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ANNUAL REPORT 2011

Green Building
Taoyuan Technology Center

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A Letter to Our Shareholders

Dear Shareholders:

Delta Electronics continues to maintain a steady course as we pursue our long held corporate mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow". In 2011, Delta's growth targets for revenues and profits were affected by the spreading European debt crisis and resulting drop in global market demand, as well as by the slower than expected development of the solar energy industry. Delta Electronics' consolidated sales revenues in 2011 were NT$172.1 billion, which was relatively flat compared to the previous year; gross profit was NT32.8 billion, or 19.1% of revenues, a decrease of 10% from the previous year; net operating profit was NT$10.3 billion, or 6% of revenues, a decrease of 40% from the previous year. Net income after tax was NT$11 billion, or 6.4% of revenues, a decrease of 30% from the previous year. In 2011 earnings per share (EPS) was NT$4.58.

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

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

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

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

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

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

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

Saving energy and reducing carbon emissions is essential for mankind’s sustainable development; it is also Delta’s promise. Delta’s long held business principles are to invest in R&D, develop talent, advance our innovation capabilities, and penetrate markets to gain a thorough understanding of our customers as we build brand value. Last year Delta was named as one of the Top 20 Taiwanese Innovative Companies of 2011 by Taiwan’s Industrial Development Bureau, Ministry of Economic Affairs (MOEA). Delta was also listed for the first time as one of Taiwan’s top 20 brands for the 2011 Taiwan Global Brand Value Survey. Delta opened its new Shanghai Operations Center and R&D Building last year to strengthen and integrate R&D and marketing capabilities, to enhance sensitivity and response to the China market, and to directly support brand building. At the same time, Delta also opened its new Taoyuan Plant 3 and R&D Center in Taiwan, to become a base for industrial automation and electric vehicle systems research and development. The construction of Taoyuan Plant 3 integrated Delta’s solar power systems, LEDs, water resource management, building automation, and other technologies. In one year we estimate the building will realize 30%~50% in energy savings, 75% in water savings, and reduce more than 1,000 tonnes of CO_2; the building is also a live demonstration of Delta’s integrated solution capabilities.

Delta is making great efforts on behalf of customers and the community. In 2011 we received many business awards from customers such as ASUS, Pegatron, Sony, and Netgear. In 2010 Delta’s management team was honored with the Ernst & Young “Entrepreneur of the Year Award”. Last year Institutional Investor magazine presented Delta with three major awards: Best CEO, Best Investor Relations, and Best IR Professionals in the Technology/Hardware sector. Delta continues to win acclaim for our corporate social responsibility efforts. Last year we received Commonwealth Magazine’s award for “Most Admired Company” in the electronics industry for the 10th year in a row, as well as the magazine’s “Corporate Citizenship Award” for the 5th year in a row. Delta also won Global Views Magazine’s “2011 CSR Champion Award”. Delta was rated A+ for the 4th time by the Securities and Futures Institute's Information

Transparency and Disclosure Ranking. We were also listed for the first time in the “World index” and “Asian index” of the Dow Jones Sustainability Index in 2011/2012. While Delta has become a shining example for corporate governance in Taiwan, we continue striving to make Delta Electronics a highly regarded enterprise internationally.

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

Sincerely,

Chairman

Bruce Cheng

Chief Executive Officer

Yancey Hai

Chief Financial Officer

Chee Chih-yuan

Corporate Governance

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

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

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

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

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

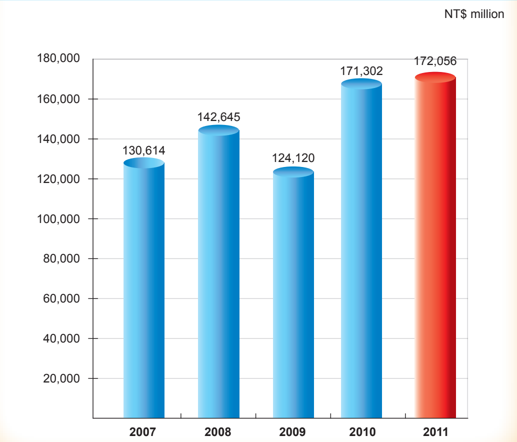
Delta's efforts in corporate governance continued to win outside recognition in 2011. Not only were we selected for the DJSI World and DJSI Asia/Pacific indexes of the 2011/2012 Dow Jones Sustainability Indexes (DJSI) but also given the highest “Gold Class” rating and named "Sector Mover" in the electronic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

Consolidated Financial Highlights

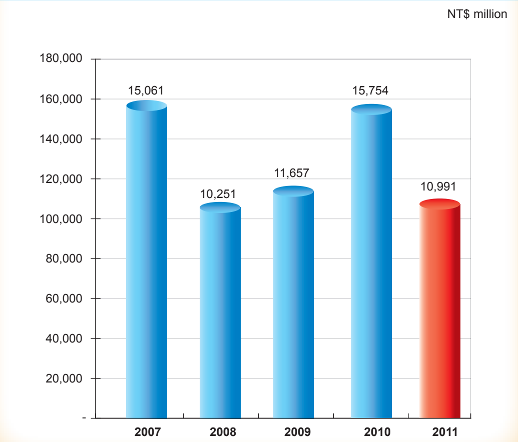
(in NT$ million, except otherwise indicated)

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

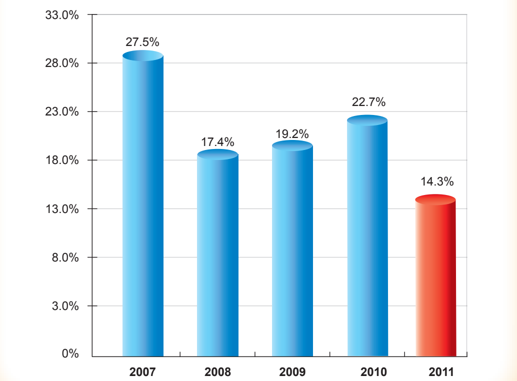
Revenues



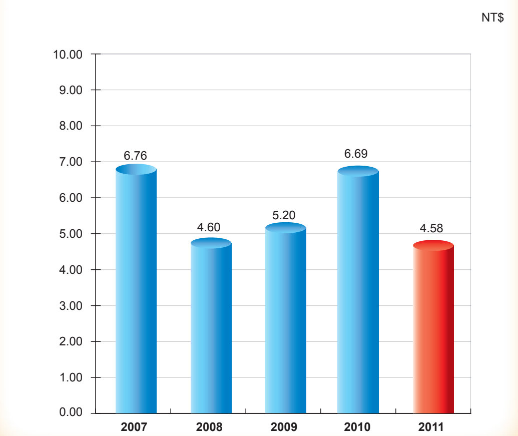
Net Profits



Return on Stockholders' Equity



Earnings Per Share



DELTA

DELTA ELECTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2011 AND 2010

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

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR11003392

To Delta Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As explained in Note 2. 1)(2), we did not audit the 2011 and 2010 financial statements of certain consolidated subsidiaries, which statements reflect total assets of $1,051,049,000 and $827,514,000, constituting 0.54% and 0.51% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and total operating revenues of $3,291,816,000 and $2,713,720,000, constituting 1.91% and 1.58% of the consolidated operating revenues for the years then ended, respectively. In addition, we did not audit the financial statements of certain long-term equity investments, accounted for under the equity method. Long-term equity investments in these companies amounted to $5,527,955,000 and $5,217,792,000, constituting 2.86% and 3.23% of the consolidated total assets as of December 31, 2011 and 2010, respectively, and total investment income was $499,987,000 and $786,455,000, constituting 3.43% and 3.90% of the consolidated income before income tax and minority interest for the years then ended, respectively. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts and the information disclosed in Note 11. 2) included for such subsidiaries and investee companies, is based solely on the reports of the other auditors.

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

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

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as of and for the year ended December 31, 2011, expressed in US dollars, are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of NT$30.275 to US$1.00 at December 31, 2011. This basis of translation is not in accordance with generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan
March 20, 2012

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

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

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

ASSETS	Notes	US Dollars 2011 (Unaudited)	New Taiwan Dollars 2011	New Taiwan Dollars 2010
Current Assets				
Cash and cash equivalents	4(1)	2,236,033	67,695,906	60,459,996
Financial assets at fair value through profit or loss - current	4(2)	77	2,342	10,550
Available-for-sale financial assets - current	4(5)	17,308	524,013	524,669
Derivative financial assets for hedging - current	10(9)	3,802	115,111	381,799
Financial assets carried at cost - current	4(6)	2,847	86,180	31,248
Notes receivable, net		43,938	1,330,220	328,038
Accounts receivable, net	4(3)	1,146,447	34,708,687	29,560,272
Accounts receivable - related parties	5	26,968	816,456	3,815,671
Other receivables		68,792	2,082,657	1,265,926
Other financial assets - current	6	4,725	143,061	50,902
Inventories, net	4(4)	631,746	19,126,113	14,788,981
Prepayments		78,752	2,384,204	1,499,852
Deferred income tax assets - current	4(22)	19,749	597,914	89,028
Other current assets		13,038	394,718	435,834
Total current assets		4,294,222	130,007,582	113,242,766
Funds and Investments				
Financial assets at fair value through profit or loss - non-current	4(2)	60,133	1,820,525	1,830,000
Available-for-sale financial assets - non-current	4(5)	4,157	125,859	925,606
Financial assets carried at cost - non-current	4(6)	137,316	4,157,228	1,457,614
Long-term equity investments accounted for under the equity method	4(7)	195,269	5,911,784	6,327,356
Cash surrender value of life insurance		3,723	112,700	103,691
Other financial assets - non-current	6	51	1,548	1,544
Total funds and investments		400,649	12,129,644	10,645,811
Property, Plant and Equipment, Net	4(8) and 6			
Cost				
Land		58,790	1,779,860	1,693,056
Buildings		663,951	20,101,112	15,361,626
Machinery and equipment		766,164	23,195,634	17,294,829
Molding equipment		71,632	2,168,664	1,902,689
Computer and communication equipment		52,103	1,577,409	1,162,192
Testing equipment		294,087	8,903,472	7,193,773
Transportation equipment		7,840	237,344	167,061
Office equipment		61,157	1,851,522	1,642,202
Leasehold improvements		6,302	190,800	49,118
Other equipment		1,140	34,516	21
Revaluation increments		20,495	620,497	500,545
Cost and revaluation increments		2,003,661	60,660,830	46,967,112
Less: Accumulated depreciation		(1,001,448)	(30,318,850)	(23,360,580)
Accumulated impairment loss		(776)	(23,486)	(21,664)
Construction in progress and prepayments for equipment		217,978	6,599,291	3,315,949
Total property, plant and equipment, net		1,219,415	36,917,785	26,900,817
Intangible assets				
Patents		20,744	628,035	833,134
Goodwill	10(10)	227,877	6,898,970	5,158,672
Deferred pension costs		307	9,299	12,347
Other intangible assets	4(9)	150,640	4,560,628	3,025,410
Total intangible assets		399,568	12,096,932	9,029,563
Other Assets				
Assets leased to others	4(10)	6,783	205,337	14,283
Idle assets	4(11)	-	-	-
Refundable deposits		3,412	103,306	101,901
Deferred expenses	6	27,923	845,367	426,132
Other assets - other		29,332	888,026	1,377,201
Total other assets		67,450	2,042,036	1,919,517
TOTAL ASSETS		6,381,304	193,193,979	161,738,474

(Continued)

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

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	US Dollars 2011 (Unaudited)	New Taiwan Dollars 2011	New Taiwan Dollars 2010
Current Liabilities				
Short-term loans	4(13)	581,321	17,599,492	9,877,658
Financial liabilities at fair value through profit or loss - current	4(14)	141	4,257	806
Derivative financial liabilities for hedging - current	10(9)	1,548	46,873	137,154
Accounts payable		999,892	30,271,738	29,266,371
Accounts payable - related parties	5	3,910	118,374	318,192
Income tax payable	4(22)	69,130	2,092,919	1,805,572
Accrued expenses		359,722	10,890,581	9,769,943
Other payables		111,026	3,361,305	4,746,229
Receipts in advance		34,733	1,051,540	735,163
Long-term liabilities - current portion	4(15)	28,334	857,832	110,656
Other current liabilities		81,186	2,457,898	1,467,204
Total current liabilities		2,270,943	68,752,809	58,234,948
Long-term Liabilities				
Long-term loans	4(15)	821,214	24,862,247	9,540,184
Reserve				
Land value incremental reserve	4(8)	3,959	119,864	95,279
Other Liabilities				
Accrued pension liabilities	4(16)	86,473	2,617,949	2,130,082
Guarantee deposits received		2,554	77,332	52,920
Deferred income tax liabilities - non-current	4(22)	127,739	3,867,305	4,069,491
Other liabilities - other		13,569	410,804	223,577
Total other liabilities		230,335	6,973,390	6,476,070
Total liabilities		3,326,451	100,708,310	74,346,481
Stockholders' Equity				
Capital				
Common stock	4(17)	793,855	24,033,974	23,947,984
Capital Reserves	4(18)			
Paid-in capital in excess of par value of common stock		437,407	13,242,489	12,634,267
Capital reserve from conversion of convertible bonds		338,676	10,253,416	10,253,416
Capital reserve - other		99,539	3,013,550	3,396,912
Retained Earnings				
Legal reserve	4(19)	365,469	11,064,579	9,489,158
Special reserve		158,415	4,796,006	-
Undistributed earnings	4(20)	430,894	13,045,300	20,905,730
Other Adjustments to Stockholders' Equity				
Cumulative translation adjustments		(56,685)	(1,716,140)	(5,862,383)
Unrecognized pension cost		(8,700)	(263,401)	(112,627)
Unrealized gain or loss on financial instruments		(5,831)	(176,551)	746,818
Asset revaluations	4(8)	17,425	527,556	432,187
Stockholders' Equity		2,570,464	77,820,778	75,831,462
Minority interest		484,389	14,664,891	11,560,531
Total stockholders' equity		3,054,853	92,485,669	87,391,993
Commitments and contingent liabilities	7			
Subsequent events	9			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		6,381,304	193,193,979	161,738,474

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

		US Dollars	New Taiwan Dollars	
	Notes	2011 (Unaudited)	2011	2010
Operating Revenues	5			
Sales		5,678,256	171,909,198	171,795,811
Sales returns		(34,733)	(1,051,542)	(810,183)
Sales discounts		(12,260)	(371,153)	(455,332)
Net Sales		5,631,263	170,486,503	170,530,296
Service income		51,852	1,569,808	772,157
Net Operating Revenues		5,683,115	172,056,311	171,302,453
Operating Costs	4(24) and 5			
Cost of goods sold	4(4)	(4,568,122)	(138,299,882)	(134,381,239)
Service costs		(32,174)	(974,085)	(317,658)
Net Operating Costs		(4,600,296)	(139,273,967)	(134,698,897)
Gross profit		1,082,819	32,782,344	36,603,556
Operating Expenses	4(24)			
Sales and marketing expenses		(247,594)	(7,495,913)	(5,932,940)
General and administrative expenses		(164,563)	(4,982,148)	(4,500,868)
Research and development expenses		(329,844)	(9,986,037)	(8,900,631)
Total Operating Expenses		(742,002)	(22,464,098)	(19,334,439)
Operating income		340,817	10,318,246	17,269,117
Non-operating Income and Gains				
Interest income		29,928	906,067	567,651
Investment income accounted for under the equity method	4(7)	16,765	507,550	871,212
Dividend income		2,499	75,673	110,893
Gain on disposal of property, plant and equipment		-	-	18,982
Gain on disposal of investments		8,947	270,860	101,476
Foreign exchange gain, net		46,171	1,397,819	684,806
Rental income		1,020	30,892	31,634
Gain on valuation of financial assets	4(2)	-	-	48,636
Other non-operating income		59,267	1,794,318	1,544,468
Total Non-operating Income and Gains		164,597	4,983,179	3,979,758
Non-operating Expenses and Losses				
Interest expense		(13,136)	(397,696)	(218,777)
Loss on disposal of property, plant and equipment		(366)	(11,094)	-
Impairment loss	4(12)	-	-	(294,729)
Loss on valuation of financial assets		(306)	(9,273)	-
Loss on valuation of financial liabilities	4(14)	(276)	(8,344)	(806)
Other non-operating losses		(9,580)	(290,028)	(588,573)
Total Non-operating Expenses and Losses		(23,664)	(716,435)	(1,102,885)
Income from continuing operations before income tax		481,750	14,584,990	20,145,990
Income tax expense	4(22)	(93,343)	(2,825,962)	(2,271,228)
Income from continuing operations		388,407	11,759,028	17,874,762
Gain from discontinued operations (Net of income tax expense of $48,299)	10(11)	-	-	7,763
Extraordinary gain (Net of income tax expense of $0)	10(12)	6,792	205,629	-
Consolidated net income		395,199	11,964,657	17,882,525
Attributable to:				
Equity holders of the Company		363,040	10,991,031	15,754,207
Minority interest		32,159	973,626	2,128,318
		395,199	11,964,657	17,882,525

	Notes	US 2011 Before Tax	US 2011 After Tax	NT 2011 Before Tax	NT 2011 After Tax	NT 2010 Before Tax	NT 2010 After Tax
Earnings Per Share (in Dollars)	4(23)						
Basic Earnings Per Share							
Net income from continuing operations		0.2004	0.1618	6.07	4.90	8.55	7.59
Gain from discontinued operations		-	-	-	-	0.02	-
Extraordinary gain		0.0030	0.0030	0.09	0.09	-	-
Minority interest income		(0.0135)	(0.0135)	(0.41)	(0.41)	(0.90)	(0.90)
Net income		0.1899	0.1513	5.75	4.58	7.67	6.69
Diluted Earnings Per Share							
Net income from continuing operations		0.1969	0.1589	5.96	4.81	8.42	7.47
Gain from discontinued operations		-	-	-	-	0.02	-
Extraordinary gain		0.0026	0.0026	0.08	0.08	-	-
Minority interest income		(0.0132)	(0.0132)	(0.40)	(0.40)	(0.89)	(0.89)
Net income		0.1863	0.1483	5.64	4.49	7.55	6.58

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

See report of independent accountants dated March 20, 2012.

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

	Common stock	Capital reserves	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Minority interest	Total
2010 New Taiwan Dollars											
Balance at January 1, 2010	$ 22,573,091	$ 15,072,365	$ 8,323,411	$ -	$ 16,330,025	$ 108,570	($ 139,691)	$ 626,148	$ 407,170	$ 12,543,863	$ 75,844,952
Issuance of new stocks for the merger	1,231,927	9,978,608	-	-	-	-	-	-	-	-	11,210,535
Employees' stock options assumed from subsidiary due to the merger and subsequent compensation cost amortization	-	293,414	-	-	-	-	-	-	-	-	293,414
Employees' stock options	142,966	932,800	-	-	-	-	-	-	-	-	1,075,766
Distribution of 2009 earnings (Note a):											
Legal reserve	-	-	1,165,747	-	(1,165,747)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(10,012,755)	-	-	-	-	-	(10,012,755)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	7,408	-	-	-	-	-	-	-	-	7,408
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	25,017	-	25,017
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(44,509)	-	-	(44,509)
Unrealized gain on cash flow hedge	-	-	-	-	-	-	-	6,980	-	-	6,980
Unrecognized pension cost	-	-	-	-	-	-	27,064	-	-	-	27,064
Changes in cumulative translation adjustments	-	-	-	-	-	(5,876,333)	-	-	-	-	(5,876,333)
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	(94,620)	-	158,199	-	-	63,579
Changes in minority interest	-	-	-	-	-	-	-	-	-	(3,111,650)	(3,111,650)
Consolidated net income for the year	-	-	-	-	15,754,207	-	-	-	-	2,128,318	17,882,525
Balance at December 31, 2010	$ 23,947,984	$ 26,284,595	$ 9,489,158	$ -	$ 20,905,730	($ 5,862,383)	($ 112,627)	$ 746,818	$ 432,187	$ 11,560,531	$ 87,391,993

(Continued)

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

	Common stock	Capital reserves	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Minority interest	Total
2011 New Taiwan Dollars											
Balance at January 1, 2011	$ 23,947,984	$ 26,284,595	$ 9,489,158	$ -	$ 20,905,730	($ 5,862,383)	($ 112,627)	$ 746,818	$ 432,187	$ 11,560,531	$ 87,391,993
Compensation cost amortization of employees' stock options assumed from subsidiary due to the merger	-	30,154	-	-	-	-	-	-	-	-	30,154
Employees' stock options	85,990	511,042	-	-	-	-	-	-	-	-	597,032
Distribution of 2010 earnings (Note b):											
Legal reserve	-	-	1,575,421	-	(1,575,421)	-	-	-	-	-	-
Special reserve	-	-	-	4,796,006	(4,796,006)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,480,034)	-	-	-	-	-	(12,480,034)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(316,336)	-	-	-	-	-	-	-	-	(316,336)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	95,369	-	95,369
Unrecognized pension cost	-	-	-	-	-	-	(150,774)	-	-	-	(150,774)
Unrealized losses on available-for-sale financial assets	-	-	-	-	-	-	-	(716,811)	-	-	(716,811)
Changes in cumulative translation adjustments	-	-	-	-	-	2,541,927	-	-	-	-	2,541,927
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	1,604,316	-	(206,558)	-	-	1,397,758
Changes in minority interest	-	-	-	-	-	-	-	-	-	2,130,734	2,130,734
Consolidated net income for the year	-	-	-	-	10,991,031	-	-	-	-	973,626	11,964,657
Balance at December 31, 2011	$ 24,033,974	$ 26,509,455	$ 11,064,579	$ 4,796,006	$ 13,045,300	($ 1,716,140)	($ 263,401)	($ 176,551)	$ 527,556	$ 14,664,891	$ 92,485,669

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

(Continued)

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

			Retained Earnings								
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Minority interest	Total
2011 US Dollars (Unaudited)											
Balance at January 1, 2011	$ 791,015	$ 868,195	$ 313,432	$ -	$ 690,528	($ 193,637)	($ 3,720)	$ 24,668	$ 14,275	$ 381,850	$ 2,886,606
Compensation cost amortization of employees' stock options assumed from subsidiary due to the merger	-	996	-	-	-	-	-	-	-	-	996
Employees' stock options	2,840	16,880	-	-	-	-	-	-	-	-	19,720
Distribution of 2010 earnings:											
Legal reserve	-	-	52,037	-	(52,037)	-	-	-	-	-	-
Special reserve	-	-	-	158,415	(158,415)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(412,222)	-	-	-	-	-	(412,222)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(10,449)	-	-	-	-	-	-	-	-	(10,449)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	3,150	-	3,150
Unrecognized pension cost	-	-	-	-	-	-	(4,980)	-	-	-	(4,980)
Unrealized losses on available-for-sale financial assets	-	-	-	-	-	-	-	(23,676)	-	-	(23,676)
Changes in cumulative translation adjustments	-	-	-	-	-	83,961	-	-	-	-	83,961
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	52,991	-	(6,823)	-	-	46,168
Changes in minority interest	-	-	-	-	-	-	-	-	-	70,380	70,380
Consolidated net income for the year	-	-	-	-	363,040	-	-	-	-	32,159	395,199
Balance at December 31, 2011	$ 793,855	$ 875,622	$ 365,469	$ 158,415	$ 430,894	($ 56,685)	($ 8,700)	($ 5,831)	$ 17,425	$ 484,389	$ 3,054,853

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

	US Dollars	New Taiwan Dollars	
	2011 (Unandited)	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income	$ 395,199	$ 11,964,657	$ 17,882,525
Adjustments to reconcile net income to net cash provided by operating activities			
Extraordinary gain	6,792	205,629	-
Changes in unrealized valuation of financial assets	2,153	65,170	39,318
Changes in unrealized valuation of financial liabilities	249	7,538	(3,118)
Provision for (reversal of allowance for) doubtful accounts	3,219	97,466	(2,443)
Provision for inventory obsolescence and market price decline	22,417	678,673	362,483
Loss on purchase commitment	6,674	202,043	678,166
Gain on disposal of investments	(8,947)	(270,860)	(101,476)
Impairment loss on financial assets	-	-	319,330
Change in foreign exchange of investments in bonds without active markets	-	-	38,745
Investment income accounted for under the equity method	(16,765)	(507,550)	(871,212)
Cash dividends received from investee companies accounted for under the equity method	19,784	598,969	386,110
Depreciation (including assets leased to others)	180,046	5,450,880	4,675,012
Amortization	35,025	1,060,370	715,880
Loss on disposal of property, plant and equipment, net	366	11,094	9,218
Reversal of impairment loss on non-financial assets	-	-	(81,666)
Amortization of long-term deferred income	-	-	(58,165)
Changes in assets and liabilities			
Notes receivable	10,955	331,663	(222,700)
Accounts receivable	21,143)	(640,091)	(1,885,470)
Accounts receivable - related parties	(106,678	3,229,681	(1,304,260)
Other receivables	(26,801)	(811,394)	51,509
Inventories	(87,880)	(2,660,567)	(4,747,677)
Prepayments	(25,698)	(778,021)	(219,922)
Deferred tax assets	(8,276)	(250,567)	(89,028)
Other current assets	1,627	49,265	(212,915)
Other assets - other	17,096	517,581	(83,307)
Accounts payable	(32,196)	(974,733)	3,227,847
Accounts payable - related parties	(74,831)	(2,265,514)	41,370
Income tax payable	8,622	261,026	1,103,150
Accrued expenses	(876)	(26,528)	2,106,504
Other payables	32,358	979,644	287,113
Receipts in advance	10,386	314,451	(62,272)
Other current liabilities	25,999	787,122	215,466
Accrued pension liabilities	16,115	487,867	136,176
Deferred tax liabilities	(7,553)	(228,661)	(331,188)
Other liabilities - other	6,154	186,312	7,491
Net cash provided by operating activities	596,948	18,072,615	22,006,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss	-	-	(970,000)
Decrease (increase) in other financial assets	43,027	1,302,640	(2,881)
Increase in available-for-sale financial assets	(4,855)	(147,000)	(152,340)
Proceeds from disposal of available-for-sale financial assets	9,593	290,437	400,945
Increase in financial assets carried at cost	(100,094)	(3,030,367)	(328,300)
Proceeds from disposal of financial assets carried at cost	5,577	168,854	40,804
Proceeds from capital reduction of financial assets carried at cost	25	750	2,975
Proceeds from disposal of investments in bonds without active markets	-	-	1,080,730
Increase in long-term equity investments accounted for under the equity method	(3,000)	(90,825)	-
Proceeds from disposal of investments in long-term equity investment accounted for under the equity method	13,337	403,785	-
Acquisition price of subsidiary	(201,421)	(6,098,012)	(55,000)
Increase in cash surrender value of life insurance	(298)	(9,009)	(11,839)
Acquisition of property, plant and equipment	(466,722)	(14,130,018)	(8,859,751)
Proceeds from disposal of property, plant and equipment	27,744	839,954	417,334
Increase in other intangible assets	-	-	(32,564)
Decrease (increase) in refundable deposits	1,435	43,452	(35,059)
Increase in deferred expenses	(31,355)	(949,273)	(482,869)
Decrease (increase) in other assets - other	4	116	(4,249)
Purchase of minority interest	(16,042)	(485,678)	(10,464)
Net cash used in investing activities	(723,045)	(21,890,194)	(9,002,528)

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

	US Dollars	New Taiwan Dollars	
	2011 (Unaudited)	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	171,076	5,179,329	(2,307,415)
Increase in long-term loans	530,776	16,069,239	6,676,869
Increase (decrease) in guarantee deposits received	621	18,802	(1,501)
Employees' stock options	19,720	597,032	1,075,766
Payment of cash dividends	(412,222)	(12,480,034)	(10,012,755)
Cash dividends paid to minority interest	(76,259)	(2,308,729)	-
Increase in subsidiaries' capital from minority shareholders	37	1,121	-
Net cash provided by (used in) financing activities	233,749	7,076,760	(4,569,036)
Effect due to change in exchange rates	80,816	2,446,694	(5,312,004)
Effect due to changes in consolidated subsidiaries	50,538	1,530,035	(162,380)
Increase in cash and cash equivalents	239,006	7,235,910	2,960,646
Cash and cash equivalents at beginning of year	1,997,027	60,459,996	57,499,350
Cash and cash equivalents at end of year	$ 2,236,033	$ 67,695,906	$ 60,459,996
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for interest	$ 12,291	$ 372,113	$ 205,301
Cash paid during the year for income tax	$ 95,546	$ 2,892,648	$ 1,324,945
NON-CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends declared but not yet paid to minority interest	$ 1,929	$ 58,401	$ 1,885,159
FAIR VALUE OF ASSETS AND LIABILITES OF THE ACQUIRED SUBSIDIARY WERE AS FOLLOWS:			
Cash and cash equivalents	$ 50,538	$ 1,530,035	$ 436,045
Other current assets	340,274	10,301,783	2,988,575
Funds and investments	10,733	324,950	100,935
Property, plant and equipment	25,800	781,091	3,448,393
Goodwill	57,483	1,740,298	5,151,385
Other intangible assets	58,696	1,777,023	3,254,760
Other assets	2,493	75,489	66,841
Other current liabilities	(259,088)	(7,843,879)	(2,085,393)
Other liabilities	(2,068)	(62,623)	(53,865)
Investment cost before merger	(12,179)	(368,726)	(1,804,092)
Minority interest	(71,261)	(2,157,429)	-
	$ 201,421	$ 6,098,012	$ 11,503,584
Cost of issuing new common stock to acquired subsidiary	$ -	$ -	$ 11,448,584
Acquisition price of subsidiary	201,421	6,098,012	55,000
	$ 201,421	$ 6,098,012	$ 11,503,584

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

1. HISTORY AND ORGANIZATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Basis for preparation of consolidated financial statements

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

Significant intercompany transactions and assets and liabilities arising from intercompany transactions are eliminated.

B. Subsidiaries included in the consolidated financial statements and their changes in 2011 were as follows:

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Delta Electronics, Inc.	Delta International Holding Ltd. (DIH)	Equity investments	94.00	94.00	
Delta Electronics, Inc.	Delta Networks Holding Ltd. (DNH)	Equity investments	100.00	100.00	
Delta Electronics, Inc.	Deltronics (Netherlands) B.V. (DEN)	Trading of equipment, components and materials of telecom and computer systems	100.00	100.00	
Delta Electronics, Inc.	DelSolar Co., Ltd. (DelSolar)	Manufacturing of solar batteries and related systems	59.04	59.05	
Delta Electronics, Inc.	PreOptix Co., Ltd. (PreOptix)	Manufacturing and sales of lenses and optical engines for projectors	-	94.89	Note A
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	39.62	-	Note B
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc. (NEM)	Designing and experimenting on integrated circuit and information software services	80.68	75.80	
Delta Electronics, Inc.	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Delta Electronics, Inc.	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100.00	100.00	
Delta Electronics, Inc.	Delta Electronics Capital Company (Delta Capital)	Equity investments	100.00	100.00	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100.00	100.00	
PreOptix Co., Ltd. (PreOptix)	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	-	39.62	Note B
Delta International Holding Ltd. (DIH)	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100.00	100.00	
Delta International Holding Ltd. (DIH)	Delta Electronics International Ltd. (DEIL-Labuan)	Sales of electronic products	100.00	100.00	
Delta International Holding Ltd. (DIH)	Delta Power Sharp Ltd. (DPS)	Operations and engineering services	100.00	100.00	
Delta International Holding Ltd. (DIH)	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100.00	100.00	
Delta International Holding Ltd. (DIH)	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Delta International Holding Ltd. (DIH)	DAC Holding (Cayman) Ltd. (DAC)	Equity investments	100.00	100.00	
Delta International Holding Ltd. (DIH)	Ace Pillar Holding Co., Ltd. (Ace)	Equity investments	100.00	-	Note C
Delta International Holding Ltd. (DIH)	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	60.38	60.38	Note B
Delta International Holding Ltd. (DIH)	Drake Overseas Financial Investment Ltd. (Drake)	Equity investments	100.00	-	Note D
Delta International Holding Ltd. (DIH)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power systems	10.38	10.38	Note E
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and power supplies	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of transformer and power supplies	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design and management consulting service, etc.	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	55.00	55.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	Ownership (%) as of December 31, 2010	Description
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of transformers	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electro-Optics (Wujiang) Ltd. (DWO)	Manufacturing and sales of peripherals and electronic control equipments	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	55.00	55.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management of industrial automation product and telecommunications equipment	100.00	-	Note F
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Wujiang) Trading Co., Ltd. (DWT)	Installation, consulting and trading of electronic products	100.00	-	Note F
Delta Electronics (H.K.) Ltd. (DHK)	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers and bluetooth module	100.00	-	Note G

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
PreOptix (Hong Kong) Co., Ltd. (PHK)	PreOptix (Jiang Su) Co., Ltd. (PJS)	Manufacturing and sales of lenses and optical engines for projectors	100.00	100.00	
Delta Electronics (Japan), Inc. (DEJ)	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100.00	100.00	
Delta Electronics (Japan), Inc. (DEJ)	Delta Electronics (Korea) Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100.00	100.00	
DAC Holding (Cayman) Ltd. (DAC)	Delta Electronics Mexico S.A. DE C.V. (DEM)	Manufacturing and sales of electronic products	100.00	100.00	
DAC Holding (Cayman) Ltd. (DAC)	Delta Video Technology Ltd. (DVT)	Sales of electronic products	100.00	100.00	
Drake Overseas Financial Investment Ltd. (Drake)	Drake Investment (HK) Ltd. (Drake-HK)	Equity investments	100.00	-	Note D
Ace Pillar Holding Co., Ltd. (Ace)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power	3.81	-	Note E
Drake Investment (HK) Ltd. (Drake-HK)	Delta Greentech (China) Co., Ltd. (DGC)	Manufacturing and sales of uninterruptible power	48.51	-	Note E
Delta Electronics (Wuhu) Co., Ltd. (DWH)	Wuhu Delta Technology Co., Ltd. (WDT)	Manufacturing and sales of power supplies and transformers	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of power supplies and transformers	100.00	100.00	
Delta Networks Holding Ltd. (DNH)	Delta Networks, Inc. (DNI Cayman)	Equity investments	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks, Inc. (Taiwan) (DNIT)	Manufacturing and sales of networking system and peripherals	99.98	99.98	
Delta Networks, Inc. (DNI Cayman)	DNI Logistics (USA) Corp. (ALN)	Trading of networking system and peripherals	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks International Ltd. (DNIL-Labuan)	Trading of networking system and peripherals	100.00	100.00	
Delta Networks, Inc. (DNI Cayman)	Delta Networks (H.K.) Ltd. (DNHK)	Equity investments	100.00	100.00	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio transmission apparatus, incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Shanghai) Ltd. (DNS)	Design of computer software	100.00	100.00	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Xiamen) Ltd. (DNX)	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	100.00	-	Note F
Delta Networks, Inc. (Taiwan) (DNIT)	Ayecom Technology Co., Ltd. (Ayecom)	Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices	100.00	100.00	
DelSolar Co., Ltd. (DelSolar)	DelSolar Holding (Cayman) Ltd. (DSH)	Equity investments	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
DelSolar Co., Ltd. (DelSolar)	DelSolar Holding Singapore Pte. Ltd. (DSH-SG)	Equity investments	100.00	-	Note F
DelSolar Holding (Cayman) Ltd. (DSH)	DelSolar (H.K.) Ltd. (DSHK)	Equity investments	100.00	100.00	
DelSolar Holding (Cayman) Ltd. (DSH)	DelSolar US Holdings (Delaware) Corporation (DSUS)	Equity investments	100.00	-	Note F
DelSolar Holding Singapore Pte. Ltd. (DSH-SG)	DelSolar India EPC Company Private Ltd. (DS India)	Contractor of solar systems project	100.00	-	Note F
DelSolar (H.K.) Ltd. (DSHK)	DelSolar (Wujiang) Ltd. (DSWJ)	Manufacturing and sales of solars batteries and related systems	100.00	100.00	
DelSolar US Holdings (Delaware) Corporation (DSUS)	DelSolar Development (Delaware) LLC (DS Delaware)	Design and sale of solar system	100.00	-	Note F
DelSolar Development (Delaware) LLC (DS Delaware)	DSS-RAL LLC (DSS)	Contractor of solar system	100.00	-	Note F
DelSolar Development (Delaware) LLC (DS Delaware)	DSS-USF-PHX LLC (DSSU)	Contractor of solar system	100.00	-	Note F
Cyntec Co., Ltd. (Cyntec)	Fairview Assets Ltd. (Fairview)	Equity investments	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership (%) as of December 31, 2011	2010	Description
Fairview Assets Ltd. (Fairview)	Grandview Holding Ltd. (Grandview)	Equity investments	100.00	100.00	
Grandview Holding Ltd. (Grandview)	Cyntec Holding (H.K.) Ltd. (CHK)	Equity investments	100.00	100.00	
Grandview Holding Ltd. (Grandview)	Cyntec International Ltd. (CIL-Labuan)	Trading	100.00	100.00	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec (Suzhou) Co., Ltd. (CSC)	Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products	100.00	100.00	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale, import and export of similar products	100.00	100.00	

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

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

Note C: DIH acquired 100% stock ownership in Ace on September 1, 2011, and Ace was included in the consolidated financial statements effective on that day.

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

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

Note F: An investee company newly incorporated in 2011.

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

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

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

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

E. Difference in the accounting policies adopted between the Company and the subsidiaries: None.

F. Special operating risk of foreign subsidiaries: None.

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

H. Details of the parent's stock that is held by the subsidiary: None.

I. The related information regarding a subsidiary's issuance of convertible bonds and new common stock: The issuance of convertible bonds and new common stock by subsidiaries had no significant effect on stockholders' equity of the parent company.

(2) Translation of financial statements of foreign subsidiaries

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

(3) Foreign currency transactions

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

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

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

(4) Classification of current and non-current items

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

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

b. Assets held mainly for trading purposes;

c. Assets that are expected to be realized within twelve months from the balance sheet date;

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

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

a. Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;

b. Liabilities arising mainly from trading activities;

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

d. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(5) Cash equivalents

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

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

(6) Settlement date accounting

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

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

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

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

C. Financial assets and financial liabilities are designated as financial assets and liabilities at fair value through profit or loss when either of the following conditions is met:

a. The financial asset or financial liability designated is a hybrid contract.

b. It eliminates or significantly reduces a measurement or recognition inconsistency.

c. It is designated and its performance is evaluated on a fair value basis.

(8) Available-for-sale financial assets

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

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

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

(9) Financial assets carried at cost

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

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

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

(10) Derivative financial instruments for hedging

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

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

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

a. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly in equity are transferred to profit or loss in the same period or periods when the hedged item affects profit or loss.

b. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized directly in equity, are reversed and included in the initial cost or other carrying amount of the asset or liability.

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

A. Notes receivable and accounts receivable are claims resulting from the sale of goods or services. Other receivables are those arising from transactions other than the sale of goods or services. Notes receivable, accounts receivable and other receivables are recognized initially at fair value.

B. Effective January 1, 2011, the Group assesses whether objective evidence of impairment exists individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is recognized and measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

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

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

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

Overdue days	1~15 days	16~30 days	31~60 days	61~90 days	91~180 days	181~365 days	Over 365 days (Note)
Percentage provided	None	0.50%	2.50%	15.00%	25.00%	50.00%	100.00%

   c. Accounts receivable due from related parties which exceeded 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.

(12) Inventories

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

(13) Funds and investments

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

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

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

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

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

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

B. Cash surrender value of life insurance

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

(14) Business combination

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

(15) Property, plant and equipment

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

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

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

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

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

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

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

(16) Intangible assets

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

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

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

(17) Deferred charges

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

(18) Impairment of non-financial assets

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

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

(19) Retirement plan

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

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

(20) Income tax

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

B. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

(21) Share-based payment - employee compensation plan

A. The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072 of the Accounting Research and Development Foundation, R.O.C., dated March 17, 2003. Under the share-based employee compensation plan, compensation cost is recognized using the intrinsic value method and pro forma disclosures of net income and earnings per share is prepared under the fair value method.

B. When share-based payment awards held by employees of the acquiree are replaced by the acquirer's share-based payment awards due to a business combination and are changed to be settled by the equity instruments of the acquirer, the services already received, which are measured by reference to the fair value of the equity instruments granted, should be recognized as acquisition cost for the vested portion, and the unvested portion shall be accounted for as payroll expenses of the acquiree during the remainder vesting period, in accordance with EITF 97-017 of the Accounting Research and Development Foundation, R.O.C., dated January 18, 2008, "Accounting for Share-based Payment Transactions Provided by Stockholders or Affiliated Companies".

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

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

(23) Earnings per share

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

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

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

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

(24) Revenue, cost and expense recognition

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

B. Partial software and solar cell module installation revenue is recognized based on the percentage of completion of the transaction at the balance sheet date, if all of the following conditions are met:

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

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

c. The costs incurred and to be incurred associated with the transaction can be measured reliably; and

d. The degree of completion of the transaction can be measured reliably at the balance sheet date.

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

(25) Accounting estimates

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

(26) Operating segments

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

3. CHANGES IN ACCOUNTING PRINCIPLES

(1) Notes receivable, accounts receivable and other receivables

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

(2) Operating segments

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

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31,	
	2011	2010
Cash on hand	$ 6,702	$ 5,745
Checking and demand deposits	32,446,230	29,228,972
Time deposits	35,202,990	31,211,280
Cash equivalents-commercial paper	39,984	13,999
	$ 67,695,906	$ 60,459,996

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

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

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

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

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

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

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

Financial instruments	December 31, 2011 Contract amount (Nominal principal) (in thousands)	December 31, 2011 Contract period
Forward exchange contracts:		
Sell USD / Buy EUR	EUR 2, 850	2011.10.14~2012.03.14
Buy USD / Sell EUR	EUR 1, 950	2011.10.05~2012.05.02
Sell EUR / Buy NTD	EUR 130	2011.10.13~2012.01.31

Financial instruments	December 31, 2010 Contract amount (Nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
Buy JPY / Sell USD	USD	7, 800	2010.10.15~2011.03.15
Buy EUR / Sell USD	EUR	3, 300	2010.10.05~2011.03.10
Buy USD / Sell EUR	EUR	4, 200	2010.09.06~2011.04.27
Sell EUR / Buy NTD	EUR	160	2010.10.29~2011.02.25

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

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

(3) Accounts receivable and overdue receivables

	December 31, 2011	December 31, 2010
Accounts receivable	$ 35,062,312	$ 29,609,848
Less: Allowance for doubtful accounts	(353,625)	(49,576)
	34,708,687	29,560,272
Overdue receivables (shown as other assets)	78,441	51,953
Less: Allowance for doubtful accounts	(78,441)	(51,953)
	-	-
	$ 34,708,687	$ 29,560,272

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

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

December 31, 2011						
Purchaser of accounts receivable	Limit	Accounts receivable sold	Amount advanced	Contract date	Interest rate	Collateral
Taishin International Bank	$ 1,120,175	$ 146,961	$ -	2011.04.28~ 2012.05.31	-	None

December 31, 2010						
Purchaser of accounts receivable	Limit	Accounts receivable sold	Amount advanced	Contract date	Interest rate	Collateral
Taishin International Bank	$ 728,000	$ 123,033	$ -	2010.03.19~ 2011.03.31	-	None

(4) Inventories

	December 31, 2011	December 31, 2010
Raw materials	$ 6,770,010	$ 6,489,055
Work in process	2,012,243	1,811,508
Finished goods	11,299,470	6,876,258
Inventory in transit	570,432	329,495
	20,652,155	15,506,316
Less: Allowance for inventory obsolescence and market price decline	(1,526,042)	(717,335)
	$ 19,126,113	$ 14,788,981

Expense and losses incurred on inventories recognized for the year:

	For the years ended December 31, 2011	For the years ended December 31, 2010
Cost of goods sold	$ 137,287,888	$ 133,329,319
Loss on long-term purchase contract (Note)	202,043	678,166
Inventory obsolescence and market price decline	678,673	362,483
Others	131,278	90,576
	138,299,882	134,460,544
Less: Cost of goods sold from discontinued operations	-	(79,305)
	$ 138,299,882	$ 134,381,239

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

(5) Available-for-sale financial assets

	December 31, 2011	December 31, 2010
Current items:		
Listed (TSE and OTC) stocks	$ 679,608	$ 389,170
Adjustment of available-for-sale financial assets	(155,595)	135,499
	$ 524,013	$ 524,669
Non-current items:		
Listed (TSE and OTC) stocks	$ 189,366	$ 515,083
Adjustment of available-for-sale financial assets	(63,507)	410,523
	$ 125,859	$ 925,606

(6) Financial assets carried at cost

	December 31, 2011	December 31, 2010
Current items:		
Unlisted stocks	$ 86,180	$ 31,248
Non-current items:		
Unlisted stocks	$ 4,151,128	$ 1,419,946
Private placement OTC stocks	45,000	45,000
Unlisted stock warrants	-	30,825
	4,196,128	1,495,771
Less: Accumulated impairment	(38,900)	(38,157)
	$ 4,157,228	$ 1,457,614

A. The investments held by the Group were measured at cost since the fair value cannot be measured reliably.

B. The private placement - OTC stocks held by the Company were invested before the adoption of EITF 99-256 of the Accounting Research and Development Foundation, R.O.C., dated October 8, 2010, "Accounting for private placement of convertible bonds", and were carried at cost as they had no quoted prices in an active market.

C. The Company entered into a public bidding for the cash capital increase of Allied Material Technology Corp. (AMT) on December 17, 2010, and acquired 99.97% ownership of AMT for $2,710,152 in 2011. According to the capital increase subscription contract and relevant regulations, the Company has no control power or significant influence on AMT until the reorganization of AMT is completed and the shareholders' meeting to re-elect directors had convened.

D. For impairment status, please refer to Note 4(12).

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

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

Investee company	December 31, 2011 % (Note)	2011 Book value	2010 % (Note)	2010 Book value
Delta Electronics (Thailand) Public Co., Ltd. (DET)	20.93	$ 5,232,923	20.93	$ 5,130,823
Amita Technologies, Inc. (Amita)	33.49	292,791	34.73	329,088
Digital Projection International Ltd. (DPI)	32.11	247,359	38.72	231,782
Delta Networks (Wujiang) Ltd. (DNW)	-	-	100.00	548,694
Trillion Science, Inc. (Trillion), etc.		138,711		86,969
		$ 5,911,784		$ 6,327,356

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

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

Name of investee company	For the years ended December 31, 2011	2010
DET	$ 537,250	$ 836,267
Cyntec (Note)	-	108,907
Trillion, etc.	(29,700)	(73,962)
	$ 507,550	$ 871,212

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

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

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

E. For impairment status about investee company – Trillion, please refer to Note 4(12).

(8) Property, plant and equipment

Item	December 31, 2011 Original cost	Appraisal increment	Total	Accumulated depreciation	Accumulated impairment	Net book value
Land	$ 1,779,860	$ 620,497	$ 2,400,357	$ -	($ 16,868)	$ 2,383,489
Buildings	20,101,112	-	20,101,112	(4,901,978)	(6,618)	15,192,516
Machinery and equipment	23,195,634	-	23,195,634	(13,763,163)	-	9,432,471
Molding equipment	2,168,664	-	2,168,664	(1,741,653)	-	427,011
Computer and communication equipment	1,577,409	-	1,577,409	(1,256,606)	-	320,803
Testing equipment	8,903,472	-	8,903,472	(7,138,616)	-	1,764,856
Transportation equipment	237,344	-	237,344	(157,169)	-	80,175
Office equipment	1,851,522	-	1,851,522	(1,277,057)	-	574,465
Leasehold improvements	190,800	-	190,800	(60,664)	-	130,136
Other equipment	34,516	-	34,516	(21,944)	-	12,572
Construction in progress and prepayments for equipment	6,599,291	-	6,599,291	-	-	6,599,291
	$ 66,639,624	$ 620,497	$ 67,260,121	($ 30,318,850)	($ 23,486)	$ 36,917,785

	December 31, 2010					
Item	Original cost	Appraisal increment	Total	Accumulated depreciation	Accumulated impairment	Net book value
Land	$ 1,693,056	$ 500,545	$ 2,193,601	$ -	($ 15,560)	$ 2,178,041
Buildings	15,361,626	-	15,361,626	(3,475,891)	(6,104)	11,879,631
Machinery and equipment	17,294,829	-	17,294,829	(10,233,532)	-	7,061,297
Molding equipment	1,902,689	-	1,902,689	(1,527,218)	-	375,471
Computer and communication equipment	1,162,192	-	1,162,192	(1,035,646)	-	126,546
Testing equipment	7,193,773	-	7,193,773	(5,815,977)	-	1,377,796
Transportation equipment	167,061	-	167,061	(113,940)	-	53,121
Office equipment	1,642,202	-	1,642,202	(1,148,671)	-	493,531
Leasehold improvements	49,118	-	49,118	(9,705)	-	39,413
Other equipment	21	-	21	-	-	21
Construction in progress and prepayments for equipment	3,315,949	-	3,315,949	-	-	3,315,949
	$ 49,782,516	$ 500,545	$ 50,283,061	($ 23,360,580)	($ 21,664)	$ 26,900,817

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

(9) Other intangible assets

	December 31, 2011	December 31, 2010
Land use right	$ 1,228,031	$ 988,868
Customer relationship	3,311,341	2,034,417
Others	21,256	2,125
	$ 4,560,628	$ 3,025,410

A. For impairment status, please refer to Note 4(12).

B. For customer relationship acquired due to business combination, please refer to Note 10(10).

(10) Assets leased to others

December 31, 2011	Original cost	Accumulated depreciation	Net book value
Land	$ 9,773	$ -	$ 9,773
Buildings	103,704	(35,965)	67,739
Other equipment	134,826	(7,001)	127,825
	$ 248,303	($ 42,966)	$ 205,337

December 31, 2010	Original cost	Accumulated depreciation	Net book value
Buildings	$ 16,170	($ 1,887)	$ 14,283

(11) Idle assets

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

	December 31, 2011			
Item	Original cost	Accumulated depreciation	Accumulated impairment	Net book value
Buildings	$ 41,320	($ 21,820)	($ 19,500)	$ -
Machinery and equipment	2,661,346	(1,631,652)	(1,029,694)	-
Computer equipment	1,918	(1,671)	(247)	-
Testing equipment	94,152	(85,938)	(8,214)	-
Transportation equipment	88	(51)	(37)	-
Office equipment	8,256	(5,528)	(2,728)	-
	$ 2,807,080	($ 1,746,660)	($ 1,060,420)	$ -

Item	December 31, 2010 Original cost	Accumulated depreciation	Accumulated impairment	Net book value
Buildings	$ 41,320	($ 21,820)	($ 19,500)	$ -
Machinery and equipment	2,523,949	(1,559,760)	(964,189)	-
Computer equipment	1,932	(1,695)	(237)	-
Testing equipment	90,147	(83,003)	(7,144)	-
Transportation equipment	81	(47)	(34)	-
Office equipment	8,015	(5,500)	(2,515)	-
	$ 2,665,444	($ 1,671,825)	($ 993,619)	$ -

For the disclosure of discontinued operations, please refer to Note 10(11).

(12) Asset impairment

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

	For the year ended December 31, 2010 Amount included in income statement	Amount included in shareholders' equity
Impairment loss (reversal of impairment loss):		
Financial assets carried at cost	$ 3,002	$ -
Long-term equity investments accounted for under the equity method	316,328	-
Property, plant and equipment	(113,625)	-
Other intangible assets	31,959	-
	237,664	-
Gain on the measurement to fair value less costs to sell of discontinued operations	57,065	-
	$ 294,729	$ -

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

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

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

E. Impairment loss on other intangible assets of $31,959 was recognized by DNH for the recoverable amount of customer relationships and patents was less than their carrying amount.

The Company adopted value in use as the recoverable amount on testing impairment of such assets. The discount rate used to estimate the value in use was from 18.86% to 20.06%.

(13) Short-term loans

	December 31, 2011	December 31, 2010
Unsecured bank loans	$ 17,599,492	$ 9,877,658
Credit lines	$ 76,472,572	$ 62,181,263
Interest rate per annum	0.616%~6.888%	0.46%~4.86%

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

	December 31, 2011	December 31, 2010
Current items:		
Financial liabilities held for trading		
Adjustment of derivatives	$ 4,257	$ 806

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

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

December 31, 2011

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

December 31, 2010

Financial instruments	Contract amount (Nominal principal) (in thousands)		Contract period
Forward exchange contract:			
Buy NTD/Sell USD	USD	4,000	2010.11.24~2011.03.01

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

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

(15) Long-term loans

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

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

B. On February 16, 2009, the subsidiary - DelSolar entered into a five-year syndicated credit facility agreement with 9 financial institutions – Chinatrust Commercial Bank and First Commercial Bank as the lead banks and obtained a credit line in the amount of $4 billion. Under the loan agreement, Delsolar should maintain the following financial ratios during the loan period (based on the audited semiannual/annual consolidated financial statements):

   a. Current assets to current liabilities ratio of at least 1:1;

   b. Liabilities not exceeding 100% of tangible net equity;

   c. Interest coverage of at least 300%; and

   d. Net book value of tangible assets of at least $4,000,000.

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

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

(16) Accrued pension liabilities

A. The Company, Cyntec, DelSolar, and DNIT have a non-contributory and funded defined benefit plan in accordance with the Labor Standards Law, covering all regular employees before the implementation of the Labor Pension Act on July 1, 2005. The defined benefit plan will continue to cover the employees who choose to remain with the defined benefit plan. Upon retirement, pension payments are calculated based on total years of service and average salary of the last six months prior to retirement. Two base units are earned for the first 15 years of service and one unit for each additional year thereafter, with a maximum number of 45 units. The Company and these subsidiaries contribute 2% of the employees' monthly salaries and wages to an independent retirement trust fund with the Bank of Taiwan, the trustee. For the years ended December 31, 2011 and 2010, the net periodic pension costs of the Company, Cyntec, DelSolar and DNIT were $190,252 and $158,565, respectively. The balance of the retirement trust fund with the Bank of Taiwan was $676,506 and $655,804 as of

December 31, 2011 and 2010, respectively.

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

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

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

	December 31, 2011	December 31, 2010
Discount rate	1.75%~2.25%	2.25%
Expected return rate on plan assets	2.00%	2.00%
Average rate of salary increase	3.00%~3.5%	3.00%~4.00%

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

	For the years ended December 31, 2011	For the years ended December 31, 2010
Service cost	$ 59,694	$ 62,969
Interest cost	74,347	60,453
Expected return on plan assets	(13,328)	(12,294)
Amortization of unrecognized transition obligation	10,094	9,751
Unrecognized pension loss	59,445	37,686
Net pension cost	$ 190,252	$ 158,565

C. The subsidiaries, DIH and DNH, do not maintain an employee retirement plan. However, certain subsidiaries of DIH and DNH, located in Mainland China maintain a defined contribution retirement plan covering all employees. Under the plan, the employees of DIH and DNH subsidiaries contribute to a separate fund an amount based on a certain percentage of the monthly basic salary of the employees. Further, each DIH's and DNH's subsidiary also provides pension reserves for its employees for amounts depending on the employee's position. As of December 31, 2011 and 2010, the pension reserves of DIH's and DNH's subsidiaries were $990,443 and $876,445, respectively.

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

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

(17) <u>Common stock</u>

A. In accordance with the Company's Articles of Incorporation, the total authorized common stock is 2,700,000,000 shares (including 100,000,000 shares for stock warrants conversion). As of December 31, 2011, the total issued and outstanding common stock was 2,403,397,000 shares with par value of $10 (in dollars) per share.

B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16,000,000 units of global depository receipts (GDRs), represented by 80,000,000 shares of common stock (Deposited Shares), a unit of GDR represents 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg, with total proceeds of US$134,666,000. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

a. Voting rights

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

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

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

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

(18) Capital reserve

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

(19) Legal reserve

The R.O.C. Company Law requires that the Company shall set aside 10% of its net income as legal reserve after offsetting against prior years' losses until the legal reserve equals the Company's paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

(20) Undistributed earnings

A. As stipulated in the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues.

b. Offset against prior years' operating losses, if any.

c. Set aside 10% of the remaining amount as legal reserve.

d. Set aside a certain amount as special reserve, if necessary.

e. The amount of distributable earnings after deducting items a, b, c and d, plus beginning undistributed earnings (the earnings), shall be distributed in the following percentage according to the resolution approved at the stockholders' meeting:

(a) Directors' and supervisors' remuneration: up to 1% of the earnings.

(b) Employees' bonus: at least 3% of the earnings. The Company can issue the employee stock bonus to qualified employees of subsidiaries. The related regulations should be authorized by the Company's Board of Directors or authorized person.

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

B. The Company's dividend policy is summarized below:

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

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

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

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

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

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

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

	2011	
	Amount (Note A)	Dividends per share (in dollars)
Reversal of special reserve	$ 3,167,470	
Legal reserve	$ 1,099,103	
Cash dividends	$ 8,417,359	$ 3.5

Note A: The Board of Directors had proposed to distribute employees' cash bonuses of $1,536,340 and directors' and supervisors' remuneration of $16,700.

Note B: The dividend per share is based on the number of outstanding common shares of the Company as of March 12, 2012. If the number of outstanding shares of the Company changes due to exercise of employee stock options and consequently leads to change due to exercise of employee stock options and consequently leads to a change in the dividend distribution ratio approved during the general meeting, the Board of Directors of the Company is authorized to adjust the ratio based on the number of outstanding shares.

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

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

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

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

	December 31,	
	2011	2010
Imputation tax credit account balance	$ 131,759	$ 117,146
	2011 (Estimated)	2010 (Actual)
Creditable tax ratio	8.29%	5.61%

G. As of December 31, 2011 and 2010, the undistributed earnings are as follows:

	December 31, 2011	December 31, 2010
Before January 1, 1998	$ 685,952	$ 685,952
On and after January 1, 1998		
-10% additional tax assessed	1,368,317	4,465,571
-10% additional tax unassessed	10,991,031	15,754,207
	$ 13,045,300	$ 20,905,730

(21) Share-based payment - employee compensation plan

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

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

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

b. Cyntec issued 10,000,000 units of employee stock options with a unit of employee stock option representing one share of common stock. The total number of shares of new common stock to be issued due to the exercise of employee stock options is 10,000,000, as resolved by the Board of Directors on October 30, 2007. Cyntec obtained approval from SFB on November 21, 2007.

C. As of December 31, 2011, the Company's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Actual resignation rate in the current period	Estimated future resignation rate
The first employee stock options compensation plan of the Company	2007.12.18	$ 60,000,000	6 years	(Note B)	2.46%	0%
The second employee stock options compensation plan of Cyntec assumed by the Company	2007.12.3	5,355,070 (Note A)	6 years	(Note B)	0%	0%
"	2007.12.27	254,195 (Note A)	6 years	(Note B)	0%	0%

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

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

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

E. Details of the first employee stock options compensation plan of the Company are set forth below:

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

	For the years ended December 31,			
	2011		2010	
Stock options	No. of shares	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	$ 39,609,746	$ 76.8	$ 53,840,913	$ 83.0
Options granted	-	-	-	-
Options exercised	(6,769,112)	76.2	(13,348,167)	78.4
Options revoked	(974,100)	74.1	(883,000)	80.4
Options outstanding at end of year (Note)	31,866,534	$ 73.0	39,609,746	$ 76.8
Options exercisable at end of year	31,866,534		22,940,246	
Options authorized but not granted at end of year	-		-	

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

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

	Stock options outstanding at December 31, 2011			Stock options exercisable at December 31, 2011	
Range of exercise price (in dollars)	No. of shares	Weighted-average expected remaining vesting period	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
$ 73.0	31,866,534	1.97 years	$ 73.0	31,866,534	$ 73.0

Range of exercise price (in dollars)	Stock options outstanding at December 31, 2010 No. of shares	Weighted-average expected remaining vesting period	Weighted-average exercise price (in dollars)	Stock options exercisable at December 31, 2010 No. of shares	Weighted-average exercise price (in dollars)
$ 76.80	39,609,746	2.97 years	$ 76.80	22,940,246	$ 76.80

F. Details of the employee stock options compensation plan of Cyntec are set forth below:

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

(a) The first employee stock options compensation plan

	For the year ended December 31, 2010	
Stock options	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	-	$ -
Options granted	-	-
Assumed through business combination	46,727	19.90
Options exercised	(46,727)	(19.90)
Options revoked	-	-
Options outstanding at end of year	-	$ -
Options exercisable at end of year	-	
Options authorized but not granted at end of year	-	

(b) The second employee stock options compensation plan

	For the years ended December 31,			
	2011		2010	
Stock options	No. of shares	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	4,370,977	$ 40.08	-	$ -
Options granted	-	-	-	-
Assumed through business combination	-	-	5,609,265	41.78
Options exercised	(1,560,651)	39.70	(1,179,410)	40.37
Options revoked	-	-	(58,878)	40.09
Options outstanding at end of year (Note)	2,810,326	$ 38.09	4,370,977	$ 40.08
Options exercisable at end of year	2,810,326		2,041,075	
Options authorized but not granted at end of year	-		-	

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

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

The second employee stock options compensation plan

	December 31, 2011				
	Stock options outstanding			Stock options exercisable	
Range of exercise price (in dollars)	No. of shares	Weighted-average expected remaining vesting period	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
\$37.8~\$38.1	2,810,326	1.92 years	\$ 38.09	2,810,326	\$ 38.09

	December 31, 2010				
	Stock options outstanding			Stock options exercisable	
Range of exercise price (in dollars)	No. of shares	Weighted-average expected remaining vesting period	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
\$39.7~\$40.1	4,370,977	2.96 years	\$ 40.08	2,041,075	\$ 40.08

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

		For the years ended December 31,	
		2011	2010
Consolidated net income	Net income stated in the statement of income	\$ 10,991,031	\$ 15,754,207
	Pro forma net income	10,872,013	15,438,933
Basic earnings per share (EPS) (in dollars)	EPS stated in the statement of income	4.58	6.69
	Pro forma EPS	4.53	6.55
Diluted EPS (in dollars)	EPS stated in the statement of income	4.49	6.58
	Pro forma EPS	4.44	6.45

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

a. Parameters:

	For the years ended December 31,	
	2011	2010
Dividend yield rate	0%	0%
Expected price volatility	33.68%	33.68%
Risk-free interest rate	2.46%	2.46%
Expected vesting period	4.45 years	4.45 years
Weighted-average fair value per share (in dollars)	$ 73.0	$ 76.80

b. Conclusion:

	For the years ended December 31,	
	2011	2010
Weighted-average fair value of stock per share (in dollars)	$ 31.7991	$ 31.7991
Compensation cost accounted for using fair value method	$ 119,018	$ 315,274

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

Type of arrangment	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected vesting period	Expected dividend yield rate	Risk-free interest rare	Weighed-average fair value (in dollars)
The second employee stock options compensation plan of Cyntec assumed by the Company	2007.12.3	$ 100.5	$ 41.8	40.23%	2.33 years	0.00%	0.853%	$60.7591
〃	2007.12.27	100.5	41.4	40.23%	2.48 years	0.00%	0.877%	61.3189

I. DelSolar's share-based payment transactions:

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

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Actual resignation rate in the current period	Estimated future resignation rate
The first employee stock options compensation plan	2005.6.20	4,600,000	6 years	Two years' service vested 40%; three years' service vested 70%; four years' service vested 100%	-	-
The second employee stock options compensation plan	2007.9.14	1,500,000	6 years	Two years' service vested 25%; three years' service vested 50%; four years' service vested 75%; five years' service vested 100%	6.48%	-
The third employee stock options compensation plan	2007.11.20	4,000,000	7 years	〃	15.71%	-
The fourth employee stock options compensation plan	2009.8.13	2,000,000	7 years	〃	10.45%	-
The fifth employee stock options compensation plan	2009.10.26	1,470,000	7 years	〃	8.08%	-

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Actual resignation rate in the current period	Estimated future resignation rate
The sixth employee stock options compensation plan	2010.4.22	730,000	7 years	Two years' service vested 25%; three years' service vested 50%; four years' service vested 75%; five years' service vested 100%	13.47%	7.00%
The seventh employee stock options compensation plan	2010.10.18	2,100,000	7 years	〃	14.66%	7.00%

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

	For the years ended December 31,			
	2011		2010	
Stock options	No. of shares	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	9,426,750	$ 61.33	7,992,750	$ 57.05
Options granted	-	-	2,830,000	62.43
Options revoked	(1,198,500)	65.85	(858,000)	51.65
Options exercised	(37,250)	30.10	(538,000)	18.89
Options outstanding at end of year	8,191,000	60.77	9,426,750	61.33
Options exercisable at end of year	3,026,500	68.24	1,794,250	77.53

c. As of December 31, 2011 and 2010, the range of exercise price of stock options outstanding was $29.6~$85 (in dollars) and $10~$85 (in dollars), respectively, and the weighted-average remaining vesting periods were as follows:

	For the years ended December 31,	
	2011	2010
The first employee stock options compensation plan	-	0.47 years
The second employee stock options compensation plan	1.70 years	2.70 years
The third employee stock options compensation plan	2.89 years	3.89 years
The fourth employee stock options compensation plan	4.62 years	5.62 years
The fifth employee stock options compensation plan	4.82 years	5.82 years
The sixth employee stock options compensation plan	5.31 years	6.31 years
The seventh employee stock options compensation plan	5.80 years	6.80 years

d. As the fair value of employee stock options under the fourth and fifth employee stock options plans issued by DelSolar from January 1, 2008 through December 31, 2009 cannot be measured reliably, they are measured at their intrinsic value. According to the Gin-Gwen-Tz Letter No. 0960065898 of the Financial Supervisory Commission, Executive Yuan, R.O.C., dated December 12, 2007, the intrinsic value is referred to as the difference between fair value and exercise price of shares. The fair value of shares of DelSolar is measured based on their net asset value before they are listed on the Stock Exchange. The Gin-Gwen-Tz Letter No. 0960065898 is applicable to the fourth and fifth employee stock options plans as they were issued prior to January 1, 2010.

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

Type of arrangment	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected vesting period	Expected dividend yield rate	Risk-free interest rare	Weighed-average fair value (in dollars)
Sixth	2010.04.22	$ 53.64	$ 53.3	37.18%	5.25 years	0%	1.01%	$ 18.77
Seventh	2010.10.18	58.88	65.6	32.82%	5.25 years	0%	0.90%	16.01

J. NEM's share-based payment transactions

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

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

Note: Two years' service vested 50%; three years' service vested 75%; four years' service vested 100%.

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

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

	For the years ended December 31,			
	2011		2010	
Stock options	No. of shares	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	1,480,600	$ 10	572,600	$ 10
Options granted	1,299,400	10	978,000	10
Options exercised	-	-	-	-
Options forfeited	(407,600)	10	(70,000)	10
Options outstanding at end of year	2,372,400	$ 10	$ 1,480,600	$ 10
Options exercisable at end of year	206,000		-	
Options authorized but not granted at end of year	1,150,000		449,400	

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

	Stock options outstanding at December 31, 2011			Stock options exercisable at December 31, 2011	
Range of exercise price (in dollars)	No. of shares	Weighted-average exercise remaining vesting period	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
$ 10	2,372,400	7.14 years	$ 10	206,000	$ 10

	Stock options outstanding at December 31, 2010			Stock options exercisable at December 31, 2010	
Range of exercise price (in dollars)	No. of shares	Weighted-average exercise remaining vesting period	Weighted-average exercise price (in dollars)	No. of shares	Weighted-average exercise price (in dollars)
$ 10	1,486,000	7.34 years	$ 10	-	$ -

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

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

Grant date	April 30, 2010	December 21, 2010	December 21, 2011
Dividend yield rate	-	-	-
Expected price volatility	51.68%	48.62%	50.18%
Risk-free interest rate	1.30%	1.13%	1.09%
Expected vesting period	5.38 years	5.38 years	5.38 years
Weighted-average fair value per share (in dollars)	$ 10	$ 10	$ 10
Weighted-average fair value of stock options per share (in dollars)	$ 1.5746	$ 2.3217	$ 1.2495

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

(22) Income tax

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

	December 31, 2011		December 31, 2010	
	Original amount	Tax effect	Original amount	Tax effect
Current:				
Allowance for inventory obsolescence	$ 1,142,567	$ 231,322	$ 287,597	$ 48,203
Unrealized exchange (gain) loss	(96,675)	(18,826)	74,837	12,723
Loss on long-term purchase contract	490,878	83,449	678,166	115,288
Others	1,609,458	245,912	(647,944)	(162,933)
Loss carryforwards	110,701	18,803	698	119
Investment tax credits		497,084		611,960
		1,057,744		625,360
Less: Valuation allowance - current		(459,830)		(536,332)
Net deferred income tax assets - current		$ 597,914		$ 89,028
Non-current:				
Long-term equity investment	($ 29,658,186)	($ 5,041,856)	($ 31,243,029)	($ 5,311,315)
Depreciation difference between tax and financial basis	3,556,610	805,473	2,440,960	533,500
Assets impairment	1,108,303	258,217	979,685	223,157
Pension liability	2,141,384	367,293	1,428,951	236,590
Others	(6,414,236)	(513,537)	603,989	116,888
Loss carryforwards	3,411,208	571,296	144,362	26,512
Investment tax credits		964,267		1,724,320
		(2,588,847)		(2,450,348)
Less: Valuation allowance - non-current		(1,278,458)		(1,619,143)
Net deferred income tax liabilities - non-current		($ 3,867,305)		($ 4,069,491)

B. As of December 31, 2011 and 2010, income tax expense and income tax payable are reconciled as follows:

	For the years ended December 31,	
	2011	2010
Income tax expense	$ 2,825,962	$ 2,319,527
(Including income tax expense of $0 and $48,299 from discontinued operations)		
Effect of deferred income tax	447,289	420,216
Difference between tax credits approved foreign income and tax credits used	(29,729)	-
Over provision of income tax in prior years, net	9,807	28,372
Prepaid income tax	(1,461,430)	(1,040,304)
Income tax payable prior period	190,823	129,157
Tax effect due to changes in consolidated subsidiaries	26,321	19,587
Others	58,502	(71,071)
Income tax payable - net	$ 2,067,545	$ 1,805,484
Income tax refundable	($ 25,374)	($ 88)
Income tax payable	2,092,919	1,805,572
	$ 2,067,545	$ 1,805,484

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

Source	Unused credits	Year of expiration
Loss carryforwards	$ 590,099	Between 2014 and 2021
R&D expenditures	$ 1,448,911	Between 2012 and 2013
Training expenditures	6,508	Between 2012 and 2013
Expenditures for procurement of machinery and equipment	5,932	Between 2012 and 2013
	$ 1,461,351	

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

reduction of corporate income tax, with a tax rate of 12.5%.

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

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

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

	Years Assessed by Tax Authority
The Company	2009
PreOptix	2008
Cyntec, DNIT, DelSolar, NEM and Ayecom	2009
Delta Capital	2010
DelBio	Not assessed yet

(23) Earnings per share

	For the year ended December 31, 2011				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Income before income tax	Net income		Income before income tax	Net income
Basic EPS					
Net income from continuing operations	$ 13,611,364	$ 10,785,402	2,401,627	$ 5.66	$ 4.49
Dilutive effect of common stock equivalents:					
Employee stock options	-	-	9,906		
Employee bonus (Note)	-	-	37,508		
Diluted EPS					
Net income from continuing operations	$ 13,611,364	$ 10,785,402	2,449,041	$ 5.56	$ 4.41
Basic EPS					
Extraordinary gain	$ 205,629	$ 205,629	2,401,627	$ 0.09	$ 0.09
Diluted EPS					
Extraordinary gain	$ 205,629	$ 205,629	2,449,041	$ 0.08	$ 0.08

	For the year ended December 31, 2010				
	Amount		Weighted-average outstanding common shares (in thousands)	Earnings per share (in dollars)	
	Income before income tax	Net income		Income before income tax	Net income
Basic EPS					
Original weighted-average outstanding common shares			2,263,017		
Issuance of 123,193 thousand shares of new stocks due to Cyntec share swaps by calculating its weighted-average outstanding common shares			93,154		
Net income from continuing operations	$ 18,017,672	$ 15,746,444	2,356,171	$ 7.65	$ 6.69
Dilutive effect of common stock equivalents:					
Employee stock options	-	-	16,641		
Employee bonus (Note)	-	-	21,073		
Diluted EPS					
Net income from continuing operations	$ 18,017,672	$ 15,746,444	2,393,885	$ 7.53	$ 6.58
Basic EPS					
Net income from discontinued operations	$ 56,062	$ 7,763	2,356,171	$ 0.02	$ -
Diluted EPS					
Net income from discontinued operations	$ 56,062	$ 7,763	2,393,885	$ 0.02	$ -

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

(24) Personnel expenses, depreciation and amortization

	For the years ended December 31,					
	2011			2010		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Personnel expenses						
Salaries	$ 11,113,526	$ 7,891,806	$ 19,005,332	$ 10,051,766	$ 7,104,740	$ 17,156,506
Employees' bonus and directors' and supervisors' remuneration	327,971	1,769,215	2,097,186	354,560	3,150,705	3,505,265
Labor and health insurance	1,021,453	544,953	1,566,406	729,712	404,141	1,133,853
Pension	315,798	249,872	565,670	152,210	374,333	526,543
Others	322,690	454,751	777,441	282,954	336,245	619,199
	$ 13,101,438	$ 10,910,597	$ 24,012,035	$ 11,571,202	$ 11,370,164	$ 22,941,366
Depreciation (Note)	$ 4,696,691	$ 754,189	$ 5,450,880	$ 4,034,912	$ 640,100	$ 4,675,012
Amortization	$ 245,136	$ 815,234	$ 1,060,370	$ 151,697	$ 564,183	$ 715,880

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

5. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Company
Delta Electronics (Thailand) Public Co., Ltd. (DET)	Investee company accounted for under the equity method
Amita Technologies, Inc. (Amita)	〃
Digital Projection International Ltd. (DPI)	〃
Trillion Science, Inc. (Trillion)	〃
Crystalrich (Hongkong) Co., Ltd.	〃
Cyntec Co., Ltd. (Cyntec)	Investee company accounted for under the equity method (before March 31, 2010) A subsidiary of the Company (after March 31, 2010)
Delta Products Corporation (DPC)	Related party in substance
Delta Greentech (China) Co., Ltd. (DGC)	Related party in substance (before October 3, 2011) A subsidiary held by DIH, Ace and Drake-HK (after Octorber 3, 2011)
Digital Projection Ltd. (DP)	A subsidiary of DPI
DET International Holding Ltd. (DET Holding)	A subsidiary of DET
Delta Energy Systems (Switzerland) AG. (DES Switzerland)	〃
Delta Green Industrial (Thailand) Co., Ltd.	〃
Delta Electronics Europe Ltd. (DEU)	A subsidiary of DET Holding
Delta Energy Systems (Germany) Gmbh (DES Germany)	〃
Delta Energy Systems (India) PVT Ltd. (DES India)	〃
DET Logistics (USA) Corporation	〃
Delta Electronics (Slovakia) s.r.o.	〃
DET Video Technology Limited	〃
Delta Energy System (Arizona), Inc.	〃
DET SGP Pte. Ltd.	〃
Delta India Electronics PVT Ltd. (Delta India)	A subsidiary of DET Holding
Delta Power Solutions India PVT Ltd. (DPS India)	〃
Delta Greentech (USA) Corporation (DGA)	〃
Delta Greentech Electronics Industry LLC	〃

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

(2) Significant transactions and balances with related parties

A. Sales

	For the years ended December 31,	
	2011	2010
DGC	$ 5,886,177	$ 7,583,052
DPC	659,672	961,399
DP	590,704	435,731
Delta India	427,870	571,223
DGB	341,613	173,895
DES Switzerland	338,086	202,805
DES Italy	273,848	853,711
DES Germany	237,295	70,325
DET	170,727	255,512
DGT	164,422	347,872
DPS India	145,812	273,792
DGA	87,167	131,483
Others	90,746	51,848
	$ 9,414,139	$ 11,912,648

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,	
	2011	2010
DGT	$ 478,722	$ 914,732
DET	446,298	447,966
Others	51,620	76,663
	$ 976,640	$ 1,439,361

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

C. Accounts receivable

	December 31,	
	2011	2010
DPC	$ 133,044	$ 253,664
Delta India	129,738	106,018
DES Switzerland	108,756	49,050
DP	107,396	121,397
DGB	107,096	65,615
DES Italy	91,572	495,236
DGC	-	2,482,095
Others	138,854	242,596
	$ 816,456	$ 3,815,671

D. Accounts payable

	December 31,	
	2011	2010
DGT	$ -	$ 193,428
Others	118,374	124,764
	$ 118,374	$ 318,192

E. Property transactions

In December 2011, DHK purchased 50% stock ownership of DGT from DET SGP Pte. Ltd. amounting to $467,803. As of December 31, 2011, such amount had been fully paid. The Company has eliminated the disposal gain of $81,322 from this sidestream intercompany transaction in proportion to the product of its equivalent stock ownership in one investee company multiplied by its equivalent stock ownership in the other investee company.

F. Remuneration information of key management (including directors, supervisors, general manager and vice general managers)

	2011	2010
Salaries (Note A)	$ 52,789	$ 43,785
Bonuses (Note B)	11,415	13,911
Service fees (Note C)	2,832	2,514
Distribution of earnings (Note D)	207,137	205,557
	$ 274,173	$ 265,767

Note A: Including wages, allowances, retirement pension and compensation.

Note B: Including all kinds of incentives.

Note C: Including traveling allowance, payment for special disbursement, cars and dorms provided by the Group.

Note D: Including directors' and supervisors' remuneration and employees' bonus.

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

6. DETAILS OF PLEDGED ASSETS

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

	December 31		
Assets pledged	2011	2010	Purpose of pledge
Buildings	$ 1,716,158	$ -	Long-term loans
Machinery and equipment	$ 21,496	$ -	〃
Construction in progress and prepayments for equipment	$ 1,137,339	$ -	〃
Deferred expenses	$ 6,553	$ -	〃
Demand deposits and time deposits (shown as other financial assets - current and non-current)	$ 100,446	$ 8,503	Collateral for customs duties
Cash, demand deposits and time deposits (shown as other financial assets - current)	20,000	20,020	Collateral for disposition and seizure
Time deposit (shown as other assets - current)	24,163	23,923	Performance bonds
	$ 144,609	$ 52,446	

7. COMMITMENTS AND CONTINGENT LIABILITIES

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

(1) Future lease payments purchase commitment

A. As of December 31, 2011, the future lease payments and the net present value discounted at 1.37%, one-year time deposit interest rate given by the Chunghwa Post Co., Ltd. are as follows:

Year		Amount
2012	$	174,261
2013		120,842
2014		24,078
2015		17,343
2016		8,002
2017~2021 (the net present value is $20,337)		22,672
2022~2023 (the net present value is $7,755)		9,069
	$	376,267

B. The Group entered into contracts for the construction of new factories and buildings, and the total future payments for the acquisition of equipment amounted to approximately $1,792,412.

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

(2) <u>Research engagement contract and technical cooperation agreement</u>

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

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

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

D. The Company signed an agreement with the National Central University to build a Union R&D Center jointly. The agreement starts in 2011 and expires in 2020. Under the agreement, the two sides agreed to provide $10,000 each per year for the first three years of the agreement for the establishment of the Union R&D Center. The fund will be managed in a separate account for this special use only. If the cooperative performance is assessed to be satisfactory after the completion of the three-year execution, the two sides will continue the next three-year plan, and confer on issues including their investment proportions. As of December 31, 2011, the future payments required of the Company under the above agreement was $20,000.

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

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

(3) Business combination and share ownership trading

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

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

(4) DelSolar's long-term purchase contracts

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

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

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

8. MAJOR CATASTROPHE

None.

9. SUBSEQUENT EVENTS

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

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

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

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

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

10. OTHERS

(1) Financial statement presentation

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

(2) Fair value of the financial instruments

	December 31, 2011			December 31, 2010		
		Fair value			Fair value	
	Book value	Quotations in an active market	Estimated using a valuation technique	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments						
Assets:						
Financial assets with fair values equal to book values	$ 106,969,167	$ -	$ 106,969,167	$ 95,687,853	$ -	$ 95,687,853
Financial assets at fair value through profit or loss	1,821,706	1,181	1,820,525	1,834,760	4,760	1,830,000
Available-for-sale financial assets	649,872	649,872	-	1,450,275	1,450,275	-
Financial assets carried at cost	4,243,408	-	-	1,488,862	-	-
Liabilities:						
Financial liabilities with fair values equal to book values	$ 64,776,720	$ -	$ 64,776,720	$ 55,498,517	$ -	$ 55,498,517
Long-term loans (including current portion)	25,720,079	-	25,720,079	9,650,840	-	9,650,840
Derivative financial instruments						
Assets:						
Forward exchange contracts	$ 116,272	$ -	$ 116,272	$ 387,589	$ -	$ 387,589
Liabilities:						
Forward exchange contracts	$ 51,130	$ -	$ 51,130	$ 137,960	$ -	$ 137,960

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

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

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

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

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

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

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

(4) Information on interest rate risk positions

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

(5) Procedure of financial risk control and hedge

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

A. Nature hedge

B. Does not erode the profit of main business

C. Does not enter into financial instruments besides the transaction currency

D. Should execute stop-loss point

E. Should execute the operating process

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

(6) Information of major financial risk

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

(Foreign Currency: Functional Currency)

	December 31, 2011		December 31, 2010	
Financial assets	Foreign Currency Amount (In thousands)	Exchange Rate	Foreign Currency Amount (In thousands)	Exchange Rate
Monetary items				
USD:NTD	231,700	30.275	273,005	29.120
USD:RMB	15,640	6.3009	120,567	6.6227
RMB:USD	1,159,556	0.159	1,029,851	0.151
Long-term equity investments accounted for under the equity method				
THB:USD	4,166,653	0.03190	5,445,045	0.03419
THB:NTD	3,952,955	0.9647	3,464,410	0.9957

	December 31, 2011		December 31, 2010	
	Foreign Currency Amount (In thousands)	Exchange Rate	Foreign Currency Amount (In thousands)	Exchange Rate
Financial liabilities				
Monetary items				
USD:NTD	92,484	30.275	34,198	29.120
USD:RMB	509,934	6.3009	613,204	6.6227
RMB:USD	763,939	0.159	643,705	0.151

B. Investments in equity financial instruments

Items	December 31, 2011	December 31, 2010
Financial assets at fair value through profit or loss - listed and OTC stocks	$ 1,181	$ 4,760
Available-for-sale financial assets	649,872	1,450,275
Financial assets carried at cost	4,243,408	1,488,862

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.

C. Other financial instrument investments

Items	December 31, 2011	December 31, 2010
Financial assets at fair value through profit loss - private placement of convertible	$ 1,820,525	$ 1,830,000

a. Market risk

The private placement of convertible bonds that the Group invested in have no quoted price in active market; hence, they are not affected by the changes in market price. Therefore, no significant market risk would arise.

b. Credit risk

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

c. Liquidity risk

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

d. Cash flow risk due to changes in interest rate

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

D. Receivables

	December 31,	
Items	2011	2010
Notes receivable, net	$ 1,330,220	$ 328,038
Accounts receivable (including related parties), net	35,525,143	33,375,943
Other receivables	2,082,657	1,265,926

a. Market risk

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

b. Credit risk

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

c. Liquidity risk

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

d. Cash flow risk due to changes in interest rate

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

E. Loans

Items	December 31, 2011	December 31, 2010
Short-term loans	$ 17,599,492	$ 9,877,658
Long-term loans (including current portion)	25,720,079	9,650,840

a. Market risk

The loans of the Group have no significant market risk.

b. Credit risk

None.

c. Liquidity risk

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

d. Cash flow risk due to changes in interest rate

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

F. Information of derivative transactions

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

a. Market risk

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

b. Credit risk

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

c. Liquidity risk

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

d. Cash flow risk due to changes in interest rate

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

(7) Off-balance sheet financial instruments with credit risk

None.

(8) Fair value hedge and cash flow hedge

A. Fair value hedge

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

Hedge item	Designated for hedging instrument: Financial instrument was designated as hedging instrument	Fair value as of December 31, 2011	Fair value as of December 31, 2010
Receivables in foreign currencies	Forward exchange contracts	($ 4,088)	$ 50,107
Payables in foreign currencies	Forward exchange contracts	$ 2,620	$ -

B. Cash flow hedge

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

	Designated for hedging instrument			Period of gain (loss) anticipated to be recognized in income statement
Hedge item	Financial instrument was designated as hedging instrument	Fair value as of December 31, 2011	Period of anticipated cash flow	
Receivables in foreign currencies	Forward exchange contracts	$ 46,524	2012.01.05~ 2012.12.06	2012.01.05~ 2012.12.06
Payables in foreign currencies	Forward exchange contracts	23,182	2012.01.05~ 2012.12.06	2012.01.05~ 2012.12.06

	Designated for hedging instrument			Period of gain (loss) anticipated to be recognized in income statement
Hedge item	Financial instrument was designated as hedging instrument	Fair value as of December 31, 2010	Period of anticipated cash flow	
Receivables in foreign currencies	Forward exchange contracts	$ 172,566	2011.01.06~ 2011.10.25	2011.01.06~ 2011.10.25
Payables in foreign currencies	Forward exchange contracts	21,972	2011.01.06~ 2011.12.08	2011.01.06~ 2011.12.08

(9) Business mergers and acquisitions

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

a. The Company acquired an additional 64.86% stock ownership in Cyntec by issuing

123,193 thousand shares of new stocks on March 31, 2010. After this transaction, the Company increased its stock ownership in Cyntec from 35.14% to 100.00%.

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

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

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

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

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

	2011	2010
Acquisition cost:		
Cash	$ 6,565,815	$ 55,000
Fair value of issued new common stock	-	11,448,584
Subtotal	6,565,815	11,503,584
Investment cost before merger	368,726	1,804,092
Minority interest	1,689,626	-
	8,624,167	13,307,676
Fair value of assets and liabilities of the subsidiary were as follows:		
Current assets	11,831,818	3,424,620
Funds and investments	324,950	100,935
Property, plant and equipment	781,091	3,448,393
Intangible assets - patents	-	771,399
Intangible assets - customer relationship	1,552,101	2,414,312
Intangible assets - other	224,922	69,049
Other assets	75,489	66,841
Current liabilities	(7,843,879)	(2,085,393)
Other liabilities	(62,623)	(53,865)
	6,883,869	8,156,291
Goodwill	$ 1,740,298	$ 5,151,385

B. The business activities of each subsidiary were as follows:
   a. Cyntec and its subsidiaries: please refer to Note 11(2)A.
   b. Ayecom: please refer to Note 11(2)A.
   c. PreOptix: manufacturing and sales of lenses and optical engines for projectors.
   d. DGT: please refer to Note 11(3)A.
   e. DGC: please refer to Note 11(3)A.

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

   Pro forma supplementary information is as follows:

Delta Electronics, Inc. and Subsidiaries

Pro Forma Consolidated Statements of Income

For the Years Ended December 31, 2011 and 2010

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

(Unaudited)

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

Earnings Per Share (In Dollars)	Before Tax		After Tax		Before Tax		After Tax	
Basic earnings per share								
Net income from continuing operations	$	6.27	$	5.06	$	9.01	$	7.92
Gain from discontinued operations		-		-		0.02		-
Minority interest income	(	0.49)	(	0.49)	(	1.08)	(	1.08)
Net income	$	5.78	$	4.57	$	7.95	$	6.84
Diluted earnings per share								
Net income from continuing operations	$	6.15	$	4.96	$	8.87	$	7.79
Gain from discontinued operations		-		-		0.02		-
Minority interest income	(	0.48)	(	0.48)	(	1.06)	(	1.06)
Net income	$	5.67	$	4.48	$	7.83	$	6.73

(10) Discontinued operations

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

	For the year ended December 31, 2010
Operating income from discontinued operations	
Net operating revenues	$ 94,827
Operating costs and expenses	(87,745)
Non-operating income	20,115
Operating loss from discontinued operations before income tax	27,197
Income tax expense	(38,769)
Operating loss from discontinued operations	(11,572)
Gain on disposal of discontinued operations and the to fair value less costs to sell	
Gain on disposal of discontinued operations and the to fair value less costs to sell before income tax	28,865
Income tax expense	(9,530)
Gain on disposal of discontinued operations and the to fair value less costs to sell	19,335
Gain from discontinued operations	$ 7,763

	For the year ended December 31, 2010
Cash flows from discontinued operations	
Cash flows from operating activities	$ 12,342
Cash flows from investing activities	$ 28,324

(11) Extraordinary gain

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

(1) Significant intercompany transactions between the Company, DIH, DNH, PreOptix, DEN, DelSolar, NEM, Cyntec, Delbio, Delta Capital and DEIL-SG and the consolidated subsidiaries are eliminated when preparing the consolidated financial statements. The details are as follows:

	For the year ended December 31, 2011										
Transactions	The Company	DIH	DNH	PreOptix	DEN	DelSolar	NEM	Cyntec	Delbio	Delta Capital	DEIL-SG
(1)Elimination of long-term investments	($ 86,730,487)	$ 55,048,426	$ 6,537,276	$ 181,496	$ 85,386	$ 4,388,399	$ 95,692	$ 16,333,394	$ 25,741	$ 1,171,924	$ 2,862,753
(2)Elimination of intercompany receivable (AR) and payable (AP) accounts	4,908,545	148,366	252,648	-	23,122	48,954	242	(53,974)	949	517	(5,329,369)
(3)Elimination of profit and loss accounts											
A.Sale and purchase transactions											
a. Downstream transactions	(802,843)	333,856	1,985	-	45,506	296,831	-	72,611	546	-	51,508
b. Upstream transactions	19,782,124	(3,906,401)	(30,071)	-	-	(5,027)	-	(4,686)	-	-	(15,835,939)
c. Sidestream transactions	-	(13,472,433)	940,980	32,141	198,198	116,380	(1,710)	(278,204)	381	-	12,464,267
B. Services revenue, selling expenses, management and administrative expenses	6,229,527	(2,734,453)	(24,710)	(64,047)	173,719	(6,460)	(426)	(504)	99	25,000	(3,597,745)
C.Rental revenue and rental expense	41,695	24,464	(40,301)	-	-	(68,832)	-	45,294	(2,217)	(103)	-
(4)Elimination of minority interest income	(748,424)	(314,873)	-	2,346	-	1,040,728	20,223	-	-	-	-
(5)Elimination of other transactions Refundable deposits and guarantee deposits received	4,740	-	(4,400)	-	-	-	-	-	(340)	-	-

Transactions	For the year ended December 31, 2010										
	The Company	DIH	DNH	PreOptix	DEN	DelSolar	NEM	Cyntec	Delbio	Delta Capital	DEIL-SG
(1)Elimination of long-term investments	($ 81,760,681)	$ 52,044,492	$ 8,770,194	$ 224,312	$ 67,822	$ 5,765,236	$ 81,798	$ 13,854,170	$ 136,133	$ 549,420	$ 267,104
(2)Elimination of intercompany receivable (AR) and payable (AP) accounts											
(3)Elimination of profit and loss accounts	4,431,710	(4,374,520)	260,901	(36,906)	45,200	20,084	(467)	(81,616)	802	242	(265,430)
A.Sale and purchase transactions											
a. Downstream transactions	515,555	(390,860)	(2,224)	-	(9,894)	(92,133)	-	(20,444)	-	-	-
b. Upstream transactions	(22,269,911)	20,940,965	7,174	11,122	421	11,429	-	142	-	-	-
c. Sidestream transactions	-	1,936,385	(866,185)	297,276	(233,008)	(83,692)	-	(30,402)	-	-	1,298,658
B. Services revenue, selling expenses, management and administrative expenses	5,734,819	(5,880,490)	(22,415)	(1,518)	169,806	(102)	-	(100)	-	-	(1,020,374)
C.Rental revenue and rental expense	39,951	31,407	(41,081)	-	-	(52,723)	-	23,882	(1,254)	(182)	-
(4)Elimination of minority interest income	810,996	(645,513)	-	(1,892)	-	(178,004)	14,413	-	-	-	-
(5)Elimination of other transactions Refundable deposits and guarantee deposits received	4,740	-	(4,400)	-	-	-	-	-	(340)	-	-

11. DISCLOSURE INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

(1) Related information of significant transactions

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

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

B. Guarantee information: None.

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

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage ownership	Market value	
Delta Electronics, Inc.	Delta International Holding Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	67,680,000	$ 55,048,426	94.00	$ 55,071,018	-
Delta Electronics, Inc.	Delta Networks Holding Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	39,800,000	6,537,276	100.00	6,538,409	-
Delta Electronics, Inc.	DelSolar Co.,Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	147,656,278	4,388,399	59.04	4,388,710	-
Delta Electronics, Inc.	PreOptix (Hong Kong) Co.,Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	5,250,000	181,496	39.62	171,751	-
Delta Electronics, Inc.	Cyntec Co.,Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	414,737,897	16,333,394	100.00	8,992,769	-
Delta Electronics, Inc.	Delta Electronics Capital Company common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	125,000,000	1,171,924	100.00	1,171,924	-
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd. common stock	A subsidiary of the Company	Long-term investments accounted for under the equity method	300,000	2,862,753	100.00	3,059,839	-
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Co., Ltd. common stock	Investee company accounted for under the equity method	Long-term investments accounted for under the equity method	69,128,140	3,813,416	5.54	1,447,128	(Note)
Delta Electronics, Inc.	Amita Technologies, Inc. common stock	Investee company accounted for under the equity method	Long-term investments accounted for under the equity method	14,244,000	292,791	33.49	115,207	-
Delta Electronics, Inc.	D-Link Co.,Ltd. common stock	None	Available-for-sale financial assets	11,540,547	236,004	1.78	236,004	-

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage ownership	Market value	
Delta Electronics, Inc.	Tong Hsing Electronic Industries, Ltd. common stock	None	Available-for-sale financial assets	3,175,000	$ 232,410	1.95	$ 232,410	-
Delta Electronics, Inc.	Delta America Ltd. preferred shares	None	Financial assets carried at cost - non-current	2,100,000	103,064	Preferred Shares	103,064	-
Delta Electronics, Inc.	Allied Material Technology Corp. common stock	None	Financial assets carried at cost - non-current	271,017,597	2,710,152	99.97	2,710,152	-
Delta Electronics, Inc.	Dynapack International Technology Corporation convertible bond	None	Financial assets at fair value through profit or loss - non-current	-	860,000	-	860,000	-
Delta Electronics, Inc.	Bright Led Electronics Corp. convertible bond	None	Financial assets at fair value through profit or loss - non-current	-	720,000	-	720,000	-
Delta Electronics, Inc.	Others				807,902		807,902	

Note: The carrying value is based on the initial investment cost plus the investment income recognized by the combined ownership percentage of 20.01%. The market value of the long-term investment calculated by the Company's ownership is $1,447,128. The combined ownership percentage of 20.01% of the market value of the long-term investment is $5,224,988 as of December 31, 2011.

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

Acquirer/ seller	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal				December 31, 2011	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain	Number of shares	Amount
Delta Electronics, Inc.	Delta Electronics Capital Company common stock	Long-term investments accounted for under the equity method	Delta Electronics Capital Company	Investee company accounted for under the equity method	55,000,000	$ 549,420	70,000,000	$ 622,504 (Note a)	-	$ -	$ -	$ -	125,000,000	$ 1,171,924
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd. common stock	Long-term investments accounted for under the equity method	PreOptix Co. Ltd.	Investee company accounted for under the equity method	-	-	5,250,000	181,496 (Note b)	-	-	-	-	5,250,000	181,496
Delta Electronics, Inc.	PreOptix Co., Ltd. common stock	Long-term investments accounted for under the equity method	PreOptix Co. Ltd.	Investee company accounted for under the equity method	26,570,000	224,312	1,430,000 (Note c)	14,210 (Note c)	28,000,000 (Note c)	-	238,522 (Note c)	-	-	-
Delta Electronics, Inc.	Tera Xtal Technology Corporation common stock	Financial assets carried at cost	The emerging stock markets	None	1,116,000	31,248	-	-	1,116,000	103,105	31,248	71,857	-	-
Delta Electronics, Inc.	Allied Material Technology Corp. common stock	Financial assets carried at cost	Allied Material Technology Corp.	None	-	-	271,017,597	2,710,152	-	-	-	-	271,017,597	2,710,152
Delta Electronics, Inc.	Edison Opto Corporation common stock	Available-for-sale financial assets	Stock exchange market	None	3,265,968	571,544	423,895 (Note d)	(388,825) (Note e)	3,689,863	290,437	182,719	107,718	-	-

Note a: The Company invested $700,000 in Delta Electronics Capital Company and recognized investment loss under the equity method.

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

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

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

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

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

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

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

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

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

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

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

(2) Disclosure information of investee company

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

A. Information of investee company:

Name of investor	Name of investee company	Address	Main activities	Original investment				Held as of December 31, 2011				Income (loss) of the investee company		Investment income (loss) recognized by the Company		Note
				Currencies	Balance as of December 31, 2011	Currencies	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Currencies	Book value	Currencies	Amount	Currencies	Amount	
Delta Electronics, Inc.	Delta International Holding Ltd.	Cayman Islands	Equity investments	NTD	$ 8,922,118	NTD	$ 8,922,118	67,680,000	94.00	NTD	$ 55,048,426	NTD	$ 5,268,825	NTD	$ 4,769,019	(Note o)
Delta Electronics, Inc.	Delta Networks Holding Ltd.	Cayman Islands	Equity investments	NTD	1,377,206	NTD	1,377,206	39,800,000	100.00	NTD	6,537,276	NTD	1,108,545	NTD	1,108,545	-
Delta Electronics, Inc.	Delsolar Co., Ltd.	Taiwan	Manufacturing and sales of solar batteries and related systems	NTD	3,773,403	NTD	3,773,403	147,656,278	59.04	NTD	4,388,399	NTD	(2,540,948)	NTD	(1,500,220)	-
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	NTD	159,935	NTD	-	5,250,000	39.62	NTD	181,496	NTD	1,442	NTD	571	-
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Co., Ltd.	Thailand	Manufacturing and sales of electronic products	NTD	114,615	NTD	114,615	69,128,140	5.54	NTD	3,813,416	NTD	2,754,336	NTD	537,250	(Note p)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of thin film optic-electronic devices	NTD	12,067,931	NTD	12,067,931	414,737,897	100.00	NTD	16,333,394	NTD	2,585,233	NTD	2,074,192	-
Delta Electronics, Inc.	Amita Technologies, Inc.	Taiwan	Manufacturing of lithium polymer batteries and related systems	NTD	429,319	NTD	429,500	14,244,000	33.49	NTD	292,791	NTD	(133,901)	NTD	(56,118)	-
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	NTD	1,250,000	NTD	550,000	125,000,000	100.00	NTD	1,171,924	NTD	(37,976)	NTD	(37,976)	-
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronics products	NTD	7,270	NTD	7,270	300,000	100.00	NTD	2,862,753	NTD	2,686,636	NTD	2,489,550	(Note o)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	NTD	140,000	NTD	140,000	14,000,000	100.00	NTD	25,741	NTD	(110,392)	NTD	(110,392)	-

Name of investor	Name of investee company	Address	Main activities	Original investment				Held as of December 31, 2011				Income (loss) of the investee company		Investment income (loss) recognized by the Company		Note
				Currencies	Balance as of December 31, 2011	Currencies	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Currencies	Book value	Currencies	Amount	Currencies	Amount	
Delta Electronics, Inc.	Deltronics (Netherlands) B. V.	Netherlands	Sales of electronic products	NTD	$ 36,723	NTD	$ 36,723	765,000	100.00	NTD	$ 85,386	NTD	$ 18,030	NTD	$ 18,030	
Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc.	Taiwan	Designing and experimenting on integrated circuit and information software service	NTD	242,036	NTD	151,596	24,203,600	80.68	NTD	95,692	NTD	(89,549)	NTD	(69,326)	
Delta International Holding Ltd.	Delta Electronics International Ltd.	Malaysia	Sales of electronic products	NTD	60,550	NTD	60,550	2,000,000	100.00	NTD	11,857,093	NTD	723,399	NTD	955,794	(Note a)
Delta International Holding Ltd.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments	NTD	9,942,222	NTD	8,973,422	2,549,297,600	100.00	NTD	26,557,923	NTD	3,748,369	NTD	3,748,369	(Note a)
Delta International Holding Ltd.	DAC Holding (Cayman) Ltd.	Cayman Islands	Equity investments	NTD	488,646	NTD	488,646	22,200,000	100.00	NTD	200,981	NTD	31,542	NTD	31,542	(Note a)
Delta International Holding Ltd.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and their materials	NTD	86,555	NTD	53,782	5,600	100.00	NTD	197,454	NTD	7,643	NTD	7,643	(Note a)
Delta International Holding Ltd.	Digital Projection International Ltd.	Britain	Equity investments	NTD	240,394	NTD	240,394	7,583,000	32.11	NTD	247,359	NTD	19,967	NTD	5,774	(Note a)
Delta International Holding Ltd.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	NTD	242,200	NTD	242,200	8,000,000	60.38	NTD	259,968	NTD	13,924	NTD	10,780	(Note f)
Delta International Holding Ltd.	Ace Pillar Holding Ltd.	Samoa	Equity investments	NTD	413,420	NTD	-	2,858,718	100.00	NTD	424,044	NTD	6,533	NTD	6,533	(Note a)
Delta International Holding Ltd.	Drake Overseas Financial Investment Ltd.	British Virgin Islands	Equity investments	NTD	5,210,822	NTD	-	1	100.00	NTD	5,302,809	NTD	58,653	NTD	58,653	(Note a)

Name of investor	Name of investee company	Address	Main activities	Original investment				Held as of December 31, 2011				Income (loss) of the investee company		Investment income (loss) recognized by the Company		Note
				Currencies	Balance as of December 31, 2011	Currencies	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Currencies	Book value	Currencies	Amount	Currencies	Amount	
Delta International Holding Ltd.	DEI Logistics (USA) Corp.	U.S.A	Warehousing and logistics services	NTD	$ 15,138	NTD	$ 15,138	500,000	100.00	NTD	$ 81,247	NTD	$ 16,475	NTD	$ 16,475	(Note a)
Delta International Holding Ltd.	Delta Power Sharp Ltd.	Hong Kong	Operations management and engineering services	NTD	39,153	NTD	39,153	10,000,000	100.00	NTD	58,888	NTD	953	NTD	953	(Note a)
Delta International Holding Ltd.	Trillion Science, Inc.	U.S.A	Research on special chemical materials used in precision coating process	NTD	544,950	NTD	544,950	9,000,000	40.93	NTD	47,673	NTD	(99,764)	NTD	(41,498)	(Note a)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S.A. DE C.V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	NTD	31,789	NTD	-	252,002	100.00	NTD	18,718	NTD	(10,995)	NTD	(10,995)	(Note b)
Delta Electronics (H.K.) Ltd.	Crystalrich (Hong Kong) Co., Limited	Hong Kong	Equity investments	NTD	90,825	NTD	-	3,000,000	30.00	NTD	91,038	NTD	(5)	NTD	(2)	(Note b)
Delta Networks Holding Ltd.	Delta Networks, Inc.	Cayman Islands	Equity investments	NTD	5,384,680	NTD	5,384,680	1,196,886,000	100.00	NTD	6,509,254	NTD	1,099,929	NTD	1,099,929	(Note c)
Delta Networks, Inc.	Delta Networks (H.K.) Ltd.	Hong Kong	Equity investments	NTD	1,059,625	NTD	1,059,625	35,000,000	100.00	NTD	2,966,047	NTD	737,847	NTD	737,847	(Note d)
Delta Networks, Inc.	Delta Networks, Inc. (Taiwan)	Taiwan	Manufacturing and sales of networking system and peripherals	NTD	466,816	NTD	466,816	50,040,838	99.98	NTD	1,442,845	NTD	68,528	NTD	62,938	(Note d)
Delta Networks, Inc.	Delta Networks International Ltd.	Malaysia	Trading of networking system and peripherals	NTD	30,275	NTD	30,275	1,000,000	100.00	NTD	2,070,415	NTD	467,689	NTD	460,676	(Note d)
Delta Networks, Inc.	DNI Logistics (USA) Corp.	U.S.A	Trading of networking system and peripherals	NTD	16,835	NTD	16,835	500,000	100.00	NTD	34,711	NTD	2,931	NTD	2,931	(Note d)

Name of investor	Name of investee company	Address	Main activities	Original investment				Held as of December 31, 2011				Income (loss) of the investee company		Investment income (loss) recognized by the Company		Note
				Currencies	Balance as of December 31, 2011	Currencies	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Currencies	Book value	Currencies	Amount	Currencies	Amount	
Delta Networks, Inc. (Taiwan)	Ayecom Technology Co., Ltd.	Taiwan	Manufacturing and sales of wire and wireless telecommunications equipment, electronic parts and controlled telecommunications radio frequency devices	NTD	$ 185,000	NTD	$ 185,000	30,000,000	100.00	NTD	($ 18,974)	NTD	($ 72,977)	NTD	($ 87,770)	(Note e)
DelSolar Co., Ltd.	DelSolar Holding (Cayman) Ltd.	Cayman Islands	Equity investments	NTD	4,079,842	NTD	3,819,722	129,150,000	100.00	NTD	3,984,232	NTD	(262,562)	NTD	(292,608)	(Note g)
DelSolar Co., Ltd.	DelSolar Holding Singapore Pte. Ltd.	Singapore	Equity investments	NTD	6,060	NTD	-	209,900	100.00	NTD	(31,111)	NTD	(40,065)	NTD	(40,065)	(Note g)
DelSolar Co., Ltd.	DelSolar India EPC Company Private Ltd.	India	Equity investments	NTD	-	NTD	-	1	-	NTD	-	NTD	(39,052)	NTD	-	(Note g)
DelSolar Holding (Cayman) Ltd.	DelSolar (H.K.) Ltd.	Hong Kong	Equity investments	NTD	3,636,028	NTD	3,636,028	120,100,000	100.00	NTD	3,736,162	NTD	(282,989)	NTD	(282,989)	(Note h)
DelSolar Holding (Cayman) Ltd.	DelSolar US Holdings (Delaware) Corp.	U.S.A	Equity investments	NTD	272,475	NTD	-	900	100.00	NTD	277,397	NTD	4,778	NTD	4,778	(Note h)
DelSolar US Holdings (Delaware) Corp.	DelSolar Development (Delaware) LLC	U.S.A	Design and sale of solar systems	NTD	254,007	NTD	-	-	100.00	NTD	259,295	NTD	5,133	NTD	5,133	(Note i)
DelSolar Development (Delaware) LLC	DSS-RAL LLC	U.S.A	Contractor of solar systems project	NTD	149,861	NTD	-	-	100.00	NTD	186,680	NTD	35,745	NTD	35,745	(Note j)
DelSolar Development (Delaware) LLC	DSS-USF PHX LLC	U.S.A	Contractor of solar systems project	NTD	69,633	NTD	-	-	100.00	NTD	69,633	NTD	-	NTD	-	(Note j)
DelSolar Holding Singapore Pte. Ltd.	DelSolar India EPC Company Private Ltd.	India	Contractor of solar systems project	NTD	6,055	NTD	-	890,166	100.00	NTD	(31,409)	NTD	(39,052)	NTD	(39,052)	(Note k)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	NTD	1,109,005	NTD	1,107,555	32,500,062	100.00	NTD	7,705,134	NTD	2,511,329	NTD	2,511,329	(Note l)

Name of investor	Name of investee company	Address	Main activities	Original investment				Held as of December 31, 2011				Income (loss) of the investee company		Investment income (loss) recognized by the Company		Note
				Currencies	Balance as of December 31, 2011	Currencies	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Currencies	Book value	Currencies	Amount	Currencies	Amount	
Fairview Assets Ltd.	Grandview Holding Ltd.	Cayman Islands	Equity investments	NTD	$ 2,938,492	NTD	2,482,853	$ 97,060,000	100.00	NTD	$ 6,800,138	NTD	$ 2,511,024	NTD	$ 2,511,024	(Note m)
Grandview Holding Ltd.	Cyntec International Ltd.	Malaysia	Trading	NTD	151,375	NTD	151,375	5,000,000	100.00	NTD	3,298,405	NTD	2,387,762	NTD	2,387,762	(Note n)
Grandview Holding Ltd.	Cyntec Holding (H.K.) Ltd.	Hong Kong	Equity investments	NTD	2,787,117	NTD	2,331,478	92,060,000	100.00	NTD	3,501,728	NTD	129,286	NTD	129,286	(Note n)

Note a: Investment income / loss recognized by Delta International Holding Ltd.

Note b: Investment income / loss recognized by Delta Electronics (H.K.) Ltd.

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

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

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

Note f: PreOptix (Hong Kong) Co., Ltd. is a subsidiary jointly controlled by the Company and DIH. It is recognized as investments by the Company, PreOptix Co., Ltd. (dissolved after merger with the Company on March 1, 2011) and Delta International Holding Ltd. The Group's consolidated stock ownership in PreOptix (Hong Kong) Co., Ltd. was 96.38%, respectively.

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

Note h: Investment income / loss recognized by DelSolar Holding (Cayman) Ltd.

Note i: Investment income / loss recognized by DelSolar US Holdings (Delaware) Corp.

Note j: Investment income / loss recognized by DelSolar Development (Delaware) LLC.

Note k: Investment income / loss recognized by DelSolar Holding Singapore Pte. Ltd.

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

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

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

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

Note p: The weighted average shareholding ratio was 20.01% and the investment income included the elimination of intercompany transactions.

B. Financing activities to any company or person:

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

Number	Creditor	Borrower	General ledger account	Maximum outstanding balance during the year ended December 31, 2011	Balance at December 31, 2011	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
											Item	Value			
5	Fairview Assets Ltd.	Cyntec (Suzhou) Co., Ltd.	Other receivables-related parties	$ 605,500	$ 329,998	1.00000%	Short- term financing	$ -	Additional operating capital	$ -	None	$ -	$ 770,513	$ 3,082,054	(Note e)
5	Fairview Assets Ltd.	Cyntec Electronics (Suzhou) Co., Ltd..	Other receivables-related parties	605,500	559,179	1.00000%	Short- term financing	-	Additional operating capital	-	None	-	770,513	3,082,054	(Note e)

Note a: Number 0 represents the Company; the investee companies are in order from number 1.

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

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

Note d: 1. In accordance with the Delta Internation Holding Ltd. Operating Procedures of Fund Lending, the limits for each recipient according to reasons of lending are as follows:

When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and shall not exceed 10 percent of the Company’s net worth as stated in the Company’s latest financial statements.

When providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 10 percent of the Company’s net worth as stated in the Company’s latest financial statements.

2. In accordance with the Delta Internation Holding Ltd. Operating Procedures of Fund Lending, the limits for total amount of fund lending according to its reasons are as follows:

When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and the total amount lent shall not exceed 20 percent of the Company’s net worth as stated in the Company’s latest financial statements.

When providing short-term financing to other companies or enterprises, the total short-term financing amount shall not exceed 20 percent of the Company’s net worth as stated in the Company’s latest financial statements.

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

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

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

C. Guarantee information:

Name of the company providing guarantee		Parties being guaranteed		Limit on guarantees provided for a single party	Highest outstanding guarantee amount in 2011	Outstanding guarantee amount at December 31, 2011	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net value of the Company	Ceiling of the outstanding guarantee to the respective party	Note
Number	Name	Name	Relationship with the Company							
1	DelSolar Co.,Ltd.	Delta Electronics, Inc.	The ultimate parent company and mutual guarantees in the trade due to construction undertaking pursuant to the contracts.	$ 1,486,652	$ 270,600	$ 270,600	$ -	4%	$ 2,229,978	(Note c)
2	Delta International Holding Ltd.	Delta Electronics (Shanghai) Co., Ltd.	The subsidiary of Delta Electronics (H.K.) Ltd.	302,750	302,750	-	-	-	363,300	(Note d)

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

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

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

Note d: In accordance with the guarantee procedure of Delta International Holding Ltd., Delta International Holding Ltd.'s guarantees to others should not be in excess of USD 12 million, and the company's limit on guarantees provided for a single party should not be in excess of USD 10 million.

D. Marketable securities held by the Company as of December 31, 2011: (Combined the individual amount less than $100,000 as of December 31, 2011)

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
Delta International Holding Ltd. (DIH)	Delta Electronics International Ltd. common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	2,000,000	$ 11,857,093	100.00	$ 11,857,093	
Delta International Holding Ltd. (DIH)	DAC Holding (Cayman) Limited common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	22,200,000	200,981	100.00	200,981	
Delta International Holding Ltd. (DIH)	Delta Electronics (Japan) Inc. common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	5,600	197,454	100.00	197,454	
Delta International Holding Ltd. (DIH)	Delta Electronics (H.K.) Ltd. common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	2,549,297,600	26,557,923	100.00	26,557,923	
Delta International Holding Ltd. (DIH)	Ace Pillar Holding Co., Ltd. common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	2,858,718	424,044	100.00	424,044	
Delta International Holding Ltd. (DIH)	Drake Overseas Financial Investment Ltd. common stock	A subsidiary of DIH	Long-term investments accounted for under the equity method	1	5,302,809	100.00	5,302,809	
Delta International Holding Ltd. (DIH)	PreOptix (Hong Kong) Co., Ltd. common stock	A subsidiary jointly controlled by the Company and DIH	Long-term investments accounted for under the equity method	8,000,000	259,968	60.38	259,968	
Delta International Holding Ltd. (DIH)	Delta Electronics (Thailand) Public Co., Ltd. common stock	Investee company accounted for under the equity method of the Company	Long-term investments accounted for under the equity method	191,984,450	1,419,507	15.39	4,018,993	
Delta International Holding Ltd. (DIH)	Digital Projection International Ltd. common stock	Investee company accounted for under the equity method of the Company	Long-term investments accounted for under the equity method	7,583,000	247,359	32.11	247,359	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
Delta International Holding Ltd. (DIH)	Delta Greentech (China) Co., Ltd. common stock	A subsidiary jointly controlled by DIH、Ace and Drake	Long-term investments accounted for under the equity method	58,940,390	$ 342,008	10.38	$ 342,008	
Delta International Holding Ltd. (DIH)	Solarflare Communications, Inc.preferred shares	None	Financial assets carried at cost - non-current	9,547,235	289,043	5.34	289,043	
Delta International Holding Ltd. (DIH)	Delta Power Sharp Ltd. common stock, etc.			-	371,463	-	371,463	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Dongguan) Co., Ltd.certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	4,135,179	100.00	4,135,179	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Power (Dongguan) Co., Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	3,352,000	100.00	3,352,000	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Shanghai) Co., Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	1,914,815	100.00	1,914,815	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Wuhu) Co., Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	3,682,074	100.00	3,682,074	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Chenzhou) Co., Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	2,071,802	100.00	2,071,802	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics (Jiangsu) Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	2,746,575	55.00	2,746,575	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics Components (Wujiang) Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	$ 2,350,987	55.00	$ 2,350,987	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electro-Optics (Wujiang) Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	2,027,110	55.00	2,027,110	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Video Display System (Wujiang) Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	924,824	55.00	924,824	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Green (Tianjin) Industries Co., Ltd. certificate of amount contributed	A subsidiary of DHK	Long-term investments accounted for under the equity method	-	982,623	100.00	982,623	
Delta Electronics (H.K.) Ltd. (DHK)	Delta Electronics International Mexico S.A. DE C.V.common stock, etc.		Long-term investments accounted for under the equity method		144,364		144,364	
Ace Pillar Holding Co., Ltd. (Ace)	Delta Greentech (China) Co., Ltd.common stock	A subsidiary jointly controlled by DIH、Ace and Drake	Long-term investments accounted for under the equity method	21,646,341	171,290	3.81	171,290	
Delta Electronics (Wuhu) Co., Ltd. (DWH)	Wuhu Delta Technology Co., Ltd. certificate of amount contributed	A subsidiary of DWH	Long-term investments accounted for under the equity method	-	155,444	100.00	155,444	
Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Chenzhou Delta Technology Co., Ltd. certificate of amount contributed	A subsidiary of DCZ	Long-term investments accounted for under the equity method	-	137,802	100.00	137,802	
Drake Overseas Financial Investment Ltd. (Drake)	Drake Investment (HK) Ltd. common stock	A subsidiary of Drake	Long-term investments accounted for under the equity method	304,504,306	2,165,899	100.00	2,165,899	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
Drake Investment (HK) Ltd. (Drake-HK)	Delta Greentech (China) Co., Ltd.common stock	A subsidiary jointly controlled by DIH、Ace and Drake	Long-term investments accounted for under the equity method	275,549,268	$ 2,172,682	48.51	$ 2,172,682	
Delta Networks Holding Ltd. (DNH)	Delta Networks, Inc. (Cayman) common stock	A subsidiary of DNH	Long-term investments accounted for under the equity method	1,196,886,000	6,509,254	100.00	6,509,254	
Delta Networks, Inc.(Cayman) (DNI Cayman)	Delta Networks, Inc. (Taiwan) common stock	A subsidiary of DNI Cayman	Long-term investments accounted for under the equity method	50,040,838	1,442,845	99.98	1,442,845	
Delta Networks, Inc.(Cayman) (DNI Cayman)	Delta Networks International Ltd. common stock	A subsidiary of DNI Cayman	Long-term investments accounted for under the equity method	1,000,000	2,070,415	100.00	2,070,415	
Delta Networks, Inc.(Cayman) (DNI Cayman)	Delta Networks (H.K.) Ltd. common stock	A subsidiary of DNI Cayman	Long-term investments accounted for under the equity method	35,000,000	2,966,047	100.00	2,966,047	
Delta Networks, Inc.(Cayman) (DNI Cayman)	DNI Logistic (USA) Corp. common stock	A subsidiary of DNI Cayman	Long-term investments accounted for under the equity method	500,000	34,711	100.00	34,711	
Delta Networks, Inc. (Taiwan)	Ayecom Technology Co., Ltd. common stock, etc.				(17,793)		1,181	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Dongguan) Ltd. certificate of amount contributed certificate of amount contributed	A subsidiary of DNHK	Long-term investments accounted for under the equity method	-	2,261,908	100.00	2,261,908	
Delta Networks (H.K.) Ltd. (DNHK)	Delta Networks (Shanghai) Ltd. certificate of amount contributed certificate of amount contributed, etc.				94,195		94,195	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
PreOptix (Hong Kong) Co., Ltd. (PHK)	PreOptix (JiangSu) Co., Ltd. certificate of amount contributed	A subsidiary of PHK	Long-term investments accounted for under the equity method	-	$ 430,643	100.00	$ 430,643	
DelSolar Co., Ltd. (Delsolar)	DelSolar Holding (Cayman) Ltd.common stock	A subsidiary of Delsolar	Long-term investments accounted for under the equity method	129,150,000	3,736,162	100.00	3,736,162	
DelSolar Co., Ltd. (Delsolar)	DelSolar Holding Singapore Pte.Ltd.common stock, etc.				(31,111)		(31,111)	
DelSolar Holding (Cayman) Ltd. (DSH)	DelSolar (H.K.) Ltd.common stock	A subsidiary of DSH	Long-term investments accounted for under the equity method	120,100,000	3,736,162	100.00	3,736,162	
DelSolar Holding (Cayman) Ltd. (DSH)	DelSolar US Holdings (Delaware) Corp. common stock	A subsidiary of DSH	Long-term investments accounted for under the equity method	900	277,397	100.00	277,397	
DelSolar (H.K.) Ltd. (DSHK)	Delsolar (Wujiang) Ltd. certificate of amount contributed	A subsidiary of DSHK	Long-term investments accounted for under the equity method	-	3,733,683	100.00	3,733,683	
DelSolar US Holdings (Delaware) Corp. (DSUS)	DelSolar Development (Delaware) LLC common stock	A subsidiary of DSUS	Long-term investments accounted for under the equity method	-	259,295	100.00	259,295	
DelSolar Development (Delaware) LLC (DS Delaware)	DSS-RAL LLC common stock	A subsidiary of DS Delaware	Long-term investments accounted for under the equity method	-	186,680	100.00	186,680	
DelSolar Development (Delaware) LLC (DS Delaware)	DSS-USF PHX LLC common stock	A subsidiary of DS Delaware	Long-term investments accounted for under the equity method	-	69,633	100.00	69,633	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
DelSolar Holding Singapore Pte. (DSH-SG)	DelSolar India EPC Company Private Ltd.common stock	A subsidiary of DSH-SG	Long-term investments accounted for under the equity method	890,166	($ 31,409)	100.00	($ 31,409)	
Cyntec Co., Ltd. (Cyntec)	Fairview Assets Ltd. common stock	A subsidiary of Cyntec	Long-term investments accounted for under the equity method	32,500,062	7,705,134	100.00	7,705,134	
Cyntec Co., Ltd. (Cyntec)	SUSUMU Co., Ltd. common stock	None	Financial assets carried at cost - non-current	200,000	104,081	11.53	104,081	
Fairview Assets Ltd. (Fairview)	Grandview Holding Ltd.common stock	A subsidiary of Fairview	Long-term investments accounted for under the equity method	97,060,000	6,800,138	100.00	6,800,138	
Grandview Holding Ltd. (Grandview)	Cyntec International Ltd. common stock	A subsidiary of Grandview	Long-term investments accounted for under the equity method	5,000,000	3,298,405	100.00	3,298,405	
Grandview Holding Ltd. (Grandview)	Cyntec Holding (H.K.) Ltd. common stock	A subsidiary of Grandview	Long-term investments accounted for under the equity method	92,060,000	3,501,728	100.00	3,501,728	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec (Suzhou) Co., Ltd. certificate of amount contributed	A subsidiary of CHK	Long-term investments accounted for under the equity method	-	1,759,435	100.00	1,759,435	
Cyntec Holding (H.K.) Ltd. (CHK)	Cyntec Electronics (Suzhou) Co., Ltd. certificate of amount contributed	A subsidiary of CHK	Long-term investments accounted for under the equity method	-	1,742,355	100.00	1,742,355	
Delta Electronics Capital Company	ALLTOP Technology Co., Ltd. convertible bond	None	Financial assets at fair value through profit or loss - non-current	-	240,525	-	240,525	

Name of investor	Name and kind of marketable securities	Relationship of the issuers with the Company	General ledger accounts	December 31, 2011				Note
				Number of shares	Book value	Percentage	Market value	
Delta Electronics Capital Company	Chin Ming Shan Optronics Corporation common stock	None	Financial assets carried at cost - non-current	2,400,000	$ 150,000	4.40	$ 150,000	
Delta Electronics Capital Company	Candmark Enterprise common stock	None	Financial assets carried at cost - non-current	4,809,000	110,607	8.88	110,607	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Available-for-sale financial assets	1,400,000	102,480	0.86	102,480	
Delta Electronics Capital Company	Ledlink Optics, Inc. common stock, etc.				75,388		75,388	

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

Acquirer/ seller	Name and kind of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal				December 31, 2011	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain/(loss)	Number of shares	Amount
Fairview Assets Ltd.	Grandview Holding Ltd. common stock	Long-term investments accounted for under the equity method	Grandview Holding Ltd.	Subsidiary	82,010,000	$ 4,755,234	15,050,000	$2,044,904 (Note a)	-	$ -	$ -	$ -	97,060,000	$ 6,800,138
Grandview Holding Ltd.	Cyntec Holding (HK) Ltd.common stock	Long-term investments accounted for under the equity method	Cyntec Holding (H.K.) Ltd.	Subsidiary	77,010,000	2,650,281	15,050,000	851,447 (Note b)	-	-	-	-	92,060,000	3,501,728

Acquirer/ seller	Name and kind of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal				December 31, 2011	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain/(loss)	Number of shares	Amount
Cyntec Holding (H.K.) Ltd.	Cyntec (Suzhou) Co., Ltd. certificate of amount contributed	Long-term investments accounted for under the equity method	Cyntec (Suzhou) Co., Ltd.	Subsidiary	-	$ 1,263,604	-	$ 495,831 (Note c)	-	$ -	$ -	$ -	-	$ 1,759,435
Cyntec Holding (H.K.) Ltd.	Cyntec Electronics (Suzhou) Co., Ltd. certificate of amount contributed	Long-term investments accounted for under the equity method	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	-	1,387,013	-	355,342 (Note d)	-	-	-	-	-	1,742,355
Delsolar Co., Ltd.	DelSolar Holding (Cayman) Ltd. common stock	Long-term investments accounted for under the equity method	DelSolar Holding (Cayman) Ltd.	Subsidiary	120,150,000	3,696,959	9,000,000	287,273 (Note e)	-	-	-	-	129,150,000	3,984,232
DelSolar Holding (Cayman) Ltd.	DelSolar US Holdings (Delaware) Corp. common stock	Long-term investments accounted for under the equity method	DelSolar US Holdings (Delaware) Corp.	Subsidiary	-	-	900	277,397 (Note f)	-	-	-	-	900	277,397
DelSolar US Holdings (Delaware) Corp.	DelSolar Development (Delaware) LLC common stock	Long-term investments accounted for under the equity method	DelSolar Development (Delaware) LLC	Subsidiary	-	-	-	259,295 (Note g)	-	-	-	-	-	259,295

Acquirer/ seller	Name and kind of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal				December 31, 2011	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain/(loss)	Number of shares	Amount
DelSolar Development (Delaware) LLC	DSS-RAL LLC common stock	Long-term investments accounted for under the equity method	DSS-RAL LLC	Subsidiary	-	$ -	-	$ 186,680 (Note h)	-	$ -	$ -	$ -	-	$ 186,680
Delta Electronics (H.K.) Ltd.	Delta Electronics (Shanghai) Co., Ltd. certificate of amount contributed	Long-term investments accounted for under the equity method	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	-	989,402	-	925,413 (Note i)	-	-	-	-	-	1,914,815
Delta Electronics (H.K.) Ltd.	Delta Electronics (Wuhu) Co., Ltd. certificate of amount contributed	Long-term investments accounted for under the equity method	Delta Electronics (Wuhu) Co., Ltd.	Subsidiary	-	2,110,078	-	1,571,996 (Note j)	-	-	-	-	-	3,682,074
Delta Electronics (H.K.) Ltd.	Delta Green (Tianjin) Industries Co., Ltd.certificate of amount contributed	Long-term investments accounted for under the equity method	Apex Investment (HK) Limited, Jade Investment (HK) Limited, Kernford Investment Limited and DET SGP Pte. Ltd.	(Note k)	-	-	-	982,623 (Note l)	-	-	-	-	-	982,623

Acquirer/ seller	Name and kind of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal				December 31, 2011	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain/(loss)	Number of shares	Amount
Delta Networks (H.K.) Ltd.	Delta Networks (Wujiang) Ltd. certificate of amount contributed	Long-term investments accounted for under the equity method	Delta Networks (Wujiang) Ltd.	Subsidiary	-	$ 548,694	-	($ 18,626) (Note m)	-	$ 575,690 (Note m)	$ 530,068	$ 45,622	-	$ -
Delta International Holding Ltd.	Delta Electronics (H.K.) Ltd.common stock	Long-term investments accounted for under the equity method	Delta Electronics (H.K.) Ltd.	Subsidiary	2,300,000,000	20,378,585	249,297,600	6,179,338 (Note n)	-	-	-	-	2,549,297,600	26,557,923
Delta International Holding Ltd.	Ace Pillar Holding Co., Ltd.common stock	Long-term investments accounted for under the equity method	Cyber South Management Limited	None	-	-	2,858,718	424,044 (Note o)	-	-	-	-	2,858,718	424,044
Delta International Holding Ltd.	Drake Overseas Financial Investment Ltd.common stock	Long-term investments accounted for under the equity method	Lombard International PCC Limited	None	-	-	1	5,302,809 (Note p)	-	-	-	-	1	5,302,809
Delta Electronics Capital Company	Candmark Enterprise common stock	Financial assets carried at cost-non-current	Candmark Enterprise common stock	None	-	-	5,000,000	115,000	191,000	4,761	4,393	368	4,809,000	110,607
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	Available-for-sale financial assets	Tong Hsing Electronic Industries, Ltd. common stock	None	-	-	1,400,000	102,480 (Note q)	-	-	-	-	1,400,000	102,480

Note a: Fairview Assets Ltd. invested $458,724 in Grandview Holding Ltd. Investment income or loss accounted for under the equity method and adjustment recognized due to change in subsidiary's net asset value was recorded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note q: Delta Electronics Capital Company invested $147,000 in Tong Hsin Electronic Industries, Ltd. The decrease due to adjustment of valuation of fair value was recognized.

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

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

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

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

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

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics International Ltd.	Delta Green (Tianjin) Industries Co., Ltd.	Affiliated enterprise	Purchase	$ 289,723	0.52	75 days	-	-	($ 13,061)	0.47	
Delta Electronics International Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	1,586,644	2.48	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	4,660,587	7.29	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	4,322,062	6.76	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	740,002	1.16	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Electro-Optics (Wujiang) Ltd.	Affiliated enterprise	Sales	1,145,176	1.79	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	877,743	1.37	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	367,741	0.57	75 days	-	-	-	-	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics International Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Sales	$ 254,489	0.40	75 days	-	-	$ -	-	
Delta Electronics International Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	739,227	1.16	75 days	-	-	35	-	
Delta Electronics International Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	722,075	1.13	75 days	-	-	132,203	2.30	
Delta Electronics International Ltd.	DEI Logistics (USA) Corporation	Affiliated enterprise	Sales	13,630,105	21.31	75 days	-	-	3,444,273	59.94	
Delta Electronics International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	1,952,488	3.05	75 days	-	-	-	-	
Delta Electronics International Ltd.	Digital Projection Ltd.	Associate	Sales	520,066	0.81	75 days	-	-	106,488	1.85	
Delta Electronics International Ltd.	Delta Energy Systems (Germany) GmbH	Associate	Sales	227,660	0.36	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta India Electronics Pvt Ltd.	Associate	Sales	170,120	0.27	75 days	-	-	45,124	0.79	
Delta Electronics International Ltd.	Delta Greentech (Brasil) S.A.	Associate	Sales	111,890	0.17	75 days	-	-	-	-	
Delta Electronics International Ltd.	Delta Products Corporation	Related party in substance	Sales	182,043	0.28	75 days	-	-	423	0.01	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics International Ltd.	Delta Electronics, Inc.	Ultimate parent company	Sales	$ 3,861,360	6.06	75 days	-	-	$ 3,971	0.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green (Tianjin) Industries Co., Ltd.	Affiliated enterprise	Purchase	466,065	0.43	75 days	-	-	(134,280)	0.57	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	5,831,944	5.07	75 days	-	-	1,374,106	4.75	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	16,585,480	14.42	75 days	-	-	4,040,955	13.97	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	11,456,994	9.96	75 days	-	-	1,703,737	5.89	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	2,298,885	2.00	75 days	-	-	409,919	1.42	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	Affiliated enterprise	Sales	2,792,292	2.43	75 days	-	-	135,179	0.47	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	3,986,608	3.47	75 days	-	-	547,099	1.89	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	$ 1,080,417	0.94	75 days	-	-	$ 559,237	1.93	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Sales	357,230	0.31	75 days	-	-	137,707	0.48	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	2,944,013	2.56	75 days	-	-	249,537	0.86	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	Affiliated enterprise	Sales	323,415	0.28	75 days	-	-	129,745	0.45	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Sales	473,580	0.41	75 days	-	-	106,641	0.37	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	3,347,431	2.91	75 days	-	-	282,224	0.98	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Pre Optix (JiangSu) Co., Ltd.	Affiliated enterprise	Sales	202,328	0.18	75 days	-	-	8,915	0.03	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	204,974	0.18	75 days	-	-	86,778	0.30	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B.V.	Affiliated enterprise	Sales	$ 144,511	0.13	75 days	-	-	$ 29,469	0.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green (Tianjia) Industries Co., Ltd.	Affiliated enterprise	Sales	237,465	0.21	75 days	-	-	125,866	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Sales	15,835,939	13.77	75 days	-	-	6,140,150	21.32	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta India Electronics Pvt Ltd.	Associate	Sales	239,453	0.21	75 days	-	-	76,653	0.27	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Energy Systems (Switzerland) AG	Associate	Sales	246,727	0.21	75 days	-	-	103,019	0.36	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Associate	Sales	217,064	0.19	75 days	-	-	104,676	0.36	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Power Solutions (India) Pvt Ltd.	Associate	Sales	102,247	0.09	75 days	-	-	50,233	0.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Products Corporation	Related party in substance	Sales	412,193	0.36	75 days	-	-	127,577	0.44	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics (Japan), Inc.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Sales	$ 196,867	6.68	75 days	-	-	$ 36,188	8.48	
Delta Electronics (Japan), Inc.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Sales	138,686	4.70	75 days	-	-	24,200	5.67	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	124,332	4.22	75 days	-	-	39,312	9.21	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	10,212,240	36.92	75 days	-	-	1,194,480	23.85	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	16,354,405	59.12	75 days	-	-	3,566,355	71.21	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	458,944	1.66	75 days	-	-	125,060	2.50	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	2,682,408	26.37	75 days	-	-	223,230	9.80	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	5,740,303	56.42	75 days	-	-	1,681,759	73.85	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Sales	$ 240,324	2.36	75 days	-	-	$ 5,871	0.26	
Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Sales	13,100,086	46.08	75 days	-	-	2,948,263	47.35	
Delta Networks International Ltd.	DNI Logistic (USA) Corp.	Affiliated enterprise	Sales	2,709,029	9.53	75 days	-	-	470,689	7.56	
Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	Affiliated enterprise	Sales	527,947	1.86	75 days	-	-	193,388	3.11	
Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	Affiliated enterprise	Sales	446,769	1.57	75 days	-	-	78,470	1.26	
Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	Affiliated enterprise	Sales	14,264,698	88.69	75 days	-	-	2,371,754	92.84	
Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	Affiliated enterprise	Sales	851,273	27.53	75 days	-	-	104,968	20.98	
Ayecom Technology Co., Ltd.	Delta Networks International Ltd.	Affiliated enterprise	Sales	271,735	31.91	75 days	-	-	36,947	14.58	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	12,978,045	32.95	75 days	-	-	457,017	14.61	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	$ 24,331,358	61.78	75 days	-	-	$ 2,198,722	70.30	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	Sales	306,954	0.78	75 days	-	-	338,180	10.81	
Delta Electronics (Jiangsu) Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	1,102,704	2.80	90 days	-	-	54,857	17.40	
Delta Electro-Optics (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	4,643,782	49.01	90 days	-	-	187,573	12.84	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	1,837,424	19.39	75 days	-	-	143,143	9.80	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Sales	774,832	8.18	75 days	-	-	903,371	61.83	
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	1,527,879	16.13	75 days	-	-	134,484	9.20	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	1,786,664	24.48	75 days	-	-	6,721	0.21	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	$ 4,419,842	60.55	75 days	-	-	$ 449,286	14.36	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	105,275	1.44	75 days	-	-	25,296	0.81	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	5,471,081	73.41	75 days	-	-	378,942	41.45	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	Sales	614,361	8.24	75 days	-	-	469,986	51.41	
Delta Video Display System (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	171,312	2.30	90 days	-	-	-	4.75	
Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	377,558	39.76	90 days	-	-	403,736	56.46	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	3,136,927	36.53	75 days	-	-	98,403	7.66	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Sales	669,676	7.80	75 days	-	-	79,748	6.21	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	$ 4,781,840	55.69	75 days	-	-	$ 1,105,639	86.08	
Wuhu Delta Technology Co., Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Sales	596,400	58.16	75 days	-	-	36,939	11.64	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	Sales	1,253,615	22.83	75 days	-	-	7,792	1.12	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	4,236,474	77.17	75 days	-	-	688,928	98.88	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Sales	2,904,410	98.52	75 days	-	-	214,401	83.76	
PreOptix (JuangSu) Co., Ltd.	Delta Electronics Int’l (Singapore) Pte. Ltd.	Affiliated enterprise	Sales	443,833	86.58	75 days	-	-	60,291	98.84	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Sales	924,101	100.00	75 days	-	-	1,075,386	91.39	
DelSolar Co., Ltd.	Delta Energy Systems (Italy) Srl	Associate	Sales	273,848	3.00	120~240 days	-	(Note b)	91,550	8.00	

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)		Note
			Purchases (sales) (Note a)	Amount	% of total Purchases (sales)	Credit terms	Unit price	Credit period	Balance	% of total accounts or notes receivable (payable)	
Delsolar (Wujiang) Ltd.	Delsolar Co., Ltd.	Affiliated enterprise	Sales	$ 5,752,000	80.00	30 days	-	(Note b)	$ 893,615	93.00	
Cyntec International Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Sales	402,553	4.78	(Note c)	(Note c)	(Note c)	88,572	2.82	
Cyntec Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	1,650,108	59.59	(Note d)	(Note d)	(Note d)	176,852	50.48	
Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	2,019,775	100.00	(Note d)	(Note d)	(Note d)	275,446	100.00	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	Sales	2,561,075	100.00	(Note d)	(Note d)	(Note d)	315,101	100.00	

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

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

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

Note d: Selling price is based on materials cost plus administration fees and related costs. The collection term to related parties is 45~120 days after monthly billings and to third parties is 30~120 days after monthly billings.

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

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	$ 282,224	6.78	$ -	-	$ 282,224	$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	1,374,106	4.37	1,347,121	-	1,374,106	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	4,040,955	4.23	3,274,077	-	3,568,117	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,703,737	6.93	1,492,011	-	1,687,064	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	409,919	5.78	334,344	-	409,908	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	Affiliated enterprise	135,179	21.28	10,879	-	19,653	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	547,099	7.51	547,099	-	402,411	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	559,237	1.99	444,742	-	526,390	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	137,707	2.67	39,020	-	105,998	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	249,537	12.15	240,554	-	9,316	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	Affiliated enterprise	129,745	2.57	4,837	-	87,315	-

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	$ 106,641	4.57	$ -	-	$ 71,764	$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green (Tianjin) Industries Co., Ltd.	Affiliated enterprise	125,866	1.94	82,699	-	124,588	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	6,140,150	4.38	-	-	943,345	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Products Corporation	Related party in substance	127,577	3.33	-	-	84,408	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Energy Systems (Switzerland) AG	Associate	103,019	2.47	-	-	50,513	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Associate	104,676	2.14	-	-	73,236	-
Delta Electronics International Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	132,203	1.88	-	-	104,541	-
Delta Electronics International Ltd.	Digital Projection Ltd.	Associate	106,488	4.60	-	-	95,998	-
Delta Electronics International Ltd.	DEI Logistics (USA) Corporation	Affiliated enterprise	3,444,273	3.94	-	-	2,354,035	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	214,401	7.00	-	-	214,401	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,566,355	9.17	-	-	2,810,906	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	1,194,480	4.03	-	-	-	-

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	$ 125,060	4.08	$ -	-	$ 69,996	$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	223,230	1.06	-	-	-	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,681,759	6.83	-	-	1,451,507	-
Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	2,948,263	9.44	-	-	1,788,300	-
Delta Networks International Ltd.	DNI Logistic (USA) Corp.	Affiliated enterprise	470,689	11.82	-	-	436,714	-
Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	Affiliated enterprise	193,388	1.52	-	-	70,507	-
Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	Affiliated enterprise	2,371,754	11.72	-	-	1,604,575	-
Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	Affiliated enterprise	104,968	12.25	-	-	93,302	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	457,017	16.87	-	-	457,017	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,198,722	14.05	-	-	2,196,665	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	338,180	1.92	-	-	200,921	-

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	$ 499,286	20.79	$ -	-	$ 450,939	$ -
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	143,143	7.63	-	-	143,143	-
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	134,484	13.13	-	-	134,484	-
Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	903,371	1.81	-	-	522,413	-
Delta Electro-Optics (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	187,573	4.62	-	-	182,759	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	Affiliated enterprise	469,986	2.76	-	-	320,819	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	Affiliated enterprise	378,942	15.14	-	-	378,942	-
Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	403,736	1.96	-	-	245,281	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,105,639	9.14	-	-	1,105,120	-
Delta Electronics (Cheuzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	688,928	12.30	-	-	523,229	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	1,075,386	1.72	-	-	188,000	-

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivable		Subsequent collections (Note)	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Delta Green (Tianjin) Industries Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	$ 134,280	4.32	$ -	-	$ -	$ -
DelSolar (Wujiang) Ltd.	DelSolar Co., Ltd.	Affiliated enterprise	893,615	8.01	-	-	680,991	-
Cyntec Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	176,852	13.09	-	-	176,811	-
Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	275,446	8.99	-	-	249,745	-
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	Affiliated enterprise	315,101	10.33	-	-	223,397	-

Note: The amount represents collections subsequent to December 31, 2011 up to March 20, 2012.

J. Information on derivative transactions:

The information on derivative transactions of investee companies for the year ended December 31, 2011 are as follows:

(a) Market risk: The investee companies entered into these contracts in order to hedge. Accordingly, no material market risk is expected.

(b) Credit risk: The banks, which the subsidiaries deal with, are all in good credit standing and the subsidiaries deal with several banks to disperse the credit risk. Therefore, the possibility is low for the banks not to comply with the terms of the contracts.

(c) Liquidity risk: Subsidiaries have sufficient working capital; therefore, no material liquidity risk is expected.

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

The nature and related information of investee companies' outstanding derivative transactions as of December 31, 2011 are summarized as follows:

	Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
A.	Delta Electronics Int'l (Singapore) Pte. Ltd. (A subsidiary of the Company)			
	Forward foreign currency contracts – Sell USD, buy JPY	USD	11,800	2011.10.05 ~ 2012.03.14
	Forward foreign currency contracts – Buy USD, sell EUR	EUR	1,950	2011.10.05 ~ 2012.05.02
	Forward foreign currency contracts – Sell USD, buy EUR	EUR	2,850	2011.10.14 ~ 2012.03.14
	Forward foreign currency contracts – Sell USD, buy CZK	CZK	33,000	2011.10.04 ~ 2012.01.19

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $2,849.

B.	Delta Electronics International Ltd. (A subsidiary of DIH)			
	Forward foreign currency contracts – Buy USD, sell RMB	USD	70,000	2011.08.18 ~ 2012.02.27
	Forward foreign currency contracts – Sell USD, buy RMB	USD	366,000	2011.09.23 ~ 2012.08.24

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $291,081 and the unrealized gain recognized on financial instruments under stockholders' equity amounted to $60,622 as these met all the criteria for hedge accounting.

C.	Delta Electronics (Dongguan) Co., Ltd. (A subsidiary of DHK)			
	Forward foreign currency contracts – Sell USD, buy RMB	USD	18,000	2011.08.18 ~ 2012.01.12
	Forward foreign currency contracts – Buy USD, sell RMB	USD	112,000	2011.09.23 ~ 2012.08.22

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $138,370 and the unrealized loss recognized on financial instruments under stockholders' equity amounted to $5,940 as these met all the criteria for hedge accounting.

D.	Delta Electronics Power (Dongguan) Co., Ltd. (A subsidiary of DHK)			
	Forward foreign currency contracts – Sell USD, buy RMB	USD	52,000	2011.08.18 ~ 2012.02.03
	Forward foreign currency contracts – Buy USD, sell RMB	USD	254,000	2011.09.23 ~ 2012.07.24

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $371,643 and the unrealized loss recognized on financial instruments under stockholders' equity amounted to $16,099 as these met all the criteria for hedge accounting.

Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
E. Delta Networks (Dongguan) Ltd. (A subsidiary of DNHK)			
Forward foreign currency contracts – Sell USD, buy RMB	USD	101,000	2011.04.21 ~ 2012.08.07
Forward foreign currency contracts – Buy USD, sell RMB	USD	81,000	2011.09.23 ~ 2012.12.06

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

Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
F. Delta Networks International Ltd. (A subsidiary of DNI Cayman)			
Forward foreign currency contracts – Buy USD, sell RMB	USD	25,000	2011.04.21 ~ 2012.03.07
Forward foreign currency contracts – Sell USD, buy RMB	USD	81,000	2011.09.23 ~ 2012.12.06

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

Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
G. DelSolar Co., Ltd. (A subsidiary of the Company)			
Forward foreign currency contracts – Buy NTD, sell EUR	EUR	1,000	2011.12.16~2012.02.16
Forward foreign currency contracts – Buy EUR, sell NTD	EUR	4,000	2011.12.06~2012.01.10
Forward foreign currency contracts – Buy NTD, sell USD	USD	12,400	2011.11.28-2012.03.15
Forward foreign currency contracts – Buy NTD, sell INR	USD	1,000	2011.12.14-2012.03.15

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

Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
H. DelSolar (Wujiang) Co., Ltd. (A subsidiary of DSHK)			
Forward foreign currency contracts – Buy USD, sell EUR	EUR	2,000	2011.12.06-2012.01.13

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $2,620.

Derivative transactions	Par value, contract amount or nominal principal (Note)		Contract period
I. Cyntec Co., Ltd. (A subsidiary of the Company)			
Forward foreign currency contracts – Sell USD, buy NTD	USD	8,000	2011.11.07 ~ 2012.02.15
Forward foreign currency contracts – Sell EUR, buy NTD	EUR	130	2011.10.13 ~ 2012.01.31

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $159.

J. Cyntec (Suzhou) Co., Ltd. (A subsidiary of the CHK)

The derivative financial instruments held by Cyntec (Suzhou) Co., Ltd. were all settled. The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $1,448.

K. Cyntec Electronics (Suzhou) Co., Ltd.. (A subsidiary of CHK)

The derivative financial instruments held by Cyntec Electronics (Suzhou) Co., Ltd. were all settled. The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to $962.

Note: Unit: Thousands of dollars.

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

A. Basic information

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or collected this period		Accumulated remittance as of December 31, 2011	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, 2011	Note
					Remitted out	Collected						
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformers and power supplies	$ 2,961,198	Invested by DHK	$ 2,035,418	$ -	$ -	$ 2,035,418	94.00	$ 650,233	$ 3,887,069	$ 292,457	(Note c)
Delta Greentech (China) Co., Ltd.	Manufacturing and sales of uninterruptible power systems	2,729,183	Invested by DIH, Ace and Drake	276,037	5,286,787	-	5,562,824	60.58	97,154	2,524,821	-	(Note d)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio transmission apparatus incorporating reception apparatus and other radio-broadcast receivers, combined with sound recording or reproducing apparatus	1,059,625	Invested by DNHK	1,353,485	-	-	1,353,485	100.00	699,393	2,261,908	-	(Note e)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,274,578	Invested by DHK	512,253	-	-	512,253	94.00	1,307,565	3,150,880	406,774	(Note f)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies	1,211,000	Invested by DHK	626,087	-	-	626,087	51.70	859,373	2,581,781	-	

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or collected this period		Accumulated remittance as of December 31, 2011	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, 2011	Note
					Remitted out	Collected						
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of transformers	$ 2,688,723	Invested by DHK	$ 626,087	$ -	$ -	$ 626,087	51.70	$ 355,251	$ 2,209,927	$ -	(Note g)
Delta Electro-Optics (Wujiang) Ltd.	Manufacturing and sales of peripherals and electronic control equipments	877,975	Invested by DHK	391,304	-	-	391,304	51.70	541,005	1,905,483	53,413	(Note h)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	877,975	Invested by DHK	203,478	-	-	203,478	51.70	141,040	869,334	-	(Note i)
Delta Electronics (Shanghai) Co., Ltd.	Product design	1,758,849	Invested by DHK	-	-	-	-	94.00	193,710	1,799,926	-	(Note j)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of power supplies and transformers	4,056,850	Invested by DHK	170,751	-	-	170,751	94.00	(169,100)	3,461,149	-	(Note k)
Delta Networks (Shanghai) Ltd.	Design of computer software	60,550	Invested by DNHK	85,812	-	-	85,812	100.00	3,329	72,991	-	(Note l)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of power supplies and transformers	1,907,325	Invested by DHK	-	-	-	-	94.00	66,409	1,947,493	-	(Note m)

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or collected this period		Accumulated remittance as of December 31, 2011	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, 2011	Note
					Remitted out	Collected						
Cyntec (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components and wholesale, import and export of similar products	$ 1,513,750	Invested by CHK	$ 1,103,898	$ 302,750	$ -	$ 1,406,648	100.00	$ 62,131	$ 1,759,435	$ -	(Note n)
Cyntec Electronics (Suzhou) Co., Ltd..	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale, import and export of similar products	1,271,550	Invested by CHK	1,120,175	151,375	-	1,271,550	100.00	68,346	1,742,355	-	-
PreOptix (JiangSu) Co., Ltd.	Manufacturing and sales of lenses and optical engines for projectors	401,144	Invested by PHK	386,612	-	-	386,612	96.38	(796)	415,054	-	(Note p)
DelSolar (Wujiang) Ltd.	Manufacturing and sales of solar batteries and related systems	3,633,000	Invested by DSHK	3,633,000	-	-	3,633,000	59.04	(278,210)	3,733,683	-	-
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers and bluetooth module	685,729	Invested by DET	60,580	879,470	-	940,050	94.00	(11,700)	923,665	-	(Note q)

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or collected this period		Accumulated remittance as of December 31, 2011	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, 2011	Note
					Remitted out	Collected						
DP Cinema Ltd.	Marketing and sales of high-end cinema projector systems	$ 12,046	Invested by DET	$ -	$ 220	$ -	$ 220	1.82	$ -	$ 16	$ -	-
Delta Electronics (Wujiang) Trading Co., Ltd.	Installation, consulting and trading of electronic products	12,110	Invested by DHK	-	11,383	-	11,383	94.00	19,912	32,531	-	-
Guangzhou Crystalrich Lighting Inc.	Sales of other lighting- emitting diode and wafer	227,063	Invested by Crystalrich (HongKong) Co., Ltd.	-	64,032	-	64,032	28.20	(37)	63,994	-	-
Delta Networks (Xiahen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	21,193	Invested by DNHK	-	21,193	-	21,193	100.00	(54)	21,204	-	-

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2011	Remitted or collected this period		Accumulated remittance as of December 31, 2011	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, 2011	Note
					Remitted out	Collected						
Wuhu Delta Technology Co., Ltd.	Manufacturing and sales of transformers and power supplies	$ 141,745	Invested by DWH	$ -	$ -	$ -	$ -	94.00	$ 18,866	$ 146,117	$ -	(Note r)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers and power supplies	122,525	Invested by DCZ	-	-	-	-	94.00	50,852	129,534	-	(Note r)

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

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

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

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

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

Note f: Except for the facility of US$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$47,000 is excluded from the Company's amount of investment in Mainland China.

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

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

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

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

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

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

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

Note r: Wuhu Delta Technology Co., Ltd. and Chenzhou Delta Technology Co., Ltd. are the investee companies of the Company's investee companies in Mainland China. According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts in Wuhu Delta Technology Co., Ltd. and Chenzhou Delta Technology Co., Ltd. are excluded from the calculation for the Company's ceiling of investment amount in Mainland China.

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 2011:

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Services revenue	$ 2,650,863	(Note d)	1.54
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	1	Services revenue	3,340,686	(Note d)	1.94
0	Delta Electronics, Inc.	Delta Electro-Optics (Wujiang) Ltd.	1	Services revenue	181,210	(Note d)	0.11
0	Delta Electronics, Inc.	DelSolar (Wujiang) Ltd.	1	Sales	272,628	(Note d)	0.16
0	Delta Electronics, Inc.	DEI Logistics (USA) Corp.	1	Sales	245,140	(Note d)	0.14
1	Delta Electronics International Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Sales	1,586,644	(Note d)	0.92
1	Delta Electronics International Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	4,660,587	(Note d)	2.71
1	Delta Electronics International Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	4,322,062	(Note d)	2.51
1	Delta Electronics International Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	740,002	(Note d)	0.43
1	Delta Electronics International Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Sales	1,145,176	(Note d)	0.67
1	Delta Electronics International Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Sales	877,743	(Note d)	0.51

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
1	Delta Electronics International Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	$ 367,741	(Note d)	0.21
1	Delta Electronics International Ltd.	Chenzhou Delta Technology Co., Ltd.	3	Sales	254,489	(Note d)	0.15
1	Delta Electronics International Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	739,227	(Note d)	0.43
1	Delta Electronics International Ltd.	Delta Electronics (Japan),Inc.	3	Sales	722,075	(Note d)	0.42
1	Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	3	Sales	13,630,105	(Note d)	7.92
1	Delta Electronics International Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	1,952,488	(Note d)	1.13
1	Delta Electronics International Ltd.	Delta Electronics, Inc.	2	Sales	3,861,360	(Note d)	2.24
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Sales	5,831,944	(Note d)	3.39
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	16,585,480	(Note d)	9.64
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	11,456,994	(Note d)	6.66
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	2,298,885	(Note d)	1.34
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Sales	2,792,292	(Note d)	1.62
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Sales	3,986,608	(Note d)	2.32
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	1,080,417	(Note d)	0.63
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	3	Sales	357,230	(Note d)	0.21
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	2,944,013	(Note d)	1.71
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	3	Sales	323,415	(Note d)	0.19

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan),Inc.	3	Sales	$ 473,580	(Note d)	0.28
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Sales	3,347,431	(Note d)	1.95
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	PreOptix (Jiangsu) Co., Ltd.	3	Sales	202,328	(Note d)	0.12
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	204,974	(Note d)	0.12
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Deltronics (Netherlands) B.V.	3	Sales	144,511	(Note d)	0.08
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green (Tianjin) Industries Co., Ltd.	3	Sales	237,465	(Note d)	0.14
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Sales	15,835,939	(Note d)	9.20
3	Delta Electronics (Japan), Inc.	Delta Video Display System (Wujiang) Ltd.	3	Sales	196,867	(Note d)	0.11
3	Delta Electronics (Japan), Inc.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	138,686	(Note d)	0.08
3	Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	124,332	(Note d)	0.07
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	10,212,240	(Note d)	5.94
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	16,354,405	(Note d)	9.51
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	458,944	(Note d)	0.27
5	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	2,682,408	(Note d)	1.56
5	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	5,740,303	(Note d)	3.34
5	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	240,324	(Note d)	0.14

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
6	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	$ 13,100,086	(Note d)	7.61
6	Delta Networks International Ltd.	DNI Logistic (USA) Corp.	3	Sales	2,709,029	(Note d)	1.57
6	Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	3	Sales	527,947	(Note d)	0.31
6	Delta Networks International Ltd.	Delta Networks, Inc. (Taiwan)	3	Sales	446,769	(Note d)	0.26
7	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Sales	14,264,698	(Note d)	8.29
8	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Sales	851,273	(Note d)	0.49
9	Ayecom Technology Co., Ltd.	Delta Networks International Ltd.	3	Sales	271,735	(Note d)	0.16
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	3	Sales	12,978,045	(Note d)	7.54
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	24,331,358	(Note d)	14.14
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Sales	306,954	(Note d)	0.18
10	Delta Electronics (Jiangsu) Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	1,102,704	(Note e)	0.64
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	4,643,782	(Note e)	2.70
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	1,837,424	(Note d)	1.07
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Sales	774,832	(Note d)	0.45
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	1,527,879	(Note d)	0.89
12	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	1,786,664	(Note d)	1.04

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
12	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	$ 4,419,842	(Note d)	2.57
12	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	105,275	(Note d)	0.06
13	Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	5,471,081	(Note d)	3.18
13	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Sales	614,361	(Note d)	0.36
13	Delta Video Display System (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	171,312	(Note e)	0.10
14	Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	377,558	(Note e)	0.22
15	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	3,136,927	(Note d)	1.82
15	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	669,676	(Note d)	0.39
15	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	4,781,840	(Note d)	2.78
16	Wuhu Delta Technology Co., Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	596,460	(Note d)	0.35
17	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	1,253,615	(Note d)	0.73
17	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	4,236,474	(Note d)	2.46
18	Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	2,904,410	(Note d)	1.69
19	PreOptix (Jiangsu) Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	443,833	(Note d)	0.26
20	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Sales	924,101	(Note e)	0.54
21	DelSolar (Wujiang) Ltd.	DelSolar Co., Ltd.	3	Sales	5,752,000	(Note f)	3.34

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
22	Cyntec International Ltd.	Cyntec Co., Ltd.	3	Sales	$ 402,553	(Note g)	0.23
23	Cyntec Co., Ltd.	Cyntec International Ltd.	3	Sales	1,650,108	(Note h)	0.96
24	Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Sales	2,019,775	(Note h)	1.17
25	Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Sales	2,561,075	(Note h)	1.49
26	Delta Green (Tianjin) Industries Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	466,065	(Note d)	0.27
26	Delta Green (Tianjin) Industries Co., Ltd.	Delta Electronics International Ltd.	3	Sales	289,723	(Note d)	0.17
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Other receivables	303,362	(Note d)	0.16
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	1	Accounts receivable	753,852	(Note d)	0.39
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Accounts receivable	179,608	(Note d)	0.09
1	Delta Electronics International Ltd.	Delta Electronics (Japan),Inc.	3	Accounts receivable	132,203	(Note d)	0.07
1	Delta Electronics International Ltd.	DEI Logistics (USA) Corporation	3	Accounts receivable	3,444,273	(Note d)	1.78
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	282,224	(Note d)	0.15
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Accounts receivable	1,374,106	(Note d)	0.71
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Accounts receivable	4,040,955	(Note d)	2.09
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Accounts receivable	1,703,737	(Note d)	0.88
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Accounts receivable	409,919	(Note d)	0.21

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Accounts receivable	$ 135,179	(Note d)	0.07
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Accounts receivable	547,099	(Note d)	0.28
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Accounts receivable	559,237	(Note d)	0.29
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	3	Accounts receivable	137,707	(Note d)	0.07
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Accounts receivable	249,537	(Note d)	0.13
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Wuhu Delta Technology Co., Ltd.	3	Accounts receivable	129,745	(Note d)	0.07
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan),Inc.	3	Accounts receivable	106,641	(Note d)	0.06
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green (Tianjin) Industries Co., Ltd.	3	Accounts receivable	125,866	(Note d)	0.07
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Accounts receivable	6,140,150	(Note d)	3.18
2	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Other receivables	101,477	(Note d)	0.05
18	Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Accounts receivable	214,401	(Note d)	0.11
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	3,566,355	(Note d)	1.85
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	1,194,480	(Note d)	0.62
4	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	125,060	(Note d)	0.06
5	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	223,230	(Note d)	0.12
5	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	1,681,759	(Note d)	0.87

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
6	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	$ 2,948,263	(Note d)	1.53
6	Delta Networks International Ltd.	DNI Logistic (USA) Corp.	3	Accounts receivable	470,689	(Note d)	0.24
6	Delta Networks International Ltd.	Ayecom Technology Co., Ltd.	3	Accounts receivable	193,388	(Note d)	0.10
7	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Accounts receivable	2,371,754	(Note d)	1.23
8	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Accounts receivable	104,968	(Note d)	0.05
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	457,017	(Note d)	0.24
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	2,198,722	(Note d)	1.14
10	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Accounts receivable	338,180	(Note d)	0.18
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Greentech (China) Co., Ltd.	3	Accounts receivable	187,573	(Note e)	0.10
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	134,484	(Note d)	0.07
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	143,143	(Note d)	0.07
11	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	3	Accounts receivable	903,371	(Note d)	0.47
12	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	449,286	(Note d)	0.23
13	Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Wujiang) Trading Co., Ltd.	3	Accounts receivable	469,986	(Note d)	0.24
13	Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	378,942	(Note d)	0.20
14	Delta Electronics (Wujiang) Trading Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Accounts receivable	403,736	(Note e)	0.21

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note j)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
15	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	$ 1,105,639	(Note d)	0.57
17	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	688,928	(Note d)	0.36
20	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	3	Accounts receivable	1,075,386	(Note e)	0.56
26	Delta Green (Tianjin) Industries Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	134,280	(Note d)	0.07
21	DelSolar (Wujiang) Ltd.	DelSolar Co., Ltd.	3	Accounts receivable	893,615	(Note f)	0.46
23	Cyntec Co., Ltd.	Cyntec International Ltd.	3	Accounts receivable	176,852	(Note h)	0.09
24	Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Accounts receivable	275,446	(Note h)	0.14
25	Cyntec Electronics (Suzhou) Co., Ltd..	Cyntec International Ltd.	3	Accounts receivable	315,101	(Note h)	0.16
0	Delta Electronics, Inc.	Delta Networks, Inc. (Taiwan)	1	Asset leased to others	572,003	(Note i)	0.30
0	Delta Electronics, Inc.	DelBio Inc.	1	Asset leased to others	149,271	(Note i)	0.08
10	Delta Electronics (Jiangsu) Ltd.	DelSolar (Wujiang) Ltd.	3	Asset leased to others	517,098	(Note i)	0.27

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended December 31, 2010:

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Services revenue	$ 5,468,693	(Note d)	3.19
0	Delta Electronics, Inc.	Delta Electro-Optics (Wujiang) Ltd.	1	Services revenue	189,979	(Note d)	0.11
0	Delta Electronics, Inc.	DEI Logistic (USA) Corp.	1	Sales	254,605	(Note d)	0.15
1	Delta Electronics International Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Sales	9,977,405	(Note d)	5.82
1	Delta Electronics International Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	19,926,088	(Note d)	11.63
1	Delta Electronics International Ltd.	Delta Electronics Components (Dongguan) Co., Ltd.	3	Sales	1,070,772	(Note d)	0.63
1	Delta Electronics International Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	20,847,192	(Note d)	12.17
1	Delta Electronics International Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Sales	3,099,407	(Note d)	1.81
1	Delta Electronics International Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Sales	4,056,888	(Note d)	2.37
1	Delta Electronics International Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Sales	5,228,701	(Note d)	3.05
1	Delta Electronics International Ltd.	Delta Electronics (Japan),Inc.	3	Sales	1,683,238	(Note d)	0.98
1	Delta Electronics International Ltd.	DEI Logistic (USA) Corp.	3	Sales	14,835,934	(Note d)	8.66

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
1	Delta Electronics International Ltd.	Chenzhou Delta Technology Co., Ltd.	3	Sales	$ 361,253	(Note d)	0.21
1	Delta Electronics International Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Sales	605,792	(Note d)	0.35
1	Delta Electronics International Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	2,290,694	(Note d)	1.34
1	Delta Electronics International Ltd.	Deltronics (Netherland) B.V.	3	Sales	232,830	(Note d)	0.14
1	Delta Electronics International Ltd.	Delta Electronics, Inc.	2	Sales	20,894,126	(Note d)	12.20
2	Delta Electronics Components (Dongguan) Co., Ltd.(Note i)	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	160,837	(Note d)	0.09
2	Delta Electronics Components (Dongguan) Co., Ltd.(Note i)	Delta Electronics International Ltd.	3	Sales	1,360,655	(Note d)	0.79
3	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	25,517,395	(Note d)	14.90
3	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	363,795	(Note d)	0.21
4	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	13,275,682	(Note d)	7.75
4	Delta Electronics (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	321,024	(Note d)	0.19
4	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Sales	336,764	(Note d)	0.20
5	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Sales	9,641,745	(Note d)	5.63
5	Delta Networks International Ltd.	DNI Logistic (USA) Corp.	3	Sales	2,135,042	(Note d)	1.25
6	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Sales	11,045,155	(Note d)	6.45
7	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Sales	716,012	(Note d)	0.42

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
8	PreOptix (Jiangsu) Co., Ltd.	PreOptix Co., Ltd. (PreOptix)	3	Sales	$ 565,169	(Note d)	0.33
9	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	3,414,286	(Note d)	1.99
9	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	1,463,587	(Note d)	0.85
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	357,239	(Note d)	0.21
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	2,588,034	(Note d)	1.51
11	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	5,784,298	(Note d)	3.38
11	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Sales	126,108	(Note d)	0.07
12	Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Sales	5,609,141	(Note d)	3.27
13	Cyntec Co., Ltd.	Cyntec International Ltd.	3	Sales	1,493,653	(Note e)	0.87
14	Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Sales	1,120,560	(Note e)	0.65
15	Cyntec Electronics (Suzhou) Co., Ltd..	Cyntec International Ltd.	3	Sales	1,858,819	(Note d)	1.09
16	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics International Ltd.	3	Sales	1,631,686	(Note d)	0.95
17	Cyntec International Ltd.	Cyntec Co., Ltd.	3	Sales	409,156	(Note e)	0.24
18	PreOptix Co., Ltd. (PreOptix)	Delta Video Display System (Wujiang) Ltd.	3	Sales	297,660	(Note d)	0.17
19	DelSolar (Wujiang) Ltd.	DelSolar Co., Ltd.	3	Sales	3,079,358	(Note f)	1.80
24	DelSolar Co., Ltd.	DelSolar (Wujiang) Ltd.	3	Sales	101,098	(Note f)	0.00

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
20	Wuhu Delta Technology Co., Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Sales	$ 334,084	(Note d)	0.20
21	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Sales	746,023	(Note d)	0.44
21	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Sales	1,298,658	(Note d)	0.76
23	Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	3	Sales	41,161,979	(Note d)	24.03
23	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Sales	1,426,797	(Note d)	0.83
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Other receivables	497,675	(Note d)	0.31
22	DEI Logistics (USA) Corp.	Delta Electronics International Ltd.	3	Other receivables	111,039	(Note d)	0.07
0	Delta Electronics, Inc.	Delta Electronics International Ltd.	1	Accounts receivable	556,197	(Note d)	0.34
0	Delta Electronics, Inc.	Delta Electro-Optics (Wujiang) Ltd.	1	Accounts receivable	110,331	(Note d)	0.07
1	Delta Electronics International Ltd.	Delta Electronics (Dongguan) Co., Ltd.	3	Accounts receivable	2,219,023	(Note d)	1.37
1	Delta Electronics International Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	3	Accounts receivable	5,024,488	(Note d)	3.11
1	Delta Electronics International Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Accounts receivable	2,083,071	(Note d)	1.29
1	Delta Electronics International Ltd.	Delta Electro-Optics (Wujiang) Ltd.	3	Accounts receivable	352,251	(Note d)	0.22
1	Delta Electronics International Ltd.	Delta Electronics Components (Wujiang) Ltd.	3	Accounts receivable	362,292	(Note d)	0.22
1	Delta Electronics International Ltd.	Delta Video Display System (Wujiang) Ltd.	3	Accounts receivable	416,409	(Note d)	0.26
1	Delta Electronics International Ltd.	Chenzhou Delta Technology Co., Ltd.	3	Accounts receivable	332,643	(Note d)	0.21

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
1	Delta Electronics International Ltd.	DEI Logistics (USA) Corp.	3	Accounts receivable	$ 3,538,487	(Note d)	2.19
1	Delta Electronics International Ltd.	Delta Electronics (Japan) Inc.	3	Accounts receivable	633,305	(Note d)	0.39
1	Delta Electronics International Ltd.	Delta Electronics (Wuhu) Co., Ltd.	3	Accounts receivable	530,766	(Note d)	0.33
1	Delta Electronics International Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	3	Accounts receivable	193,162	(Note d)	0.12
1	Delta Electronics International Ltd.	Delta Electronics, Inc.	2	Accounts receivable	4,345,796	(Note d)	2.69
3	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	3,869,761	(Note d)	2.39
3	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	100,076	(Note d)	0.06
4	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	2,409,690	(Note d)	1.49
23	Delta Electronics (Jiangsu) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	1,069,454	(Note d)	0.66
23	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	1,336,121	(Note d)	0.83
12	Delta Video Display System (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	357,821	(Note d)	0.22
11	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	506,355	(Note d)	0.31
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	101,945	(Note d)	0.06
10	Delta Electro-Optics (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	3	Accounts receivable	334,646	(Note d)	0.21
5	Delta Networks International Ltd.	DNI Logistics (USA) Corp.	3	Accounts receivable	446,169	(Note d)	0.28
5	Delta Networks International Ltd.	Delta Networks (Dongguan) Ltd.	3	Accounts receivable	2,602,000	(Note d)	1.61

Number (Note a)	Name of counterparty	Name of transaction parties	Relationship (Note b)	Subject	Amount (Note h)	Transaction terms	Percentage of total combined revenue or total assets (Note c)
6	Delta Networks (Dongguan) Ltd.	Delta Networks International Ltd.	3	Accounts receivable	$ 2,497,789	(Note d)	1.54
7	Delta Networks, Inc. (Taiwan)	Delta Networks International Ltd.	3	Accounts receivable	172,954	(Note d)	0.11
9	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	3	Accounts receivable	337,000	(Note d)	0.21
9	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	1,501,745	(Note d)	0.93
21	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	706,477	(Note d)	0.44
21	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	2	Accounts receivable	1,229,719	(Note d)	0.76
14	Cyntec (Suzhou) Co., Ltd.	Cyntec International Ltd.	3	Accounts receivable	125,752	(Note e)	0.08
15	Cyntec Electronics (Suzhou) Co., Ltd..	Cyntec International Ltd.	3	Accounts receivable	178,021	(Note e)	0.11
16	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics International Ltd.	3	Accounts receivable	994,167	(Note e)	0.61
19	DelSolar (Wujiang) Ltd.	DelSolar Co., Ltd.	3	Accounts receivable	543,204	(Note f)	0.34
8	PreOptix (Jiangsu) Co., Ltd.	PreOptix Co., Ltd. (PreOptix)	3	Accounts receivable	110,294	(Note f)	0.07
0	Delta Electronics, Inc.	Delta Networks, Inc. (Taiwan)	1	Assets leased to others	579,961	(Note g)	0.36
23	Delta Electronics (Jiangsu) Ltd.	DelSolar (Wujiang) Ltd.	3	Assets leased to others	453,918	(Note g)	0.28

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

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

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

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

3. The consolidated subsidiary to another consolidated subsidiary.

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

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

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

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

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

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

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

12. OPERATIING SEGMENT INFORMATION

(1) General information

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

A. Power electronics business:

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

B. Energy management business:

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

C. Smart green life business:

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

(2) Measurement of segment information

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

(3) Information on segment profit (loss) and assets

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

	For the year ended December 31, 2011			
	Power electronics business	Energy management business	Smart green life business	Total
Revenue from external customers	$ 107,086,428	$ 35,430,208	$ 28,160,841	$ 170,677,477
Measurement amount of segment profit (loss)	$ 11,980,694	($ 343,927)	$ 298,900	$ 11,935,667
Segment's total assets (Note)	$ -	$ -	$ -	$ -

	For the year ended December 31, 2010			
	Power electronics business	Energy management business	Smart green life business	Total
Revenue from external customers	$ 109,551,019	$ 36,673,357	$ 23,843,677	$ 170,068,053
Measurement amount of segment profit (loss)	$ 13,033,317	$ 4,565,311	$ 1,114,614	$ 18,713,242
Segment's total assets (Note)	$ -	$ -	$ -	$ -

(Note) According to EITF 99-151, "Explanation for Segment Reporting", of the R.O.C. Accounting Research and Development Foundation, dated June 28, 2010, enterprises should disclose the measurement amount of reportable segments assets in accordance with paragraph 24 of R.O.C. SFAS No. 41, "Operating Segments". As the Company did not provide the measurement amount of assets to the chief operating decision-maker, measurement amount of assets that should be disclosed was $0.

(4) Reconciliation information for segment profit (loss)

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

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

	For the years ended December 31, 2011	2010
Reportable segments' profit	$ 11,935,667	$ 18,713,242
Other segments' loss	(1,617,421)	(1,444,125)
Non-operating income	4,983,179	3,979,758
Non-operating expenses	(716,435)	(1,102,885)
Profit before tax and discontinued operations	$ 14,584,990	$ 20,145,990

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

	December 31, 2011	2010
Reportable segments' assets	$ -	$ -
Unallocated items:		
Current assets	130,007,582	113,242,766
Funds and investments	12,129,644	10,645,811
Property, plant and equipment	36,917,785	26,900,817
Intangible assets	12,096,932	9,029,563
Other assets	2,042,036	1,919,517
Total assets	$ 193,193,979	$ 161,738,474

(5) Information about products and services

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

(6) Information about geographic areas

Information about geographic areas for the years ended December 31, 2011 and 2010 were as follows:

	2011		2010	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 4,048,454	$ 21,217,061	$ 3,562,179	$ 17,092,904
USA	27,612,335	185,569	25,097,560	-
Mainland China	97,242,048	28,701,888	99,509,652	20,068,372
Others	43,153,474	952,235	43,133,062	688,621
Total	$ 172,056,311	$ 51,056,753	$ 171,302,453	$ 37,849,897

(7) Information about major customers

There are no customers accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2011 and 2010.

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

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

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

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

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

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

Working Items for IFRSs Adoption	Status of Execution
g. Evaluation of modification to the relevant internal controls	Completed
h. Determine IFRSs accounting policies	Completed
i. Selection of exemptions and options available under IFRS 1 - First-time Adoption of International Financial Reporting Standards	Completed
j. Preparation of statement of financial position on the opening date of IFRSs	In progress according to the plan
k. Preparation of comparative financial information under IFRSs for 2012	In progress according to the plan
l. Modification of relevant internal controls (including financial reporting process and relevant information system)	In progress according to the plan

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

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

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

A. Functional currency

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

B. Financial assets: equity instruments

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

C. Business combinations

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

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

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

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

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

D. Consolidated financial statements

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

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

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

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

(a) Current accounting standards in R.O.C. do not prescribe that the investor and the associate should use uniform accounting policies in the preparation of financial statements. However, in accordance with IAS 28, “Investments in Associates”, an associate should use uniform accounting policies as the investor in the preparation of its financial statements for like transactions and other events in similar circumstances; otherwise, the associate’s financial statements should be adjusted to reflect the investor’s accounting policies for the purpose of applying the equity method.

(b) In accordance with current accounting standards in R.O.C., for long-term equity investment under equity method, if an investor company loses its significant influence over an investee company because of a decrease in ownership or other reasons and therefore ceases using the equity method, the cost of investment will be the book value at the time of change. If there is a balance on additional paid-in capital or other equity adjustment items from the long-term equity investment, then an investor company shall calculate its share when the investment is sold, so that the pro-rata gains or losses from the disposal of the long-term investment can be accounted for. In accordance with IAS 28, "Investments in Associates", when an investment ceases to be an associate, the fair value of the remaining investment at the date when it ceases to be an associate should be regarded as its fair value on initial recognition of the financial asset. If there is a balance on additional paid-in capital or other equity adjustment items from the long-term equity investment, it shall be written off totally by the investor company when the investment is sold, so that the gains or losses from the disposal of the long-term investment can be accounted for.

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

F. Investment property

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

G. Pensions

(a) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, "Employee Benefits", requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end day of the reporting period) instead.

(b) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, in accordance with IAS 19, "Employee Benefits", the unrecognized transitional net benefit obligation should be amortized on a straight-line basis within 5 years after adoption.

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

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

H. Employee benefits

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

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

I. Share-based payment

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

(a) The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072, "Accounting for Employee Stock Options", of the R.O.C. Accounting Research and Development Foundation, dated March 17, 2003. Compensation cost of such employee stock options is recognized as an expense using the intrinsic value method. Compensation cost of treasury stock transferred to employees and cash capital increase reserved for employee preemption incurred before December 31, 2007 was not recognized as an expense by the Company. Employees' bonus distributed before 2007 was accounted for as appropriation of earnings and was not recognized as an expense by the Company.

(b) Compensation cost of employee stock options, whose grant date was after (on) January 1, 2008 and before January 1, 2010 is recognized as an expense using the intrinsic value method according to the Jin-Guan-six-Zi Order No. 0960065898 of the Financial Supervisory Commission, dated December 12, 2007.

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

J. Income taxes

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

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

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

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