combined ownership percentage of 20.01%, the investment income / loss is net of the elimination of intercompany transactions.

(3) Information on investments in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformers and power supplies	\$3,095,687	Invested by DHK	\$ 2,127,861	\$ -	\$ -	\$ 2,127,861	\$ 238,163	94.00	\$ 211,436	\$ 4,384,228	\$ 305,739	(Notes c and u)
Delta Greentech (China) Co., Ltd.	Manufacturing and sales of uninterruptible power supplies	2,896,743	Invested by DIH, Ace, Drake, DGSG and Boom	6,262,759	2,976,633	-	9,239,392	748,507	90.16	506,002	3,402,217	-	(Notes d and t)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,332,465	Invested by DHK	535,518	-	-	535,518	703,408	94.00	779,338	3,001,737	425,249	(Notes e and u)
Delta Electronics (Shanghai) Co., Ltd.	Product design and management consulting service, etc.	4,045,088	Invested by DHK	-	-	-	-	1,309,310	94.00	1,230,921	6,149,518	-	(Notes f and u)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of transformers and power supplies	4,241,100	Invested by DHK	178,506	-	-	178,506	181,665	94.00	170,403	4,381,141	-	(Notes g and u)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers and power supplies	1,993,950	Invested by DHK	-	-	-	-	165,755	94.00	270,016	2,867,186	-	(Notes h and u)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies	\$1,266,000	Invested by DHK	\$ 654,522	\$ -	\$ -	\$ 654,522	\$ 762,734	51.70	\$ 405,360	\$ 3,819,303	\$ -	(Note u)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of power supplies	2,810,837	Invested by DHK	654,522	-	-	654,522	647,737	51.70	335,362	3,312,848	-	(Notes i and u)
Delta Electro-Optics (Wujiang) Ltd.	Manufacturing and sales of peripherals and electronic control equipments	917,850	Invested by DHK	409,076	-	-	409,076	837,347	51.70	428,597	1,318,356	55,839	(Notes j and u)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	917,850	Invested by DHK	212,720	-	-	212,720	135,938	51.70	87,241	1,305,362	-	(Notes k and u)
Delta Electronics (Wujiang) Trading Co., Ltd.	Installation, consulting and trading of electronic products	63,300	Invested by DHK	11,900	-	-	11,900	123,497	94.00	116,011	608,287	-	(Notes l and u)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers and bluetooth module	716,872	Invested by DHK	982,745	-	-	982,745	(8,666)	94.00	(8,190)	836,247	-	(Notes m and u)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan						
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	\$1,107,750	Invested by DNHK	\$ 1,414,956	\$ -	\$ -	\$ 707,679	100.00	\$ 707,679	\$ 3,116,372	\$ 696,300	(Notes n and v)
Delta Networks (Shanghai) Ltd.	Design of computer software	63,300	Invested by DNHK	89,710	-	89,710	4,107	100.00	4,107	85,926	-	(Notes o and v)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and outers, with a special program to control a computer or word processor with memory business	22,155	Invested by DNHK	22,155	-	22,155	3,375	100.00	3,375	3,778	-	(Note v)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Cytec (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products	\$2,057,250	Invested by CHK	\$ 1,945,284	\$ -	\$ -	\$ 1,945,284	(\$ 28,933)	100.00	(\$ 2,893)	\$ 2,038,845	\$ -	(Notes p and w)
Cytec Electronics (Suzhou) Co., Ltd.	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	4,336,050	Invested by CHK	3,228,300	1,107,750	-	4,336,050	(105,674)	100.00	(10,567)	4,764,272	-	(Note w)
PreOptix (Jiangsu) Co., Ltd.	Manufacturing and sales of lenses and optical engines for projectors	419,363	Invested by PHK	404,171	-	-	404,171	39,162	96.38	37,771	489,962	-	(Notes q and x)
Wuhu Delta Technology Co., Ltd.	Manufacturing and sales of transformers and power supplies	150,447	Invested by DWH	-	-	-	-	36,372	94.00	34,190	234,885	-	(Note t)
Delta Energy Technology (Wuhu) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	10,200	Invested by DPEC and DWH	-	-	-	-	(678)	94.00	(637)	7,905	-	(Note r)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers and power supplies	\$ 130,047	Invested by DCZ	\$ -	\$ -	\$ -	\$ 117,863	94.00	\$ 109,539	\$ 386,495	\$ -	(Note r)	
Delta Energy (Chenzhou) Technology Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	10,200	Invested by DPEC and DCZ	-	-	-	187	94.00	175	9,443	-	(Note r)	
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	30,599	Invested by DPEC and DDG	-	-	-	4,915	94.00	4,600	150,717	-	(Note r)	
Delta Energy Technology (Wujiang) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment, energy management system and technology consulting service, etc.	20,400	Invested by DPEC and DWO	-	-	-	163	94.00	153	10,673	-	(Note r)	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee for the year ended December 31, 2014	Ownership held by Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2014 (Note s)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Energy Technology (Shanghai) Co., Ltd.	Research and development of energy-saving equipment, energy-saving management system and technology consulting service, etc.	\$ 50,999	Invested by DPEC and DGC	\$ -	\$ -	\$ -	\$ -	(\$ 4,721)	90.54	(\$ 4,274)	\$ 39,103	\$ -	(Note r)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	60,840	Invested by DelBio	48,102	15,192	-	63,300	(12,927)	100.00	(12,927)	40,081	-	-
Delta Electronics (Pingtan) Co., Ltd.	Electronic and energy-saving equipment wholesale, etc.	25,841	Invested by DHK	-	23,829	-	23,829	-	94.00	(425)	23,527	-	(Note y)

Note a: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.2060 to US\$1 and RMB 5.0999 to NT\$1.

Note b: The accumulated remittance as of January 1, 2014, remitted or collected this period, accumulated remittance as of December 31, 2014 and investment income remitted back as of December 31, 2014 was translated into New Taiwan Dollars at the average exchange rate of NTD 31.65 to US\$1 at the balance sheet date.

Note c: 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\$291,924 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\$16,920 permitted by Investment Commission, the capitalization of earnings of US\$22,654 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note f: The capitalization of earnings of US\$110,401 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note g: 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 h: The capitalization of earnings of US\$59,220 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

- Note i: Except for the facility of US\$20,680 permitted by Investment Commission, the capitalization of earnings of US\$25,235 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note j: Except for the facility of US\$12,925 permitted by Investment Commission, the capitalization of earnings of US\$2,068 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note k: Except for the facility of US\$6,721 permitted by Investment Commission, the capitalization of earnings of US\$8,272 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note l: Except for the facility of US\$376 permitted by Investment Commission, the capitalization of earnings of US\$1,504 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note m: 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 n: Except for the facility of US\$44,706 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 o: 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 p: Except for the facility of US\$198,462 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 q: 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 r: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of the Company's ceiling of investment amount in Mainland China.
- Note s: The Company recognized investment income / loss based on the reviewed financial statements.
- Note t: Jointly invested through Delta International Holding Ltd., Ace Pillar Holding Co., Ltd., Drake Investment (H.K.) Ltd., Delta Greentech SGP Pte Ltd. and Boom Treasure Limited.
- Note u: Invest through Delta Electronics (H.K.) Ltd.
- Note v: Invest through Delta Networks (H.K.) Ltd.
- Note w: Invest through Cyntee Holding (H.K.) Ltd.
- Note x: Invest through PreOptix (Hong Kong) Co., Ltd.
- Note y: On September 15, 2014, the Investment Commission of the Ministry of Economic Affairs (MOEA) has approved the establishment of Delta Electronics (Pingtan) Co., Ltd. and the Company is expected to use the capital of US\$4,700 thousand held by Delta Electronics (H.K.) Ltd. as capital stock.

Company name	Accumulated amount remitted from Taiwan to Mainland China as of December 31, 2014	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes b and c)	\$ 15,534,079	\$ 16,081,993	\$ -
Cyntec Co., Ltd.	6,281,334	6,281,334	11,979,184
DelBio Inc. (Note d)	63,300	126,600	104,435

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 31.65 to US\$1 at the balance sheet date.

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

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

Note d: The ceiling of investments of the third quarter of 2013, which is the last time DelBio filed an application with the Ministry of Economic Affairs, is \$71,517. Therefore, it is not over the ceiling of investment amount.

The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics International Ltd. (DEIL-Labuan), Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG), Delta Networks International Ltd. (DNIL-Labuan) and Cyntec International Ltd. (CIL-Labuan) for the year ended December 31, 2014 are shown in Notes 13.(1) G and H.

14. 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 and components business: Embedded Power Supplies, Mobile Power, Fans and Cooling Management, Core Components of Information and Communication and other items. Provides global power management and cooling plans and management.
- B. Energy management business: Industrial Automation, Communication Power System, Uninterruptible Power System and Information Centre, Renewable Energy, Recharging Equipment for Automotive Electronics and Electronic Cars and other items. Provides energy automation plans for factories and buildings.
- C. Smart green life business: Network Devices, Conferencing and Visual Imaging System, LED Lighting Plans, Medical Devices, Innergie Power Consumption Products, Vivitek High Definition Projector and other items.

Because of the change of product classification, the Group's reporting business changed. The prior period information was restated for comparison.

(2) Measurement of segment information

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

(3) Segment information

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

	Year ended December 31, 2014			
	Power electronics business	Energy management business	Smart green life business	Total
Revenue from external customers	\$ 114,480,481	\$ 35,788,687	\$ 37,159,614	\$ 187,428,782
Segment income	\$ 18,059,044	\$ 6,074,269	\$ 3,768,003	\$ 27,901,316
	Year ended December 31, 2013			
	Power electronics business	Energy management business	Smart green life business	Total
Revenue from external customers	\$ 103,972,001	\$ 32,767,240	\$ 33,744,729	\$ 170,483,970
Segment income	\$ 14,558,435	\$ 5,309,968	\$ 3,201,434	\$ 23,069,837

(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 statement of comprehensive income.
- B. A reconciliation of reportable segments profit (loss) to profit (loss) before tax and discontinued operations is provided as follows:

	Years ended December 31,	
	2014	2013
Reportable segments' profit	\$ 27,901,316	\$ 23,069,837
Other segments' loss	(5,084,428)	(3,561,455)
Non-operating income and expenses	3,697,969	2,988,172
Profit before tax and discontinued operations	\$ 26,514,857	\$ 22,496,554

(5) Information on products and services

As the Group considered the business from a product perspective, the reportable segments were based on different products and services. Revenues from external customers are the same as in Note 14(3).

(6) Geographical information

Information about geographic areas for the years ended December 31, 2014 and 2013 were as follows:

	Years ended December 31,			
	2014		2013	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 110,796,379	\$ 31,442,091	\$ 98,752,432	\$ 30,434,455
USA	29,931,606	1,627	26,227,965	1,470
Taiwan	436,612	21,355,701	1,311,636	21,362,860
Others	49,470,523	604,631	50,761,089	854,259
	<u>\$ 190,635,120</u>	<u>\$ 53,404,050</u>	<u>\$ 177,053,122</u>	<u>\$ 52,653,044</u>

(7) Major customer information

There are no customers accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2014 and 2013.