

2007 Annual Report



DELTA ELECTRONICS, INC.

Table of Contents

A Letter to Our Shareholders	02
Power Management	05
Renewable Energy	06
Display Solutions	07
Components	08
Industrial Automation	09
Automotive Electronics	10
Networking	11
Corporate Governance	12
Consolidated Financial Highlights	13
Financial Report	14
Balance Sheets	18
Statements of Income	20
Statements of Changes in Stockholders Equity	21
Statements of Cash Flows	23
Notes to Financial Statements	25

A Letter to Our Shareholders

Dear Shareholders:

Delta Electronics had outstanding performance in 2007. Not only did we reach record highs in sales revenues, profits and market value, we also experienced success in every business unit and strengthened our leadership in power supplies and electrical components. In addition, we earned the support of our customers in solar cells, industrial automation products and networking products. Below is a summary of Delta's operations in 2007 and the outlook for 2008.

Delta's consolidated sales revenues totaled NT\$130.6 billion, an increase of 24% compared to 2006. Compared to 2006, gross profit totaled NT\$ 27.4 billion with an increase of 22%; net profit totaled NT\$15.7 billion with an increase of 26%; and net income after tax totaled NT\$ 15.1 billion with an increase of 33%. Earnings per Share (EPS) for 2007 totaled NT\$7.15. Delta is proactive in yearly budget allocation and our achievements in 2007 have exceeded the internal budget objectives of our major financial indices. I would like to express my deep appreciation to our management team and employees for their hard work and contributions.

In the power supply business, Delta is widely recognized as the leading company in switching power supplies for the global electronics industry, and we continue to be the world's number one in market shares for servers, workstations, PCs, laptops, and game consoles. With Delta's foremost technology and capabilities in research and development, we are confident of continuously bringing innovative products that meet market trends as well as the requirements for environmental protection and energy efficiency. In addition, Delta made substantial market gains in flat panel TV power supplies, telecom power supplies, and uninterrupted power systems. We launched new products to successfully win customer orders and proactively integrated global operation systems and resources to provide total solutions in power management to our customers. Moreover, we have established closer cooperative relationships with our customers and strengthened Delta's competitive edge in the global power supply markets.

As for electrical components, in addition to maintaining high growth in every category, Delta has actively developed high value-added products to continue the momentum of our growth. Take our high-speed DC brushless fans and thermal modules for example. By collaborating with our customers closely, Delta has successfully solved the thermal problem caused by minimizing the size of electrical products while maximizing their performance. In the industrial automation business, Delta competed in the market with our own-design servo motors. The sales of Delta's industrial automation products such as AC motor drives and human machine interfaces (HMI) have expanded successfully in China, the United States, Europe and Japan. For the Visual Display business, our development of high quality projection technology has matured. Our high quality projectors are superior in terms of quality, color and resolution to other leading international companies, which we believe will make significant future contributions to the team's continuing efforts. Delta's networking business also experienced outstanding performance last year. Delta Networks, Inc. (DNI) has established partnerships with key global players in networking. With DNI's high growth in both sales revenues and profits, the company has become an important source of profits for Delta.



Environmental protection and energy saving have long been an important part of Delta's corporate mission, and are carried out in both product development and in our daily operations. The switching power supplies designed and made by Delta are a good example. We are dedicated to raising power conversion rates and improving the efficiency of the majority of our products to higher than 90%. Our efforts are in support of the appeal for greater power efficiency made by Intel's CTO and a Google engineer at IDF in 2006. According to the calculations of an engineer at Google, 40 billion kilowatts per hour of power is saved over three years when these power supplies are used by 100 million PCs, with each PC operating 8 hours a day. This results in a savings of USD 5 billion based on current California power rates. Most important is the significant reduction of carbon dioxide emissions, which protects the environment. Our products are made not only to meet environmental regulations around the world but also to exceed standards, such as for U.S. Energy Star. Delta participates in the Climate Savers Computing Initiative (CSCI) as a sponsor, contributing more to the protections of the environment. CNBC European Business magazine, a leading business monthly widely read in over forty Pan-European countries, published its second annual "Global Top 100 Low-Carbon Pioneers" list in its January/February 2008 issue. Delta Electronics was the only Taiwanese company featured on the list. We are pleased to receive this honor, and hope that more companies join us. Environmental protection and energy efficiency are the main issues for Delta's new product development. This year we are focusing on alternative energy sources as well as LED- and electric vehicle-related components. In addition to electric products, we hope to develop zero-pollution and forward-looking new products for high energy-consumption industries, such as lighting and transportation, to make our lives healthier and our work more meaningful.

Technology is Delta's foundation and employees are our most important asset. To cope with rapid business growth, we continuously bring new talent into our big family, and we are dedicated to cultivating our employees. Over the past two years, we have carried out a series of systematic development plans for our global management teams. We are seeding teams for our future business, and coordinating intensive group training sessions for reserved staff in Taiwan and overseas. This aligns the training and growth of chosen employees with the direction of corporate development, not only enhancing employees' identification and cohesion with the company, but also facilitating their interaction and mutual understanding of markets, cultures, and operation models. At the end of 2007, Delta reorganized by combining products and business units to create synergies and to give more authority and responsibility to teams with outstanding performance. Our aim is to cultivate a pool of exceptional talent for international management and future business growth.



Delta's close partnership with customers has been an important factor in our continued growth. Last year, Delta received best supplier awards and best partner awards from customers such as Nortel, Foxconn, and AsusTek, recognizing Delta's dedication and support. In addition to offering the best products and services to our customers, Delta is also dedicated to corporate social responsibility and providing the most value to shareholders, employees and society as a whole. Delta was named The Most Admired Company in the Electronics Industry by CommonWealth magazine for the sixth consecutive year, and received the Corporate Social Responsibility award from GlobalViews magazine for the third consecutive year. Delta was also rated A+ class in information disclosure by the Taiwan Securities and Exchange Corporation in 2007, and was listed as one of Forbes Magazine's Asian Fab 50 Companies. We hope this will inspire Delta to become an even better corporation and enhance our positive influence on society.

This year, we face global economic uncertainty caused by the subprime lending crisis in the U.S., the Taiwan employee profit sharing issue, and a potential impact on profits by rising labor costs due to enforcement of the Labor Contract Law in China. These issues may appear to be threats, but actually they present opportunities for companies to accelerate their move toward diverse markets and to increase the added-value of their human resources. Based on Delta's stable operations around the globe and past experience in developing business in new markets, we expect these changes to have only a limited impact on Delta. We have completed a comprehensive analysis of the employee profit sharing issue and we have decided on a set of measures that take into consideration the stability of our employees' overall income, the company's future growth and our shareholders' interests. In China the rising cost of labor is putting pressure on all companies there. Fortunately, wages are only a small part of Delta's overall cost structure. By continuously improving production processes, automating production, and increasing the added value of our products, we are confident that this year we will continue to experience outstanding performance.

I wish to take this opportunity to thank our employees for their contributions to the corporation and for helping Delta achieve its objectives. I also highly appreciate the continuing support of Delta's board members, shareholders, customers, and suppliers, which allows us to maintain our healthy growth. This year we will adhere to our steadfast belief in sustainable operation and try our best to meet everyone's expectations. We sincerely hope our shareholders will continue to support and encourage Delta and together we can make each year better than the last.

Sincerely yours,

Bruce C.H. Cheng
Chairman

Power Management



Telecom Power Systems



Photovoltaic Inverters



Uninterruptible Power Systems (UPS)



Energy Recycling Systems



Networking Switching Power Supplies



Desktop Switching Power Supplies



Display Power Supplies



AC-DC Adapters



Energy-saving Ballasts / Ballasts for HID Lamps / LED Drivers



DC-DC Converters / Voltage Regulator Modules



Server / Workstation Switching Power Supplies

Renewable Energy



High Concentration Photovoltaic (HCPV)
System Solutions



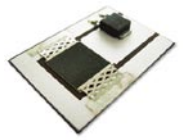
HCPV Trackers



HCPV Sensors



HCPV Modules



HCPV Receivers



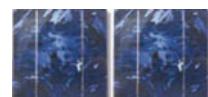
Photovoltaic Inverters Installed under Solar Panels



Mono C-Si Solar Cells



Fuel Cells



Multi C-Si Solar Cells



Fuel Cell Inverters

Display Solutions



Video Walls



LED Display Systems



High Definition Digital Signage Displays

Projection Systems



Large Venue Projectors



E-Cinema Projectors

Business Projectors



Pico-portable Projectors



Portable Projectors



Conference Room Projectors

Multimedia Projectors



LED Home Theater Projectors



Home Theater Projectors



Home Cinema Projectors

Components



DC Brushless Fans and Blowers



Thermal Management Products



Networking and Telecom Components



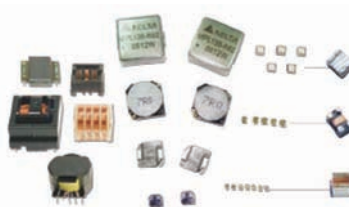
Stepping Motors Spindle Motors and Pumps



Solenoids and Valves



Microwave and Power Line Communication (PLC) Components



Transformers and Inductors



EMI Filters



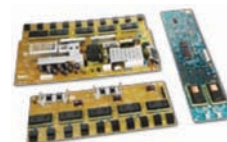
Fiber Optical Transceivers



LED Lighting Products



Optical Components and Modules



Backlight Inverters



CCFLs for LCD Displays

Industrial Automation



AC Motor Drives



AC Servo Motors & Drives



Brushless DC Motors & Drives



Programmable Logic Controllers



Human Machine Interfaces



Temperature Controllers



Timer / Counter / Tachometers



Rotary Optical Encoders



Communication Modules

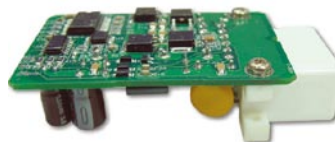
Automotive Electronics



ECU for Power Seats



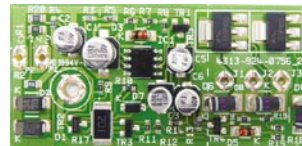
Hybrid Control Unit for Belt / Integrated Starter Generators



ECU for Anti-pinch Power Windows



DC / DC Converters for Electric and Hybrid Vehicles



Battery Monitoring Units



DC / AC Power Inverters



ECU for Adaptive Headlight Systems



Traction Motors for Scooters



Engine Control Modules



Brushless DC Motors for Light Vehicles



Networking



Metro Switches



L3-L2 Stackable Switches



10GbE Switches



WiMAX Subscriber Stations



Fiber to the Home (FTTH)
Access Equipment



DSL Access Multiplexers
(DSLAM)



Broadband Integrated
Access Devices



Security Switches



WiFi Solutions



VoIP Solutions

Corporate Governance

“Maintain sound corporate governance and strictly abide by commercial and ethical standards” is a core commitment at Delta. We believe 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. At Delta, the Board of Directors currently consists of eight directors and two supervisors, including one independent director. To enhance the Board’s responsibility and trust, a board meeting is convened at least once a quarter to review the company’s performance and to discuss important strategic issues. Our internal audit team reports directly to the Board of Directors to ensure that the company operates in accordance with the Board’s resolutions.

Information disclosure is an important aspect of Delta’s corporate governance. In recent years we have devoted a great deal of resources to ensuring that information disclosed is complete, in-time, fair, and transparent. Not only are all announcements on the Taiwan Stock Exchange issued in a timely manner, but our Chairman’s report to shareholders, financial statements, corporate governance regulations, share price and dividend information, as well as the content of analyst meetings are all available for download on Delta’s website. Most of these are in both Chinese and English for the benefit of local and foreign investors. For the company’s annual report, we continue to improve the content and layout every year.

Additionally, Delta hosts analyst meetings on a regular basis where we announce and explain each quarter’s consolidated financial data, business performance, and future plans. These meetings are webcast live over the Internet. Apart from providing investors with updates on the company’s operations, we also welcome constructive feedback on our operations, finance and governance.

Delta’s efforts towards high quality corporate governance are well recognized. In 2007 Delta received the CSR award from Global Views Magazine for the 3rd successive year, and was awarded for its Excellence in Corporate Social Responsibility by CommonWealth Magazine. In addition, we were honored to receive Forbes Magazine’s “Asia’s Fabulous 50” award and also recognized as a CommonWealth Magazine Most Admired Company in the electronics industry for the 6th year in a row. We do not intend to rest on our laurels however and will continue to improve the quality of our corporate governance to fulfill our commitment to all stakeholders.

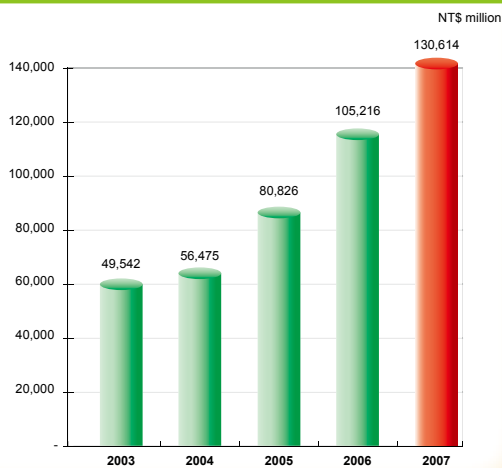


Consolidated Financial Highlights

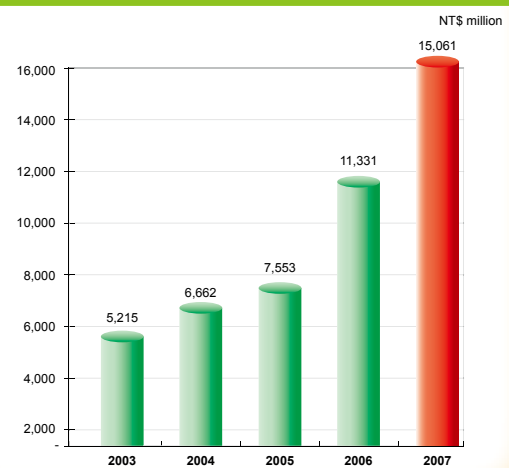
(in NT\$ million, except otherwise indicated)

	2007	2006
Net Sales	130,614	105,216
Gross profit	27,404	22,507
Gross margin	21.0%	21.4%
Operating profit	15,717	12,431
Operating margin	12.0%	11.8%
Net income	15,061	11,331
Net margin	11.5%	10.8%
EPS (NT\$)	7.15	5.76
Total assets	117,915	89,110
Total shareholders' equity	59,781	49,820
ROE	27.5%	24.3%

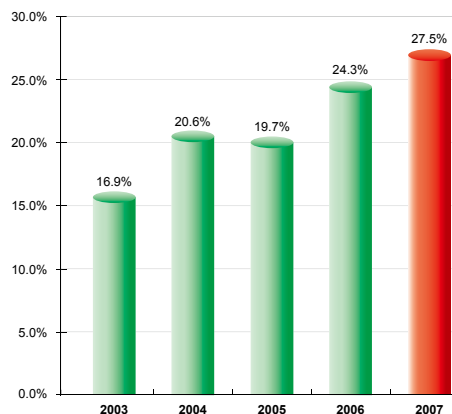
Revenues



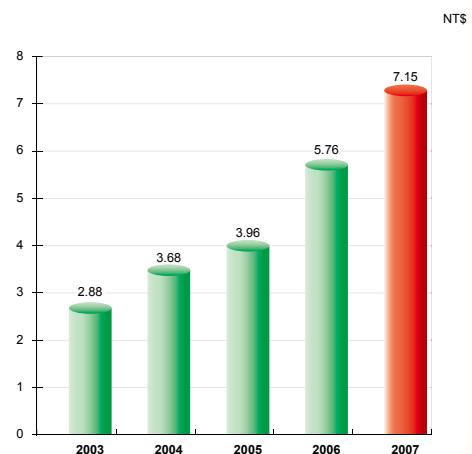
Net Profits



Return on Stockholders' Equity



Earnings Per Share



DELTA ELECTRONICS, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2006 AND 2007

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.

PWCR07000379

Report of Independent Accountants

To Delta Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2006 and 2007, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As explained in Note 1(2), we did not audit the financial statements of certain consolidated subsidiaries for the years ended December 31, 2006 and 2007, which statements reflect total assets of \$482,760,000 and \$718,468,000, constituting 0.54% and 0.61% of the consolidated total assets as of December 31, 2006 and 2007, respectively, and total operating revenues of \$1,323,464,000 and \$1,639,658,000, constituting 1.26% and 1.26% of the consolidated operating revenues for the years then ended, respectively. In addition, we did not audit the financial statements of certain long-term equity investments, accounted for under the equity method. Long-term equity investments in these companies amounted to \$4,495,099,000 and \$5,407,332,000, constituting 5.04% and 4.59% of the consolidated total assets as of December 31, 2006 and 2007, respectively, and total investment income was \$282,887,000 and \$504,416,000, constituting 2.03% and 2.58% of the consolidated income before income tax and minority interest for the years then ended, respectively. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for such subsidiaries and investee companies, is based solely on the reports of the other auditors.



We conducted our audits in accordance with the “Rules Governing Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics, Inc. and subsidiaries as of December 31, 2006 and 2007, and the results of their operations and their cash flows for the years then ended in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, “Business Entity Accounting Law”, “Regulation on Business Entity Accounting Handling” and generally accepted accounting principles in the Republic of China.

As described in Note 3, effective January 1, 2006, the Company and its subsidiaries adopted the Statements of Financial Accounting Standards (SFAS) No. 34 “Accounting for Financial Instruments”, No. 36 “Disclosure and Presentation of Financial Instruments” and the amended SFAS No. 5 “Long-term Investments in Equity Securities”. SFAS No. 5 states that the excess of the initial investment cost over the acquired net asset value of the investee company attributable to goodwill is no longer amortized and that goodwill should be evaluated periodically.



The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as of and for the year ended December 31, 2007, expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of NT\$32.435 to US\$1.00 at December 31, 2007. This basis of translation is not in accordance with generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers .

February 25, 2008

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.

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

	2006		New Taiwan Dollars		2007		US Dollars (Unaudited - Note 2)
			%		%		
ASSETS							
Current Assets							
Cash and cash equivalents (Note 4(1))	\$ 24,926,394	28	\$ 38,603,513	33	\$ 1,190,181		
Financial assets at fair value through profit or loss - current (Note 4(2))	162,014	-	98,421	-	3,034		
Available-for-sale financial assets - current (Note 4(5))	6,969	-	468,011	1	14,429		
Derivative financial assets for hedging - current (Note 10(9))	58,732	-	1,060,589	1	32,699		
Notes receivable, net	358,668	-	472,865	-	14,579		
Accounts receivable, net (Note 4(3))	22,011,500	25	27,469,118	23	846,897		
Accounts receivable, net - related parties (Note 5)	1,006,638	1	1,471,770	1	45,376		
Other receivables (Note 4(20))	582,600	1	1,210,874	1	37,332		
Other financial assets - current (Note 6)	21,139	-	21,158	-	652		
Inventories, net (Note 4(4))	7,926,468	9	9,963,199	9	307,174		
Prepayments	563,508	1	362,290	-	11,170		
Deferred income tax assets - current (Note 4(20))	228,859	-	170,104	-	5,244		
Other current assets	29,976	-	188,407	-	5,809		
Total current assets	57,883,465	65	81,560,319	69	2,514,576		
Funds and Investments							
Available-for-sale financial assets - non-current (Note 4(5))	1,347,002	2	1,365,010	1	42,084		
Financial assets carried at cost - non-current (Notes 4(6)(12))	918,719	1	705,945	1	21,765		
Investments in bonds without active markets - non-current (Note 4(7))	7,169,800	8	7,135,700	6	220,000		
Long-term equity investments accounted for under the equity method (Note 4(8))	5,512,690	6	6,586,669	6	203,073		
Cash surrender value of life insurance	82,365	-	87,513	-	2,698		
Total funds and investments	15,030,576	17	15,880,839	14	489,620		
Property, Plant and Equipment, Net (Notes 4(9)(12))							
Cost							
Land	1,252,671	2	1,262,805	1	38,933		
Buildings	7,234,466	8	9,243,448	8	284,984		
Machinery and equipment	8,834,238	10	12,389,872	11	381,991		
Molding equipment	1,277,722	2	1,290,253	1	39,780		
Computer and communication equipment	859,242	1	919,337	1	28,344		
Testing equipment	4,629,395	5	5,306,077	5	163,591		
Transportation equipment	139,342	-	141,181	-	4,353		
Office equipment	1,244,709	1	1,497,701	1	46,175		
Leasehold improvements	143,250	-	383,129	-	11,812		
Other equipment	7,995	-	20,887	-	644		
Land value appraisal increments	230,228	-	291,338	-	8,982		
Less: Accumulated depreciation	(25,853,258)	(29)	(32,746,028)	(28)	(1,009,589)		
Less: Accumulated impairment	(11,974,042)	(14)	(14,353,630)	(12)	(442,535)		
Construction in progress and prepayments for equipment	1,510,786	2	(435,474)	(1)	(13,426)		
Total property, plant and equipment, net	15,390,002	17	18,846,418	16	581,052		
Intangible Asset							
Other intangible assets	340,390	-	536,290	-	16,534		
Other Assets							
Assets leased to others (Notes 4(10)(12))	43,790	-	33,063	-	1,019		
Idle assets (Notes 4(11)(12))	1,851	-	-	-	-		
Refundable deposits	46,269	-	80,596	-	2,485		
Deferred expenses	299,167	1	182,121	-	5,615		
Other assets - other	74,105	-	795,128	1	24,515		
Total other assets	465,182	1	1,090,908	1	33,634		
TOTAL ASSETS	\$ 89,109,615	100	\$ 117,914,774	100	\$ 3,635,416		

(Continued on next page)

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

	New Taiwan Dollars		US Dollars	
	2006	%	2007	(Unaudited - Note 2)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Short-term loans (Note 4(13))	\$ 3,425,004	4	\$ 4,043,062	\$ 124,651
Financial liabilities at fair value through profit or loss - current (Note 4(14))	21,382	-	2,470	76
Derivative financial liabilities for hedging - current (Note 10(9))	115,791	-	585,124	18,040
Accounts payable	19,351,458	22	25,708,180	792,606
Accounts payable - related parties (Note 5)	318,100	-	374,291	11,540
Income tax payable (Note 4(20))	376,805	1	565,989	17,450
Accrued expenses	3,024,514	3	4,012,734	123,716
Other payables	2,119,555	2	3,309,052	102,021
Receipts in advance	351,872	-	482,941	15,198
Other current liabilities	424,251	1	479,382	14,780
Total current liabilities	29,528,732	33	39,573,222	1,220,078
Reserve				
Land value incremental reserve (Note 4(9))	53,085	-	57,341	1,768
Other Liabilities				
Accrued pension liabilities (Note 4(15))	1,102,112	1	1,241,487	38,276
Guarantee deposits received	71,903	-	97,481	3,005
Deferred income tax liabilities - non-current (Note 4(20))	3,123,808	4	4,345,555	133,977
Other liabilities - other	165,264	-	234,625	7,235
Total other liabilities	4,463,087	5	5,919,148	182,493
Total liabilities	34,044,904	38	45,549,714	1,404,339
Stockholders' Equity				
Common stock (Note 4(16))	19,694,450	22	21,064,173	649,427
Capital reserves (Note 4(17))	11,470,341	13	10,682,563	329,353
Capital reserve from conversion of convertible bonds	145,055	-	2,804,693	86,471
Retained earnings				
Legal reserve (Note 4(18))	4,659,105	5	5,792,189	178,578
Undistributed earnings (Note 4(19))	13,088,557	15	17,361,138	535,259
Other adjustments to stockholders' equity				
Asset revaluations (Note 4(9))	204,064	-	260,918	8,044
Unrealized gain or loss on financial instruments	280,829	1	1,326,699	40,903
Cumulative translation adjustments	279,517	-	488,480	15,060
Stockholders' equity	49,819,918	56	59,780,853	1,843,095
Minority interest	5,244,793	6	12,584,207	387,982
Total stockholders' equity	55,064,711	62	72,365,060	2,231,077
Commitments and contingent liabilities (Notes 5, 7 and 10(8))				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 89,109,615	100	\$ 117,914,774	\$ 3,635,416

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 25, 2008.

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

	2006		2007		US Dollars	
		%	New Taiwan Dollars	%	2007	2007
					(Unaudited - Note 2)	
Operating Revenues (Note 5)	\$ 105,459,095	100	\$ 131,273,777	100	\$ 4,047,288	
Sales revenue	645,140	(1)	1,103,589	(1)	34,025	
Sales returns	(215,869)		(327,712)		(10,104)	
Sales discounts	104,598,086	99	129,842,476	99	4,003,159	
Net Sales	617,951	100	771,619	100	23,790	
Services income	105,216,037		130,614,095		4,026,949	
Net Operating Revenues	82,709,130	(79)	103,210,205	(79)	3,182,063	
Operating costs (Notes 4(22) and 5)	22,506,907	21	27,403,890	21	844,886	
Cost of goods sold						
Gross profit	3,098,961	(3)	3,849,467	(3)	118,683	
Operating Expenses (Note 4(22))	2,319,384	(2)	2,727,988	(2)	84,107	
Sales and marketing expenses	4,657,680	(4)	5,199,288	(4)	157,524	
General and administrative expenses	10,076,025	(9)	11,686,753	(9)	360,374	
Research and development expenses	12,430,882	(12)	15,717,137	(12)	484,572	
Total Operating Expenses	697,258	1	1,175,501	1	36,242	
Operating income	3,697		86,506		2,667	
Non-operating Income and Gains	466,613		750,089		23,126	
Interest income	44,463		100,974		3,113	
Gain on valuation of financial assets (Note 4(2))	15,529		1,324,047		40,822	
Investment income accounted for under the equity method (Note 4(8))	116,514		538,696		16,608	
Dividend income	7,684		12,808		395	
Gain on disposal of investments	1,085,858	1	1,425,551	1	43,951	
Foreign exchange gain, net	2,437,616	2	5,414,172	4	166,924	
Rental revenue						
Other non-operating income						
Total Non-operating Income and Gains	175,249		159,887		4,929	
Non-operating Expenses and Losses	(21,382)		(2,300)		(71)	
Interest expense	159,375		24,134		744	
Loss on valuation of financial liabilities (Note 4(13))	302,355	(1)	173,714	(1)	5,356	
Loss on disposal of property, plant and equipment	29,685		679,227		20,941	
Provision for inventory obsolescence and market price decline	264,836		544,477		16,787	
Impairment loss (Note 4(12))	952,882	(1)	1,583,739	(1)	48,828	
Other non-operating losses	13,915,616	13	19,547,570	13	602,688	
Total Non-operating Expenses and Losses	1,633,002	(1)	2,400,301	(2)	74,003	
Income before income tax	12,282,614	12	17,147,269	13	528,665	
Income tax expense (Note 4(20))	27,822					
Income from continuing operations	12,310,436	12	17,147,269	13	528,665	
Cumulative effect of changes in accounting principles (Note 3)						
Consolidated net income	\$ 11,330,841	11	\$ 15,061,305	12	\$ 464,353	
Attributable to:						
Equity holders of the Company	979,595	1	2,085,964	1	64,312	
Minority interest	12,310,436	12	17,147,269	13	528,665	
Earnings Per Share (In Dollars) (Note 4(21))						
Basic Earnings Per Share	\$ 6.62	5.84	\$ 9.28	8.14	\$ 0.2861	\$ 0.2509
Net income from continuing operations	0.01	0.01				
Cumulative effect of changes in accounting principles	(0.47)	(0.47)	(8.29)	(0.99)	(0.0305)	(0.0305)
Minority interest income	6.16	5.38	8.29	7.15	0.2556	0.2204
Net income						
Diluted earnings per share	\$ 6.62	5.84	\$ 9.28	8.14	\$ 0.2861	\$ 0.2509
Net income from continuing operations	0.01	0.01				
Cumulative effect of changes in accounting principles	(0.47)	(0.47)	(8.29)	(0.99)	(0.0305)	(0.0305)
Minority interest income	6.16	5.38	8.29	7.15	0.2556	0.2204
Net income						

The accompanying notes are an integral part of these consolidated financial statements.
 See report of independent accountants dated February 25, 2008.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Retained earnings							Total		
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Asset revaluations	Unrealized gain or loss on financial instruments		Cumulative translation adjustments	Minority interest
2006 New Taiwan Dollars										
Balance at January 1, 2006	\$ 18,303,815	\$ 11,301,566	\$ 3,903,811	\$ 447,112	\$ 8,895,809	\$ 150,823	\$ 3,252	\$ 399,867	\$ 3,874,237	\$ 47,273,788
Distribution of 2005 earnings:	-	-	-	(447,112)	447,112	-	-	-	-	-
Reversal of special reserve	-	-	755,294	-	(755,294)	-	-	-	-	-
Appropriation of legal reserve	-	-	-	-	(16,700)	-	-	-	-	(16,700)
Directors' and supervisors' remuneration	370,015	-	-	-	(370,015)	-	-	-	-	-
Employees' stock bonus	920,211	-	-	-	(920,211)	-	-	-	-	-
Issuance of stock dividends	-	-	-	-	(5,521,267)	-	-	-	-	(5,521,267)
Cash dividends	100,409	329,672	-	-	-	-	-	-	-	430,081
Convertible bonds converted into common stock	-	-	-	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(15,842)	-	-	(3,718)	53,241	-	-	-	(19,560)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	-	53,241
Proportional adjustments for investee companies' unrealized loss on financial instruments	-	-	-	-	-	-	(119,411)	-	-	(119,411)
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	403,492	-	-	403,492
Changes in cumulative translation adjustment	-	-	-	-	-	-	-	(120,350)	-	(120,350)
Changes in minority interest	-	-	-	-	-	-	-	-	390,961	390,961
Consolidated net income for 2006	-	-	-	-	11,330,841	-	-	-	979,595	12,310,436
Balance at December 31, 2006	\$ 19,694,450	\$ 11,615,396	\$ 4,659,105	\$ -	\$ 13,086,557	\$ 204,064	\$ 280,829	\$ 279,517	\$ 5,244,793	\$ 55,064,711
2007 New Taiwan Dollars										
Balance at January 1, 2007	\$ 19,694,450	\$ 11,615,396	\$ 4,659,105	\$ -	\$ 13,086,557	\$ 204,064	\$ 280,829	\$ 279,517	\$ 5,244,793	\$ 55,064,711
Distribution of 2006 earnings:	-	-	1,133,084	-	(1,133,084)	-	-	-	-	-
Appropriation of legal reserve	-	-	-	-	(16,700)	-	-	-	-	(16,700)
Directors' and supervisors' remuneration	385,000	-	-	-	(385,000)	-	-	-	-	-
Employees' stock bonus	-	-	-	-	(192,500)	-	-	-	-	(192,500)
Employees' cash bonus	196,945	-	-	-	(196,945)	-	-	-	-	-
Cash dividends	787,778	(787,778)	-	-	(8,862,495)	-	-	-	-	(8,862,495)
Capitalization of capital reserve	-	2,659,638	-	-	-	-	-	-	-	2,659,638
Change in ownership percentage of long-term equity investments accounted for under equity method	-	-	-	-	-	56,854	-	-	-	56,854
Adjustment for land value appraisal increments	-	-	-	-	-	-	502,583	-	-	502,583
Proportional adjustments for investee companies' unrealized gain on financial instruments	-	-	-	-	-	-	543,287	-	-	543,287
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	208,963	-	208,963
Changes in cumulative translation adjustment	-	-	-	-	-	-	-	-	5,253,450	5,253,450
Changes in minority interest	-	-	-	-	-	-	-	-	2,085,964	17,147,269
Consolidated net income for 2007	-	-	-	-	15,061,305	-	-	-	-	15,061,305
Balance at December 31, 2007	\$ 21,064,173	\$ 13,487,256	\$ 5,792,189	\$ -	\$ 17,361,138	\$ 260,918	\$ 1,326,699	\$ 488,480	\$ 12,584,207	\$ 72,365,060

(Continued on next page)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Retained earnings							Cumulative translation adjustments	Minority interest	Total
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Assets revaluations	Unrealized gain or loss on financial instruments			
2007 US Dollars (Unaudited-Note 2)										
Balance at January 1, 2007	\$ 607,197	\$ 358,113	\$ 143,644	\$ -	\$ 403,471	\$ 6,291	\$ 8,658	\$ 8,617	\$ 161,702	\$ 1,697,693
Distribution of 2006 earnings:										
Appropriation of legal reserve	-	-	34,934	-	(34,934)	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(515)	-	-	-	(515)	(515)
Employees' stock bonus	11,870	-	-	-	(11,870)	-	-	-	-	-
Employees' cash bonus	-	-	-	-	(5,985)	-	-	-	(5,985)	(5,985)
Issuance of stock dividends	6,072	-	-	-	(6,072)	-	-	-	-	-
Cash dividends	-	-	-	-	(273,239)	-	-	-	(273,239)	(273,239)
Capitalization of capital reserve	24,288	(24,288)	-	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	81,999	-	-	-	-	-	-	-	81,999
Adjustment for land value appraisal increments	-	-	-	-	-	1,753	-	-	-	1,753
Proportional adjustments for investee companies' unrealized gain on financial instruments	-	-	-	-	-	-	15,495	-	-	15,495
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	16,750	-	-	16,750
Changes in cumulative translation adjustment	-	-	-	-	-	-	-	6,443	-	6,443
Changes in minority interest	-	-	-	-	-	-	-	-	161,969	161,969
Consolidated net income for 2007	-	-	-	-	464,353	-	-	-	64,312	528,665
Balance at December 31, 2007	\$ 649,427	\$ 415,824	\$ 178,578	\$ -	\$ 535,259	\$ 8,044	\$ 40,903	\$ 15,060	\$ 387,983	\$ 2,231,078

The accompanying notes are an integral part of these consolidated financial statements.
 See report of independent accountants dated February 25, 2008.

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

	<u>New Taiwan Dollars</u>		<u>US Dollars</u>
	<u>2006</u>	<u>2007</u>	<u>2007</u>
<u>Cash flows from operating activities</u>			(Unaudited - Note 2)
Consolidated net income	\$ 12,310,436	\$ 17,147,269	\$ 528,665
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Changes in unrealized valuation of financial assets	411 (	82,809) (	2,553)
Changes in unrealized valuation of financial liabilities	20,750 (	19,082) (	588)
Provision for doubtful accounts	2,114	28,010	864
Provision for inventory obsolescence and market prices decline	302,355	173,714	5,356
Impairment loss on financial assets carried at cost - non-current	18,242	229,221	7,067
Foreign exchange loss on investments in bonds without active markets	57,200	34,100	1,051
Gain on disposal of equity in subsidiaries to minority shareholders	-	1,173,864) (	36,191)
Gain on disposal of financial assets for non-trading purposes	(14,536) (	143,898) (	4,437)
Investment income recognized under equity method	(466,613) (	750,089) (	23,126)
Cash dividends received from investee companies accounted for under the equity method	301,924	382,282	11,786
Depreciation (including assets leased to others and idle assets) and amortization	2,805,251	3,683,254	113,558
Loss on disposal of property, plant and equipment, net	159,375	24,134	744
Impairment loss	11,443	450,006	13,874
Exchange gain on revaluation of foreign currency denominated convertible bonds	(10,766)	-	-
Amortization of long-term deferred income	(10,509) (	15,694) (	484)
Changes in assets and liabilities:			
Notes and accounts receivable	(2,612,668) (	5,599,825) (	172,648)
Accounts receivable - related parties	124,526 (	465,132) (	14,340)
Other receivables	80,817 (	620,040) (	19,116)
Inventories	(1,340,512) (	2,210,445) (	68,150)
Prepayments	(239,672)	201,218	6,204
Other current assets	33,117 (	158,431) (	4,885)
Other assets - other	-	(735,505) (	22,672)
Accounts payable	2,020,727	6,356,722	195,983
Accounts payable - related parties	(123,156)	56,191	1,732
Income tax payable	297,280	189,184	5,833
Accrued expenses, other payables and receipts in advance	543,190	2,318,786	71,490
Other current liabilities	272,173	173,942	5,363
Deferred income tax	1,029,118	1,280,502	39,479
Accrued pension liabilities	155,322	139,375	4,297
Other liabilities - others	12,249	(33,756) (	1,041)
Net cash provided by operating activities	<u>15,739,588</u>	<u>20,859,340</u>	<u>643,115</u>

(Continued on next page)

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

	New Taiwan Dollars		US Dollars
	2006	2007	2007
<u>Cash flows from investing activities</u>			(Unaudited - Note 2)
Decrease in financial assets at fair value through profit or loss - current	\$ 7,204	\$ 158,148	\$ 4,876
Increase in financial liabilities at fair value through profit or loss - current	-	170	5
Increase in available-for-sale financial assets - current and non-current	(327,732)	(54,000)	(1,665)
Decrease (increase) in other financial assets - current	1,340,789	(19)	(1)
Proceeds from disposal of available-for-sale financial assets	93,983	183,375	5,654
Proceeds from disposal of financial assets carried at cost and capital reduction	39,710	8,408	259
Increase in long-term equity investments accounted for under the equity method	(189,356)	(583,830)	(18,000)
Increase in cash surrender value of life insurance	(4,666)	(5,150)	(159)
Acquisition of property, plant and equipment	(5,755,063)	(7,789,635)	(240,161)
Proceeds from disposal of property, plant and equipment	94,617	244,215	7,529
Acquisition of intangible assets and deferred expenses	(228,089)	(111,454)	(3,436)
Increase in refundable deposits	(2,403)	(34,327)	(1,058)
(Increase) decrease in other assets - other	(10,956)	17,915	552
Proceeds from disposal of equity in subsidiaries to minority shareholders	-	1,607,825	49,571
Net cash used in investing activities	(4,941,962)	(6,358,359)	(196,034)
<u>Cash flows from financing activities</u>			
(Decrease) increase in short-term loans	(4,466,211)	618,058	19,055
Increase in guarantee deposits received	6,526	25,578	789
Payment of directors' and supervisors' remuneration	(16,700)	(16,700)	(515)
Payment of cash dividends and employees' cash bonus	(5,521,267)	(9,054,995)	(279,174)
Cash dividends declared to minority shareholders	-	(15,830)	(488)
Increase in subsidiaries' capital from minority shareholders	433,900	7,284,354	224,583
Net cash used in financing activities	(9,563,752)	(1,159,535)	(35,750)
Effect due to changes in exchange rate	(87,043)	335,673	10,349
Net increase in cash and cash equivalents	1,146,831	13,677,119	421,680
Cash and cash equivalents at beginning of the year	23,779,563	24,926,394	768,501
Cash and cash equivalents at end of the year	\$ 24,926,394	\$ 38,603,513	\$ 1,190,181
<u>Supplemental disclosures of cash flow information</u>			
Cash paid during the year for interest	\$ 211,775	\$ 158,017	\$ 4,872
Cash paid during the year for income tax	\$ 232,802	\$ 968,135	\$ 29,848
<u>Non-cash flows from investing and financing activities:</u>			
Employees' stock bonus	\$ 370,015	\$ 385,000	\$ 11,870
Convertible bonds (par value) converted into common stock	\$ 430,081	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 25, 2008.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2007

**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)**

1. HISTORY AND ORGANIZATION

1) Delta Electronics, Inc.

The Company was incorporated in April 1971 under the provisions of the Company Law of the Republic of China (R.O.C.) as a company limited by shares and was listed on Taiwan Stock Exchange Corporation (TSEC) since December 1988. The authorized capital of the Company amounted to \$23,000,000 and the issued and outstanding capital was \$21,064,173 as of December 31, 2007. The main activities of the Company are installation of electronic control systems and manufacturing of communication products and components, computer information system and power supply. As of December 31, 2007, the Company had approximately 4,800 employees and all consolidated entities had approximately 66,000 employees.

2) Consolidated subsidiaries

<u>Name of company</u>	<u>Relationship</u>	<u>Main activities</u>	<u>% of shares held as of December 31,</u>	
			<u>2006</u>	<u>2007</u>
1. Delta International Holding Ltd. (DIH)	Note A	Equity investments	94.00%	94.00%
(1) Delta Electronics (H.K) Ltd. (DHK)	Note B	Equity investments, operations management and engineering services	94.00%	94.00%
A. Delta Electronics (Dong Guan) Co., Ltd. (DDG)	Note C	Manufacturing of power supplies	94.00%	94.00%
B. Delta Electronics Components (Dong Guan) Co., Ltd. (DEC)	Note C	Manufacturing of transformers	94.00%	94.00%
C. Delta Electronics Power (Dong Guan) Co., Ltd. (DEP)	Note C	Manufacturing of power supplies	94.00%	94.00%

Name of company	Relationship	Main activities	% of shares held as of December 31,	
			2006	2007
D. Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Note C	Product design	94.00%	94.00%
E. Delta Electronics (Jiang Su) Ltd. (DWJ)	Note C	Manufacturing of power supplies	51.70%	51.70%
F. Delta Electronics Components (Wu Jiang) Ltd. (DWC)	Note C	Manufacturing of transformers	51.70%	51.70%
G. Delta Electro-optics (Wu Jiang) Ltd. (DWO)	Note C	Manufacturing of peripherals and electronic control equipments	51.70%	51.70%
H. Delta Video Display System (Wu Jiang) Ltd. (DWV)	Note C	Manufacturing and sales of various projectors	51.70%	51.70%
I. Delta Electronics (Wu Hu) Co., Ltd. (DWH)	Note C	Manufacturing of power supplies and transformers	-	94.00%
J. Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Note C	Manufacturing of power supplies and transformers	-	94.00%
(2) Delta Electronics Agent Ltd. (DAL)	Note B	Operations management and engineering services	94.00%	94.00%
(3) Delta Electronics International Ltd. (DEIL)	Note B	Sales of electronic products	94.00%	-
(4) Delta Electronics International Ltd. (Labuan) (DEIL-Labuan)	Note B	Sales of electronic products	94.00%	94.00%
(5) Delta Power Sharp Ltd. (DPS)	Note B	Operations management and engineering services	94.00%	94.00%
(6) DEI Logistics (USA) Corp. (ALI)	Note B	Warehousing and logistics services	94.00%	94.00%
(7) Delta Electronics (Japan) Inc. (DEJ)	Note B	Sales of electronic products	94.00%	94.00%
A. Addtron Technology (Japan) Co., Ltd. (AT Japan)	Note D	Trading of networking system and peripherals	94.00%	94.00%

<u>Name of company</u>	<u>Relationship</u>	<u>Main activities</u>	<u>% of shares held as of December 31,</u>	
			<u>2006</u>	<u>2007</u>
B. Delta Electronics (Korea) Inc. (Delta Korea)	Note D	Sales of electronic products	94.00%	94.00%
(8) DAC Holding Ltd. (DAC)	Note B	Equity investments	94.00%	94.00%
A. Delta Electronics Mexico S.A. DE C.V. (DEM)	Note E	Manufacturing of electronic products	94.00%	94.00%
B. Delta Video Technology Ltd. (DVT)	Note E	Sales of electronic products	94.00%	94.00%
(9) Newton Power Ltd. (NPL)	Note B	R&D, sales and marketing services of power conversion products	94.00%	94.00%
2. Delta Networks Holding Ltd. (DNH)	Note A	Equity investments	100.00%	100.00%
(1) Delta Networks Inc. (DNI Cayman)	Note F	Equity investments	94.00%	59.51%
A. Delta Networks, Inc. (DNIT) (registered in Taiwan)	Note G	Manufacturing of networking system and peripherals	93.25%	59.03%
B. DNI Logistics (USA) Corp. (ALN)	Note G	Trading of networking system and peripherals	94.00%	59.51%
C. Delta Networks International Ltd. (Labuan) (DNIL-Labuan)	Note G	Trading of networking system and peripherals	94.00%	59.51%
D. Delta Networks (Wu Jiang) Ltd. (DNW)	Note G	Manufacturing and sales of other radio transmission apparatus, incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	–	59.51%
E. Delta Networks (Shanghai) Ltd. (DNS)	Note G	Design computer software	–	59.51%

Name of company	Relationship	Main activities	% of shares held as of December 31,	
			2006	2007
F. Delta Networks (H.K.) Ltd. (DNHK)	Note G	Equity investments	-	59.51%
(A) Delta Networks (Dong Guan) Co., Ltd. (DII)	Note H	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	94.00%	59.51%
3. Pyramis Corporation (Pyramis) (registered in Taiwan)	Note A	Design and sales of electronic products	99.24%	-
4. Deltronics (Netherlands) B.V. (DEN)	Note A	Trading of equipment, components and materials of telecom and computer systems	100.00%	100.00%
5. Delta Optoelectronics Inc. (Delta Optoelectronics)	Notes A and J	Manufacturing of displays with polymer light emission display (PLED) and carbon nano-tube electronic emitter (ENT) technology	95.21%	95.54%
6. Delsolar Co., Ltd. (Delsolar)	Note A	Manufacturing of solar batteries and related systems	79.66%	54.75%
7. Nulight Technology Corporation (Nulight)	Note I	Manufacturing of electronic products and audio components	53.39%	53.39%

Note A: Majority-owned subsidiary.

Note B: A subsidiary of Delta International Holding Ltd. (DIH).

Note C: It became the subsidiary of DHK (originally, the subsidiary of DIH) in the fourth quarter of 2007 as a result of investment restructuring.

Note D: A subsidiary of Delta Electronics (Japan) Inc. (DEJ).

Note E: A subsidiary of DAC Holding Ltd. (DAC).

Note F: A subsidiary of Delta Networks Holding Ltd. (DNH).

Note G: A subsidiary of Delta Networks Inc. (DNI Cayman).

Note H: It became the subsidiary of DNHK (originally, the subsidiary of DNI Cayman) in the fourth quarter of 2007 as a result of investment restructuring.

Note I: The combined ownership percentage of Nulight Technology Corporation's common shares held by the Company and Delta Optoelectronics Inc. was more than 50%.

Note J: Dissolved by a resolution approved during the special shareholders' meeting on December 12, 2007 and is under the process of liquidation effective January 18, 2008.

The financial statements of DEN, NPL and ALN for the years ended December 31, 2006 and 2007 were audited by other independent accountants. The total assets of these subsidiaries as of December 31, 2006 and 2007 were \$482,760 and \$718,468, constituting 0.54% and 0.61% of the consolidated total assets, respectively, and the related total operating revenues were \$1,323,464 and \$1,639,658, constituting 1.26% and 1.26% of the consolidated operating revenues for the years ended December 31, 2006 and 2007, respectively.

2) The shares of DNI Cayman were listed on the Stock Exchange of Hong Kong Limited since July 6, 2007. DNI Cayman issued 359,200 thousand shares of new common stock at HK\$4.5 (in dollars) per share. In July 2007, DNH, the subsidiary of the Company, sold 75,184 thousand shares of DNI Cayman's common stock to the underwriter at HK\$4.5 (in dollars) per share through the exercise of Over-Allotment Option. The gain on disposal of shares was \$936,436.

3) Changes in the consolidated subsidiaries

A. The following subsidiaries were newly included in the consolidated financial statements:

Name of company	Relationship	Main activities	% of shares held as of December 31,	
			2006	2007
Delta Electronics (Wu Hu) Co., Ltd. (DWH)	Note A	Please refer to Note 1.2)	-	94.00%
Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	"	"	-	94.00%
Delta Networks (Wu Jiang) Ltd. (DNW)	Note B	"	-	59.51%
Delta Networks (Shanghai) Ltd. (DNS)	"	"	-	59.51%
Delta Networks (HK) Ltd. (DNHK)	"	"	-	59.51%

Note A: It became the subsidiary of DHK (originally, the subsidiary of DIH) in the fourth quarter of 2007 as a result of investment restructuring.

Note B: A subsidiary of DNI Cayman.

B. The following subsidiaries were excluded from the consolidated financial statements:

<u>Name of Company</u>	<u>Relationship</u>	<u>Main activities</u>	<u>% of shares held as of</u>		<u>Note</u>
			<u>2006</u>	<u>2007</u>	
Delta Electronics International Ltd. (DEIL)	Note A	Please refer to Note 1.2)	94.00%	-	Note C
Pyramis Corporation (Pyramis) (Registered in Taiwan)	Note B	"	99.24%	-	"

Note A: A subsidiary of DIH.

Note B: Majority-owned subsidiary.

Note C: Dissolved and excluded from the consolidated financial statements.

- 4) Subsidiaries not included in the consolidated financial statements: None.
- 5) Adjustments for subsidiaries with different balance sheet dates: None.
- 6) Difference in the accounting policies adopted between the Company and the subsidiaries: No significant differences.
- 7) Special operating risk of foreign subsidiaries: No significant special operating risks which would have impact on the Company.
- 8) Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.
- 9) Details of the parent's stock that is held by the subsidiary: None.
- 10) The related information regarding a subsidiary's issuance of convertible bonds and new common stock: During 2007, Delsolar, Delta Optoelectronics and DNI Cayman increased their capital, however, the Company did not proportionately invest in the capital increase. Accordingly, an adjustment to capital reserve amounting to \$2,699,646 was recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and generally accepted accounting principles in the Republic of China. The Group's significant accounting policies are summarized as follows:

1) Basis for preparation of consolidated financial statements

All majority-owned subsidiaries and controlled entities are included in the consolidated financial statements. The income (loss) of the subsidiaries is included in the consolidated statement of income effective the date on which the Company gains control over the subsidiaries. The income (loss) of the subsidiaries is excluded from the consolidated statement of income effective the date on which the Company loses control over the subsidiaries.

Significant inter-company transactions and assets and liabilities arising from inter-company transactions are eliminated.

2) Translation of financial statements of foreign subsidiaries

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

3) Foreign currency transactions

- (1) The Company and its consolidated subsidiaries maintain their accounts in New Taiwan dollars and their respective functional currencies, respectively. Transactions denominated in foreign currencies are translated into New Taiwan dollars and the respective functional currencies at the spot exchange rates prevailing at the transaction dates.
- (2) Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.
- (3) When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. Conversely, when a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
 - b) Assets held mainly for trading purposes;
 - c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
 - b) Liabilities arising mainly from trading activities;
 - c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

5) Cash equivalents

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

The Group's statement of cash flows is prepared on the basis of cash and cash equivalents.

6) Settlement date accounting

Any change in the fair value during the period between the trade date and settlement date is recognized in profit and loss for financial assets and financial liabilities at fair value through profit or loss, is recognized in equity for available-for-sale financial assets and is not recognized for financial assets carried at cost or amortized cost.

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

- A. Derivative financial instruments are recognized and derecognized using settlement date accounting and are recognized initially at fair value.
- B. Financial assets and financial liabilities at fair value through profit or loss are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date.

8) Available-for-sale financial assets

- A. Equity investments are recognized and derecognized using trade date accounting and are recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. Available-for-sale financial assets are remeasured and stated at fair value and the gain or loss is recognized in equity. When the financial assets are derecognized, the cumulative gain or loss shall be removed from equity and recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date.
- C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that had been recognized directly in equity shall be removed from equity and recognized in profit or loss. Impairment losses recognized previously in profit or loss for an investment in an equity instrument shall not be reversed through profit or loss, and if, subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss.

9) Financial assets carried at cost

- A. Investment in unquoted equity instruments is recognized or derecognized using trade date accounting and is stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss cannot be reversed.

10) Investments in bonds without active markets

- A. Investment in bonds without active markets is recognized and derecognized using settlement date accounting and is recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. This financial asset is carried at amortized cost.
- C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If, subsequently, the fair value of the asset increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the previously recognized impairment loss shall be reversed to the extent of the amount of the amortized cost that would have been recognized at the date the impairment is reversed.

11) Derivative financial instruments for hedging

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity.

- A. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly in equity are transferred to profit or loss in the same period or periods when the hedged item affects profit or loss.
- B. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized directly in equity, are reversed and included in the initial cost or other carrying amount of the asset or liability.

12) Allowance for doubtful accounts

- A. Allowance for doubtful accounts is provided based on an evaluation of the collectibility and the aging analysis of ending balances of notes, accounts and other receivables, taking into account the bad debts incurred in prior years.
- B. The amount of allowance for doubtful accounts is calculated monthly using a percentage range for overdue accounts receivable based on the aging analysis. The related percentage of provision provided were as follows:

Overdue days	1~15 days	16~30 days	31~60 days	61~90 days	91~180 days	181~365 days	Over 365 days
Percentage provided	None	0.5%	2.5%	15%	25%	50%	80%

- C. Accounts receivable due from related parties which exceed regular credit terms are reclassified to other receivables and the related allowance for doubtful accounts is calculated individually based on the evaluation of the collectibility.

13) Inventories

Inventories are stated at the lower of aggregate cost or market value. Cost is determined based on the weighted-average method using perpetual inventory system.

The market value is based on the replacement cost for raw materials and supplies and net realizable value for work in process, finished goods and merchandise. Allowance for slow moving items and decline in the market value is provided when necessary.

14) Funds and investments

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

- a) Long-term equity investments in which the Company holds more than 20% of the investee company's voting shares or has the ability to exercise significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous years is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to Extraordinary gains. However, negative goodwill prior to December 31, 2005 is continuously amortized.
- b) Pursuant to EITF 92-047 of the Accounting Research and Development Foundation of the Republic of China, for shares transfer among parent company and subsidiaries, the carrying value of long-term investments

transferred is the book value of the investment. The difference between payment for the equity and acquisition cost is recorded as capital reserve or retained earnings.

- c) Exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as “cumulative translation adjustments” under stockholders’ equity.
- d) The Company credits long-term equity investments accounted for under the equity method when cash dividends are declared by investee companies on ex-dividend date.

B. Cash surrender value of life insurance

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

15) Property, plant and equipment

- A. Property, plant and equipment are stated at cost except for land which is carried at appraised value.
- B. Depreciation is provided on a straight-line method over the estimated lives of the assets. Leasehold improvements are amortized over the life of the leases. The Group uses \$1 (depending on their respective reporting currency) as salvage value after 2001.

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

- C. Major renewals and improvements are capitalized and depreciated accordingly. Maintenance and repairs are charged to expense as incurred. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in current non-operating results.
- D. Property, plant and equipment that are idle or have no value in use are reclassified to “other assets” at the lower of the fair value less costs to sell or book value. The resulting difference is included in current operations. Depreciation provided on these assets is charged to non-operating expense.

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

16) Deferred charges

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

17) Impairment of non-financial assets

- A. The Group recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm’s length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life.
- B. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered. However, impairment loss of goodwill is not recoverable.

18) Retirement plan

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

19) Income tax

- A. The Company, Pyramis, Delsolar, Delta Optoelectronics, Nulight and DNIT adopt the inter-period and intra-period allocation of income tax in determining the provision for income tax. Over or under provision of prior years’ income tax liabilities are included in the current year’s income tax expense.
- B. Investment tax credits arising from expenditures incurred on acquisitions of equipment or technology, research and development, employees training, and

equity investments are recognized in the year the related expenditures are incurred.

- C. The Company's overseas subsidiaries adopt the liability method.
- D. 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.
- E. Effective January 1, 2006, the Company, Pyramis, Delsolar, Delta Optoelectronics, Nulight and DNIT adopted the "Income Basic Tax Act". If the amount of regular income tax is equal or more than the amount of basic tax, the income tax payable shall be calculated in accordance with the Income Tax Act and other relevant laws. Whereas, if the amount of regular income tax is less than the amount of basic tax, the income tax payable shall be equal to the basic tax. The difference between the regular income tax and basic tax shall not be subject to deductions of investment tax credits granted under the provisions of other laws.

20) Employee stock options (intrinsic value method)

The employee stock options granted or amended on or after January 1, 2004 are accounted for in accordance with EITF 92-072, "Accounting for Employee Stock Options", prescribed by the R.O.C. Accounting Research and Development Foundation. Under the stock-based employee compensation plan, compensation cost is recognized using the intrinsic value method and pro forma disclosures of net income and earnings per share is prepared under the fair value method.

21) Earnings per share

- A. The Company's capital structure is a complex capital structure. Pursuant to the R.O.C. SFAS No. 24, "Accounting for Earnings Per Share", an enterprise with complex capital structure shall present both basic EPS and diluted EPS. The calculations of basic EPS and diluted EPS are as follows:
 - (a) Basic EPS: The amount of earnings (or loss) per share is computed by dividing the amount of net income (or loss) attributable to common stock outstanding for the reporting period by the weighted average number of common shares outstanding during that period.
 - (b) Diluted EPS: The calculation of diluted EPS is consistent with the calculation of basic EPS assuming that all dilutive potential common shares have been converted into common shares at the beginning of the reporting period and the amount of net income (or loss) attributable to common stock

outstanding for the reporting period has been adjusted by the after-tax effect of any other changes in income or expense that would result from the conversion of the dilutive potential common shares.

- B. The Company's potential common shares are the employee stock options issued by the Company. The treasury stock method will be used to test whether or not potential common shares have dilutive effect in calculating diluted EPS.

22) Revenue, cost and expense recognition

Revenue is recognized when the earning process is substantially completed and is realized or realizable. Costs and expenses are recognized as incurred.

23) Accounting estimates

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

3. CHANGES IN ACCOUNTING PRINCIPLES

1) Goodwill

Effective January 1, 2006, the Group adopted the amended R.O.C. SFAS No. 1, No. 5, No. 7, No. 25 and No. 35 which discontinued amortization of goodwill. The adoption of these amended standards had no significant impact on the consolidated financial statements as of and for the year ended December 31, 2006.

2) Financial instruments

- A. Effective January 1, 2006, the Group adopted the R.O.C. SFAS No. 34, "Accounting for Financial Instruments" and No. 36, "Disclosure and Presentation of Financial Instruments" described in Notes 2. 6) 7) 8) 9) 10) and 11).
- B. As a result of the adoption of SFAS No. 34 and No. 36, consolidated net income attributable to the Company and earnings per share decreased by \$35,641 (including cumulative effect of changes in accounting principles of \$27,822) and NT\$ 0.02 (in dollars), respectively, for the year ended December 31, 2006. Total assets and stockholders' equity both increased by \$251,519 as of December 31, 2006.

4. DESCRIPTION OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	December 31,	
	2006	2007
Cash on hand	\$ 6,702	\$ 6,324
Checking and demand deposits	10,520,657	4,318,702
Time deposits	11,595,122	30,653,195
Cash equivalents-commercial paper and government bonds	<u>2,803,913</u>	<u>3,625,292</u>
	<u>\$24,926,394</u>	<u>\$38,603,513</u>

As of December 31, 2006 and 2007, the Group's overseas checking and demand deposits were \$10,248,471 (USD\$312,176 thousand, HKD\$1,437 thousand, JPY\$107,717 thousand, THB\$15 thousand and EUR \$910 thousand) and \$1,864,370 (USD\$53,909 thousand, HKD\$15,546 thousand, JPY\$94,800 thousand, THB\$14 thousand, MOP\$443 thousand, PLN\$4 thousand and EUR \$459 thousand), respectively. The overseas time deposits were \$0 and \$9,787,741 (USD \$293,771 thousand, HKD \$27,522 thousand and JPY \$500,000 thousand), respectively.

2) Financial assets at fair value through profit or loss

	December 31,	
	2006	2007
Current items:		
Financial assets held for trading		
Listed stocks	\$ -	\$ 11,746
Open-end funds	158,317	-
Derivatives	-	169
	<u>158,317</u>	<u>11,915</u>
Adjustment of financial assets held for trading	<u>3,697</u>	<u>86,506</u>
	<u>\$ 162,014</u>	<u>\$ 98,421</u>

A. The Group recognized a net gain of \$16,783 and \$299,385 (including gain on the disposal of open-end funds) for the years ended December 31, 2006 and 2007, respectively.

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

<u>Financial instruments</u>	<u>December 31, 2006</u>	
	<u>Contract amount (Nominal principal) (in thousands)</u>	<u>Contract period</u>
Multiple-stage inflating forward	USD 20,000 (Note A)	2006. 12. 19~2007. 01. 18
Multiple-stage inflating forward	USD 21,800 (Notes A and B)	2006. 12. 21~2007. 02. 15
Multiple-stage inflating forward	USD 35,000 (Notes A and C)	2006. 12. 19~2007. 01. 29

Note A: Will be exercised if the spot rate is below or above the strike price or knock in price.

Note B: If the exchange rate is above the predetermined exchange rate, the nominal principal will be multiplied by 1.5 times and the maximum exercise principal will become USD 32,700 thousand.

Note C: If the exchange rate is above the predetermined exchange rate, the nominal principal will be multiplied by 2 times and the maximum exercise principal will become USD 70 million.

<u>Financial instruments</u>	<u>December 31, 2007</u>	
	<u>Contract amount (Nominal principal) (in thousands)</u>	<u>Contract period</u>
Forward exchange contracts:		
Sell USD/Buy TWD	USD 145,000	2007. 11. 21~2008. 03. 14
Buy USD/Sell TWD	USD 145,000	2007. 11. 21~2008. 03. 13
Sell USD/Buy RMB	USD 110,000	2007. 01. 05~2008. 11. 12
Buy USD/Sell RMB	USD 100,000	2007. 01. 05~2008. 10. 13
Forward currency option contracts	USD 2,000	2007. 12. 26~2008. 01. 02

(1) The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of imports or export sales. However, the forward exchange transactions did not meet the criteria for hedge

accounting. Therefore, the Group did not apply hedge accounting.

- (2) The Company entered into forward currency option contracts and multiple-stage inflating forward to manage exposures to foreign exchange rate fluctuations of export sales. However, these transactions did not meet all the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting.

3) Accounts receivable and overdue receivables

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Accounts receivable	\$ 22,029,271	\$ 27,514,899
Less: Allowance for doubtful accounts	(17,771)	(45,781)
	<u>22,011,500</u>	<u>27,469,118</u>
Overdue receivables (shown as other assets)	174,833	43,088
Less: Allowance for doubtful accounts	(174,833)	(43,088)
	<u>-</u>	<u>-</u>
	<u>\$ 22,011,500</u>	<u>\$ 27,469,118</u>

During the fourth quarter of 2007, the Company entered into an agreement with Taishin Bank to sell its accounts receivable. Under the agreement, the Company is not required to bear uncollectible risk of the underlying accounts receivable and the advanced amount is zero, but is liable for the losses incurred due to business dispute.

As of December 31, 2007, the outstanding accounts receivable sold to Taishin Bank were as follows:

<u>December 31, 2007</u>						
<u>Purchaser of accounts receivable</u>	<u>Limit</u>	<u>Accounts receivable sold</u>	<u>Amount advanced</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Collateral</u>
Taishin Bank	\$ 120,000	\$ 34,040	\$ -	2007.08.31~ 2008.03.31	-	None

4) Inventories

	December 31,	
	2006	2007
Raw materials	\$ 3,140,959	\$ 3,720,748
Work in process	825,766	1,178,709
Finished goods	4,310,663	4,993,033
Inventory in transit	64,489	470,517
	<u>8,341,877</u>	<u>10,363,007</u>
Less: Allowance for inventory obsolescence and market price decline	(415,409)	(399,808)
	<u>\$ 7,926,468</u>	<u>\$ 9,963,199</u>

5) Available-for-sale financial assets

	December 31,	
	2006	2007
Current items:		
Listed (TSE and OTC) stocks	\$ 6,969	\$ 171,029
Adjustment of available-for-sale financial assets	–	296,982
	<u>\$ 6,969</u>	<u>\$ 468,011</u>
Non-current items:		
Listed (TSE and OTC) stocks	\$ 1,016,944	\$ 842,922
Adjustment of available-for-sale financial assets	330,058	522,088
	<u>\$ 1,347,002</u>	<u>\$ 1,365,010</u>

6) Financial assets carried at cost

	December 31,	
	2006	2007
Non-current items:		
Unlisted stocks	\$ 936,961	\$ 953,408
Less: Accumulated impairment	(18,242)	(247,463)
	<u>\$ 918,719</u>	<u>\$ 705,945</u>

- (1) The investments held by the Group were measured at cost since the fair value cannot be measured reliably.
- (2) The net asset value of Quintum Technologies, Inc., Ezonics Corporation, Primarion, Inc., MHCC IT Fund 2000, Lightech Fiber optic, Inc. and Asante

Technologies Inc. held by DIH and DNH was lower than the cost. Accordingly, an impairment loss of \$18,242 and \$229,221 was recognized in profit or loss for the years ended December 31, 2006 and 2007, respectively.

7) Investments in bonds without active markets

	December 31,	
	<u>2006</u>	<u>2007</u>
Non-current item:		
Structured time deposits	<u>\$ 7,169,800</u>	<u>\$ 7,135,700</u>

The interest rates of structured time deposits were based on the contracts.

8) Long-term equity investments accounted for under the equity method

(1) Details of long-term equity investments accounted for under the equity method are set forth below:

	December 31,			
	<u>2006</u>		<u>2007</u>	
Investee company	%	Book value	%	Book value
	(Note A)		(Note A)	
Delta Electronics (Thailand) Public Co., Ltd. (DET) (Note B)	20.96	\$ 4,471,522	20.93	\$ 4,831,288
Cyntec Co., Ltd. (Cyntec)	35.18	1,017,591	34.22	1,179,337
Trillion Science, Inc. (Trillion)	-	-	40.98	576,044
Netpower Technologies Inc. (Netpower) (Note C)	21.29	<u>23,577</u>	-	-
		<u>\$ 5,512,690</u>		<u>\$ 6,586,669</u>

(Note A): The percentage of long-term equity investments include the percentage of common shares held by the Group.

(Note B): The combined ownership percentage of DET's common shares held by DEI and DIH was more than 20%. Accordingly, the investment was accounted for under the equity method.

(Note C): The Company held less than 20% of the investee company's voting shares and cannot exercise significant influence on the investee's operational decisions since the fourth quarter of 2007. Accordingly, the investee company was no longer accounted for under the equity method and was reclassified to "financial assets carried at cost".

- (2) Investment income accounted for under the equity method for the years ended December 31, 2006 and 2007 are set forth below:

<u>Name of investee company</u>	<u>For the years ended December 31,</u>	
	<u>2006</u>	<u>2007</u>
DET	\$ 277,679	\$ 507,824
Cyntec	183,944	245,673
Netpower	5,208	4,465
Trillion	-	(7,873)
Grand Advance	(218)	-
	<u>\$ 466,613</u>	<u>\$ 750,089</u>

- (3) Certain investee companies accounted for under the equity method for the years ended December 31, 2006 and 2007 were audited by other auditors. The investment income recognized in these investee companies under equity method was \$282,887 and \$504,416 for the years ended December 31, 2006 and 2007, respectively, and the related balance of long-term investments was \$4,495,099 and \$5,407,332 as of December 31, 2006 and 2007, respectively.

9) **Property, plant and equipment**

Item	December 31, 2006					
	Original cost	Appraisal increment	Total	Accumulated depreciation	Accumulated impairment	Net book value
Land	\$ 1,252,671	\$ 230,228	\$ 1,482,899	\$ -	\$ -	\$ 1,482,899
Buildings	7,234,465	-	7,234,465	(1,494,829)	-	5,739,636
Machinery and equipment	8,834,238	-	8,834,238	(4,222,949)	-	4,611,289
Molding equipment	1,277,722	-	1,277,722	(1,043,427)	-	234,295
Computer and communication equipment	859,242	-	859,242	(721,847)	-	137,395
Testing equipment	4,629,395	-	4,629,395	(3,383,945)	-	1,245,450
Transportation equipment	139,342	-	139,342	(100,576)	-	38,766
Office equipment	1,244,710	-	1,244,710	(915,240)	-	329,470
Leasehold improvements	143,250	-	143,250	(90,882)	-	52,368
Other equipment	7,995	-	7,995	(347)	-	7,648
Construction in progress and prepayments for equipment	1,510,786	-	1,510,786	-	-	1,510,786
	<u>\$ 27,133,816</u>	<u>\$ 230,228</u>	<u>\$ 27,364,044</u>	<u>(\$ 11,974,042)</u>	<u>\$ -</u>	<u>\$ 15,390,002</u>

Item	December 31, 2007					
	Original cost	Appraisal increment	Total	Accumulated depreciation	Accumulated impairment	Net book value
Land	\$ 1,262,805	\$ 291,338	\$ 1,554,143	\$ -	(\$ 4,584)	\$ 1,549,559
Buildings	9,243,448	-	9,243,448	(1,831,317)	-	7,412,131
Machinery and equipment	12,389,872	-	12,389,872	(5,768,147)	(265,343)	6,356,382
Molding equipment	1,290,253	-	1,290,253	(957,431)	(6,388)	326,434
Computer and communication equipment	919,337	-	919,337	(818,717)	(15,250)	85,370
Testing equipment	5,306,077	-	5,306,077	(3,755,687)	(36,945)	1,513,445
Transportation equipment	141,181	-	141,181	(96,895)	(492)	43,794
Office equipment	1,497,701	-	1,497,701	(1,029,251)	(7,077)	461,373
Leasehold improvements	383,129	-	383,129	(92,805)	(82,801)	207,523
Other equipment	20,887	-	20,887	(3,380)	(16,594)	913
Construction in progress and prepayments for equipment	889,494	-	889,494	-	-	889,494
	<u>\$ 33,344,184</u>	<u>\$ 291,338</u>	<u>\$ 33,635,522</u>	<u>(\$ 14,353,630)</u>	<u>(\$ 435,474)</u>	<u>\$ 18,846,418</u>

Note A: The Company made revaluation of its assets in accordance with the relevant laws and regulations. As of December 31, 2007, the revaluation increment amounted to \$291,338 after deducting the provision for land revaluation increment tax of \$30,420 and was recorded under capital reserve. As of December 31, 2007, "asset revaluations" amounted to \$260,918.

Note B: Interest capitalized to property, plant and equipment amounted to \$49,103 and \$ 0 for the years ended December 31, 2006 and 2007, respectively.

Note C: DEJ, an indirect majority-owned subsidiary, recognized impairment loss of \$4,584 for the year ended December 31, 2007 as the market value of the land located at Tokyo, Japan was lower than the book value.

Note D: Nulight, a subsidiary of the Company, recognized an impairment loss of \$430,890 for the year ended December 31, 2007.

10) Assets leased to others

	<u>December 31, 2006</u>			
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Net book value</u>
Land	\$ 31,191	\$ -	\$ -	\$ 31,191
Buildings	<u>16,940</u>	<u>(4,341)</u>	<u>-</u>	<u>12,599</u>
	<u>\$ 48,131</u>	<u>(\$ 4,341)</u>	<u>\$ -</u>	<u>\$ 43,790</u>

	<u>December 31, 2007</u>			
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Net book value</u>
Land	\$ 32,966	\$ -	(\$ 9,219)	\$ 23,747
Buildings	<u>17,905</u>	<u>(4,972)</u>	<u>(3,617)</u>	<u>9,316</u>
	<u>\$ 50,871</u>	<u>(\$ 4,972)</u>	<u>\$ 12,836</u>	<u>\$ 33,063</u>

DEJ, an indirect majority-owned subsidiary, recognized an impairment loss of \$12,836 for the year ended December 31, 2007 as the market value of the land located at Tokyo, Japan was lower than the book value.

11) Idle assets

	<u>December 31, 2006</u>		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Machinery and equipment	\$ 26,824	(\$ 22,487)	\$ 4,337
Molding equipment	1,175	(1,175)	-
Computer equipment	1,968	(1,465)	503
Testing equipment	<u>15,011</u>	<u>(6,557)</u>	<u>8,454</u>
	<u>\$ 44,978</u>	<u>(\$ 31,684)</u>	<u>\$ 13,294</u>
Less: Accumulated impairment			<u>(11,443)</u>
			<u>\$ 1,851</u>

12) Asset impairment

The subsidiaries recognized an impairment loss of \$29,685 and \$679,227 for the years ended December 31, 2006 and 2007, respectively. Details are set forth below:

<u>Item</u>	<u>For the year ended December 31, 2006</u>	
	<u>Amount included in statement of income</u>	<u>Amount included in stockholders' equity</u>
Impairment loss:		
Financial assets carried at cost	\$ 18,242	\$ -
Idle assets	11,443	-
	<u>\$ 29,685</u>	<u>\$ -</u>

<u>Item</u>	<u>For the year ended December 31, 2007</u>	
	<u>Amount included in statement of income</u>	<u>Amount included in stockholders' equity</u>
Impairment loss:		
Property, plant and equipment	\$ 435,474	\$ -
Financial assets carried at cost	229,221	-
Assets leased to others	12,836	-
Other intangible assets	1,696	-
	<u>\$ 679,227</u>	<u>\$ -</u>

13) Short-term loans

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Unsecured bank loans	<u>\$ 3,425,004</u>	<u>\$ 4,043,062</u>
Credit lines	<u>\$ 28,051,196</u>	<u>\$ 30,843,363</u>
Interest rate per annum	<u>0.895%~5.966%</u>	<u>1.09%~6.48%</u>

14) Financial liabilities at fair value through profit or loss

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Current items:		
Financial liabilities held for trading		
Derivatives	\$ -	\$ 170
Adjustment of financial liabilities held for trading	21,382	2,300
	<u>\$ 21,382</u>	<u>\$ 2,470</u>

- (1) The Group recognized a net gain of \$4,292 and net loss of \$4,746 for the years ended December 31, 2006 and 2007, respectively.
- (2) The nature of derivative transactions and related information are summarized as follows:

Financial instruments	December 31, 2006		
	Contract amount (Nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
Buy USD/Sell RMB	USD	490,000	2006.09.28~2007.10.09
Sell USD/Buy RMB	USD	490,000	2006.09.28~2007.12.06
Sell USD/Buy JPY	JPY	6,000	2006.12.17~2007.02.15
Forward currency option contracts	USD	13,990	2006.12.06~2007.02.26

Financial instruments	December 31, 2007		
	Contract amount (Nominal principal) (in thousands)		Contract period
Multiple-stage inflating forward	USD	18,000 (Notes A and B)	2007.12.10~2008.02.22
Multiple-stage inflating forward	USD	2,000 (Notes A and C)	2007.12.06~2008.01.08
Forward currency option contracts	USD	12,500	2007.11.06~2008.03.13

Note A: Will be exercised if the spot rate is below or above the strike price or knock in price.

Note B: If the exchange rate is above the predetermined exchange rate, the nominal principal will be multiplied by 1.5 times and the maximum exercise principal will become USD27 million.

Note C: If the exchange rate is above the predetermined exchange rate, the nominal principal will be multiplied by 2 times and the maximum exercise principal will become USD4 million.

- A. The Company entered into multiple-stage inflating forward (Sell USD/Buy TWD) to manage exposures to foreign exchange rate fluctuations of export sales. However, these transactions did not meet all the criteria for hedge accounting. Therefore, the Company did not apply the hedge accounting.
- B. The Group entered into forward currency option contracts to manage exposures to foreign exchange rate fluctuations of imports or export sales. However, the forward currency option contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply the hedge accounting.
- C. The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of imports or export sales. However, the forward exchange contracts before October 1, 2006 did not meet the criteria for hedge accounting. Therefore, the Group did not apply the hedge accounting. After October 1, 2006, the forward exchange contracts of certain subsidiaries meet all the criteria for hedge accounting and the related information are described in Note 10 9).

15) Accrued pension liabilities

- (1) The Company, Delsolar, Delta Optoelectronics and DNIT have a non-contributory and funded defined benefit plan in accordance with the Labor Standards Law, covering all regular employees before the implementation of the Labor Pension Act on July 1, 2005. The defined benefit plan will continue to cover the employees who choose to remain with the defined benefit plan. Upon retirement, pension payments are calculated based on total years of service and average salary of the last six months prior to retirement. Two base units are earned for the first 15 years of service and one unit for each additional year thereafter, with a maximum number of 45 units. The Company and these subsidiaries contribute 2% of the employees' monthly salaries and wages to an independent retirement trust fund with the Bank of Taiwan, the trustee. For the years ended December 31, 2006 and 2007, the net periodic pension costs of the Company and these subsidiaries were \$116,797 and \$166,023, respectively. The balance of the retirement trust fund with the Bank of Taiwan was \$493,888 and \$507,586 as of December 31, 2006 and 2007, respectively. The fund balances are not reflected in the consolidated financial statements.

- (2) The reconciliation of the pension plan's funded status to accrued pension liability of the Company, Delsolar, Delta Optoelectronics and DNIT as of December 31, 2006 and 2007, the respective measurement dates, are as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Benefit obligation:		
Vested benefit obligation	(\$ 172,682)	(\$ 162,750)
Non-vested benefit obligation	(952,117)	(1,050,840)
Accumulated benefit obligation	(1,124,799)	(1,213,590)
Effect of future salary increments	(525,440)	(550,895)
Projected benefit obligation	(1,650,239)	(1,764,485)
Fair value of plan assets	<u>493,888</u>	<u>507,586</u>
Funded status	(1,156,351)	(1,256,899)
Unrecognized transition obligation	72,234	61,619
Unrecognized net pension loss	<u>329,501</u>	<u>407,368</u>
Accrued pension liability	<u>(\$ 754,616)</u>	<u>(\$ 787,912)</u>

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

	<u>2006</u>	<u>2007</u>
Discount rate	2.50%~3.50%	3.00%~3.50%
Expected return rate on plan assets	2.50%~3.00%	2.50%~3.00%
Average rate of salary increase	2.00%~3.00%	2.50%~3.00%

In 2006 and 2007, the details of net periodic pension cost are as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Service cost	\$ 58,982	\$ 60,299
Interest cost	50,929	55,235
Expected return on plan assets	(11,402)	(12,087)
Amortization of unrecognized transition obligation	9,752	9,531
Unrecognized pension loss	8,536	11,186
Curtailment or settlement loss	-	41,859
Net pension cost	<u>\$ 116,797</u>	<u>\$ 166,023</u>

- (3) The subsidiaries, DIH and DNH, do not maintain an employee retirement plan. However, certain subsidiaries of DIH and DNH, located in Mainland China maintain a defined contribution retirement plan covering all employees. Under the plan, the employees of DIH and DNH subsidiaries contribute to a separate fund an amount based on a certain percentage of the monthly basic salary of

the employees. Further, each DIH's and DNH's subsidiary also provides pension reserves for its employees for amounts depending on the employee's position. As of December 31, 2006 and 2007, the pension reserves of DIH's and DNH's subsidiaries were \$338,690 and \$441,150, respectively.

- (4) NPL, DEJ and the subsidiaries of DIH and DNH located in the United States have defined contribution plans in accordance with the local regulations.
- (5) Effective July 1, 2005, the Company, Pyramis, Delta Optoelectronics, Delsolar, Nulight and DNIT have established a defined contribution pension plan under the Labor Pension Act (the "New Plan") for eligible employees holding Republic of China citizenship. The Company, Pyramis, Delta Optoelectronics, Delsolar, Nulight and DNIT deposit the pension amount based on 6% of the employees' monthly salaries and wages into each employee's personal pension account with the Bureau of Labor Insurance. For the years ended December 31, 2006 and 2007, the pension costs of the Company and these subsidiaries were \$133,071 and \$143,570, respectively.

16) Common stock

- A. In accordance with the Company's Articles of Incorporation, the total shares of authorized common stock were 2,300,000,000 shares (including 60,000,000 shares for warrant bonds conversion). As of December 31, 2007, the total issued and outstanding common stock was 2,106,417,000 shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16,000,000 units of global depository receipts (GDRs), represented by 80,000,000 shares of common stock (Deposited Shares), a unit of GDRS represents 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg, with total proceeds of US\$134,666,000. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

a) Voting rights

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

b) Sales and redemption of the underlying common shares represented by the GDRs

When the holders of the GDRs request the Depositary to redeem the GDRs in accordance with the relevant R.O.C. regulations and the provisions in the Depositary Agreement, the Depositary may (i) deliver the underlying

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

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

GDR units bear the same rights as common shares.

d) Taking into account the stock dividend distribution year by year, there were 853 thousand units outstanding, representing 4,266,000 common shares of the Company's common stock.

C. The Company issued 60,000,000 units of employee stock options on December 18, 2007, with a unit of employee stock option representing one share of common stock, as resolved by the Board of Directors on October 29, 2007. The exercise price under the stock-based employee compensation plan is based on the closing price of the Company's common stock at the grant date and is subject to adjustments due to changes in the number of common shares and issuance of cash dividends. The vesting period of the Company's employee stock option plan is six years. The employees may exercise the stock options in installments after the stock options are granted for two years.

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

Stock options	For the year ended December 31, 2007	
	No. of shares (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	-	\$ -
Options granted	60,000	100
Options exercised	-	-
Options revoked	-	-
Options outstanding at end of year	<u>60,000</u>	<u>\$ 100</u>
Options exercisable at end of year	<u>-</u>	<u>-</u>
Options authorized but not granted at end of year	<u>-</u>	<u>-</u>

2. Details of the employee stock options outstanding as of December 31, 2007 are set forth below:

Range of exercise price (in dollars)	Stock options outstanding at December 31, 2007			Stock options exercisable at December 31, 2007		
	No. of shares (in thousands)	Weighted-average		No. of shares (in thousands)	Weighted-average	
		expected remaining vesting period	Weighted-average exercise price (in dollars)		exercise price (in dollars)	exercise price (in dollars)
\$ 100	60,000	5.96 years	\$ 100	-	\$ -	-

3. For the stock options granted (amended) on or after January 1, 2004, the compensation cost is zero using the intrinsic value method. The following sets forth the pro forma net income and earnings per share based on the assumption that the compensation cost is accounted for using the fair value method.

(A) Pricing Model: the Black-Scholes option-pricing

(B) Parameters:

<u>Stock options outstanding as at December 31, 2007</u>	<u>For the year ended December 31, 2007</u>
Dividend yield rate	0%
Expected price volatility	33.68%
Risk-free interest rate	2.457%
Expected vesting period	4.45 years
Weighted-average fair value per share (in dollars)	\$100

(C) Conclusion:

<u>Stock options outstanding as at December 31, 2007</u>	<u>For the year ended December 31, 2007</u>
Weighted-average fair value of stock options per share	\$31.7991 (in dollars)
Compensation cost accounted for using the fair value method	\$ 27,413

(D) The pro forma information:

<u>Stock options outstanding as at December 31, 2007</u>	<u>For the year ended December 31, 2007</u>
Net income	Net income stated in the statement of income \$15,061,305
	Pro forma net income 15,033,892
Basic earnings per share (EPS) (in dollars)	EPS stated in the statement of income 7.15
	Pro forma EPS 7.14
Diluted EPS (in dollars)	EPS stated in the statement of income 7.15
	Pro forma EPS 7.14

17) Capital reserve

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

18) Legal reserve

The R.O.C. Company Law requires that the Company shall set aside 10% of its net income as legal reserve after offsetting against prior years' losses until the legal reserve equals the Company's capital. The legal reserve can be used only to offset against accumulated deficit or increase capital. The legal reserve can be used to increase capital only when the reserve exceeds 50% of the Company's capital, and shall be limited to 50% of the excess portion of the reserve.

19) Undistributed earnings

- A. As stipulated in the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:
- a) Payment of all taxes and dues.
 - b) Offset against prior years' operating losses, if any.
 - c) Set aside 10% of the remaining amount as legal reserve.
 - d) Set aside a certain amount as special reserve, if necessary.
 - e) The amount of distributable earnings after deducting items a), b), c) and d), plus beginning undistributed earnings (the earnings), shall be distributed in the following percentage according to the resolution approved at the stockholders' meeting:
 - (i) Directors' and supervisors' remuneration: up to 1% of the earnings.
 - (ii) Employees' bonus: at least 3% of the earnings. In addition, under the shareholders' resolution at their annual meeting on May 19, 2005, the Company can issue the employee stock bonus to qualified employees of subsidiaries. The related regulations were authorized by the Company's Board of Directors or authorized person.

(iii) Stockholders' bonus: balance of the earnings after deducting (i) and (ii).

As stipulated in the Company's Articles of Incorporation, at least 50% of the distributable retained earnings shall be distributed as dividends to stockholders, of which at least 5% shall be in the form of cash dividends.

- B. In addition to the legal reserve, the Company may, based on its Articles of Incorporation or by a resolution adopted at the meeting of stockholders, set aside an additional special reserve to cover accounts under stockholders' equity with negative balance. Subsequently, the special reserve can be available for distribution after approval of the stockholders after the negative balance in these accounts has been fully recovered.
- C. As of February 25, 2008, the distribution of 2007 earnings had not been approved by the Company's Board of Directors. The information will be posted in the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.
- D. The distribution of 2006 earnings was approved by the shareholders on June 8, 2007 which included legal reserve of \$1,133,084, employees' stock bonuses of \$385,000, employees' cash bonuses of \$192,500, stock dividends of \$196,945, cash dividends of \$8,862,503, directors' and supervisors' remuneration of \$16,700, and capitalization of capital reserve of \$787,778. The earnings distribution had been approved by SFB and the Company set July 22, 2007 as the ex-rights/dividend date.
- E. The Company's dividend policy is summarized below:
As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 50% of the Company's earnings shall be appropriated as dividends, and cash dividends shall account for at least 5% of the total dividends distributed.
- F. According to the resolutions adopted at the shareholders' meeting, the Company paid cash dividends of \$3.0 (in dollars) and \$4.5 (in dollars) per share, and stock dividends of \$0.5 (in dollars) and \$0.1 (in dollars) per share in 2006 and 2007, respectively. In addition, the stockholders at the 2007 annual meeting declared the distribution of stock dividends through capitalization of capital reserve for \$0.4 (in dollars) per share.
- G. For the distribution of 2005 and 2006 earnings, details on employees' bonus are as follows:

- a) The distribution of employees' bonus and directors' and supervisors' remuneration set forth in the Articles of Incorporation: Please refer to Note A. e)
- b) The appropriation of 2006 earnings included employees' cash bonus of \$192,500, stock bonus of \$385,000, and directors' and supervisors' remuneration of \$16,700. Employees' stock bonus of 38,500 thousand shares constituted 1.95% of the outstanding shares as at December 31, 2006. The appropriation of 2005 earnings included employees' stock bonus of \$370,015, and directors' and supervisors' remuneration of \$16,700. Employees' stock bonus of 37,001 thousand shares constituted 2.02% of the outstanding shares as at December 31, 2005.

The effect on the 2005 and 2006 earnings per share (EPS) is as follows:

	<u>2005 EPS</u>		<u>2006 EPS</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Original EPS in the financial statements of current year	\$ 4.26	\$ 4.24	\$ 5.76	\$ 5.76
Effect of employees' bonus and directors' and supervisors' remuneration	(0.22)	(0.22)	(0.31)	(0.31)
Pro forma EPS	<u>\$ 4.04</u>	<u>\$ 4.02</u>	<u>\$ 5.45</u>	<u>\$ 5.45</u>

- c) The distribution of 2005 and 2006 earnings approved at the stockholders' meeting was the same as that proposed at the Board of Directors' meeting.
- H. The Taiwan imputation tax system requires that any undistributed current earnings, on tax basis, be subject to an additional 10% corporate income tax if the earnings are not distributed in the following year.
- I. As of December 31, 2006 and 2007, details on tax credits of the Company are as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Imputation tax credit account balance	<u>\$ 34,805</u>	<u>\$ 60,682</u>
Creditable tax ratio	<u>2.39%</u>	<u>2.21%</u>

J. As of December 31, 2006 and 2007, the undistributed earnings are as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Before January 1, 1998	\$ 685,952	\$ 685,952
On and after January 1, 1998		
-10% additional tax assessed	1,073,482	1,613,881
-10% additional tax unassessed	<u>11,327,123</u>	<u>15,061,305</u>
	<u>\$13,086,557</u>	<u>\$ 17,361,138</u>

20) Income tax

A. Deferred income tax assets and liabilities as of December 31, 2006 and 2007 are as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
(A) Total deferred income tax assets	<u>\$ 2,577,205</u>	<u>\$ 3,312,686</u>
(B) Valuation allowance	<u>\$ 1,492,097</u>	<u>\$ 1,885,754</u>
(C) Total deferred income tax liabilities	<u>\$ 3,980,057</u>	<u>\$ 5,602,383</u>

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

	<u>December 31, 2006</u>		<u>December 31, 2007</u>	
	<u>Original amount</u>	<u>Tax effect</u>	<u>Original amount</u>	<u>Tax effect</u>
Current:				
Allowance for inventory obsolescence	\$ 183,394	\$ 45,849	\$ 137,425	\$ 34,357
Unrealized exchange loss	564,067	141,017	382,062	95,515
Others	88,335	22,084	40,418	10,105
Loss carryforwards	213,163	53,291	153,333	38,333
Investment tax credits		<u>251,143</u>		<u>197,092</u>
		513,384		375,402
Less: Valuation allowance - current		(<u>284,525</u>)		(<u>205,298</u>)
Net deferred income tax assets - current		<u>\$ 228,859</u>		<u>\$ 170,104</u>
Non-current:				
Investment income accounted for under the equity method, net	(\$15,563,214)	(\$ 3,890,804)	(\$ 22,384,963)	(\$ 5,596,241)
Unfunded pension	655,118	163,779	787,474	196,869
Loss carryforwards	1,110,926	277,731	1,257,082	314,270
Assets impairment	-	-	494,020	123,505
Others	417,841	104,460	611,623	152,906
Investment tax credits		<u>1,428,598</u>		<u>2,143,607</u>
		(<u>1,916,236</u>)		(<u>2,665,084</u>)
Less: Valuation allowance - non-current		(<u>1,207,572</u>)		(<u>1,680,471</u>)
Net deferred income tax liabilities - non-current		<u>(\$ 3,123,808)</u>		<u>(\$ 4,345,555)</u>

C. As of December 31, 2006 and 2007, income tax payable (refundable) is computed as follows:

	<u>For the years ended December 31,</u>	
	<u>2006</u>	<u>2007</u>
Current year's income tax expense	\$ 1,633,002	\$ 2,400,301
Effect of deferred income tax	(1,029,118)	(1,280,502)
Interest income subject to separate tax	(6,747)	(6,602)
Over provision of income tax in prior years, net	40,357	12,120
Prepaid income tax	(265,206)	(668,063)
Others	(4,829)	12,032
Income tax payable-net	<u>\$ 367,459</u>	<u>\$ 469,286</u>
Income tax refundable	(\$ 9,346)	(\$ 96,703)
Income tax payable	<u>376,805</u>	<u>565,989</u>
	<u>\$ 367,459</u>	<u>\$ 469,286</u>

D. As of December 31, 2007, according to the “Income Tax Law” and “Statute for Upgrading Industries”, investments tax credits of the Company, DNIT, Delta Optoelectronics, Delsolar and Nulight are as follows:

<u>Source of investments tax credits</u>	<u>Unused credits</u>	<u>Year of expiration</u>
Loss carryforwards	<u>\$ 352,603</u>	Between 2008 and 2012
R&D expenditures	2,109,050	Between 2008 and 2011
Training expenditures	18,504	Between 2008 and 2011
Expenditures for procurement of machinery and equipment	34,531	Between 2008 and 2011
Emerging important strategic industries	<u>178,614</u>	Between 2010 and 2011
	<u>\$ 2,340,699</u>	

E. Cold Cathode Fluorescence Lamp (CCFL) and Projection System (including Color Projection Television) are entitled to a five-year exemption on income tax under the “Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services”, which expires in December 2011. The income entitled to tax-exemption for the year ended December 31, 2007 amounted to \$72,211. Under the “Basic Income Tax Act” regulations, the income entitled to tax-exemption prior to the end of 2005 is excluded from the computation of basic tax.

- F. DWC, DWO and DWV are subject to tax laws applicable to foreign investment enterprises in the P.R.C. and are fully exempt from PRC income tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years. The current enterprise income tax rate is 24%. DEP and DII are advanced technology enterprises. Accordingly, these enterprises can apply the preferential tax rate of 10%.
- G. As DEC is an advanced technology enterprise, it is eligible for the preferential tax rate at 15% and is exempt from corporate income tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years. Currently, it is eligible for the preferential tax rate at 7.5%.
- H. DDG is an export-oriented company (i.e. export sales constituting 70% of total sales) and a high-investment, low-return company (i.e. minimum capital of US\$30 million). According to the related regulations, the enterprise income tax rate is 10%.
- I. DWJ is an export-oriented company. According to related regulations, after the expiration of the income tax exempt period, DWJ can apply the preferential tax rate of 50% discount of the enterprise tax rate of 24% if the company's export sales exceed 70% of total sales in current year.
- J. Under the PRC tax regulations, the corporate income tax of DWH is levied at the rate of 15%. DWH is exempt from corporate income tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years. DWH is not eligible for the tax exemption now as it has no taxable income.
- K. Due to the enforcement of the local new enterprise income tax act, except for the subsidiaries in Mainland China which are exempt from corporate income tax for the first and second profit-making years and are subject to a 50% reduction of corporate income tax from the third through fifth profit-making years (those subsidiaries which have not started to use the tax exemption are required to use on January 1, 2008 even no taxable income), all the other preferential tax programs mentioned above were applicable until December 31, 2007.
- L. As of December 31, 2007, the Company and its subsidiaries' assessed and approved conditions of income tax returns are as follows:

22) Personnel expenses, depreciation and amortization

	For the years ended December 31,					
	2006		2007			
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Personnel expenses						
Salaries	\$ 3,755,162	\$ 3,430,621	\$ 7,185,783	\$ 5,671,717	\$ 3,053,320	\$ 8,725,037
Labor and health insurance	94,567	233,501	328,068	185,816	211,445	397,261
Pension	115,118	245,687	360,805	166,158	279,827	445,985
Others	163,507	176,622	340,129	128,262	160,572	288,834
	<u>\$ 4,128,354</u>	<u>\$ 4,086,431</u>	<u>\$ 8,214,785</u>	<u>\$ 6,151,953</u>	<u>\$ 3,705,164</u>	<u>\$ 9,857,117</u>
Depreciation (Note)	<u>\$ 1,956,691</u>	<u>\$ 593,685</u>	<u>\$ 2,550,376</u>	<u>\$ 2,594,714</u>	<u>\$ 758,128</u>	<u>\$ 3,352,842</u>
Amortization	<u>\$ 46,458</u>	<u>\$ 208,417</u>	<u>\$ 254,875</u>	<u>\$ 109,893</u>	<u>\$ 220,519</u>	<u>\$ 330,412</u>

Note: Including the depreciation provided for assets leased to others and idle assets for the year ended December 31, 2006 and 2007 which was recorded as other non-operating loss.

5. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cyntec Co., Ltd. (Cyntec)	Investee company accounted for under the equity method
Grand Advance Technology Inc. (Grand Advance) (Note)	"
Delta Electronics (Thailand) Public Co., Ltd. (DET)	"
Delta Products Corporation (DPC)	Related party in substance
Deltron-Cimic Electric and Electronics Co., Ltd (Deltron-Cimic)	"
DET International Holding Ltd. (DET Holding)	A subsidiary of DET
Delta Energy Systems (Switzerland) AG. (DES Switzerland)	"
Delta Electronics Europe Ltd. (DEU)	A subsidiary of DET Holding
Delta Energy Systems (Germany) Gmbh	"
Delta Energy Systems (India) PVT (DES India)	"
Delta Power Solutions India PVT Ltd. (DPS India)	"
DET Logistics (USA) Corporation	"
DET Video Technology Ltd. (DET Video)	"
Delta Electronics (Slovakia) s.r.o.	"
Delta Energy Systems (Brasil) S.A. (DES Brasil)	A subsidiary of DES Switzerland
Delta Energy Systems (Guangzhou) Ltd. (DES Guangzhou)	"
Delta Energy Systems (Sweden) AB (DES Sweden)	"
Delta Green (Tianjin) Industries Company Limited (Delta Green (Tianjin))	Indirectly held investee, accounted for under the equity method by DET

(Note) Dissolved in 2005, but not yet completely liquidated.

(2) Significant transactions with related parties

A. Sales

	For the years ended December 31,	
	2006	2007
Delta-Cimic	\$ 2,088,132	\$ 3,452,318
DPC	726,251	782,285
DES India	279,492	656,447
DET	174,692	77,513
DET Video	117,522	62,310
Cyntec	132,400	2,183
Others	36,467	152,947
	<u>\$ 3,554,956</u>	<u>\$ 5,186,003</u>

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

B. Purchases

	For the years ended December 31,	
	2006	2007
Delta Green (Tianjin)	\$ 623,883	\$ 1,086,129
DET	379,406	348,382
Others	75,317	64,303
	<u>\$ 1,078,606</u>	<u>\$ 1,498,814</u>

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

C. Accounts receivable

	December 31,	
	2006	2007
Delta-Cimic	\$ 624,563	\$ 879,677
DES India	50,520	289,657
DPC	225,682	239,514
Others	105,873	62,922
	<u>\$ 1,006,638</u>	<u>\$ 1,471,770</u>

D. Accounts payable

	<u>December 31,</u>	
	<u>2006</u>	<u>2007</u>
Delta Green (Tianjin)	\$ 203,712	\$ 289,777
DET	68,277	66,906
Others	46,111	17,608
	<u>\$ 318,100</u>	<u>\$ 374,291</u>

E. Property transactions

DIH purchased 3,165 thousand shares of common stock and warrants of Peco II, Inc. (U.S.A) from DPC during the first quarter of 2006. The amount of purchases totaling \$320,837 had already been paid.

6. DETAILS OF PLEDGED ASSETS

As of December 31, 2006 and 2007, the details of pledged assets are as follows:

<u>Assets pledged</u>	<u>December 31,</u>		<u>Purpose of pledge</u>
	<u>2006</u>	<u>2007</u>	
Time deposits (shown as other financial assets - current)	\$ 20,000	\$ 20,000	Collateral for patent suit
Time deposits (shown as other financial assets - current)	1,139	1,158	Performance bonds
	<u>\$ 21,139</u>	<u>\$ 21,158</u>	

7. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's major commitments were as follows:

- Effective May 2004, the Company has a 20-year land and building lease in Tainan Science-Based Industrial Park. As of December 31, 2007, the future lease payments and the net present value discounted at 2.62%, one-year time deposit interest rate given by the Chunghwa Post Co., Ltd., as of December 31, 2007 are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 4,534
2009	4,534
2010	4,534
2011	4,534
2012	4,534
2013~2017 (the net present value is \$18,447)	22,672
2018~2022 (the net present value is \$16,209)	22,672
2023 (the net present value is \$ 2,998)	4,534
	<u>\$ 72,548</u>

- 2) In December 2006, the Company entered into a three-year contract of high-efficiency LED (Light Emitting Diodes) for monitors and patent licensing agreement with Industrial Technology Research Institute. The Company has to pay technology and patent royalties amounting to \$31,000. In addition, the Company commits to pay royalties based on a certain percentage of total sales from the day the related products are sold and the maximum amount of the royalty is \$130,000. For the year ended December 31, 2007, the Company has paid the related royalties of \$16,000.
- 3) In October 2007, the Company entered into an agreement with the Institute of Nuclear Energy Research, Atomic Energy Council, Executive Yuan, R.O.C. for technology authorization of Concentrating Photovoltaic Modules. The contract is valid through October 2017. In addition to the authorization fee of \$5,000, the Company commits to pay royalties based on a certain percentage of total sales from the day the authorized products are sold and the maximum amount of the royalty is \$100,000. As of December 31, 2007, the Company had paid the authorization fee totaling \$4,000 to the Institute of Nuclear Energy Research.
- 4) As of December 31, 2007, the unused letters of credit was \$41,696.
- 5) Minimum future payments for land lease of DDG were approximately \$8,462.
- 6) DWH entered into contracts for the construction of a new factory and acquisition of equipments with total future payments of approximately \$1,052,575.
- 7) DPEC entered into contracts for the construction of R&D building with total future payments of approximately \$529,835.
- 8) Delsolar entered into long-term contracts for materials supply with local and foreign suppliers. The period of supply is from January 2006 to December 2018. Delsolar agreed to pay certain amounts which are non-refundable.

8. MAJOR CATASTROPHES

None.

9. SUBSEQUENT EVENTS

None.

10. OTHERS

- 1) Certain accounts in the 2006 consolidated financial statements were reclassified to conform with the 2007 financial statement presentation.

(2) Fair value of the financial instruments

	December 31, 2006			December 31, 2007		
	Book value	Fair value		Book value	Fair value	
		Quotations in an active market	Estimated using a valuation		Quotations in an active market	Estimated using a valuation
<u>Non-derivative financial instruments</u>						
Assets:						
Financial assets with fair values equal to book values	\$ 49,035,573	\$ -	\$ 49,035,573	\$ 69,417,409	\$ -	\$ 69,417,409
Financial assets at fair value through profit or loss	158,317	158,317	-	8,515	8,515	-
Available-for-sale financial assets	1,353,971	1,353,971	-	1,833,021	1,833,021	-
Financial assets carried at cost	918,719	-	-	705,945	-	-
Investment in bonds without active markets	7,169,800	-	-	7,135,700	-	-
Liabilities:						
Financial liabilities with fair values equal to book values	\$ 29,111,590	\$ -	\$ 29,111,590	\$ 38,590,171	\$ -	\$ 38,590,171
<u>Derivative financial instruments</u>						
Assets:						
Multiple-stage inflating forward	\$ 3,697	\$ -	\$ 3,697	\$ -	\$ -	\$ -
Forward exchange contracts	58,732	-	58,732	1,150,113	-	1,150,113
Forward currency option contracts	-	-	-	382	-	382
Liabilities:						
Forward currency option contracts	\$ 1,992	\$ -	\$ 1,992	\$ 2,307	\$ -	\$ 2,307
Forward exchange contracts	135,181	-	135,181	585,124	-	585,124
Multiple-stage inflating forward	-	-	-	163	-	163

The methods and assumptions used to estimate the fair values of the above financial instruments are summarized below:

(1) Financial assets and liabilities with fair values equal to book values

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

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

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

3) Information on available-for-sale financial assets

The Group recognized the adjustment in equity from available-for-sale financial assets amounting to \$351,380 and \$612,639, and the amount removed from equity and recognized in profit or loss was \$13,664 and \$94,762 for the years ended December 31, 2006 and 2007, respectively.

4) Financial assets and liabilities with fair value risk and cash flow risk due to the change of interest rate

As of December 31, 2006 and 2007, the Group's financial assets with fair value risk due to the change of interest amounted to \$9,785,539 and \$28,696,745, respectively, and the Group had no financial liabilities with fair value risk due to the change of interest rate. The financial assets with cash flow risk due to the change of interest rate amounted to \$11,804,434 and \$12,738,600, respectively,

and the financial liabilities with cash flow risk due to the change of interest amounted to \$3,425,004 and \$4,043,062, respectively.

5) Procedure of financial risk control and hedge

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

- (1) Nature hedge
- (2) Not eroding the profit of main business
- (3) Not entering into the financial instruments besides the transaction currency
- (4) To execute the stop-loss point
- (5) To execute the operating process

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

6) Information of major financial risk

(1) Investments in equity financial instruments

Items	December 31	
	2006	2007
Available-for-sale financial assets	\$ 1,353,971	\$ 1,833,021
Financial assets carried at cost	918,719	705,945

A. Market risk

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



B. Credit risk

The Group assessed the credit condition of counterparties and default is not expected. Therefore, the possibility of credit risk is low.

C. Liquidity risk

(A) The Group's investments in equity financial instruments which have active markets are expected to be sold easily and quickly in the market at the price close to their fair value.

(B) The Group's investments in equity financial instruments without active markets are expected to have liquidity risk.

D. Cash flow risk due to changes in interest rate

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

(2) Other financial instruments investments

Item	December 31	
	2006	2007
Investments in bonds without active markets	\$ 7,169,800	\$ 7,135,700

A. Market risk

The investments in bonds without active markets are structured time deposits, particularly, the principal guaranteed product; therefore, the Group expects no significant market risk.

B. Credit risk

The counterparties of the structured time deposits invested by the Group are international financial institutions which are all in good credit standing; therefore, the credit risk is extremely low.

C. Liquidity risk

The Group's working capital is sufficient to support the capital demand of the Group. Therefore, the Group expects no significant liquidity risk.

D. Cash flow risk due to changes in interest rate

The future cash flows of the principal guaranteed financial instruments will fluctuate with the changes in market interest rate. Since these are principal guaranteed financial instruments, the market interest rate fluctuations will not reduce the cash flow of the principal.

(3) Receivables

<u>Items</u>	<u>December 31</u>	
	<u>2006</u>	<u>2007</u>
Notes receivable, net	\$ 358,668	\$ 472,865
Accounts receivable (including related parties), net	23,018,138	28,940,888
Other receivables	582,600	1,210,874

A. Market risk

The Group's receivables are all due within one year, therefore, the Group expects no significant market risk.

B. Credit risk

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

C. Liquidity risk

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

D. Cash flow risk due to changes in interest rate

The Group's receivables are all due within one year; therefore, there is no significant cash flow risk due to changes in interest rate.

(4) Loans

<u>Item</u>	<u>December 31</u>	
	<u>2006</u>	<u>2007</u>
Short-term loans	\$ 3,425,004	\$ 4,043,062

--

A. Market risk

Short-term loans of subsidiaries are all due within one year; therefore, the subsidiaries expect no significant market risk.

B. Credit risk

None.

C. Liquidity risk

Short-term loans of subsidiaries are all due within one year and the future cash flow is expected to be sufficient to cover the capital requirements of subsidiaries; therefore, the subsidiaries expect no significant liquidity risk.

D. Cash flow risk due to changes in interest rate

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

7) Information of derivative transactions

(1) The balance of the Group's derivative transactions as of December 31, 2006 and 2007 are shown in Notes 4(2), (13) and 10(9). The related risk information are as follows:

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

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

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

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

8) Off-balance sheet financial instruments with credit risk: None.

9) Cash flow hedge

Effective October 1, 2006, in order to prevent the risk resulting from future cash flow fluctuation due to foreign exchange rate fluctuations, subsidiaries entered into foreign currency forward contracts which meet all the criteria for hedge accounting. The related information is as follows:

<u>Hedge item</u>	<u>Designated as hedging instrument</u>			
	Financial instrument was designated as <u>hedging instrument</u>	Fair value as of December 31, <u>2007</u>	Period of anticipated <u>cash flow</u>	Period of gain (loss) recognized in <u>income statements</u>
Receivables in foreign currencies	Forward exchange contracts	\$ 1,060,589	2007. 01. 05~ 2008. 11. 10	2007. 01. 05~ 2008. 11. 10
Payables in foreign currencies	Forward exchange contracts	(585,124)	2007. 01. 05~ 2008. 12. 05	2007. 01. 05~ 2008. 12. 05

10) Significant intercompany transactions between the Company, DIH, DNH, Pyramis, DEN, Delta Optoelectronics, Delsolar, Nulight and the consolidated subsidiaries are eliminated when preparing the consolidated financial statements. The details are as follows:

	2006							
	The Company	DIH	DNH	Pyramis	DEN	Delta Optoelectronics	Delsolar	Nulight
Transactions								
1.Elimination of long-term investments	(\$32,583,295)	\$28,060,481	\$ 3,229,476	\$ 11,481	\$ 18,304	\$ 115,172	\$ 735,590	\$412,791
2.Elimination of intercompany receivable (AR) and payable (AP) accounts	9,144,706	(9,406,466)	195,190	1,950	29,857	3,337	31,450	(24)
3.Elimination of profit and loss accounts								
(1)Sale and purchase transactions								
A. Downstream transactions	2,579,905	(2,489,029)	(34,971)	-	(54,610)	(10)	(1,010)	(275)
B. Upstream transactions	(49,887,172)	49,872,463	8,708	-	-	-	6,001	-
C. Sidestream transactions	-	745,345	(654,719)	-	(66,814)	(127)	(23,325)	(360)
(2)Services revenue, selling expenses, management and administrative expenses	905,728	(974,521)	(54,587)	702	127,833	(588)	(3,650)	(917)
(3)Rental revenue and rental expense	28,693	(28,693)	-	-	-	-	-	-
(4)Other revenue and R&D expense	(26,373)	-	-	26,373	-	6,300	-	(6,300)
(5)Other revenue and other expense	-	(35,155)	-	35,155	-	-	-	-
4.Elimination of minority interest	574,712	(614,970)	-	4,760	-	12,153	(33,823)	57,168
5.Elimination of other transactions								
(1) Refundable deposits and guarantee deposits received	4,400	-	(4,400)	-	-	-	-	-
(2) Intangible assets and other liabilities	-	-	-	-	-	60,150	-	(60,150)
(3) Available-for-sale financial assets - non-current and other liabilities - other	39,050	(39,050)	-	-	-	-	-	-

	2007							
	The Company	DIH	DNH	Pyramis	DEN	Delta Optoelectronics	Delsolar	Nulight
Transactions								
1.Elimination of long-term investments	(\$49,154,888)	\$39,424,787	\$ 6,998,440	\$ -	\$ 53,838	\$ 26,718	\$ 2,704,012	\$ 529
2.Elimination of intercompany receivable (AR) and payable (AP) accounts	14,281,469	(14,761,071)	398,212	-	51,883	237	7,637	22,107
3.Elimination of profit and loss accounts								
(1)Sale and purchase transactions								
A. Downstream transactions	332,138	(292,706)	(9,616)	-	(29,176)	-	-	(640)
B. Upstream transactions	(29,926,122)	29,892,033	221	-	-	-	33,868	-
C. Sidestream transactions	-	1,234,623	(1,049,716)	-	(113,709)	-	(68,606)	(2,592)
(2)Services revenue, selling expenses, management and administrative expenses	3,182,873	(3,254,456)	(65,948)	-	137,897	-	(366)	-
(3)Rental revenue and rental expense	35,920	(35,920)	-	-	-	-	-	-
(4)Other revenue, R&D expense and impairment loss	-	-	-	-	-	60,150	-	(60,150)
4.Elimination of minority interest	497,879	(660,214)	-	-	-	10,898	(203,476)	354,913
5.Elimination of other transactions								
(1) Refundable deposits and guarantee deposits received	4,400	-	(4,400)	-	-	-	-	-
(2) Available-for-sale financial assets - non-current and other liabilities - other	39,050	(39,050)	-	-	-	-	-	-
(3) Other revenue, intangible assets and R&D expense	(33,333)	-	-	-	-	33,333	-	-

11. Disclosure information of the Company and its subsidiaries

(1) Related information of significant transactions

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

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

B. Guarantee information:

Number (Note a)	Name of the company providing guarantee	Parties being guaranteed		Limit on guarantees provided for a single party (Note c)	Highest outstanding guarantee amount in 2007	Outstanding guarantee amount at 12/31/2007 (Note e)	Amount of guarantee with collateral placed (Note d)	Rate of accumulated guarantee amount to net value of the Company	Ceiling of the outstanding guarantee to the respective party (Note d)
		Name	Relationship with the Company (Note b)						
0	Delta Electronics, Inc.	Delta	2	\$ 23,912,341	\$ 400,000	\$ -	\$ -	\$ -	47,824,682
		Optoelectronics Inc.				(Note e)			
0	"	Delsolar Co., Ltd.	2	"	200,000	-	-	-	"
						(Note e)			
						\$ -			

(Note a): Number 0 represents the Company.

(Note b): Number 1 means the Company has business transactions with the party. Number 2 means the subsidiaries of the Company.

(Note c): In accordance with the guarantee procedure of the Company, the Company's limit on guarantees provided for a single party should not be in excess of 40% of the Company's net assets.

(Note d): In accordance with the guarantee procedure of the Company, the Company's guarantees to others should not be in excess of 80% of the Company's net assets.

(Note e): The endorsements and guarantees provided to Delta Optoelectronics and Delsolar had been terminated during the third quarter of 2007.

C. Marketable securities held by the Company at December 31, 2007: (Combine the amount less than \$100,000 on December 31, 2007)

Name and kind of marketable securities		December 31, 2007							
Name of investor	Type of marketable securities	Name of marketable securities	Relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage ownership	Market value	Note
Delta Electronics, Inc.	Common Stock	Delta International Holding Ltd.	A subsidiary of the Company	Long-term investments accounted for under the equity method	67,680	\$ 39,424,787	94.00	\$ 39,303,251	-
"	"	Delta Networks Holding Ltd.	"	"	39,800	6,998,440	100.00	7,019,890	-
"	"	Delsolar Co., Ltd.	"	"	62,339	2,704,012	54.75	2,704,012	-
"	"	Delta Electronics (Thailand) Public Co., Ltd.	Investee company accounted for under the equity method	"	69,128	2,161,175	5.54	1,661,008	(Note)
"	"	Cyntec Co., Ltd.	"	"	62,612	1,179,337	34.22	2,986,608	-
"	"	Anpec Electronics Corp.	None	Available-for-sale financial assets	12,290	882,442	10.82	882,442	-
"	"	D-Link Co., Ltd.	"	"	12,406	710,863	1.81	710,863	-
"	Preferred Shares	Delta America Ltd.	"	Financial assets carried at cost - non-current	2,100	103,064	Preferred shares	103,064	-
"	Common Stock	Others				637,087		637,061	-
	Total					\$ 54,801,207		\$ 56,008,199	

(Note): The carrying value is based on the initial investment cost plus the investment income recognized by the combined ownership percentage of 20.01%. The combined ownership percentage of 20.01% of the market value of the long-term investment is \$5,997,223 at the end of 2007.

D. Marketable securities acquired or sold during 2007 in excess of \$100,000 or 20% of capital:

Acquirer / seller	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2007		Addition			Disposal			December 31, 2007	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Disposal gain	Number of shares (in thousands)	Amount
Delta Electronics, Inc.	Delsolar Co., Ltd.	Long-term investments accounted for under the equity method	(Note a)	Subsidiary	49,500	\$ 735,590	14,339	\$ 2,001,055 (Note b)	1,500	\$ 269,190	\$ 32,633	\$ 236,557	62,339	\$2,704,012
"	D-Link Co., Ltd.	Available-for-sale financial assets		"	13,859	591,771	277	199,052 (Note c)	1,730	134,094	79,960	54,134	12,406	710,863

(Note a): The counterparty for purchase transactions is Delsolar, and the counterparties for sale transactions are Taiwan Securities, Chinatrust Securities and Grand Cathay Securities.
 (Note b): The Company invested \$286,772 in Delsolar and recognized an investment income under the equity method, adjustments for change in subsidiaries' net asset value, cash dividends received. The net increase amount was \$2,001,055.
 (Note c): The increase amount was recognized as adjustment of valuation of fair value.

- E. Acquisition of real estate in excess of \$100,000 or 20% of capital: None.
- F. Disposal of real estate in excess of \$100,000 or 20% of capital: None.
- G. Related party purchases or sales transactions in excess of \$100,000 or 20% of capital: Please refer to Note 5 (2) A and C.
- H. Receivables from related parties in excess of \$100,000 or 20% of capital:

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties		Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
			Accounts receivable	Other receivables		Amount	Action adopted for overdue accounts		
Delta Electronics, Inc.	Delta Electronics International Ltd. (Labuan)	A subsidiary of DIH	\$ 849,388	187,089	7.42	\$ -	\$ 490,967	\$ -	

(Note): The amounts collected subsequently up to February 25, 2008.

- I. Information on derivative transactions: Please refer to Notes 4 (2), (11) and 10 (2) and (7).

(2) Disclosure information of investee company

Information related to investee companies' investment income or loss was translated at the average exchange rate of 2007 while others were translated at the rate of exchange prevailing at the balance sheet date.

A. Information of investee company: (Combine the individual book value less than \$100,000 on December 31, 2007)

Name of investor	Name of investee company	Address	Main activities	Original investment (Note 1)		Held as of December 31, 2007			Investment income (loss) recognized by the Company	Note
				Balance as of December 31, 2007	Balance as of December 31, 2006	Number of shares (in thousands)	Percentage of ownership	Book value			Income (loss) of the investee company
Delta Electronics, Inc.	Delta International Holding Ltd.	Cayman Islands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680	94.00	\$ 39,424,787	\$ 11,568,655	(Note f)
"	Delta Networks Holding Ltd.	Cayman Islands	Equity Investments	1,377,206	1,377,206	39,800	100.00	6,998,440	2,400,820	-
"	Delsolar Co., Ltd.	Science-Based Industrial Park, Hsinchu City, Taiwan	Manufacturing of solar batteries and related systems	763,403	495,000	62,339	54.75	2,704,012	620,550	417,074
"	Delta Electronics (Thailand) Public Co., Ltd.	Thailand	Manufacturing and sales of electronic products	114,615	114,615	69,128	5.54	2,161,175	3,000,894	507,824 (Note g)
"	Cyntec Co., Ltd.	Science-Based Industrial Park, Hsinchu City, Taiwan	Research, development, manufacturing and sales of various thin film components	455,814	455,814	62,612	34.22	1,179,337	714,049	245,673
"	Deltronics (Netherlands) B. V., etc.			2,366,855	2,558,951			54,367	(1,012,254)	(588,505)
				\$ 14,000,011	\$ 13,923,704			\$ 52,522,118	\$ 17,292,714	\$ 13,849,603

Name of investor	Name of investee company	Address	Main activities	Original investment (Note h)			Held as of December 31, 2007			Investment income (loss) recognized by the Company (Note a)	Note
				Balance as of December 31, 2007	Balance as of December 31, 2006	Number of shares (In thousands)	Percentage of ownership	Book value	Income (loss) of the investee company		
Delta International Holding Ltd.	Delta Electronics International Ltd. (Labuan)	Malaysia	Sales of electronic products	\$ 64,870	\$ 64,870	2,000	100.00	\$ 14,936,079	\$ 7,402,860	-	
"	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments	9,312,705	41,971	2,228,002	100.00	14,561,493	605,992	"	
"	DAC Holding Ltd.	Cayman Islands	Equity investments	523,509	523,509	22,200	100.00	210,660	(28,999)	"	
"	Trillion Science Inc.	California, U.S.A	R&D of anisotropic conductive film	583,830	-	9,000	40.98	576,044	(89,732)	"	
"	Delta Electronics Agent Ltd., etc.	Hong Kong, etc.	Operations management and engineering services, etc.	147,534	235,107	-	-	219,187	274,331	"	
Delta Electronics (H.K.) Ltd.	Delta Electronics (Dong Guan) Co., Ltd.	Dongguan City, Guangdong, Province, P.R.C.	Manufacturing of power supplies	1,959,074	1,303,887	-	100.00	2,532,633	222,868	(Note b)	
"	Delta Electronics Power (Dong Guan) Co., Ltd.	"	Manufacturing of power supplies	1,365,514	1,365,514	-	100.00	3,805,430	1,713,808	"	
"	Delta Electronics Components (Dong Guan) Co., Ltd.	"	Manufacturing of transformers	1,191,986	1,191,986	-	100.00	1,818,756	414,206	"	
"	Delta Electronics (Shanghai) Co., Ltd.	Pudong New District, Shanghai City, P.R.C.	Product design	1,017,182	323,777	-	100.00	913,214	938	"	
"	Delta Electronics (Jiang Su) Ltd.	Wujiang City, Jiang Su Province, P.R.C.	Manufacturing of power supplies	713,570	713,570	-	55.00	1,605,536	1,379,990	"	
"	Delta Electronics Components (Wu Jiang) Ltd.	"	Manufacturing of transformers	1,584,304	1,213,069	-	55.00	1,959,355	390,202	"	
"	Delta Electro-optics (Wu Jiang) Ltd.	"	Manufacturing of peripherals and electronic control equipments	517,338	445,981	-	55.00	914,424	545,002	"	
"	Delta Video Display System (Wu Jiang) Ltd.	"	Manufacturing and sales of various projectors	517,338	517,338	-	55.00	583,556	258,386	"	

Name of investor	Name of investee company	Address	Main activities	Original investment (Note h)		Held as of December 31, 2007			Investment income (loss) recognized by the Company (Note b)	Note
				Balance as of December 31, 2007	Balance as of December 31, 2006	Number of shares (in thousands)	Percentage of ownership	Book value			Income (loss) of the investee company ($)
Delta Electronics (H.K.) Ltd.	Delta Electronics (Wu Hu) Co., Ltd.	Wu Hu City, Anhui Province, P.R.C.	Manufacturing of power supplies	\$ 389,220	\$ -	-	100.00	\$ 370,227	34,457	-
"	Delta Electronic (Chenzhou) Co., Ltd.	Chenzhou City, Hunan Province, P.R.C.	"	259,480	-	-	100.00	258,329	(6,519)	"
Delta Networks Holding Ltd.	Delta Networks Inc. (Cayman)	Cayman Islands	Equity investments	1,154,945	1,276,875	712,160	59.51	5,651,053	1,874,342	(Note c)
Delta Networks Inc. (Cayman)	Delta Networks Inc.	Gueishan Township, Taoyuan County	Manufacturing of networking system and peripherals	458,969	458,969	49,599	99.20	1,160,151	399,867	(Note d)
"	Delta Networks International Ltd. (Labuan)	Malaysia	Trading of networking system and peripherals	32,435	32,435	1,000	100.00	1,133,205	696,042	"
"	Delta Networks (H.K.) Limited	Hong Kong	Equity investments	1,135,225	-	35,000	100.00	1,925,957	277,759	"
"	Delta Networks (Wu Jiang) Ltd.	Wujiang City, Jiang Su Province, P.R.C.	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	162,175	-	-	100.00	164,155	(11)	"
"	DNI Logistics (USA) Corp, etc.	U.S.A., etc.	Trading of networking system and peripherals	18,036	18,036	-	-	43,431	2,049	"
Delta Networks (H.K.) Ltd.	Delta Networks (Dong Guan) Co., Ltd.	Dongguan City Guangdong Province, P.R.C.	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	852,896	771,809	-	100.00	1,637,988	637,099	(Note e)

Note a: Investment income/loss recognized by Delta International Holding Ltd.
 Note b: The investment income/loss on the subsidiary is originally accounted for through Delta International Holding Ltd, but is now accounted for through Delta Electronics (H.K.) Ltd. due to investment structure change in 2007.
 Note c: Investment income/loss recognized by Delta Networks Holding Ltd.
 Note d: Investment income/loss recognized by Delta Networks Inc. (Cayman).
 Note e: The investment income/loss on the subsidiary is originally accounted for through Delta Networks Inc. (Cayman) but is now accounted for through Delta Networks (H.K.) Ltd. due to investment structure change in 2007.
 Note f: The investment income/loss is net of the elimination of intercompany transactions.
 Note g: The weighted average shareholding ratio was 20.01% and the investment income included the elimination of intercompany transactions.
 Note h: The original investment represented the capital certified.
 Note i: Formerly "Delta Electronics Industrial (Dong Guan) Co., Ltd.".

B. Financing activities to any company or person: None.
 C. Guarantee information:

Number (Note a)	Name of the company providing guarantee		Parties being guaranteed		Relationship with the Company	Limit on guarantees provided for a single party (Note c)	Highest outstanding guarantee amount in 2007	Outstanding guarantee amount at 12/31/2007	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net value of the company	
	Name	Name	Name	Name						of the company	to outstanding guarantee to the respective party (Note d)
1	Delsolar Co., Ltd.	Delta Electronics, Inc.			(Note b and e)	\$ 1,975,595	\$ 270,600	\$ 270,600	\$ -	5%	\$ 3,951,190

(Note a): The investee companies are numbered starting from "1".

(Note b): The ultimate parent company.

(Note c): In accordance with the guarantee procedure of the company, the company's limit on guarantees provided for a single party should not be in excess of 40% of the company's net assets.

(Note d): In accordance with the guarantee procedure of the company, the company's guarantee to others should not be in excess of 80% of the company's net assets.

(Note e): Mutual guarantees in the trade due to construction undertaking pursuant to the contracts.

D. Marketable securities held by the company at December 31, 2007: (Combined the individual amount less than \$100,000 on December 31, 2007)

Name and kind of marketable securities		December 31, 2007						
Name of investor	Kind of marketable securities	Name of marketable securities	Relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage	Market value
Delta International Holding Ltd. (DIH)	Common stock	Delta Electronics International Ltd. (Labuan)	A subsidiary of DIH	Long-term investments accounted for under the equity method	2,000	\$ 14,936,079	100.00	\$ 14,936,079
"	"	DAC Holding Ltd.	"	"	22,200	210,660	100.00	210,660
"	"	Delta Electronics (H.K.) Ltd.	"	"	2,228,002	14,561,493	100.00	14,561,493
"	"	Delta Electronics (Thailand) Public Co., Ltd.	Investee company accounted for under the equity method of the Company	"	191,984	4,643,149	15.39	4,607,992
"	Preferred shares	Trillion Science Inc.	Investee company accounted for under the equity method of the subsidiary	"	9,000	576,044	40.98	576,004
"	Common stock	Peco II, Inc.	None	Available-for-sale financial assets - non-current	4,740	123,003	17.31	123,003
"	Warrants	Delta Electronics Agent Ltd., etc.	"	"	-	8,947	-	8,947
"		Delta Electronics (Dong Guan) Co., Ltd.	"	"	-	385,461	-	385,461
Delta Electronics (H.K.) Ltd. (DHK)	Certificate of amount contributed	Delta Electronics (Dong Guan) Co., Ltd.	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	2,532,633	100.00	2,532,633
"	"	Delta Electronics Power (Dong Guan) Co., Ltd.	"	"	-	3,805,430	100.00	3,805,430
"	"	Delta Electronics Components (Dong Guan) Co., Ltd.	"	"	-	1,818,756	100.00	1,818,756
"	"	Delta Electronics (Shanghai) Co., Ltd.	"	"	-	913,214	100.00	913,214
"	"	Delta Electronics (Jiang Su) Ltd.	"	"	-	1,605,536	55.00	1,605,536
"	"	Delta Electronics Components (Wu Jiang) Ltd.	"	"	-	1,959,355	55.00	1,959,355

Name and kind of marketable securities		December 31, 2007						
Name of investor	Kind of marketable securities	Name of marketable securities	Relationship of the issuers with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage	Market value
Delta Electronics (H.K.) Ltd. (DHK)	Certificate of amount contributed	Delta Electro-optics (Wu Jiang) Ltd.	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	\$ 914,424	55.00	\$ 914,424
"	"	Delta Video Display System (Wu Jiang) Ltd.	"	"	-	583,556	55.00	583,556
"	"	Delta Electronics (Wu Hu) Co., Ltd.	"	"	-	370,227	100.00	370,227
"	"	Delta Electronics (Chenzhou) Co., Ltd.	"	"	-	258,329	100.00	258,329
Delta Networks Holding Ltd. (DNH)	Common stock	Delta Networks Inc. (Cayman)	A subsidiary of DNH	"	712,160	5,651,053	59.51	7,669,408
Delta Networks Inc. (Cayman) (DNI Cayman)	"	Delta Networks Inc.	A subsidiary of DNI Cayman	"	49,599	1,160,151	99.20	1,160,151
"	"	Delta Networks International Ltd. (Labuan)	"	"	1,000	1,133,205	100.00	1,133,205
"	"	Delta Networks (H.K.) Ltd.	"	"	35,000	1,925,957	100.00	1,925,957
"	Certificate of amount contributed	Delta Networks (Wu Jiang) Ltd.	"	"	-	164,155	100.00	164,155
"	"	DNI Logistics (USA) Corp., etc.	"	"	-	43,431		43,431
Delta Networks Inc. (DNIT)	"	Asante Technologies, etc.	"	"	-	9,216		9,216
Delta Networks (H.K.) Ltd. (DNHK)	Certificate of amount contributed	Delta Networks (Dong Guan) Co., Ltd.	A subsidiary of DNHK	"	-	1,637,988	100.00	1,637,988
Delta Optoelectronics Inc. (Delta Optoelectronics)	Common stock	Nulight Technology Corporation	A subsidiary of the Company	"	6,700	82	7.51	82

Note: Formerly "Delta Electronics Industrial (Dong Guan) Co., Ltd."

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

Acquirer/ seller	Name of marketable security	General ledger accounts	Name of transaction parties (Note a)	Relationship (Note a)	January 1, 2007			Addition			Disposal			December 31, 2007	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	
Delta International Holding Ltd.	Delta Electronics (Dong Guan) Co., Ltd. Certificate of amount contributed	Long-term investments accounted for under the equity method	"	Subsidiary	-	\$1,575,107	-	\$ 825,031 (Note c)	-	\$ 1,960,886	\$2,400,138	-	-	-	\$ -
"	Delta Electronics Power (Dong Guan) Co., Ltd. Certificate of amount contributed	"	Delta Electronics (H.K.) Ltd.	"	-	2,311,342	-	839,827 (Note d)	-	1,366,777	3,151,169	-	-	-	-
"	Delta Electronics Components (Dong Guan) Co., Ltd. Certificate of amount contributed	"	"	"	-	1,980,101	-	(303,064) (Note d)	-	1,193,089	1,677,037	-	-	-	-
"	Delta Electronics (Shanghai) Co., Ltd. Certificate of amount contributed	"	(Note a)	"	-	212,262	-	697,107 (Note e)	-	1,018,123	909,369	-	-	-	-
"	Delta Electronics (Jiang Su) Ltd. Certificate of amount contributed	"	Delta Electronics (H.K.) Ltd.	"	-	985,436	-	566,656 (Note d)	-	714,230	1,552,092	-	-	-	-

Acquirer/ seller	Name of marketable security	General ledger accounts	Name of transaction parties (Note a)	Relationship Subsidiary	January 1, 2007			Addition			Disposal			December 31, 2007	
					Number of shares (in thousands)	Amount \$	Number of shares (in thousands)	Number of shares (in thousands)	Amount \$	Number of shares (in thousands)	Selling price \$	Book value \$	Disposal gain/(loss) (Note b)	Number of shares (in thousands)	Amount \$
Delta International Holding Ltd.	Delta Electronics Components (Wu Jiang) Ltd. Certificate of amount contributed	Long-term investments accounted for under the equity method			-	\$ 1,338,130 (Note f)	-	\$ 585,210 (Note f)	-	\$ 1,585,769	\$ 1,923,340	-	-	-	-
"	Delta Electronics (Wu Jiang) Ltd. Certificate of amount contributed	"	Delta Electronics (H.K.) Ltd.	"	-	655,446	-	232,170 (Note d)	-	517,817	887,616	"	-	-	-
"	Delta Video Display System (Wu Jiang) Ltd. Certificate of amount contributed	"	"	"	-	412,624	-	140,925 (Note d)	-	517,817	553,549	"	-	-	-
"	Delta Electronics (Wu Hu) Co., Ltd. Certificate of amount contributed	"	(Note a)	"	-	-	-	369,401 (Note g)	-	389,580	369,401	"	-	-	-
"	Delta Electronics (Chenzhou) Co., Ltd. Certificate of amount contributed	"	"	"	-	-	-	259,720 (Note h)	-	259,720	259,720	"	-	-	-

Acquirer/ seller	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2007			Disposal			December 31, 2007		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Disposal gain/(loss)	Number of shares (in thousands)	Amount	
Delta International Holding Ltd.	Delta Electronics (H.K.) Ltd.	Long-term investments accounted for under the equity method	Delta Electronics (H.K.) Ltd.	Subsidiary	10,000	\$ 43,185	-	-	-	-	-	\$ 14,561,493	
"	Trillion Science Inc. Preferred shares	"	Goldspring Investment Ltd.	-	-	-	9,000	-	-	-	9,000	576,004	
Delta Networks Holding Ltd.	Delta Networks Inc. (Cayman) Common stock	"	Goldman Sachs (Asia) L.L.C.	-	39,367	3,266,151	747,977 (Note k)	2,787,101 (Note l)	1,338,635	402,199	936,436	712,160	5,651,053
Delta Networks Inc. (Cayman)	Delta Networks (H.K.) Ltd. Common stock	"	Delta Networks (H.K.) Ltd.	Subsidiary	-	-	35,000	1,925,957 (Note m)	-	-	-	35,000	1,925,957
"	Delta Networks (Wu Jiang) Ltd.	"	Delta Networks (Wu Jiang) Ltd.	"	-	-	-	164,155 (Note n)	-	-	-	-	164,155
Delta Networks Inc. (Cayman)	Certificate of contributed amount	"	(Note a)	"	-	1,193,452	-	177,358 (Note o)	853,685	1,370,810 (Note b)	-	-	-
"	Lehman US Dollar Liquidity Fund	Available-for-sale financial assets - current	Lehman Brothers Liquidity Funds plc		-	-	-	657,000	662,011	657,000	5,011	-	-

Acquirer/ seller	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2007			Disposal			December 31, 2007		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Number of shares (in thousands)	Selling price	Book value	Disposal gain/(loss)	Number of shares (in thousands)	Amount	Disposal gain/(loss)
Nulight Technology Corporation	IBT	Financial assets at fair value through profit or loss - current	-	-	5,682	\$ 73,639	3,798	\$ 50,000	9,480	\$ 124,248	\$ 123,639	609	\$ -

(Note a) The counterparties for purchase transactions are the subsidiaries, and the counterparty for sale transactions is Delta Electronics (H.K.) Ltd. Therefore, the information on the shares exceeding \$100,000 of affiliated companies in Mainland China acquired by Delta Electronics (H.K.) Ltd. would not be disclosed again.

(Note b): As the transactions are the Group's investment restructuring, no disposal gain (loss) is incurred in accordance with the related laws and regulations.

(Note c): Delta International Holding Ltd. invested \$486,525 in Delta Electronics (Dong Guan) Co., Ltd. Investment income accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was \$338,506.

(Note d): The amount included investment income accounted for under the equity method, adjustment due to change of investees' equity and cash dividends received by Delta International Holding Ltd. during 2007.

(Note e): Delta International Holding Ltd. invested \$648,700 in Delta Electronics (Shanghai) Co., Ltd. and recognized investment income accounted for under the equity method and change in cumulative translation adjustment in the amount of \$48,407.

(Note f): Delta International Holding Ltd. invested \$311,295 in Delta Electronics Components (Wu Jiang) Ltd. and recognized investment income accounted for under the equity method and change in cumulative translation adjustment in the amount of \$273,915.

(Note g): Delta International Holding Ltd. invested \$389,220 in Delta Electronics Delta Electronics (Wu Hu) Co., Ltd. and recognized investment loss accounted for under the equity method and change in cumulative translation adjustment in the amount of (\$19,819).

(Note h): Delta International Holding Ltd. invested \$259,480 in Delta Electronics (Chenzhou) Co., Ltd. and recognized investment loss accounted for under the equity method and change in cumulative translation adjustment in the amount of \$240.

(Note i): Delta International Holding Ltd. invested \$9,270,734 in Delta Electronics (H.K.) Ltd. Investment income accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was \$5,247,574.

(Note j): Delta International Holding Ltd. acquired shares of Trillion Science, Inc. totaling \$583,830 during 2007. Investment loss accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was (\$7,786).

(Note k): The number of shares increased due to stock split.

(Note l): The amount of investment income accounted for under the equity method, adjustment due to non-proportional investments to increases in capital of Delta Networks Inc. (Cayman), proportional adjustment for Delta Networks Inc. (Cayman)'s unrealized gain on financial instruments and adjustment due to change in subsidiary's net asset value.

(Note m): Delta Networks Inc. (Cayman) invested \$1,135,225 in Delta Networks (H.K.) Ltd. Investment income accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was \$790,732.

(Note n): Delta Networks Inc. (Cayman) invested \$162,175 in Delta Networks (Wu Jiang) Ltd. Investment income accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was \$1,980.

(Note o): Delta Networks Inc. (Cayman) recognized investment income accounted for under the equity method and adjustment due to change in subsidiary's net asset value.

F. Acquisition of real estate in excess of \$100,000 or 20% of capital:

Property acquired by	Property Acquired	Previous transfer information (as the transaction parties were related parties)										
		Date of transaction	Transaction Amount	Status of Payment	Counterparty	Relationship with the Company	Original owner who sold the property to the counterparty	Relationship of the Company to the owner with the counterparty	Date of the original transfer	Amount	Basis or reference price used in setting the price	Reason for acquisition of properties and status of the properties
Delta Electronics (Dong Guan) Co., Ltd.	Buildings	2007.12.25	\$1,557,454	Cash	Jiangsu Nantong Liu Jian Construction Group Co., Ltd., etc.	-	-	-	-	-	-	-
Delta Electronics Components (Wu Jiang) Ltd.	"	2007.05.24~2007.12.28	125,360	"	China Construction First Division Group., etc.	-	-	-	-	"	"	"
Delta Video Display System (Wu Jiang) Ltd.	"	2007.05.28~2007.06.30	121,265	"	Jiangsu Nantong Liu Jian Construction Group Co., Ltd., etc.	-	-	-	-	"	"	"

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

H. Related party purchases or sales transactions in excess of \$100,000 or 20% of capital:

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

Name of the counterparty	Name of transaction parties	Purchases (sales)	Relationship	Transaction terms			Description of and reasons for difference in transaction terms compared to non-related party transactions			
				Amount	% of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)
Delta Electronics International Ltd. (Labuan)	Delta Green (Tianjin) Industries Co., Ltd.	Purchases \$ 1,085,822	Related party in substance	\$ 1,085,822	1.00	75 days	-	-	(\$ 289,287)	(1.00)

Name of the counterparty	Name of transaction parties	Relationship	Transaction terms			Description of and reasons for difference in transaction terms compared to non-related party transactions			Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)
Delta Electronics (Jiang Su) Ltd.	Delta Electronics (Thailand) Public Co., Ltd.	Associate	Purchases	\$ 135,882	0.49	75 days	-	-	(\$ 20,861)	(0.24)
Delta Electronics International Ltd. (Labuan)	Delta Electronics (Jiang Su) Ltd.	Affiliated enterprise	Sales	333,525	0.27	"	-	-	86,160	0.21
"	Delta Electronics Components (Wu Jiang) Ltd.	"	"	138,933	0.11	"	-	-	30,185	0.07
"	Delta Video Display System (Wu Jiang) Ltd.	"	"	134,675	0.11	"	-	-	39,492	0.10
"	Delta Electronics (Japan) Inc.	"	"	528,653	0.43	"	-	-	216,152	0.52
"	Delta Networks International Ltd. (Labuan)	"	"	208,410	0.17	"	-	-	61,367	0.15
"	Delta Electronics (Dong Guan) Co., Ltd.	"	"	4,217,414	3.44	"	-	-	2,136,039	5.17

Name of the counterparty	Name of transaction parties	Relationship	Transaction terms			Description of and reasons for difference in transaction terms compared to non-related party transactions			Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)
Delta Electronics International Ltd. (Labuan)	Delta Electronics Power (Dong Guan) Co., Ltd.	Affiliated enterprise	Sales \$ 25,040,496	\$ 25,040,496	20.40	75 days	-	-	\$ 10,189,510	24.66
"	Delta Electronics Components (Dong Guan) Co., Ltd.	"	"	6,140,484	5.00	"	-	-	2,203,628	5.33
"	DEI Logistics (USA) Corp.	"	"	4,954,521	4.04	"	-	-	922,443	2.23
"	Delta Products Corporation	Related party in substance	"	773,648	0.63	"	-	-	235,248	0.57
"	Deltronics (Netherlands) B.V.	Affiliated enterprise	"	113,845	0.09	"	-	-	37,594	0.09
"	Delta Electronics Inc.	Ultimate parent company	"	29,491,800	23.44	"	-	-	13,682,021	32.75
"	Delta Energy Systems (India) PVT Ltd.	Associate	"	629,814	0.51	"	-	-	282,881	0.68
Delta Electronics Components (Dong Guan) Co., Ltd.	Delta Electronics Power (Dong Guan) Co., Ltd.	Affiliated enterprise	"	1,099,846	14.27	"	-	-	95,298	2.81
"	Delta Electronics International Ltd. (Labuan).	"	"	5,747,554	74.58	"	-	-	2,770,725	81.75
Delta Electronics Power (Dong Guan) Co., Ltd.	"	"	"	30,698,377	96.15	"	-	-	10,545,106	97.81

Name of the counterparty	Name of transaction parties	Relationship	Transaction terms			Description of and reasons for difference in transaction terms compared to non-related party transactions			Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)
Delta Electronics Power (Dong Guan) Co., Ltd.	Delta Networks (Dong Guan) Co., Ltd.	Affiliated enterprise	Sales	\$ 299,547	0.94	75 days	-	-	\$ 86,998	0.79
Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	"	"	5,731,898	90.99	"	-	-	1,218,405	71.45
"	Delta Networks (Dong Guan) Co., Ltd.	"	"	368,134	5.84	"	-	-	110,781	6.50
Delta Electronics (Jiang Su) Ltd.	Delta Electronics International Ltd. (Labuan)	"	"	21,034,190	65.00	"	-	-	2,975,761	48.72
"	Deltron-Cimic Electric and Electronics Co., Ltd.	Related party in substance	"	1,027,613	3.18	90 days	-	-	179,484	2.94
Delta Electronics Components (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	Affiliated enterprise	"	4,073,376	49.56	75 days	-	-	315,210	21.86
"	Delta Electronics (Jiang Su) Ltd.	"	"	107,063	1.30	"	-	-	33,568	2.33
Delta Electron-optics (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	"	"	1,771,291	42.97	"	-	-	166,558	21.50

Name of the counterparty	Name of transaction parties	Relationship	Transaction terms			Description of and reasons for difference in transaction terms compared to non-related party transactions			Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)
Delta Electron-optics (Wu Jiang) Ltd.	Deltron-Cimic Electric and Electronics Co., Ltd.	Related party in substance	Sales	\$ 2,202,166	53.42	90 days	-	-	\$ 600,504	77.50
Delta Video Display System (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	Affiliated enterprise	"	2,980,715	79.66	75 days	-	-	292,524	58.06
"	Deltron-Cimic Electric and Electronics Co., Ltd.	Related party in substance	"	207,382	5.54	90 days	-	-	94,733	18.80
Delta Electronics (Japan) Inc.	Delta Electronics Components (Wu Jiang) Ltd.	Affiliated enterprise	"	113,187	10.01	75 days	-	-	27,852	7.24
"	Delta Electronics International Ltd. (Labuan)	"	"	165,291	14.62	"	-	-	41,389	10.75
Delta Networks International Ltd. (Labuan)	Delta Networks (Dong Guan) Co., Ltd.	"	"	8,328,817	43.49	"	-	-	2,599,899	50.92
"	DNI Logistic (USA) Corp.	"	"	1,309,769	6.84	"	-	-	318,405	5.79
Delta Networks (Dong Guan) Co., Ltd. (Note)	Delta Networks International Ltd. (Labuan)	"	"	9,252,751	92.91	"	-	-	2,824,072	95.98
Delta Networks Inc.	"	"	"	142,080	6.28	"	-	-	123,680	20.13

Note: Formerly "Delta Electronics Industrial (Dong Guan) Co., Ltd."

I. Receivable from related parties in excess of \$100,000 or 20% capital:

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note a)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Electronics International Ltd. (Labuan)	Delta Electronics Components (Dong Guan) Co., Ltd.	Affiliated enterprise	\$ 2,203,628	2.75	\$ -	-	\$ 495,935	\$ -
"	DEI Logistics (USA) Corp.	"	922,443	5.30	197,012	Continued collection expected in 2008	618,095	-
"	Delta Products Corporation	Related party in substance	235,248	3.25	-	-	59,845	-
"	Delta Electronics, Inc.	Ultimate parent company	13,682,021	2.10	2,302,900	Continued collection expected in 2008	4,177,815	-
"	Delta Electronics (Japan) Inc.	Affiliated enterprise	216,152	2.41	-	-	84,425	-
"	Delta Electronics (Dong Guan) Co., Ltd.	"	2,136,039	1.95	-	-	375,988	-
"	Delta Electronics Power (Dong Guan) Co., Ltd.	"	10,189,510	2.43	-	-	2,327,005	-
"	Delta Energy Systems (India) PVT Ltd.	Associate	282,881	2.20	-	-	187,066	-
Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	Affiliated enterprise	1,218,405	4.64	-	-	564,999	-
"	Delta Networks (Dong Guan) Co., Ltd. (Note b)	"	110,781	3.28	-	-	-	-
Delta Electronics Components (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	"	2,770,725	2.05	-	-	688,646	-
Delta Electronics Power (Dong Guan) Co., Ltd.	"	"	10,545,106	2.87	-	-	3,139,825	-
Delta Electronics (Jiang Su) Ltd.	"	"	2,975,761	6.38	16,131	Continued collection expected in 2008	2,942,067	-
"	Deltron-Cimic Electric and Electronics Co., Ltd.	Related party in substance	179,484	6.27	-	-	56,772	-

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties		Turnover rate	Overdue receivable		Subsequent collections (Note a)	Allowance for doubtful accounts provided
			Amount	Continued collection expected in 2008		Amount	Continued collection expected in 2008		
Delta Electronics Components (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	Affiliated enterprise	\$ 315,210		9.30	\$ 382	Continued collection expected in 2008	\$ 313,180	-
Delta Electro-optics (Wu Jiang) Ltd.	"	"	166,558		7.74	-	-	166,558	-
"	Deltron-Cimic Electric and Electronics Co., Ltd.	Related party in substance	600,504		4.34	-	-	189,133	-
Delta Video Display System (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	Affiliated enterprise	292,524		6.15	-	-	292,524	-
Delta Networks International Ltd. (Labuan)	Delta Networks (Dong Guan) Co., Ltd. (Note b)	"	2,599,899		3.28	583,761	Continued collection expected in 2008	1,586,489	-
"	DNI Logistics (USA) Corp.	"	318,405		4.76	78,845	"	211,289	-
Delta Networks (Dong Guan) Co., Ltd. (Note b)	Delta Networks International Ltd. (Labuan)	"	2,824,072		3.74	205,756	"	1,586,489	-
Delta Networks Inc.	"	"	123,680		0.62	-	-	104,848	-

(Note a): The amount collected subsequently up to February 25, 2008.

(Note b): Formerly "Delta Electronics Industrial (Dong Guan) Co., Ltd.".

(10) Information on derivative transactions

The information on derivative transactions of investee companies for the year ended December 31, 2007 are as follows:

- A. Market risk: The investee companies entered into these contracts in order to hedge. Accordingly, no material market risk is expected.
- B. Credit risk: The banks, which the subsidiaries deal with, are all in good credit standing and the subsidiaries deal with several banks to disperse the credit risk, therefore, the possibility is low for the banks not to comply with the terms of the contracts.
- C. Liquidity risk: Subsidiaries have sufficient working capital; therefore, no material liquidity risk is expected.
- D. Cash flow risk due to changes in interest rate: Subsidiaries did not enter into any derivative contract that is interest rate related; therefore, no material cash flow risk due to changes in interest rate is expected.
- E. The nature and related information of investee companies' outstanding derivative transactions as of December 31, 2007 are summarized as follows:

Derivative transactions	Par value, contract amount or nominal principal (Note a)	Contract period
A. Delta Electronics International Ltd. (Labuan) (A subsidiary of DIH)		
Forward foreign currency contracts – Buy USD, sell RMB	USD 660,000	2007.01.05~2008.11.12
Buy option (USD PUT/JPY CALL)	USD 3,500	2007.11.06~2008.03.13
Sell option (USD CALL/JPY PUT)	USD 7,000	2007.11.06~2008.03.13
The net loss recognized on forward foreign currency contracts and foreign currency options for the year ended December 31, 2007 amounted to \$232,839 and the unrealized loss recognized on financial instruments under stockholders' equity amounted to \$534,423 as it had met all the criteria for hedge accounting.		
B. Delta Electronics (Dong Guan) Co., Ltd. (A subsidiary of DHK)		
Forward foreign currency contracts – Sell USD, buy RMB	USD 164,000	2007.01.05~2008.11.07
Forward foreign currency contracts – Sell RMB, buy USD	RMB 52,938	2007.10.26~2008.10.24
The net gain recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$50,356 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to \$252,357 as it had met all the criteria for hedge accounting.		
C. Delta Electronics Power (Dong Guan) Co., Ltd. (A subsidiary of DHK)		
Forward foreign currency contracts – Sell USD, buy RMB	USD 455,000	2007.01.05~2008.11.10
Forward foreign currency contracts – Sell RMB, buy USD	RMB 284,638	2007.10.09~2008.12.05
The net gain recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$293,962 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to \$691,569 as it had met all the criteria for hedge accounting.		
D. Delta Electronics Components (Dong Guan) Co., Ltd. (A subsidiary of DHK)		
Forward foreign currency contracts – Sell USD, buy RMB	USD 41,000	2007.01.05~2008.11.07
The net gain recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$66,806 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to \$65,962 as it had met all the criteria for hedge accounting.		
E. Delta Networks (Dong Guan) Co., Ltd. (A subsidiary of DNHK) (Note b)		
Forward foreign currency contracts – Sell USD, buy RMB	USD 110,000	2007.01.05~2008.11.12
The net gain recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$206,703.		

Derivative transactions	Par value, contract amount or nominal principal (Note a)	Contract period
F. Delta Networks, Inc. (registered in Taiwan, a subsidiary of DNI Cayman) The derivative financial instruments held by Delta Networks, Inc. at the end of 2007 were all settled. The net gain on foreign currency options held for trading purposes was recognized in the amount of \$607 in 2007.		
G. Delta Networks International Ltd. (Labuan) (A subsidiary of DNI Cayman) Forward foreign currency contracts – Buy USD, sell RMB The net loss recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$80,474.	USD 100,000	2007.01.05~2008.10.13

[Note a]: Unit: Thousands of dollars.

[Note b]: Formerly “Delta Electronics Industrial (Dong Guan) Co., Ltd.”.

Derivative transactions	Par value, contract amount or nominal principal (Note a)	Contract period
F. Delta Networks, Inc. (registered in Taiwan, a subsidiary of DNI Cayman) The derivative financial instruments held by Delta Networks, Inc. at the end of 2007 were all settled. The net gain on foreign currency options held for trading purposes was recognized in the amount of \$607 in 2007.		
G. Delta Networks International Ltd. (Labuan) (A subsidiary of DNI Cayman) Forward foreign currency contracts – Buy USD, sell RMB The net loss recognized on forward foreign currency contracts for the year ended December 31, 2007 amounted to \$80,474.	USD 100,000	2007. 01. 05-2008. 10. 13

[Note a]: Unit: Thousands of dollars.

[Note b]: Formerly “Delta Electronics Industrial (Dong Guan) Co., Ltd.”.

(3) Disclosure of information on indirect investments in Mainland China (Units: In thousands)

Investment income or loss recognized are translated at the average rate for the year ended December 31, 2007, others are translated at the rate of exchange prevailing at the balance sheet date.

A. Basic information

Name of investee in Mainland China	Main activities of investee	Capital (Note a and o)	Investment method	Accumulated remittance as of January 1, 2007	Remitted or collected this period		Accumulated remittance as of December 31, 2007	Ownership held by Company (direct and indirect)	Investment income (loss) recognized by the Company during the year	Ending balance of investment	Investment income (loss) remitted back as of December 31, 2007
					Remitted out	Collected					
Delta Electronics (Dong Guan) Co., Ltd.	Manufacturing of power supplies	\$ 1,959,074 (US\$ 60,400)	Invested by DHK	NT\$ 1,203,554 (US\$ 37,107)	\$ -	\$ -	NT\$ 1,203,554 (US\$ 37,107)	94.00%	\$ 209,496	\$ 2,380,675	(Note b)
Deltron-Cimic Electric and Electronics Co., Ltd.	Manufacturing and sales of uninterruptible power systems	1,456,451 (RMB\$ 328,000)	Invested by DJH	NT\$ 97,372 (US\$ 3,002)	-	-	NT\$ 97,372 (US\$ 3,002)	9.76%	-	93,466	(Note c)
Delta Networks (Dong Guan) Co., Ltd.	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	956,833 (US\$ 29,500)	Invested by DNHK	NT\$ 683,970 (US\$ 21,087)	-	-	NT\$ 683,970 (US\$ 21,087)	59.51%	489,005	974,767	(Note d)
Delta Electronics Components (Dong Guan) Co., Ltd.	Manufacturing of transformers	1,191,986 (US\$ 36,750)	Invested by DHK	NT\$ 977,083 (US\$ 30,124)	-	-	NT\$ 977,083 (US\$ 30,124)	94.00%	389,354	1,709,630	14,302 (US\$ 441) (Note e)
Delta Electronics Power (Dong Guan) Co., Ltd.	Manufacturing of power supplies	1,365,514 (US\$ 42,100)	"	NT\$ 548,800 (US\$ 16,920)	-	-	NT\$ 548,800 (US\$ 16,920)	94.00%	1,610,979	3,577,104	435,796 (US\$ 13,436) (Note f)
Delta Electronics Components (Wu Jiang) Ltd.	Manufacturing of transformers	2,880,552 (US\$ 88,810)	"	NT\$ 670,756 (US\$ 20,680)	-	-	NT\$ 670,756 (US\$ 20,680)	51.70%	201,734	1,841,794	(Note g)
Delta Electronics (Jiang Su) Ltd.	Manufacturing of power supplies	1,297,400 (US\$ 40,000)	"	NT\$ 670,756 (US\$ 20,680)	-	-	NT\$ 670,756 (US\$ 20,680)	51.70%	713,455	1,509,204	-
Delta Electronics (Wu Jiang) Ltd.	Manufacturing of peripherals and electronic control equipments	940,615 (US\$ 29,000)	"	NT\$ 419,222 (US\$ 12,925)	-	-	NT\$ 419,222 (US\$ 12,925)	51.70%	281,766	859,559	15,392 (US\$ 474) (Note h)

Name of investee in Mainland China	Main activities of investee and sales of various projectors	Capital (Note a and o)	Investment method	Remitted or collected this period		Accumulated remittance as of January 1, 2007	Ownership held by Company (direct and indirect)	Investment (loss) recognized by the Company during the year	Ending balance of investment	Investment income (loss) remitted back as of December 31, 2007
				Remitted out	Collected						(Note p)	of investment	(Note i)
Delta Video Display System (Wu Jiang) Ltd.	Manufacturing and sales of various projectors	\$ 940,615 (US\$ 29,000)	Invested by DHK	\$ -	\$ -	NT\$217,996 (US\$ 6,721)	51.70%	\$ 133,586	\$ 548,543	(Note i)
Delta Electronics (Shanghai) Co., Ltd.	Product design	\$ 1,054,151 (RMB\$237,400)	"	-	-	-	94.00%	881	858,421	(Note i)
Delta Electronics (Wu Hu) Co., Ltd.	Manufacturing of power supplies and transformers	\$ 389,220 (US\$ 12,000)	"	182,933 (US\$ 5,640)	-	NT\$ 182,933 (US\$ 5,640)	94.00%	32,389	348,013	(Note k)
Delta Networks (Wu Jiang) Ltd.	Manufacturing and sales of other radio transmission apparatus, incorporating other radio-broadcast receivers, combined with sound recording or reproducing apparatus	\$ 162,175 (US\$ 5,000)	Invested by DNI Cayman	-	-	-	59.51%	7	97,688	(Note l)
Delta Electronics (Chenzhou) Co., Ltd.	Design of computer software	-	"	-	-	-	59.51%	43	9,702	(Note m)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing of power supplies and transformers	\$ 259,480 (US\$ 8,000)	Invested by DHK	-	-	-	94.00%	6,128	242,829	(Note n)

Note a: The capital was translated based on the currencies of capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 7.3045 to US\$1 and RMB 4.4404 to NT\$1.

Note b: Except for the facility of US\$37,107 permitted by Investment Commission, the capitalization of earnings of US\$21,996 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note c: Except for the facility of US\$3,034 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 d: Except for the facility of US\$23,437 permitted by Investment Commission, the capitalization of earnings of US\$6,674 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note e: Except for the facility of US\$30,124 permitted by Investment Commission, the capitalization of earnings of US\$4,465 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note f: 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 g: 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 h: 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 i: 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 j: The capitalization of earnings of US\$28,200 is excluded from the Company's amount of investment in Mainland China.

Note k: Except for the facility of US\$5,640 permitted by Investment Commission, the capitalization of earnings of US\$5,640 permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note l: The capitalization of earnings of US\$4,700 is excluded from the Company's amount of investment in Mainland China.

Note m: The capitalization of earnings of US\$470 is excluded from the Company's amount of investment in Mainland China. As of December 31, 2007, the capital of Delta Networks (Shanghai) Ltd. has not been certified yet.

Note n: The capitalization of earnings of US\$7,520 is excluded from the Company's amount of investment in Mainland China.

Note o: Capital represented the capital certified.

Note p: Except for Deltron-Cimic Electric and Electronics Co., Ltd. in which the Company holds less than 20% of the investee company's voting shares and has no significant influence on the investee's operational decisions, the Company recognized investment income/loss through DIH and DNH based on the audited financial statements.

Note q: The investment income of US\$14,351 was remitted back on December 29, 2005 from the investee companies in Mainland China and was permitted by Investment Commission on January 6, 2006 which is deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

Accumulated amount remitted out of Taiwan to Mainland China	Investment amount approved by the Investment Commission	Ceiling of investment amount of the Company
(Note q)	(Note q)	
NT\$ 5,206,952	NT\$ 5,284,223	\$ 15,973,012
(US\$ 160,535)	(US\$ 162,917)	

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

The significant transactions directly between the Company and the investee companies for the year ended December 31, 2007 are described in Note 5.

The significant purchases, sales, accounts payable and accounts receivable of the Company indirectly conducted with investee companies in Mainland China through the DIH's subsidiary, Delta Electronics International Ltd. (Labuan) (DEIL-Labuan), and DNI Cayman's subsidiary, Delta Networks International Ltd. (Labuan) (DNIL-Labuan) for the year ended December 31, 2007 are shown in Note 11(2)H.

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

For the year ended December 31, 2006:

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Transaction terms			
				Subject	Amount (Note f)	Transaction terms (Note d)	Percentage of total combined revenue or total assets (Note c)
0	Delta Electronics, Inc. (Labuan)	Delta Electronics International Ltd. (Labuan)	1	Services revenue	\$ 795,958	(Note d)	0.76
0	"	DEI Logistics (USA) Corp.	1	Sales	1,494,210	"	1.42
1	Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	4,444,255	"	4.22

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Transaction terms			
				Subject	Amount (Note f)	Transaction terms (Note d)	Percentage of total combined revenue or total assets (Note c)
2	Delta Electronics Power (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	Sales	\$ 28,852,271	(Note d)	27.42
3	Delta Electronics Components (Dong Guan) Co., Ltd.	"	3	"	5,747,154	"	5.46
4	Delta Electronics (Japan) Inc.	"	3	"	164,475	"	0.16
5	Delta Electronics International Ltd. (Labuan)	Delta Electronics (Dong Guan) Co., Ltd.	3	"	3,229,307	"	3.07
5	"	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	25,422,929	"	24.16
5	"	Delta Electronics Components (Dong Guan) Co., Ltd.	3	"	5,674,278	"	5.39
5	"	Delta Electronics (Japan) Inc.	3	"	201,675	"	0.19
5	"	Delta Networks International Ltd. (Labuan)	3	"	104,056	"	0.10
5	"	DEI Logistics (USA) Corp.	3	"	2,730,237	"	2.59
5	"	Delta Electronics Components (Wu Jiang) Ltd.	3	"	150,810	"	0.14
5	"	Delta Electronics (Jiang Su) Ltd.	3	"	410,779	"	0.39
5	"	Delta Video Display System (Wu Jiang) Ltd.	3	"	166,919	"	0.16
5	"	Delta Electronics, Inc.	2	"	49,736,583	"	47.27
1	Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	178,880	"	0.17
3	Delta Electronics Components (Dong Guan) Co., Ltd.	"	3	"	1,026,782	"	0.98
6	Delta Electronics (Jiang Su) Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	13,548,167	"	12.88
7	Delta Electronics Components (Wu Jiang) Ltd.	"	3	"	2,593,707	"	2.47
8	Delta Electro-optics (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	1,229,895	"	1.17

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Transaction terms		Percentage of total combined revenue or total assets (Note c)
					Amount (Note f)	Transaction terms (Note d)	
9	Delta Video Display System (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	3	Sales	\$ 3,889,586	(Note d)	3.70
10	Delta Networks International Ltd.	Delta Networks International Ltd. (Labuan)	3	"	191,909	"	0.18
11	Delta Networks International Ltd. (Labuan)	Delta Electronics Industrial (Dong Guan) Co., Ltd.	3	"	6,947,421	"	6.60
11	"	DNI Logistics (USA) Corp.	3	"	1,111,022	"	1.06
12	Delta Electronics Industrial (Dong Guan) Co., Ltd.	Delta Networks International Ltd. (Labuan)	3	"	7,342,017	"	6.98
13	Delta Networks Inc.	Delta Networks International Ltd. (Labuan)	3	"	202,677	"	0.19
0	Delta Electronics, Inc.	Delta International Holding Ltd.	1	Other receivables	590,827	"	0.66
0	"	Delta Video Display System (Wu Jiang) Ltd.	1	Accounts receivable	216,119	"	0.24
0	"	Delta Electronics International Ltd. (Labuan)	1	Other receivables	211,595	"	0.24
0	"	Delta Electronics Components (Wu Jiang) Ltd.	1	Accounts receivable	112,580	"	0.13
5	Delta Electronics International Ltd. (Labuan)	DEI Logistics (USA) Corp.	3	"	704,004	"	0.79
5	"	Delta Electronics, Inc.	2	"	9,915,425	"	11.13
5	"	Delta Electronics (Jiang Su) Ltd.	3	"	373,267	"	0.42
5	"	Delta Electronics (Dong Guan) Co., Ltd.	3	"	1,238,537	"	1.39
5	"	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	9,659,823	"	10.84
5	"	Delta Electronics Components (Dong Guan) Co., Ltd.	3	"	2,078,837	"	2.33
5	"	Delta Video Display System (Wu Jiang) Ltd.	3	"	121,215	"	0.14

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Transaction terms			Percentage of total combined revenue or total assets (Note c)
				Subject	Amount (Note f)	Transaction terms	
1	Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	Accounts receivable	\$ 929,257	(Note d)	1.04
2	Delta Electronics Power (Dong Guan) Co., Ltd.	"	3	"	11,410,150	"	12.80
3	Delta Electronics Components (Dong Guan) Co., Ltd.	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	1,576,829	"	1.77
3	"	Delta Electronics International Ltd. (Labuan)	3	"	2,011,412	"	2.26
6	Delta Electronics (Jiang Su) Ltd.	"	3	"	2,914,096	"	3.27
7	Delta Electronics Components (Wu Jiang) Ltd.	"	3	"	492,077	"	0.55
8	Delta Electro-optics (Wu Jiang) Ltd.	"	3	"	251,722	"	0.28
9	Delta Video Display System (Wu Jiang) Ltd.	"	3	"	555,854	"	0.62
11	Delta Networks International Ltd. (Labuan)	Delta Electronics Industrial (Dong Guan) Co., Ltd.	3	"	2,485,226	"	2.79
11	"	DNI Logistics (USA) Corp.	3	"	233,556	"	0.26
12	Delta Electronics Industrial (Dong Guan) Co., Ltd.	Delta Networks International Ltd. (Labuan)	3	"	2,138,062	"	2.40
13	Delta Networks Inc.	"	3	"	172,416	"	0.19
0	Delta Electronics Inc.	Delta Networks Inc.	1	Leased assets	597,889	(Note e)	0.67

For the year ended December 31, 2007:

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Relationship (Note f)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
				Services revenue \$	(Note f)	(Note d)	
0	Delta Electronics Inc.	Delta Electronics International Ltd. (Labuan)	1		3,184,892		2.44
1	Delta Electronics International Ltd. (Labuan)	Delta Electronics (Jiang Su) Ltd.	3	Sales	333,525	"	0.26
1	"	Delta Electronics Components (Wu Jiang) Ltd.	3	"	138,933	"	0.11
1	"	Delta Video Display System (Wu Jiang) Ltd.	3	"	134,675	"	0.10
1	"	Delta Electronics (Japan) Inc.	3	"	528,653	"	0.40
1	"	Delta Networks International Ltd. (Labuan)	3	"	208,410	"	0.16
1	"	Delta Electronics (Dong Guan) Co., Ltd.	3	"	4,217,414	"	3.23
1	"	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	25,040,496	"	19.17
1	"	Delta Electronics Components (Dong Guan) Co., Ltd.	3	"	6,140,484	"	4.70
1	"	DEI Logistics (USA) Corp.	3	"	4,954,521	"	3.79
1	"	Deltronics (Netherlands) B.V.	3	"	113,845	"	0.09
1	"	Delta Electronics Inc.	2	"	29,491,800	"	22.58
2	Delta Electronics Components (Dong Guan) Co., Ltd.	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	1,099,846	"	0.84
2	"	Delta Electronics International Ltd. (Labuan)	3	"	5,747,554	"	4.40
3	Delta Electronics Power (Dong Guan) Co., Ltd.	"	3	"	30,698,377	"	23.50
3	"	Delta Networks (Dong Guan) Co., Ltd. (Note g)	3	"	299,547	"	0.23

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Relationship (Note f)	Transaction terms (Note d)	Percentage of total combined revenue or total assets (Note c)
4	Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	Sales	\$ 5,731,898		4.39
4	"	Delta Networks (Dong Guan) Co., Ltd. (Note g)	3	"	368,134	"	0.28
5	Delta Electronics (Jiang Su) Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	21,034,190	"	16.10
6	Delta Electronics Components (Wu Jiang) Ltd.	"	3	"	4,073,376	"	3.12
6	"	Delta Electronics (Jiang Su) Ltd.	3	"	107,063	"	0.08
7	Delta Electro-optics (Wu Jiang) Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	1,771,291	"	1.36
8	Delta Video Display System (Wu Jiang) Ltd.	"	3	"	2,980,715	"	2.28
9	Delta Electronics (Japan) Inc.	Delta Electronics Components (Wu Jiang) Ltd.	3	"	113,187	"	0.09
9	"	Delta Electronics International Ltd. (Labuan)	3	"	165,291	"	0.13
10	Delta Networks International Ltd. (Labuan)	Delta Networks (Dong Guan) Co., Ltd. (Note g)	3	"	8,328,817	"	6.38
10	"	DNI Logistics (USA) Corp.	3	"	1,309,769	"	1.00
11	Delta Networks (Dong Guan) Co., Ltd. (Note g)	Delta Networks International Ltd. (Labuan)	3	"	9,252,751	"	7.08
12	Delta Networks, Inc.	"	3	"	142,080	"	0.11
0	Delta Electronics, Ltd.	Delta Electronics International Ltd. (Labuan)	1	Other receivables	187,089	"	0.16
1	Delta Electronics International Ltd. (Labuan)	Delta Electronics, Inc.	2	"	1,745,593	"	1.48
0	Delta Electronics Inc.	Delta Electronics International Ltd. (Labuan)	1	Accounts receivable	849,388	"	0.72

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Relationship (Note f)	Transaction terms (Note d)	Percentage of total combined revenue or total assets (Note c)
1	Delta Electronics International Ltd. (Labuan)	Delta Electronics Components (Dong Guan) Co., Ltd.	3	Accounts receivable	2, 203, 628		1. 87
1	"	DEI Logistics (USA) Corp.	3	"	922, 443	"	0. 78
1	"	Delta Electronics Inc.	2	"	13, 682, 021	"	11. 60
1	"	Delta Electronics (Japan) Inc.	3	"	216, 152	"	0. 18
1	"	Delta Electronics (Dong Guan) Co., Ltd.	3	"	2, 136, 039	"	1. 81
1	"	Delta Electronics Power (Dong Guan) Co., Ltd.	3	"	10, 189, 510	"	8. 64
4	Delta Electronics (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	1, 218, 405	"	1. 03
4	"	Delta Networks (Dong Guan) Co., Ltd. (Note g)	3	"	110, 781	"	0. 09
2	Delta Electronics Components (Dong Guan) Co., Ltd.	Delta Electronics International Ltd. (Labuan)	3	"	2, 770, 725	"	2. 35
3	Delta Electronics Power (Dong Guan) Co., Ltd.	"	3	"	10, 545, 106	"	8. 94
5	Delta Electronics (Jiang Su) Ltd.	"	3	"	2, 975, 761	"	2. 52
6	Delta Electronics Components (Wu Jiang) Ltd.	"	3	"	315, 210	"	0. 27
7	Delta Electro-optics (Wu Jiang) Ltd.	"	3	"	166, 558	"	0. 14
8	Delta Video Display System (Wu Jiang) Ltd.	"	3	"	292, 524	"	0. 25
10	Delta Networks International Ltd. (Labuan)	Delta Networks (Dong Guan) Co., Ltd. (Note g)	3	"	2, 599, 899	"	2. 20
10	"	DNI Logistics (USA) Corp.	3	"	318, 405	"	0. 27
11	Delta Networks (Dong Guan) Co., Ltd. (Note g)	Delta Networks International Ltd. (Labuan)	3	"	2, 824, 072	"	2. 40

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Relationship (Note f)	Transaction terms (Note d)	Percentage of total combined revenue or total assets (Note c)
12	Delta Networks, Inc.	Delta Networks International Ltd. (Labuan)	3	Accounts receivable	\$ 123,680	(Note d)	0.10
0	Delta Electronics, Inc.	Delta Networks, Inc.	1	Leased assets	587,021	(Note e)	0.50

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

1. Number 0 represents the Company.
2. The consolidated subsidiaries are in order from number 1.

Note b: The relationships with the transaction parties are as follows:

1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

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

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

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

Note f: Only related party transactions in excess of \$100,000 are disclosed and the opposite side of which are not disclosed.

Note g: Formerly "Delta Electronics Industrial (Dong Guan) Co., Ltd."

12. SEGMENT FINANCIAL INFORMATION

A. Financial information by industry

The Group operates in one single industry - the electronics industry. Accordingly, no different industry information is presented in 2006 and 2007.

B. Financial information by geographic area

Geographic area information in 2006 and 2007 were as follows:

	2006				
	Asia	Others	Domestic	Elimination	Consolidated
Operating revenues from unaffiliated customers	\$ 37,660,230	\$ 5,737,473	\$ 61,818,334	\$ -	\$105,216,037
Operating revenues from the Company and its consolidated subsidiaries	92,029,679	334,019	3,508,890	(95,872,588)	-
Total operating revenues	\$129,689,909	\$ 6,071,492	\$ 65,327,224	(\$ 95,872,588)	\$105,216,037
Segment profits	\$ 11,510,014	\$ 146,597	\$ 2,826,148	\$ 267,507	\$ 14,750,266
Investment income under equity method					466,613
Gain on disposal of investments					15,529
General expenses					(1,141,543)
Interest expense					(175,249)
Net income before income tax and minority interest	\$ 51,160,013	\$ 8,362,978	\$ 33,840,587	(\$ 12,032,374)	\$ 13,915,616
Identifiable assets					\$ 81,331,204
Long-term investments					7,778,411
General assets					-
Total assets	\$ 1,783,533	\$ 28,188	\$ 738,655	\$ -	\$ 89,109,615
Depreciation	\$ 4,245,312	\$ 1,520	\$ 1,508,231	\$ -	\$ 2,550,376
Capital expenditures					\$ 5,755,063

	2007				
	Asia	Others	Domestic	Elimination	Consolidated
Operating revenues from unaffiliated customers	\$ 82,102,908	\$ 6,510,877	\$ 42,000,310	\$ -	\$ 130,614,095
Operating revenues from the Company and its consolidated subsidiaries	87,447,187	239,235	3,960,280	(91,646,702)	-
Total operating revenues	<u>\$169,550,095</u>	<u>\$ 6,750,112</u>	<u>\$ 45,960,590</u>	<u>(\$ 91,646,702)</u>	<u>\$130,614,095</u>
Segment profits	<u>\$ 14,452,592</u>	<u>\$ 91,764</u>	<u>\$ 3,731,639</u>	<u>\$ 169,140</u>	<u>\$ 18,445,135</u>
Investment income under equity method					750,089
Gain on disposal of investments					1,324,047
General expenses					(811,814)
Interest expense					(159,887)
Net income before income tax and minority interest					<u>\$ 19,547,570</u>
Identifiable assets	<u>\$ 64,390,942</u>	<u>\$25,811,182</u>	<u>\$ 36,545,581</u>	<u>(\$ 17,490,555)</u>	<u>\$109,257,150</u>
Long-term investments					8,657,624
General assets					-
Total assets	<u>\$ 2,431,058</u>	<u>\$ 27,066</u>	<u>\$ 894,718</u>	<u>\$ -</u>	<u>\$117,914,774</u>
Depreciation	<u>\$ 6,872,262</u>	<u>\$ 2,696</u>	<u>\$ 1,300,690</u>	<u>\$ -</u>	<u>\$ 3,352,842</u>
Capital expenditures					<u>\$ 8,175,648</u>

C. Information about export sales

The export sales of the Group in 2006 and 2007 were as follows:

Destination	2006	2007
Southeast Asia	\$ 45,975,734	\$ 50,908,669
U.S.A.	14,456,064	18,957,642
Europe	12,625,205	16,562,220
Northeast Asia	3,862,252	4,648,172
Americas	1,924,810	2,996,684
Others	2,753,682	2,403,717
	\$ 81,597,747	\$ 96,477,104

D. Major customer information

The customer accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2006 and 2007 is set forth below:

	2006		2007	
	% of total operating		% of total operating	
	Amount	revenues	Amount	revenues
Customer A	\$ 9,607,676	16%	\$13,642,713	35%



186 Ruey Kuang Road, Neihu, Taipei 11491, Taiwan, R.O.C.
TEL : (02)8797-2088 FAX : (02)8797-2120
www.delta.com.tw