



**2009 General Shareholders' Meeting  
Meeting Agenda  
(Translation)**

**Date of the Meeting: June 10, 2009 at 10:00 a.m.**

**Place of the Meeting: Taoyuan Chuto Plaza Hotel (No. 398 Taoying Rd.,  
Taoyuan City, Taoyuan County)**

## **Meeting Agenda for the 2009 General Shareholders' Meeting of Delta Electronics, Inc.**

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Note: The Company's 2008 Financial Statements, 2008 Consolidated Financial Statements and 2009 General Shareholders' Meeting Agenda are available on the "Market Observation Post System Website;" please visit <http://emops.twse.com.tw/> for details.

## **Procedures of Delta Electronics, Inc. 2009 Annual General Shareholders' Meeting**

1. Call Meeting to order
2. Chairman takes podium
3. All stand
4. Singing of national anthem
5. Three respectful bows to the national flag and image of Dr. Sun Yat-Sen
6. Chairman's address
7. Report items
8. Acknowledgement, discussion and election items
9. Provisional motions
10. Meeting adjourned

## **I. REPORT ITEMS**

1. 2008 Operation Results  
See Attachment 1: Business Report (pages 44-46)
2. 2008 Financial Results
  - (1) PricewaterhouseCoopers CPA Audit Report  
See Attachment 2: PricewaterhouseCoopers CPA Audit Report (page 47)
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  - (6) PricewaterhouseCoopers CPA Audit Report (Consolidated Financial Statements)  
See Attachment 3: PricewaterhouseCoopers CPA Audit Report (page 54)
  - (7) Consolidated Balance Sheet of December 31, 2008  
See Attachment 3: Consolidated Balance Sheet (pages 55-56)
  - (8) Consolidated Income Statement (January 1, 2008 ~ December 31, 2008)  
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  - (9) Consolidated Statement of Changes in Shareholders' Equity (January 1, 2008 ~ December 31, 2008)  
See Attachment 3: Combined Statement of Changes in Shareholders' Equity (page 58)
  - (10) Consolidated Cash Flow Statement (January 1, 2008 ~ December 31,

2008)

See Attachment 3: Consolidated Cash Flow Statement (pages 59-60)

3. Supervisors' Review Opinions on 2008 Financial Results

See Attachment 4: Supervisors' Review Opinions on 2008 Financial Results (page 61)

## **II. ACKNOWLEDGEMENT, DISCUSSION AND ELECTION ITEMS**

### **1. Acknowledge the 2008 Financial Results (Proposed by the Board of Directors)**

Explanation: (1) This Company's 2008 Financial Statements including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to pages 44-60) have been reviewed by the Company's Supervisors. The Company's Supervisors have found no discrepancies after a thorough review and have made a written review report for records.

(2) Please acknowledge.

Resolution:

## 2. Acknowledge the 2008 Earnings Distribution (Proposed by the Board of Directors)

Explanation: (1) With regard to earnings in 2008, an earnings distribution table has been prepared and attached below in accordance with the Company Law and the Company's Articles of Incorporation. This earnings distribution table was approved by the meeting of the Board of Directors of the Company held on February 27, 2009.

(2) With regard to shareholders' dividends in 2008, the record date for cash dividends and stock distribution shall be designated after the shareholders' meeting approves the distribution proposal. Each one thousand shares shall receive a distribution of 10 shares of new stock and a cash dividend of NT\$3,500 based on the number of shares held as recorded in the shareholders' register on the record date.

(3) Please acknowledge.

### Delta Electronics, Inc. 2008 Earnings Distribution Table

Item	Explanation	(in NT\$) Amount
Undistributed earnings of previous year		3,312,870,520
Earnings in 2008		
Pre-tax earnings in 2008		11,386,851,416
Income tax expense		1,135,935,951
After-tax earnings in 2008 [Note 1]		10,250,915,465
Subtract: setting aside 10% legal reserve		1,025,091,547
Earnings available for distribution by the end of 2008 [Note 2]		12,538,694,438
Distribution items:		
Shareholders bonuses-- stocks	NT\$0.1 per share	218,504,560
Shareholders bonuses--cash [Note 3]	NT\$3.5 per share	7,647,659,600
Undistributed earnings by the end of 2008		4,672,530,278

- Note 1: Allocated employee bonuses--stock: NT\$1,622,674,836.  
Allocated employee bonuses--cash: NT\$270,445,806.  
Allocated directors' and supervisors' compensation--NT\$16,200,000.
- Note 2: Principle of earnings distribution in the Company's 2008 Earnings  
Distribution Table: Distribution of 2008 distributable earnings first.
- Note 3: Distribution of cash dividends will be calculated to New Taiwan Dollar.  
Fractional amount less than one dollar will be set aside as undistributed  
earnings.

Resolution:



### 3. Discussion of Amendments to Operational Procedures of Fund Lending (Proposed by the Board of Directors)

- Explanation: (1) Amendments to this Company's Operational Procedures of Fund Lending have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by Financial Supervisory Commission, Executive Yuan, and the business needs of our Company. Please see the comparison table for Operational Procedures of Fund Lending before and after revision.
- (2) The proposed amendments are submitted for discussion and voting.

Comparison Table of Articles of the Operational Procedures of Fund Lending

Article	Article after revision	Article before revision	Explanation
Article 2 Recipients, Reasons and Necessity of Fund Lending	<p>1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of <u>a related party</u>.</p> <p>2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:</p> <p>(1) Where more than 50% of the equity</p>	<p>1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of <u>the borrowers</u>.</p> <p>2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:</p> <p>(1) Where more than 50% of the equity</p>	Amendments to the recipients of fund lending.

	<p>shares with voting rights of the funding recipients is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.</p> <p>(2) Where more than 50% of the Company's equity shares with voting rights are directly and indirectly owned by another company, and such company is in need of short-term financing in connection with its financial and operational demands.</p>	<p>shares with voting rights of the funding recipient is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.</p> <p>(2) Where more than 50% of the Company's equity shares with voting rights are directly and indirectly owned by another company, and such company is in need of short-term financing in connection with its financial and operational demands.</p>	
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	<p>(3) Where a <u>related party is</u> in need of short-term financing in connection with its material-purchasing or operational needs.</p>	<p>(3) Where the Company's <u>main customers or suppliers are</u> in need of short-term financing in connection with its material-purchasing or operational needs.</p> <p>(4) Other circumstances where the funding recipient is in need of short-term financing, and the funding is approved by the Board of Directors of the Company.</p>	
<p>Article 3 Total Amount of Funds Lending and Limit for Each Recipient</p>	<p>1. 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</p>	<p>1. 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</p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the business needs of our Company.</p>

	<p>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, 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 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, and the total short-term financing amount shall not exceed 20 percent of the Company's net</p>	<p>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, 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 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, and the total short-term financing amount shall not exceed 20 percent of the Company's</p>	
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	<p>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.</p> <p>2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to a single recipient shall not exceed the total transaction</p>	<p>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.</p> <p>2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to a single recipient shall not exceed the total transaction</p>	
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	<p>amount between the recipient and the Subsidiary in the most recent year and shall not exceed 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary'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 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total short-term financing amount shall not exceed 40 percent of the</p>	<p>amount between the recipient and the Subsidiary in the most recent year and shall not exceed 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary'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 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total short-term financing amount shall not exceed 40 percent</p>	
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	<p>Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.</p> <p><u>3. The lending of funds between the Company and the foreign Subsidiaries whose equity shares with voting rights are 100% held (directly and indirectly) by the Company may be exempt from the restrictions prescribed in the</u></p>	<p>of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.</p>	
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	<u>preceding two paragraphs.</u>		
Article 5 Procedures for Fund Lending	<p>1. Handling Procedures (1)~(4). (not revised.)</p> <p>(5) Where <u>the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Supervisors of the Company and rectify as scheduled under the corrective</u></p>	<p>1. Handling Procedures (1)~(4) (omitted for simplicity.)</p> <p>(5) Where the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Supervisors of the Company.</p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>



	<p style="text-align: center;"><u>plans.</u></p> <p>2. (not revised.))</p>	2. (omitted for simplicity.)	
Article 7 Additional Guidelines of Lending Funds to Others	<p>1~2. (not revised.)</p> <p>3. Where <u>the recipients of the fund lending are not in compliance with the Operating Procedures</u> or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Supervisors of the Company <u>and rectify as scheduled under the corrective plans.</u></p>	<p>1~2. (omitted for simplicity.)</p> <p>3. Where amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Supervisors of the Company.</p>	Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
Article 8 Procedures for Controlling Fund Lending Made by Subsidiaries	<p>1. (not revised.)</p> <p>2. When a Subsidiary lends funds to others, the</p>	<p>1. (omitted for simplicity.)</p> <p>2. When a Subsidiary lends funds to others, the</p>	Amendments to the regulations of Subsidiaries have been made to meet the revision of the controlling procedures of the parent company.

	<p>Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited <u>quarterly</u>. <u>If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of</u></p>	<p>Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited <u>monthly</u>. <u>The results of such audit shall also be a required item of the auditors' report to the Board of Directors and Supervisors.</u></p>	
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	<p><u>the Company shall promptly notify the Board of Directors and Supervisors.</u></p> <p>3. (not revised.)</p>	<p>3. (omitted for simplicity.)</p>	
<p>Article 9 Public Announcement and Reporting Procedures</p>	<p>1. (not revised.)</p> <p>2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of</p>	<p>1. (omitted for simplicity.)</p> <p>2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of</p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>

	<p>such event:</p> <p>(1) The balance of lending of funds <u>lent to others by the Company and its Subsidiaries</u> reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(2) The balance of funds lent <u>by the Company and its Subsidiaries</u> to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) <u>Amount of funds newly lent by the Company or its Subsidiaries exceeds</u></p>	<p>such event:</p> <p>(1) The balance of lending of funds reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(2) The balance of funds lent to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) <u>The balance of funds lent for an enterprise with which the Company has</u></p>	
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	<p><u>NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.</u></p>	<p><u>business relations exceeds the total transactions amount between such enterprise and the Company in the most recent year.</u></p> <p><u>(4) After the public announcement and reporting has been made pursuant to any of the preceding items (1)-(3), the balance of funds lent increases by more than 2 percent of the Company's net worth as stated in the Company's latest financial statements.</u></p>	
	<p>3. (not revised.)</p>	<p>3. (omitted for simplicity.)</p>	

Resolution:

**4. Discussion of Amendments to Operational Procedures of Endorsement and Guarantee (Proposed by the Board of Directors)**

Explanation: (1) Amendments to this Company's Operational Procedures of Endorsement and Guarantee have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by Financial Supervisory Commission, Executive Yuan, and the business needs of our Company. Please see the comparison table for Operational Procedures of Endorsement and Guarantee before and after revision.  
 (2) The proposed amendments are submitted for discussion and voting.

Comparison Table of Articles of the Operational Procedures of Endorsement and Guarantee

Article	Article after revision	Article before revision	Explanation
III. Recipients of Endorsements and Guarantees	<p><u>The Company may make endorsements and/or guarantees for the following companies:</u></p> <p>1. <u>Related parties</u> with which the Company has business relations.</p>	<p><u>The recipients of the Company's endorsements and guarantees shall be limited to the following companies; however, where the shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholdings, such endorsements and guarantees shall not be subject to the following restrictions:</u></p> <p>1. <u>Companies</u> with which the Company has business relations.</p>	Amendments to the recipients of endorsements and guarantees have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the business needs of our Company.

	<p>2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares.</p> <p>3. The company which directly and indirectly owns more than 50% of the Company's voting shares.</p> <p><u>A company in which the Company directly and indirectly owns 100% of its voting shares may make endorsements and/or guarantees to another company in which the Company directly and indirectly owns 100% of its voting shares.</u></p> <p><u>The mutual guarantees made by and between the Company and other enterprises of the same trade for the need of contracting for construction work or between joint builders in compliance with the contracts or the</u></p>	<p>2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares.</p> <p>3. The company which directly and indirectly owns more than 50% of the Company's voting shares.</p>	
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	<p><u>endorsements/ guarantees made by the shareholders for joint investment in a company in proportion to their shareholdings shall be exempt from the restrictions prescribed in the preceding two paragraphs.</u></p> <p><u>The aforementioned investment refers to the investment directly made by the Company or indirectly made through a company whose voting shares are 100% owned by the Company.</u></p> <p>The terms "<u>related party</u>", "<u>subsidiary</u>" and "<u>parent company</u>" referred to herein shall be determined according to the provisions set forth in the Statement of Financial Accounting Standards No. 5, <u>No. 6</u> and No. 7 published by the Accounting Research and Development</p>	<p>The terms "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Statement of Financial Accounting Standards No. 5 and No. 7 published by the Accounting Research and Development Foundations of the Republic of China.</p>	
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	Foundations of the Republic of China.		
V Procedures for Making Endorsement and Guarantee	1-4. (not revised.)  5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements <u>set forth in the Operating Procedures</u> , or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to	1-4. (omitted for simplicity.)  5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the	Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."

	<p>correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Supervisors of the Company and <u>rectify as scheduled under the corrective plans.</u></p> <p>6. (not revised.)</p>	<p>Company shall also submit such corrective plans to the Supervisors of the Company.</p> <p>6. (omitted for simplicity.)</p>	
<p>VII Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries</p>	<p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees</p>	<p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and</p>	<p>Amendments to the regulation of the subsidiary have been drafted in order to meet the revision of the controlling procedures of the parent company.</p>

	<p>are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited <u>quarterly</u>. <u>If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and Supervisors.</u></p> <p>2. (not revised.)</p>	<p>guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited <u>monthly</u>. <u>The results of such audit shall also be a required item of the Audit Division's report to the Board of Directors and Supervisors.</u></p> <p>2. (omitted for simplicity.)</p>	
X Public Announcement and Reporting Procedures	<p>1. (not revised.)</p> <p>2. In addition to the monthly public announcement and reporting of</p>	<p>1. (omitted for simplicity.)</p> <p>2. In addition to the monthly public announcement and reporting of the</p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."</p>

	<p>the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:</p> <p>(1) The <u>balance</u> of endorsements and guarantees made <u>by the Company and its subsidiaries</u> reaches 50 percent or</p>	<p>Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:</p> <p>(1) The <u>aggregate amount</u> of endorsements and guarantees made reaches 50 percent or more of the Company's net worth as stated in the</p>	
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	<p>more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(2) The <u>balance</u> of endorsements and guarantees <u>made by the Company and its subsidiaries</u> to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) The <u>balance</u> of endorsements and guarantees <u>made by the Company and its subsidiary</u> to a single enterprise reaches NT\$10 million</p>	<p>Company's latest financial statements.</p> <p>(2) The <u>aggregate amount</u> of endorsements and guarantees made to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) The <u>aggregate amount</u> of endorsements and guarantees made to a single enterprise reaches NT\$10 million or more and the aggregate amount of</p>	
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	<p>or more and the aggregate amount of endorsements and guarantees for, long-term investment in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p>	<p>endorsements and guarantees for, long-term investment in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(4) <u>The aggregate amount of endorsements and guarantees made for an enterprise which the Company has business relations with exceeds the total transactions amount between such enterprise and the Company in the most recent year.</u></p>	
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	<p>(4) <u>The amount of endorsements and guarantees newly made by the Company or its Subsidiaries exceeds NT\$30 million and reaches 5 percent or more of the Company's net worth as stated in the Company's latest financial statements.</u></p> <p>3. (not revised.)</p>	<p>(5) <u>After the public announcement and reporting is made pursuant to any of the preceding four paragraphs, the aggregate amount of endorsements and guarantees made to the same recipient increases by more than 5 percent of the Company's net worth as stated in the Company's latest financial statements.</u></p> <p>3. (omitted for simplicity.)</p>	
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Resolution:

## **5. Discussion of Capital Increase and Issue of New Shares (Proposed by the Board of Directors)**

- Explanation:(1) This Company plans to allocate NT\$218,504,560 as the shareholders' stock dividends from the earnings as of 2008 and to allocate NT\$218,504,560 from the legal reserve to issue new shares in order to augment the Company's operating funds and strengthen its financial structure. The total number of the new shares to be issued is 43,700,912 shares. This Company plans to allocate NT\$1,622,674,836 as employee stock bonus where the issued shares will be calculated based on the closing price on the previous day of the shareholders' meeting after taking into consideration the ex-rights or ex-dividend impact. For fractional shares, the distribution will be made in the form of cash.
- (2) The record date with regard to this issue of new shares shall be determined after being approved by the shareholders' meeting and obtaining the competent authority's approval. Shareholders registered in the shareholders register on the record date shall be entitled to 10 shares per thousand shares allocated from the earnings and 10 shares per thousand shares allocated from the capital reserve (in total to 20 new shares per thousand shares gratuitously) in proportion to the total shareholdings registered in the shareholders register. For fractional shares, the distribution will be made in the form of cash calculated at par value. Such shares will be purchase by the Employee Welfare Committee of the Company.
- (3) This proposal is submitted for discussion and approval.

Resolution:



## 6. Discussion of the Amendments to Articles of Incorporation (Proposed by the Board of Directors)

Explanation: (1) The Company plans to revise Articles 2, 5, 24, 30-1, and 33 and add Article 22-1 of the Articles of Incorporation in conformity with the Company Law and other regulations and to better meet the Company's business needs. Please see the comparison table of the Company's Articles of Incorporation before and after revision.

(2) The proposed amendments are submitted for discussion and approval.

Comparison Table of Articles of the Articles of Incorporation

Article	Article after revision	Article before revision	Explanation
Article 2	<p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</li> <li>2. CC01030 <u>Electric appliance and audiovisual electric products manufacturing business;</u></li> <li>3. CC01040 Lighting equipment manufacturing business;</li> <li>4. CC01060 Wire communication equipment and apparatus manufacturing business;</li> <li>5. CC01080 Electronic parts and components manufacturing business;</li> <li>6. CC01990 Other electrical and electronic machinery</li> </ol>	<p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</li> <li>2. CC01030 <u>Household appliances manufacturing business;</u></li> <li>3. CC01040 Lighting equipment manufacturing business;</li> <li>4. <u>CC01050 Data storage and processing equipment manufacturing business;</u></li> <li>5. CC01060 Wire communication equipment and apparatus manufacturing business;</li> <li>6. CC01080 Electronic parts and components manufacturing business;</li> <li>7. CC01990 Other electrical and electronic machinery</li> </ol>	<p>Amendments to the business items have been drafted to better meet the Company's business needs: delete subparagraphs 4 and 13, add subparagraphs 37-47 and move the original subparagraph 39 to subparagraph 48 to meet the revision of the Codes of Business Items made by the MOEA.</p>

	<p>and materials manufacturing business;</p> <p><u>7.</u> CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p><u>8.</u> CB01990 Other machinery manufacturing business;</p> <p><u>9.</u> CD01030 Automobiles and auto-parts manufacturing business;</p> <p><u>10.</u> CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p><u>11.</u> CD01050 Bicycles and bicycle parts manufacturing business;</p> <p><u>12.</u> E605010 Computer equipment installation business;</p> <p><u>13.</u> E603050 Automation control equipment manufacturing business;</p> <p><u>14.</u> I501010 Product external appearance designing business;</p> <p><u>15.</u> I599990 Other design business;</p> <p><u>16.</u> F219010 Electronic components and materials retail business;</p> <p><u>17.</u> F119010 Electronic components and materials</p>	<p>and materials manufacturing business (<u>manufacturing of parts and components of household appliances, and parts and components of lighting equipment</u>);</p> <p>8. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>9. CB01990 Other machinery manufacturing business (<u>mechanics components</u>);</p> <p>10. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>11. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>12. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p><u>13. F401030 Manufacture and export business</u>;</p> <p>14. E605010 Computer equipment installation business;</p> <p>15. E603050 Automation control equipment manufacturing business;</p> <p>16. I1501010 Product external appearance designing business;</p> <p>17. I599990 Other design business (<u>electronics</u>);</p> <p>18. F219010 Electronic components and materials retail business;</p> <p>19. F119010 Electronic components and materials</p>	
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	<p>wholesale business;  <u>18.</u> CC01090 Batteries manufacturing business;  <u>19.</u> CC01070 Wireless communication devices and equipment manufacturing business;  <u>20.</u> F113070 Telecommunication equipment wholesale business;  <u>21.</u> F213060 Telecommunication equipment retail business;  <u>22.</u> CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;  <u>23.</u> F113020 Electrical appliances wholesale business;  <u>24.</u> F113050 <u>Computer</u> and office appliances and equipment wholesale business;  <u>25.</u> F213010 Electrical appliances retail business;  <u>26.</u> F213030 <u>Computer</u> and office appliances and equipment retail business;  <u>27.</u> F401010 International trade business;  <u>28.</u> G801010 Warehousing and storage business;  <u>29.</u> E701010 Telecommunication engineering and construction business;  <u>30.</u> I301010 Software design and service business;</p>	<p>wholesale business;  20. CC01090 Batteries manufacturing business;  21. CC01070 Wireless communication devices and equipment manufacturing business;  22. F113070 Telecommunication equipment wholesale business;  23. F213060 Telecommunication equipment retail business;  24. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;  25. F113020 Electrical appliances wholesale business;  26. F113050 Office appliances and equipment wholesale business;  27. F213010 Electrical appliances retail business;  28. F213030 Office appliances and equipment retail business;  29. F401010 International trade business;  30. G801010 Warehousing and storage business;  31. E701010 Telecommunication engineering and construction business;  32. I301010 Software design and service business;</p>	
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	<p><u>31.</u> CF01011 Medical appliances and equipment business;</p> <p><u>32.</u> CB01010 Machinery equipment manufacturing business;</p> <p><u>33.</u> CE01040 Clocks and Watches manufacturing business;</p> <p><u>34.</u> CC01110 Computers and its peripheral equipment manufacturing business;</p> <p><u>35.</u> CE01010 General equipment and instruments manufacturing business;</p> <p><u>36.</u> F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p><u>37.</u> <u>CD01010 Ship and parts manufacturing business;</u></p> <p><u>38.</u> <u>CD01020 Tramway Cars manufacturing business;</u></p> <p><u>39.</u> <u>CD01060 Aircraft and parts manufacturing business;</u></p> <p><u>40.</u> <u>CD01990 Other transportation equipment and parts manufacturing business;</u></p> <p><u>41.</u> <u>F108031 Drugs and medical goods wholesale business.</u></p> <p><u>42.</u> <u>F118010 Computer software wholesale business;</u></p> <p><u>43.</u> <u>F208031 Medical equipment retail business;</u></p> <p><u>44.</u> <u>F218010 Computer software retail business;</u></p> <p><u>45.</u> <u>I301020 Data processing</u></p>	<p>33. CF01011 Medical appliances and equipment business;</p> <p>34. CB01010 Machinery equipment manufacturing business;</p> <p>35. CE01040 Clocks and Watches manufacturing business;</p> <p>36. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>37. CE01010 General equipment and instruments manufacturing business;</p> <p>38. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p>	
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	<p><u>services business;</u>  <u>46. I301030 Digital information supply services business;</u>  <u>47. IG03010 Energy technical services business;</u>  <u>48. ZZ99999 All businesses</u> that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	<p>39. All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
Article 5	<p>The total capital stock of the Company shall be <u>in the amount of NT\$27,000,000,000, divided into 2,700,000,000 shares</u>, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.</p> <p>In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total</p>	<p>The total capital stock of the Company shall be <u>in the amount of NT\$25,000,000,000, divided into 2,500,000,000 shares</u>, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.</p> <p>In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total</p>	<p>To better meet the Company's business needs.</p>

	<p>issued and outstanding shares are present.</p> <p>In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.</p>	<p>issued and outstanding shares are present.</p> <p>In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.</p>	
Article 22-1	<p><u>The meeting of Board of Directors shall be convened in accordance with Article 204 of the Company Law. In the event of emergency, the notice of the meeting of the Board of Directors may be made by phone, facsimile or e-mail rather than in writing.</u></p>		<p>Amendments to the convention of the meeting of the Board of Directors upon emergency have been drafted to meet the Company Law and the regulations made by the competent authorities.</p>
Article 24	<p>Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and <u>the recorder</u>. The minutes shall be distributed to each director <u>and supervisor</u> within twenty (20) days after</p>	<p>Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting. <u>The minutes</u> shall be distributed to each director within twenty (20) days after the meeting. <u>The minutes</u></p>	<p>Amendments to the minutes and the execution procedures have been made in order to meet the Company Law and the regulations</p>

	<p>the meeting. <u>The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</u></p> <p><u>The production and distribution of the meeting minutes may be made in the electronic form.</u></p>	<p><u>shall record the time, the date and place of the meeting, name of chairman and the manner for adopting a resolution, the key contents and the results of the meeting. The minutes, sign-in book of directors and proxy forms shall be kept in the Company, and the preservation period of the same shall be subject to the Company Law.</u></p>	<p>made by the competent authority.</p>
Article 30-1	<p>The Company is situated in a volatile environment and is at the stable growth phase of the enterprise life cycle. Furthermore, taking into account the Company's financial structure, ability to generate operating profits, and the need to expand the operating scale, the Company decides to adopt a residual dividend policy.</p> <p>The proposal concerning the allocation of earnings raised by the Board of Directors shall be made <u>where</u> at least 50% of the distributable earnings as of that year should be allocated as the shareholders' dividends, and no less than 5% of the distributed dividends shall be in the form of cash.</p>	<p>The Company is situated in a volatile environment and is at the stable growth phase of the enterprise life cycle. Furthermore, taking into account the Company's financial structure, ability to generate operating profits, and the need to expand the operating scale, the Company decides to adopt a residual dividend policy.</p> <p>The proposal concerning the allocation of earnings raised by the Board of Directors shall be made <u>according to the principle</u> that at least 50% of the distributable earnings as of that year should be allocated as the shareholders' dividends, and no less than 5% of the distributed dividends shall be in the form of cash.</p>	<p>Minor amendment to wording.</p>
Article	These Articles of Incorporation	These Articles of Incorporation	Addition of the

33	were enacted on July 28, 1975. (the 1 <sup>st</sup> through <u>41<sup>st</sup></u> revision dates have been omitted for simplicity) The <u>42<sup>nd</sup></u> amendment is made on <u>June 10, 2009.</u>	were enacted on July 28, 1975. (the 1 <sup>st</sup> through <u>40<sup>th</sup></u> revision dates have been omitted for simplicity) The <u>41<sup>h</sup></u> amendment is made on <u>June 13, 2008.</u>	42 <sup>nd</sup> revision date.
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Resolution:



**7. Re-election of the Directors and Supervisors (Proposed by the Board of Directors)**

- Explanation: (1) The current term of the office of the directors and supervisors will be expired on May 17, 2009. According to Article 195 and Article 217 of the Company Law, if the re-election of directors and supervisors is not held before the current term of office expires, the incumbent directors and supervisors shall hold office until their successors have been elected and have assumed their office subject to the Company Law.
- (2) In order to meet Article 18 of the Articles of Incorporation of the Company, the Company proposes to elect the directors and supervisors of the 15th session and will elect 9 directors (including 1 independent director) and 2 supervisors at the shareholders meeting. The term of office of the newly elected directors and supervisors will start from June 10, 2009 and will expire on June 9, 2012. The directors and supervisors will assume office immediately after the shareholders meeting.
- (3) The election of independent directors of the Company adopts candidates nomination system. The roster of director candidates nominated has been approved by the meeting of the Board of Directors on April 27, 2009 and the relevant information is as follows:

Independent Director Candidates	Education	Experience	Number of Holding Shares
Yi Chiang Lo	Department of Physics, National Cheng Kung University	Executive Vice President of Royal Philips Electronics 、 Philips Components Chairman & CEO	259,922

- (4) The proposals are submitted for re-election.

The election result:

## **8. Discussion of Releasing the Directors Elected from Non-Competition Restrictions (Proposed by the Board of Directors)**

- Explanation: (1) According to Article 209 of the Company Law, a director who conducts business within the business scope of the Company for himself or others shall explain in the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.
- (2) The directors elected from this shareholders meeting may have additional position in the Company's affiliated enterprises or other enterprises or conduct business within the business scope of the Company for himself/herself or others. To meet the actual needs of the Company, the relevant additional position and other competitive conducts will be explained and submitted for the shareholders meeting to remove the non-competition restrictions after the directors assume the office, provided that such act will not detriment the Company's benefit. Please see the details disclosed at the place of the shareholders' meeting.
- (3) The proposals are submitted for discussion and voting.

Resolution:

### **III. PROVISIONAL MOTIONS**

Meeting adjourned



## Business Report

Driven by the belief of "dare to change" and "dedicate to innovate", every business group at Delta always sets aggressive growth target and budget plans before the year ends and we used to surpass our goals. However, due to adverse economic conditions resulting from global financial tsunami starting from end of Q3, 2008, we failed to achieve our plans set for the year. Delta's consolidated sales revenues totaled NT\$142.6 billion, an increase of 9.2% from 2007. To be consistent with international financial accounting standards, the Taiwan government implemented a new accounting rule to expense employee bonuses and remuneration to board of directors and supervisors at fair market value last year. Based on the new Statement of Financial Accounting Standards, our gross profit totaled NT\$25.5 billion (17.9% of revenues), 7% decrease from 2007 figure which was based on old accounting standard. Our net operating profit totaled NT\$10.9 billion (7.6% of revenues), 30.6% decrease and net income of NT\$10.3 billion (7.2% of revenues) which represented a decrease of 31.9% from the previous year. Earnings per share (EPS) was NT\$4.69.

With our solid foundation in technology and years of efforts on innovation, Delta has been widely recognized as the leader in switching power supplies for global electronics industry. We are the world's number one in power supplies for servers, workstations and notebook computers and we continue to grow market share in consumer electronics sector through relentless increase in power conversion efficiency which contributes greatly to energy conservation and reduction in greenhouse gases emission. Among all progresses made last year, our achievement in telecom power systems and PV systems was noteworthy in particular. We not only increased the efficiency of our new generation telecom base station power system from 90% to 92% but also reduced the size by two thirds and achieved market leadership in both China and India. We also designed and installed the world's largest stadium solar systems for 2009 World Games in Kaohsiung with solar cells from DelSolar, a subsidiary to Delta, and our own 98% efficiency photovoltaic inverters. Although the capacity of this solar system was one mega watt by design, the actual electricity generated exceeded our expectation. Those examples clearly demonstrated our commitment to innovation and courage to take challenges to realize our corporate mission. We believe our potential to develop system-level businesses is greatly strengthened by the excellent performance of the teams.

For display solutions business, we secured our competitive advantage through in-house key components which weathered us from severe competition in business projector market. Our projection display products such as home theaters, video walls, and large venue projectors with ultra-high brightness for professional markets also earned customer recognition. We partnered with a content provider to broadcast on live the opening ceremony and selected programs of 2008 Beijing Olympics



through our full HD DLP projection display on a 300-inch outdoor screen to the general public, who enjoyed an unprecedented visual experience with absolute clarity and exceptional images. Delta also announced the industry's first full HD LED Home Theater DLP® Projector at IFA 2008 in Berlin featuring energy-saving, high resolution, wide color gamut, long life time, and immediate image display when powering on. We will work harder on marketing initiatives to bring more of our excellent products to customers. In order to provide customers with a complete line of products, we acquired an outstanding team specialized in outdoor large screen LED. We also exhibited our LED streetlamp and e-paper at IFA 2008 in Berlin, and we will continue to develop green products that are eco-friendly to meet the demand of the new century.


Delta was founded in 1971 at a time when the Taiwan government implemented investment incentive programs to attract foreign companies to set up manufacturing bases in Taiwan. We started from scratch to develop electronics components to meet market demand. We witnessed the massive abuse of natural resources and environmental pollution resulting from industrialization as well as the shortage in energy due to rapid increase in demand. We believed energy conservation was the best solution to the problem and since then we made it our corporate mission to develop high-efficiency switching power supplies and provide the world with energy efficient products and services. Over the years we continued to grow our business and market share as a result of strong customer satisfaction to our innovation capability, product quality, agility, and services. Each year we earned vendor awards from customers as a token for recognition. HP, Nokia Siemens, Fujitsu Siemens, for example, awarded Delta in 2008. We also received the "Excellent Innovation Achievement Award", the best of its kind from Ministry of Economic Affairs, last year. Besides innovation, we take corporate social responsibility as a primary consideration. Delta was named the most admired company in electronics industry by Commonwealth Magazine for the seventh consecutive year, and we were listed in the first place with distinction for Corporate Social Responsibility Award from GlobalView Magazine for the third consecutive year. Delta was ranked among Forbe's Asian Fabulous 50 Companies for the second consecutive year, and we received the best Investment Meetings Award from IR Magazine. In addition, Delta was the only Chinese enterprise featured on the list of "Global Top 100 Low-Carbon Pioneers" by CNBC European Business Magazine. We will continue our dedication to making Delta a highly regarded global company making long-lasting impact to the society.

The global financial tsunami caused by the American subprime mortgage crisis has affected Delta's business just as it has created adverse impact on global economy. Although an enterprise is bound to have ups and downs during its history, we will exercise special caution to voyage through this turmoil.



We believe the market will be handicapped by large-scale workforce restructuring and compensation reduction measures adopted by major multinational corporations. As a result, we will further scrutinize our operation processes to identify every productivity increase opportunity, while at the same time spearheading our R&D and marketing efforts to adapt our organization and business activities to meet market requirements. Over the years Delta has committed resources to develop advanced eco-friendly new products with energy-efficient features such as solar systems, LEDs, E-paper, super-capacitor, and key components for electric vehicles. These visionary new products will be launched to the market at the soonest possible pace. With the announcement by major countries to engage in large-scale programs and green technology development to stimulate local economy, we see good potential in renewable energy, products with energy-saving features, telecom business and infrastructure projects. Our mission and new business development direction fit right into the picture. Our sound financial stance and healthy cash flow serve as another competitive weapon to our advantage in difficult economy. We also feel encouraged to keep staying firmly in our areas of core competences and avoid investment into manufacturing businesses with low entry barriers.

Delta is a company that consistently monitors the market trend and takes challenges to change and innovate. This economic downturn brought to our attention the need to expedite our speed of change and new product development. We wish to take this opportunity to thank all Delta members for their contributions to the Company. We believe everyone at Delta will continue to do their best to steer our course up on profitable growth. We would also like to express our gratitude to all shareholders for their support. Please be re-assured that Delta will run at full speed to meet your expectation and we will bring the Company to the next level of success.

  
Bruce C.H. Cheng  
Founder and Chairman

  
Yancey Hai  
Vice Chairman and CEO

  
Roger Chu  
Corporate CFO

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing the Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the non-consolidated balance sheets of Delta Electronics, Inc. (“the Company”) as of December 31, 2008 and 2007, and the related non-consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended appearing on the Market Observation Post System as provided by the Taiwan Stock Exchange Corporation. In our report dated February 16, 2009, in which we indicated that: (a) the financial statements and the related information of certain investees accounted for under the equity method were audited by other auditors, and (b) effective January 1, 2008, the Company adopted R.O.C. Statement of Financial Accounting Standards No. 39, “Accounting for Share-based Payment” and EITF 96-052, “Accounting for Employees’ Bonus and Directors’ and Supervisors’ Remuneration”, prescribed by the R.O.C. Accounting Research and Development Foundation, We expressed a modified unqualified opinion on those non-consolidated financial statements.

The condensed non-consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

PricewaterhouseCoopers  
February 16, 2009

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The accompanying non-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 non-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.  
NON-CONSOLIDATED BALANCE SHEETS  
DECEMBER 31  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2008	2007
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4(1))	\$ 2,282,423	\$ 6,538,089
Financial assets at fair value through profit or loss - current (Note 4(2))	-	1,698
Available-for-sale financial assets - current (Note 4(5))	420,456	468,011
Derivative financial assets for hedging - current (Note 10(9))	11,675	-
Notes receivable, net	79,700	42,159
Accounts receivable, net (Note 4(3))	5,883,460	7,485,290
Accounts receivable, net - related parties (Note 5)	392,370	936,731
Other receivables	167,601	149,733
Other receivables - related parties (Note 5)	225,627	341,799
Other financial assets - current (Note 6)	29,167	21,158
Inventories (Note 4(4))	458,144	637,216
Deferred income tax assets - current (Note 4(18))	121,841	118,676
Other current assets - other	63,650	153,178
<b>Total current assets</b>	<b>10,136,114</b>	<b>16,893,738</b>
<b>Funds and Investments</b>		
Available-for-sale financial assets - non-current (Note 4(5))	76,209	1,272,109
Financial assets carried at cost - non-current (Note 4(6))	758,832	538,969
Investments in bonds without active markets - non-current (Note 4(7))	1,148,700	7,135,700
Long-term equity investments accounted for under the equity method (Note 4(8))	64,213,206	52,522,118
Cash surrender value of life insurance	91,862	87,515
<b>Total funds and investments</b>	<b>66,288,809</b>	<b>61,556,411</b>
<b>Property, Plant and Equipment, Net (Note 4(9))</b>		
<b>Cost</b>		
Land	1,143,562	815,701
Buildings	2,402,927	2,428,541
Machinery and equipment	1,654,402	1,573,492
Molding equipment	267,539	265,430
Computer and communication equipment	305,972	301,572
Testing equipment	1,497,375	1,400,853
Transportation equipment	20,796	18,849
Office equipment	159,852	141,136
Revaluation increments	407,007	291,338
Cost and revaluation increments	7,859,432	7,236,912
Less: Accumulated depreciation	( 3,556,872)	( 3,206,985)
Construction in progress and prepayments for equipment	148,639	116,549
<b>Total property, plant and equipment, net</b>	<b>4,451,199</b>	<b>4,146,476</b>
<b>Intangible Assets</b>		
Patents (Note 5)	56,665	31,982
Deferred pension costs (Note 4(13))	20,579	-
Other intangible assets - other	3,914	3,900
<b>Total intangible assets</b>	<b>81,158</b>	<b>35,882</b>
<b>Other Assets</b>		
Assets leased to others (Notes 4(10) and 5)	641,750	587,021
Refundable deposits	3,403	4,464
Deferred expenses	141,926	111,116
<b>Total other assets</b>	<b>787,079</b>	<b>702,601</b>
<b>TOTAL ASSETS</b>	<b>\$ 81,744,359</b>	<b>\$ 83,335,108</b>

(Continued)



DELTA ELECTRONICS, INC.  
NON-CONSOLIDATED BALANCE SHEETS  
DECEMBER 31  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2008	2007
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans (Note 4(11))	\$ 3,066,753	\$ -
Financial liabilities at fair value through profit or loss - current (Note 4(12))	218	431
Derivative financial liabilities for hedging - current (Note 10(9))	8,913	-
Accounts payable	440,733	489,497
Accounts payable - related parties (Note 5)	9,157,891	13,688,131
Income tax payable (Note 4(18))	92,122	306,117
Accrued expenses	3,040,839	1,039,540
Other payables - related parties (Note 5)	353,567	1,873,509
Other payables	281,896	334,619
Receipts in advance	228,637	280,149
Other current liabilities	250,087	184,556
<b>Total current liabilities</b>	<b>16,921,656</b>	<b>18,196,549</b>
<b>Reserves</b>		
Land value incremental reserve (Note 4(9))	74,312	57,341
<b>Other Liabilities</b>		
Accrued pension liabilities (Note 4(13))	791,213	681,010
Guarantee deposits received (Note 5)	5,912	5,912
Deferred income tax liabilities - non-current (Note 4(18))	5,491,853	4,453,278
Other liabilities - other (Note 4(8))	115,949	160,165
<b>Total other liabilities</b>	<b>6,404,927</b>	<b>5,300,365</b>
<b>Total liabilities</b>	<b>23,400,895</b>	<b>23,554,255</b>
<b>Stockholders' Equity</b>		
<b>Capital</b>		
Common stock (Notes 1 and 4(14))	21,850,456	21,064,173
<b>Capital Reserves (Note 4(15))</b>		
Capital reserve from conversion of convertible bonds	10,471,921	10,682,563
Capital reserve - other	2,810,283	2,804,693
<b>Retained Earnings</b>		
Legal reserve (Note 4(16))	7,298,319	5,792,189
Undistributed earnings (Note 4(17))	13,563,786	17,361,138
<b>Other Adjustments to Stockholders' Equity</b>		
Asset revaluations (Note 4(9))	359,616	260,918
Unrealized gain or loss on financial instruments	135,764	1,326,699
Cumulative translation adjustments	1,884,323	488,480
Unrecognized pension cost (Note 4(13))	( 31,004)	-
<b>Total stockholders' equity</b>	<b>58,343,464</b>	<b>59,780,853</b>
<b>Commitments And Contingent Liabilities (Notes 5 and 7)</b>		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 81,744,359</b>	<b>\$ 83,335,108</b>

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

**DELTA ELECTRONICS, INC.**  
**NON-CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

	2008		2007
Operating Revenues (Note 5)			
Sales	\$ 32,802,997	\$	35,626,972
Sales returns	( 17,387)	(	23,232)
Sales discounts	( 57,987)	(	37,349)
Net Sales	<u>32,727,623</u>		<u>35,566,391</u>
Service income (Note 5)	5,178,790		3,689,179
Net Operating Revenues	<u>37,906,413</u>		<u>39,255,570</u>
Operating Costs (Notes 4(20) and 5)			
Cost of goods sold	( 30,470,071)	(	32,654,609)
Service costs	( 4,294,124)	(	1,326,672)
Net Operating Costs	<u>( 34,764,195)</u>	<u>(</u>	<u>33,981,281)</u>
Gross profit	<u>3,142,218</u>		<u>5,274,289</u>
Operating Expenses (Note 4(20))			
Sales and marketing expenses	( 472,814)	(	451,587)
General and administrative expenses	( 1,359,930)	(	928,240)
Research and development expenses	( 509,602)	(	1,956,419)
Total Operating Expenses	<u>( 2,342,346)</u>	<u>(</u>	<u>3,336,246)</u>
Operating income	<u>799,872</u>		<u>1,938,043</u>
Non-operating Income and Gains			
Interest income	192,344		228,523
Gain on valuation of financial assets (Note 4(2))	-		1,529
Investment income accounted for under the equity method (Note 4(8))	9,638,686		13,849,603
Dividend income	71,228		56,080
Gain on disposal of property, plant and equipment	1,179		27,998
Gain on disposal of investments	134,819		332,190
Foreign exchange gain, net	44,963		-
Rental income (Note 5)	45,071		45,691
Other non-operating income	481,701		318,792
Non-operating Income and Gains	<u>10,609,991</u>		<u>14,860,406</u>
Non-operating Expenses and Losses			
Interest expense	( 14,123)	(	140)
Loss on valuation of financial liabilities (Note 4(12))	( 218)	(	261)
Foreign exchange loss	-	(	7,433)
Provision for loss on inventory obsolescence and market price declines	-	(	22,631)
Other non-operating losses	( 8,671)	(	33,201)
Non-operating Expenses and Losses	<u>( 23,012)</u>	<u>(</u>	<u>63,666)</u>
Income from continuing operations before income tax	11,386,851		16,734,783
Income tax expense (Note 4(18))	( 1,135,936)	(	1,673,478)
Net income	<u>\$ 10,250,915</u>	<u>\$</u>	<u>15,061,305</u>
	<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>
Earnings Per Share (in Dollars) (Note 4(19))			
Basic Earnings Per Share			
Net income	<u>\$ 5.21</u>	<u>\$ 4.69</u>	<u>\$ 7.66</u>
Diluted Earnings Per Share (in Dollars)			
Net income	<u>\$ 5.13</u>	<u>\$ 4.62</u>	<u>\$ 7.66</u>

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

DELTA ELECTRONICS, INC.  
NON-CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Retained Earnings</u>								<u>Total</u>
	<u>Common stock</u>	<u>Capital Reserves</u>	<u>Legal reserve</u>	<u>Undistributed earnings</u>	<u>Asset revaluations</u>	<u>Unrealized gain or loss on financial instruments</u>	<u>Cumulative translation adjustments</u>	<u>Unrecognized pension cost</u>	
<u>2007</u>									
Balance at January 1, 2007	\$ 19,694,450	\$ 11,615,396	\$ 4,659,105	\$ 13,086,557	\$ 204,064	\$ 280,829	\$ 279,517	\$ -	\$ 49,819,918
Distribution of 2006 earnings:									
Appropriation of legal reserve	-	-	1,133,084	( 1,133,084)	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	( 16,700)	-	-	-	-	( 16,700)
Employees' stock bonus	385,000	-	-	( 385,000)	-	-	-	-	-
Employees' cash bonus	-	-	-	( 192,500)	-	-	-	-	( 192,500)
Issuance of stock dividends	196,945	-	-	( 196,945)	-	-	-	-	-
Cash dividends	-	-	-	( 8,862,495)	-	-	-	-	( 8,862,495)
Capitalization of capital reserve	787,778	( 787,778)	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	2,659,638	-	-	-	-	-	-	2,659,638
Adjustment for land value appraisal increments	-	-	-	-	56,854	-	-	-	56,854
Proportional adjustments for investee companies' unrealized loss on financial instruments	-	-	-	-	-	502,583	-	-	502,583
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	543,287	-	-	543,287
Changes in cumulative translation adjustments	-	-	-	-	-	-	208,963	-	208,963
Net income for the year	-	-	-	15,061,305	-	-	-	-	15,061,305
Balance at December 31, 2007	<u>\$ 21,064,173</u>	<u>\$ 13,487,256</u>	<u>\$ 5,792,189</u>	<u>\$ 17,361,138</u>	<u>\$ 260,918</u>	<u>\$ 1,326,699</u>	<u>\$ 488,480</u>	<u>\$ -</u>	<u>\$ 59,780,853</u>
<u>2008</u>									
Balance at January 1, 2008	\$ 21,064,173	\$ 13,487,256	\$ 5,792,189	\$ 17,361,138	\$ 260,918	\$ 1,326,699	\$ 488,480	\$ -	\$ 59,780,853
Distribution of 2007 earnings:									
Appropriation of legal reserve	-	-	1,506,130	( 1,506,130)	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	( 16,200)	-	-	-	-	( 16,200)
Employees' stock bonus	365,000	-	-	( 365,000)	-	-	-	-	-
Employees' cash bonus	-	-	-	( 365,000)	-	-	-	-	( 365,000)
Issuance of stock dividends	210,642	-	-	( 210,642)	-	-	-	-	-
Cash dividends	-	-	-	( 11,585,295)	-	-	-	-	( 11,585,295)
Capitalization of capital reserve	210,641	( 210,641)	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	5,589	-	-	-	-	-	-	5,589
Proportional adjustments for investee companies' unrealized loss on financial instruments	-	-	-	-	-	74,473	-	-	74,473
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	( 1,265,408)	-	-	( 1,265,408)
Adjustment for land value appraisal increments	-	-	-	-	98,698	-	-	-	98,698
Changes in cumulative translation adjustments	-	-	-	-	-	-	1,395,843	-	1,395,843
Unrecognized pension cost	-	-	-	-	-	-	-	( 31,004)	( 31,004)
Net income for the year	-	-	-	10,250,915	-	-	-	-	10,250,915
Balance at December 31, 2008	<u>\$ 21,850,456</u>	<u>\$ 13,282,204</u>	<u>\$ 7,298,319</u>	<u>\$ 13,563,786</u>	<u>\$ 359,616</u>	<u>\$ 135,764</u>	<u>\$ 1,884,323</u>	<u>( \$ 31,004)</u>	<u>\$ 58,343,464</u>

Note: For the years ended December 31, 2008, directors' and supervisors' remuneration amounting to \$16,200, respectively, and employees' bonus amounting to \$1,344,879, respectively, had been deducted from the Non-Consolidated Statements of Income.

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

DELTA ELECTRONICS, INC.  
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2008	2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 10,250,915	\$ 15,061,305
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in unrealized valuation of financial assets	1,529	2,228
Changes in unrealized valuation of financial liabilities	( 43)	( 1,256)
(Reversal of allowance for) provision for doubtful accounts	( 2,079)	29,600
(Reversal of allowance for) provision for inventory obsolescence and market price declines	( 12,712)	22,631
Gain on disposal of available-for-sale financial assets	( 136,931)	( 94,762)
Loss (gain) on disposal of long-term equity investments accounted for under the equity method	2,112	( 237,428)
Change in foreign exchange on investments in bonds without active markets	( 285,795)	34,100
Cash dividends received from investee companies accounted for under the equity method	474,291	772,524
Investment income recognized under equity method	( 9,638,686)	( 13,849,603)
Depreciation (including assets leased to others) and amortization	676,954	661,240
Gain on disposal of property, plant and equipment, net	( 1,179)	( 27,998)
Amortization of long-term deferred income	( 17,499)	( 15,694)
Changes in assets and liabilities		
Notes receivable	( 37,541)	46,835
Accounts receivable	1,603,908	( 163,687)
Accounts receivable, net - related parties	544,361	( 615,112)
Other receivables	10,970	( 33,808)
Other receivable, net - related parties	103,502	90,192
Inventories	191,784	41,115
Other current assets - other	89,528	( 53,667)
Accounts payable	( 48,764)	( 133,076)
Accounts payable - related parties	( 4,530,240)	3,762,486
Income tax payable	( 213,995)	73,420
Accrued expenses	1,609,942	7,220
Other payables - related parties	( 1,519,942)	1,387,922
Other payables	( 52,723)	89,580
Receipts in advance	( 51,512)	13,580
Other current liabilities - other	65,531	105,064
Accrued pension liabilities	58,621	27,026
Deferred income tax	1,035,410	1,328,578
Net cash provided by operating activities	169,717	8,330,555

(Continued)

**DELTA ELECTRONICS, INC.**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	2008	2007
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Decrease (increase) in financial assets at fair value through profit or loss - current	\$ 169	(\$ 169)
(Decrease) increase in financial liabilities at fair value through profit or loss - current	( 170)	170
Increase in other financial assets - current	( 8,009)	( 19)
Increase in available-for-sale financial assets and financial assets carried at cost	( 338,700)	( 54,000)
Proceeds from disposal of available-for-sale financial assets	177,404	176,405
Proceeds from capital reduction of available-for-sale financial assets and financial assets carried at cost	24,812	5,000
Decrease in investments in bonds without active markets	6,272,795	-
Proceeds from liquidation of long-term equity investments accounted for under equity method	11,909	269,190
Increase in long-term equity investments accounted for under the equity method	( 687,500)	( 410,939)
Increase in cash surrender value of life insurance	( 4,347)	( 5,150)
Acquisition of property, plant and equipment, and increase in intangible assets and deferred expenses	( 982,240)	( 435,071)
Proceeds from disposal of property, plant and equipment	7,175	97,769
Decrease in refundable deposits	1,061	1,440
Net cash provided by (used in) investing activities	4,474,359	( 355,374)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	3,066,753	-
Payment of directors' and supervisors' remuneration	( 16,200)	( 16,700)
Payment of cash dividends	( 11,950,295)	( 9,054,995)
Net cash used in financing activities	( 8,899,742)	( 9,071,695)
Decrease in cash and cash equivalents	( 4,255,666)	( 1,096,514)
Cash and cash equivalents at beginning of year	6,538,089	7,634,603
Cash and cash equivalents at end of year	\$ 2,282,423	\$ 6,538,089
<b><u>Supplemental disclosures of cash flow information</u></b>		
Cash paid during the year for interest	\$ 13,076	\$ 140
Cash paid during the year for income tax	\$ 314,521	\$ 271,480
<b><u>Non-cash flows from investing and financing activities:</u></b>		
Employees' stock bonus	\$ 365,000	\$ 385,000

The accompanying notes are an integral part of these non-consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the consolidated balance sheets of Delta Electronics, Inc. (“the Company”) and its subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended appearing in the Market Observation Post System as provided by the Taiwan Stock Exchange Corporation. In our report dated February 16, 2009, in which we indicated that: (a) the financial statements and the related information of certain subsidiaries and certain investees accounted for under the equity method were audited by other auditors, and (b) effective January 1, 2008, the Company and its subsidiaries adopted R.O.C. Statement of Financial Accounting Standards No. 39, “Accounting for Share-based Payment” and EITF 96-052, “Accounting for Employees’ Bonus and Directors’ and Supervisors’ Remuneration”, prescribed by the R.O.C. Accounting Research and Development Foundation, We expressed a modified unqualified opinion on those consolidated financial statements.

The condensed consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

PricewaterhouseCoopers  
February 16, 2009

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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.  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2008	2007
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4(1))	\$ 43,093,738	\$ 38,603,513
Financial assets at fair value through profit or loss - current (Note 4(2))	43,491	98,421
Available-for-sale financial assets - current (Note 4(5))	420,456	468,011
Derivative financial assets for hedging - current (Note 10(9))	1,051,215	1,060,589
Notes receivable, net	582,309	472,865
Accounts receivable, net (Note 4(3))	22,810,469	27,469,118
Accounts receivable, net - related parties (Note 5)	1,449,652	1,471,770
Other receivables (Note 4(20))	1,793,032	1,210,874
Other financial assets - current (Note 6)	709,292	21,158
Inventories (Note 4(4))	9,244,953	9,963,199
Prepayments	1,168,419	362,290
Deferred income tax assets - current (Note 4(20))	-	170,104
Other current assets - other	71,405	188,407
<b>Total current assets</b>	<b>82,438,431</b>	<b>81,560,319</b>
<b>Funds and Investments</b>		
Available-for-sale financial assets - non-current (Note 4(5))	79,156	1,365,010
Financial assets carried at cost - non-current (Notes 4(6)(11))	1,240,510	705,945
Investments in bonds without active markets - non-current (Note 4(7))	1,148,700	7,135,700
Long-term equity investments accounted for under the equity method (Note 4(8))	7,227,174	6,586,669
Cash surrender value of life insurance	91,862	87,515
<b>Total funds and investments</b>	<b>9,787,402</b>	<b>15,880,839</b>
<b>Property, Plant and Equipment, Net (Notes 4(9)(11))</b>		
<b>Cost</b>		
Land	1,654,542	1,262,805
Buildings	9,719,960	9,243,448
Machinery and equipment	12,856,518	12,389,872
Molding equipment	1,448,980	1,290,253
Computer and communication equipment	1,006,484	919,337
Testing equipment	6,622,990	5,306,077
Transportation equipment	175,705	141,181
Office equipment	1,639,476	1,497,701
Leasehold improvements	251,918	383,129
Other equipment	13,229	20,887
Revaluation increments	407,007	291,338
Cost and revaluation increments	35,796,809	32,746,028
Less: Accumulated depreciation	( 16,636,294)	( 14,353,630)
Accumulated impairment loss - property, plant and equipment	( 5,748)	( 435,474)
Construction in progress and prepayments for equipment	3,186,542	889,494
<b>Total property, plant and equipment, net</b>	<b>22,341,309</b>	<b>18,846,418</b>
<b>Intangible assets</b>		
Patents (Note 5)	56,665	-
Deferred pension costs (Note 4(15))	20,579	-
Other intangible assets - other	839,196	536,290
<b>Total intangible assets</b>	<b>916,440</b>	<b>536,290</b>
<b>Other Assets</b>		
Assets leased to others (Notes 4(10)(11))	49,597	33,063
Refundable deposits	55,410	80,596
Deferred expenses	339,970	182,121
Other assets - other	1,628,812	795,128
<b>Total other assets</b>	<b>2,073,789</b>	<b>1,090,908</b>
<b>TOTAL ASSETS</b>	<b>\$ 117,557,371</b>	<b>\$ 117,914,774</b>

(Continued)

**DELTA ELECTRONICS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2008	2007
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans (Note 4(12))	\$ 7,093,047	\$ 4,043,062
Financial liabilities at fair value through profit or loss - current (Note 4(13))	83,750	2,470
Derivative financial liabilities for hedging - current (Note 10(9))	476,441	585,124
Accounts payable	19,847,131	25,708,180
Accounts payable - related parties (Note 5)	292,853	374,291
Income tax payable (Note 4(20))	517,009	565,989
Accrued expenses	6,352,437	4,012,734
Other payables	1,732,161	3,309,052
Receipts in advance	524,342	492,941
Deferred income tax liabilities - current (Note 4(20))	40,282	-
Other current liabilities - other	523,160	479,382
<b>Total current liabilities</b>	<b>37,482,613</b>	<b>39,573,225</b>
<b>Long-term Liabilities</b>		
Long-term loans (Note 4(14))	65,640	-
<b>Reserve</b>		
Land value incremental reserve (Note 4(9))	74,312	57,341
<b>Other Liabilities</b>		
Accrued pension liabilities (Note 4(15))	1,575,619	1,241,487
Guarantee deposits received	105,370	97,481
Deferred income tax liabilities - non-current (Note 4(20))	5,242,335	4,345,555
Other liabilities - other	423,106	234,625
<b>Total other liabilities</b>	<b>7,346,430</b>	<b>5,919,148</b>
<b>Total liabilities</b>	<b>44,968,995</b>	<b>45,549,714</b>
<b>Stockholders' Equity</b>		
<b>Capital</b>		
Common stock (Note 4(16))	21,850,456	21,064,173
<b>Capital Reserves (Note 4(17))</b>		
Capital reserve from conversion of convertible bonds	10,471,921	10,682,563
Capital reserve - other	2,810,283	2,804,693
<b>Retained Earnings</b>		
Legal reserve (Note 4(18))	7,298,319	5,792,189
Undistributed earnings (Note 4(19))	13,563,786	17,361,138
<b>Other Adjustments to Stockholders' Equity</b>		
Asset revaluations (Note 4(9))	359,616	260,918
Unrealized gain or loss on financial instruments	135,764	1,326,699
Cumulative translation adjustments	1,884,323	488,480
Unrecognized pension cost (Note 4(15))	(31,004)	-
	58,343,464	59,780,853
Minority interest	14,244,912	12,584,207
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>72,588,376</b>	<b>72,365,060</b>
Commitments And Contingent Liabilities (Notes 5 and 7)		
Subsequent Events (Note 9)		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 117,557,371</b>	<b>\$ 117,914,774</b>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 16, 2009.



**DELTA ELECTRONICS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

	2008		2007	
Operating Revenues (Note 5)				
Sales	\$	142,921,659	\$	131,273,777
Sales returns	(	1,223,062)	(	1,103,589)
Sales discounts	(	288,766)	(	327,712)
Net Sales		141,409,831		129,842,476
Service income		1,235,023		771,619
Net Operating Revenues		142,644,854		130,614,095
Operating Costs (Notes 4(22) and 5)				
Cost of goods sold	(	116,171,126)	(	102,685,295)
Service costs	(	978,482)	(	524,910)
Net Operating Costs	(	117,149,608)	(	103,210,205)
Gross profit		25,495,246		27,403,890
Operating Expenses (Note 4(22))				
Sales and marketing expenses	(	4,453,121)	(	3,849,467)
General and administrative expenses	(	3,685,370)	(	2,727,998)
Research and development expenses	(	6,446,593)	(	5,109,288)
Total Operating Expenses	(	14,585,084)	(	11,686,753)
Operating income		10,910,162		15,717,137
Non-operating Income and Gains				
Interest income		1,144,013		1,175,501
Gain on valuation of financial assets (Note 4(2))		61,537		86,506
Investment income accounted for under the equity method (Note 4(8))		695,116		750,089
Dividend income		110,886		100,974
Gain on disposal of investments		-		1,324,047
Foreign exchange gain, net		1,069,357		538,696
Rental income		13,682		12,808
Income from sales of scrapped inventory		693,895		371,389
Other non-operating income		1,525,985		1,054,162
Non-operating Income and Gains		5,314,471		5,414,172
Non-operating Expenses and Losses				
Interest expense	(	218,160)	(	159,887)
Loss on valuation of financial liabilities (Note 4(12))	(	83,750)	(	2,300)
Loss on disposal of property, plant and equipment	(	10,587)	(	24,134)
Loss on disposal of investments	(	50,165)	(	-
Provision for loss on inventory obsolescence and market price declines	(	470,987)	(	173,714)
Impairment loss (Note 4(11))	(	7,907)	(	679,227)
Other non-operating losses	(	596,248)	(	544,477)
Non-operating Expenses and Losses	(	1,437,804)	(	1,583,739)
Income from continuing operations before income tax		14,786,829		19,547,570
Income tax expense (Note 4(20))	(	2,524,109)	(	2,400,301)
Consolidated net income	\$	12,262,720	\$	17,147,269
Attributable to:				
Equity holder of the Company	\$	10,250,915	\$	15,061,305
Minority interest		2,011,805		2,085,964
	\$	12,262,720	\$	17,147,269
		Before Tax		Before Tax
		After Tax		After Tax
Earnings Per Share (in Dollars) (Note 4(21))				
Basic Earnings Per Share				
Net income from continuing operations	\$	6.77	\$	5.61
Minority interest income	(	0.92)	(	0.96)
Net income	\$	5.85	\$	4.69
Diluted earnings per share (in Dollars)				
Net income from continuing operations	\$	6.67	\$	5.53
Minority interest income	(	0.91)	(	0.96)
Net income	\$	5.76	\$	4.62
	\$	7.99	\$	6.89

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

DELTA ELECTRONICS, INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Retained Earnings					Unrealized gain or loss on financial instruments	Cumulative translation adjustments	Unrecognized pension cost	Minority interest	Total
	Common stock	Capital Reserves	Legal reserve	Undistributed earnings	Asset revaluations					
<u>2007</u>										
Balance at January 1, 2007	\$ 19,694,450	\$ 11,615,396	\$ 4,659,105	\$ 13,086,557	\$ 204,064	\$ 280,829	\$ 279,517	\$ -	\$ 5,244,793	\$ 55,064,711
Distribution of 2006 earnings:										
Appropriation of legal reserve	-	-	1,133,084	( 1,133,084)	-	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	( 16,700)	-	-	-	-	-	( 16,700)
Employees' stock bonus	385,000	-	-	( 385,000)	-	-	-	-	-	-
Employees' cash bonus	-	-	-	( 192,500)	-	-	-	-	-	( 192,500)
Issuance of stock dividends	196,945	-	-	( 196,945)	-	-	-	-	-	-
Cash dividends	-	-	-	( 8,862,495)	-	-	-	-	-	( 8,862,495)
Capitalization of capital reserve	787,778	( 787,778)	-	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	2,659,638	-	-	-	-	-	-	-	2,659,638
Proportional adjustments for investee companies' unrealized gain on financial instruments	-	-	-	-	-	502,583	-	-	-	502,583
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	543,287	-	-	-	543,287
Adjustment for land value appraisal increments	-	-	-	-	56,854	-	-	-	-	56,854
Changes in cumulative translation adjustments	-	-	-	-	-	-	208,963	-	-	208,963
Changes in minority interest	-	-	-	-	-	-	-	-	5,253,450	5,253,450
Consolidated net income for the year	-	-	-	15,061,305	-	-	-	-	2,085,964	17,147,269
Balance at December 31, 2007	<u>\$ 21,064,173</u>	<u>\$ 13,487,256</u>	<u>\$ 5,792,189</u>	<u>\$ 17,361,138</u>	<u>\$ 260,918</u>	<u>\$ 1,326,699</u>	<u>\$ 488,480</u>	<u>\$ -</u>	<u>\$ 12,584,207</u>	<u>\$ 72,365,060</u>
<u>2008</u>										
Balance at January 1, 2008	\$ 21,064,173	\$ 13,487,256	\$ 5,792,189	\$ 17,361,138	\$ 260,918	\$ 1,326,699	\$ 488,480	\$ -	\$ 12,584,207	\$ 72,365,060
Distribution of 2007 earnings:										
Appropriation of legal reserve	-	-	1,506,130	( 1,506,130)	-	-	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	( 16,200)	-	-	-	-	-	( 16,200)
Employees' stock bonus	365,000	-	-	( 365,000)	-	-	-	-	-	-
Employees' cash bonus	-	-	-	( 365,000)	-	-	-	-	-	( 365,000)
Issuance of stock dividends	210,642	-	-	( 210,642)	-	-	-	-	-	-
Cash dividends	-	-	-	( 11,585,295)	-	-	-	-	-	( 11,585,295)
Capitalization of capital reserve	210,641	( 210,641)	-	-	-	-	-	-	-	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	5,589	-	-	-	-	-	-	-	5,589
Proportional adjustments for investee companies' unrealized gain on financial instruments	-	-	-	-	-	74,473	-	-	-	74,473
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	( 1,265,408)	-	-	-	( 1,265,408)
Adjustment for land value appraisal increments	-	-	-	-	98,698	-	-	-	-	98,698
Changes in cumulative translation adjustments	-	-	-	-	-	-	1,395,843	-	-	1,395,843
Unrecognized pension cost	-	-	-	-	-	-	-	( 31,004)	-	( 31,004)
Changes in minority interest	-	-	-	-	-	-	-	-	( 351,100)	( 351,100)
Consolidated net income for the year	-	-	-	10,250,915	-	-	-	-	2,011,805	12,262,720
Balance at December 31, 2008	<u>\$ 21,850,456</u>	<u>\$ 13,282,204</u>	<u>\$ 7,298,319</u>	<u>\$ 13,563,786</u>	<u>\$ 359,616</u>	<u>\$ 135,764</u>	<u>\$ 1,884,323</u>	<u>( \$ 31,004)</u>	<u>\$ 14,244,912</u>	<u>\$ 72,588,376</u>

Note: For the years ended December 31, 2008, directors' and supervisors' remuneration amounting to \$28,957, respectively, and employees' bonus amounting to \$2,196,262, respectively, had been deducted from the Consolidated Statements of Income.

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

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

	2008		2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated net income	\$ 12,262,720	\$	17,147,269
Adjustments to reconcile net income to net cash provided by operating activities			
Changes in unrealized valuation of financial assets	24,969	(	82,809)
Changes in unrealized valuation of financial liabilities	81,450	(	19,082)
Provision for doubtful accounts	63,063		28,010
Provision for inventory obsolescence and market price declines	470,987		173,714
Loss (gain) on disposal of financial assets for non-trading purposes	50,165	(	143,898)
Impairment loss on financial assets carried at cost	7,053		229,221
Change in foreign exchange on investments in bonds without active markets	(285,795)		34,100
Investment income recognized under equity method	(695,116)	(	750,089)
Cash dividends received from investee companies accounted for under the equity method	557,228		382,282
Gain on disposal of shares to minority shareholders	-	(	1,173,864)
Depreciation (including assets leased to others) and amortization	4,452,042		3,683,254
Loss on disposal of property, plant and equipment, net	10,587		24,134
Impairment loss on property, plant and equipment	854		450,006
Amortization of long-term deferred income	(17,499)	(	15,694)
Changes in assets and liabilities			
Financial assets at fair value through profit or loss - current	-		158,317
Notes and accounts receivable	4,482,975	(	5,599,825)
Accounts receivable - related parties	22,118	(	465,132)
Other receivables	(555,603)	(	620,040)
Inventories	207,985	(	2,210,445)
Prepayments	(814,025)		201,218
Other current assets - other	117,002	(	158,431)
Other assets - other	(830,418)	(	735,505)
Accounts payable	(5,861,049)		6,356,722
Accounts payable - related parties	(81,438)		56,191
Income tax payable	(48,980)		189,184
Accrued expenses, other payables and receipts in advance	817,532		2,318,786
Other current liabilities - other	43,931		173,942
Deferred income tax	1,107,166		1,280,502
Accrued pension liabilities	282,561		139,375
Other liabilities - other	205,980	(	33,756)
Net cash provided by operating activities	16,078,445		21,017,657

(Continued)

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


	2008	2007
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Decrease (increase) in financial assets at fair value through profit or loss - current	\$ 169	(\$ 169)
(Decrease) increase in financial liabilities at fair value through profit or loss - current	( 170)	170
Increase in other financial assets - current	( 688,134)	( 19)
Increase in available-for-sale financial assets and financial assets carried at cost	( 702,854)	( 54,000)
Proceeds from disposal of available-for-sale financial assets and financial assets carried at cost	201,539	186,783
Proceeds from capital reduction of available-for-sale financial assets and financial assets carried at cost	26,871	5,000
Decrease in investments in bonds without active markets	6,272,795	-
Increase in long-term equity investments accounted for under the equity method	( 472,000)	( 583,830)
Proceeds from liquidation of long-term equity investments accounted for under equity method	11,909	-
Increase in cash surrender value of life insurance	( 4,347)	( 5,150)
Acquisition of property, plant and equipment and increase in intangible assets and deferred expenses	( 8,035,489)	( 7,901,089)
Proceeds from disposal of property, plant and equipment	299,965	244,215
Purchase of minority interests	( 249,132)	-
Proceeds from disposal of shares to minority shareholders	-	1,607,825
Decrease (increase) in refundable deposit	19,064	( 34,327)
(Increase) decrease in other assets - other	( 3,266)	17,915
Net cash used in investing activities	( 3,323,080)	( 6,516,676)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	3,049,985	618,058
Increase in long-term loans	65,640	-
Increase in guarantee deposits received	7,889	25,578
Payment of directors' and supervisors' remuneration	( 16,200)	( 16,700)
Payment of cash dividends	( 11,950,295)	( 9,054,995)
Dividends paid to minority interests	( 735,452)	( 15,830)
Increase in subsidiaries' capital from minority shareholders	167,578	7,284,354
Net cash used in financing activities	( 9,410,855)	( 1,159,535)
Effect due to changes in exchange rates	1,163,856	335,673
Effect due to changes in consolidated subsidiaries	( 18,141)	-
Increase in cash and cash equivalents	4,490,225	13,677,119
Cash and cash equivalents at beginning of year	38,603,513	24,926,394
Cash and cash equivalents at end of year	<u>\$ 43,093,738</u>	<u>\$ 38,603,513</u>
<b><u>Supplemental disclosures of cash flow information</u></b>		
Cash paid during the year for interest	\$ 258,287	\$ 158,017
Cash paid during the year for income tax	\$ 1,667,723	\$ 968,135
<b><u>Non-cash flows from investing and financing activities:</u></b>		
Employees' stock bonus	<u>\$ 365,000</u>	<u>\$ 385,000</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 16, 2009.

## 2008 Supervisors' Report

The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2008 Business Report, financial statements, consolidated financial statements and proposal for distribution of earnings of the Company. The above Business Report, financial statements, consolidated financial statements, and earnings distribution proposal have been examined and determined to be correct and accurate by the undersigned. In accordance with Article 219 of the Company Law, we hereby submit this report.

To the 2009 General Shareholders' Meeting of Delta Electronics, Inc.

  
Supervisor Chung-Hsing Huang

  
Supervisor E-Ying Hsieh

February 27, 2009

**Delta Electronics, Inc. (the "Company")**  
**Operating Procedures of Fund Lending**  
**(Translation)**

November 6, 1995--passed by the Board of Directors  
December 5, 1995--amendment passed by the Board of Directors  
April 16, 1996--amendment passed by the Board of Directors  
February 23, 2002--amendment passed by the Board of Directors  
March 22, 2002--amendment passed by the Board of Directors  
February 13, 2003--amendment passed by the Board of Directors  
May 6, 2003--passed by the general shareholders' meeting  
February 23, 2006-- amendment passed by the Board of Directors  
May 18, 2006-- passed by the general shareholders' meeting

Article 1:

The Company shall comply with these operating procedures ("Operating Procedures") when lending funds to others. Any matters which are not provided herein shall be governed by applicable laws and regulations.

Article 2: Recipients, Reasons and Necessity of Fund Lending

1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of the borrowers.

2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:

(1) Where more than 50% of the equity shares with voting rights of the funding recipient is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.

(2) Where more than 50% of the Company's equity shares with voting rights are directly and indirectly owned by another company, and such company is in need of short-term financing in connection with its financial and operational demands.

(3) Where the Company's main customers or suppliers are in need of short-term financing in connection with its material-purchasing or operational needs.

(4) Other circumstances where the funding recipient is in need of short-term financing, and the funding is approved by the Board of Directors of the Company.

### Article 3: Total Amount of Funds Lending and Limit for Each Recipient

1. 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, 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 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, and 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.

2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year and shall not exceed 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary'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 20 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.

### Article 4: Term of Fund Lending and Calculation of Interest

The term of each individual loan or funding offered by the Company shall not exceed one year, and the interest rate for each loan or funding shall be adjusted variably according to the funding cost of the Company.

### Article 5: Procedures for Fund Lending

#### 1. Handling Procedures

(1) When lending funds or providing short-term financing to others, the Company's division in charge shall review and submit the proposal for the Chairman of the Board's approval and then for discussion and consent by the Board of Directors. The Company shall take into full consideration of each independent director's opinion in the discussion by the Board of Directors, and shall record each independent director's explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.

(2) The Finance Division of the Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the Board of Directors, the Finance Division shall record the details of the entity to which the lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.

(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Supervisors of the Company in writing.

(4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the Company in the Company's financial statements and shall provide relevant information to the Company's external auditing CPA.

(5) Where the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Supervisors of the Company.

## 2. Review Procedures

(1) The company or enterprise which applies for funds shall provide its relevant financial information and specify its intended usages of funds in writing for the Company's review.

(2) After receiving the application for lending of funds, the Company's division in charge shall investigate and evaluate the necessity and reasonableness of the funding, whether there are direct or indirect business relations between the funding recipient and the Company, the recipient's financial and operational



condition, the recipient's ability for repayment of indebtedness and its credit worthiness, profitability, and intended usages of funds. The extents of impact of the Company's aggregate amount of funds lent on the Company's operations, financial conditions and shareholders' equity shall also be taken into consideration, and the division in charge shall then prepare a written report based on its evaluation and submit the report to the Board of Directors for review.

(3) When lending funds or providing short-term financing to others, the Company shall require the borrower to provide guarantee notes in the same amount of funds lent and if necessary, shall require the borrower to provide personal property or real property as collaterals and to perfect the liens on the collaterals, and the Company shall evaluate quarterly whether the value of the collateral provided is comparable to the balance of the amount of funds lent and shall demand additional collaterals if necessary. With regards to the aforementioned collateral, if the borrower provides guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals, the Board of Directors may, referring to the assessment report of the division in charge, consider such guarantee and make a decision ; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

(4) Fire insurance shall be procured for each collateral except for land and securities; the insurance limits shall be in principle no less than the replacement cost of the collateral; each insurance policy shall designate the Company as the beneficiary and the title, quantity, location and insurance terms of the insured subject on the insurance policy shall be consistent with the original terms and conditions of the lending of funds made by the Company.

#### Article 6: The Follow-Up Control Measures of Funds Lent

After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued. If repayment cannot be made on the due date, the borrower shall apply for a deferred repayment in advance and such defer request shall be submitted to the Board of Directors for approval; otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.

#### Article 7: Additional Guidelines of Lending Funds to Others

1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.

2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the Supervisors of the Company in writing.

3. Where amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Supervisors of the Company.

#### Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries

1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.

2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited monthly. The results of such audit shall also be a required item of the auditors' report to the Board of Directors and Supervisors.

3. If the Subsidiary is not a public company but in the event its amount of funds lent reaches any of the thresholds of public announcement and reporting as set forth in the second paragraph of Article 9, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

#### Article 9: Public Announcement and Reporting Procedures

1. The Finance Division shall report every month the balance of lending of funds made by the Company and its Subsidiaries in the preceding month by the fifth day of the current month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.

2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:

(1) The balance of lending of funds reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(2) The balance of funds lent to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(3) The balance of funds lent for an enterprise with which the Company has business relations exceeds the total transactions amount between such enterprise and the Company in the most recent year.

(4) After the public announcement and reporting has been made pursuant to any of the preceding items (1)-(3), the balance of funds lent increases by more than 2 percent of the Company's net worth as stated in the Company's latest financial statements.

3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material

Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

#### Article 10: Penalty Provisions

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

#### Article 11: Other Matters

After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.

When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

**Delta Electronics, Inc. (the "Company")**  
**Operating Procedures of Endorsement and Guarantee**  
**(Translation)**

February 8, 1988--passed by the Board of Directors  
March 19, 1988--passed by the general shareholders' meeting  
March 8, 1994--amendment passed by the Board of Directors  
April 21, 1994--amendment passed by the Board of Directors  
May 9, 1994-- passed by the general shareholders' meeting  
November 6, 1995—amendment passed by the Board of Directors  
December 5, 1995--amendment passed by the Board of Directors  
April 16, 1996--amendment passed by the Board of Directors  
June 6, 1996--passed by the general shareholders' meeting  
April 2, 1997--amendment passed by the Board of Directors  
June 3, 1997--passed by the general shareholders' meeting  
February 13, 2003--amendment passed by the Board of Directors  
May 6, 2003--passed by the general shareholders' meeting  
February 23, 2006-- amendment passed by the Board of Directors  
May 18, 2006-- passed by the general shareholders' meeting

I Purpose

These operating procedures ("Operating Procedures") have been promulgated in order to specify the procedures for making endorsements and guarantees by the Company and to strengthen the internal control of the Company. Any matters which are not provided herein shall be governed by applicable laws and regulations.

II. Scope

The term "endorsements and guarantees" referred to herein includes:

1. Endorsements and guarantees in connection with financing:

- (1) Made for financing in connection with discounts on customer's check.
- (2) Endorsements or guarantees made for the financing needs of another company.
- (3) Negotiable instruments issued in favor of a non-financial institution as collaterals for the Company's financing purpose.

2. Customs duty endorsements and guarantees:

Endorsements or guarantees made for the Company itself or other companies relating to the customs duties payable by the Company or other companies.

3. Other endorsements and guarantees: Any endorsements or guarantees provided for the purposes outside the scope as mentioned in the preceding two items.

The creation of a pledge or a mortgage over the Company's personal or real

property as collateral for the loans borrowed by other companies shall also be governed by the Operating Procedures.

### III. Recipients of Endorsements and Guarantees

The recipients of the Company's endorsements and guarantees shall be limited to the following companies; however, where the shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholdings, such endorsements and guarantees shall not be subject to the following restrictions:

1. Companies with which the Company has business relations.
2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares.
3. The company which directly and indirectly owns more than 50% of the Company's voting shares.

The terms "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Statement of Financial Accounting Standards No. 5 and No. 7 published by the Accounting Research and Development Foundations of the Republic of China.

### IV. Limits of Endorsements and Guarantees

The total amount of the endorsements and guarantees made by the Company shall not exceed 80 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements. In addition to the limits set forth in the preceding paragraph, the total amount of endorsements and guarantees made by the Company for a single enterprise with which the company has business relations shall be comparable to the purchase amount or sales revenue with that enterprise in the previous year or current year as of the time the endorsements and guarantees are made, whichever amount is higher.

### V. Procedures for Making Endorsement and Guarantee

1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check

whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and then for discussion and consent by the Board of Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.

The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. After an endorsement or guarantee has been approved by the Board of Directors or the Chairman of the Board, the Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall also record the entity for which the endorsement or guarantee is made, amount, date of approval by the Board of Directors or the Chairman, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.

3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify the Supervisors of the Company in writing.

4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees made according to the Statement of Financial Accounting Standards No. 9, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.

5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the

amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Supervisors of the Company.

6. If there are necessary business needs for the Company to exceed the limits of endorsements and guarantees set forth in the Operating Procedures and if the requirements set forth in the Operating Procedures are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss of the Company that might incur due to the excess amount of endorsements and guarantees. The Operating Procedures shall also be amended accordingly and submitted to the shareholders' meeting for approval. If the shareholders' meeting does not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period. The Company shall take into full consideration of each independent director's opinion when discussing the amendment in the meeting of Board of Directors and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

#### VI. Detailed Review Procedures

When making endorsements and guarantees, the Finance Division of the Company shall review and assess the following matters and prepare an assessment report accordingly:

1. To evaluate the necessity and reasonableness based on the understanding of the relations between the entity for which the endorsement or guarantee is to be made and the Company, the purposes and usages of the money borrowed by such entity, the connection of such entity with the Company's business or the importance of such entity's operations to the Company, together with Company's limits of endorsements and guarantees and current balance of the limits.
2. To assess potential risks that might occur by obtaining the annual report, financial statements, and other relevant information of the entity for which the endorsement or guarantee is to be made, and analyzing the operations, financial condition, and credit worthiness of such entity and the source of repayment of its debts.
3. To evaluate the risk on operations, and impact on the financial condition and shareholders' equity of the Company by analyzing the ratio of current balance of endorsements and guarantees to the net worth of the Company, the liquidity and cash flow of the Company, together with the review results under the preceding two paragraphs.
4. To determine whether it is necessary for the entity for which the endorsement or guarantee is to be made to provide collateral based on the assessment results



under the preceding three paragraphs, and to evaluate each quarter whether the value of the collateral provided is comparable to the balance of the amount of endorsements and guarantees made and to demand additional collaterals if necessary.

#### VII. Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries

1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited monthly. The results of such audit shall also be a required item of the Audit Division's report to the Board of Directors and Supervisors.

2. If a subsidiary of the Company is not a public company but its amount of endorsements and guarantees made meets the requirement of public announcement and reporting as set forth in Article X, paragraph 2 of the Operating Procedures, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

#### VIII. Decision-making and Authorization

Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article V of the Operating Procedures and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.

The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

#### IX. Procedures for Use and Custody of Corporate Seal

1. According to applicable regulations promulgated by the competent authority in charge of securities matters, the Company shall use the corporate seal registered with the Ministry of Economics Affairs as the dedicated stamp for endorsements and guarantees. The dedicated stamp for endorsements and guarantees shall be kept under the custody of a designated custodian approved by the Board of Directors. If there is any change of the custodian, the Board of Directors shall approve such change, and the dedicated stamp shall be transferred to the custody of the successor custodian.

2. When the Company makes a guarantee for a foreign company, the Company shall have the guarantee letter signed by a person authorized by the Board of Directors.

#### X. Public Announcement and Reporting Procedures

1. The Finance Division shall report the balance of endorsements and guarantees made by the Company and its subsidiaries in the previous month by the fifth day of the following month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.

2. In addition to the monthly public announcement and reporting of the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:

(1) The aggregate amount of endorsements and guarantees made reaches 50 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(2) The aggregate amount of endorsements and guarantees made to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(3) The aggregate amount of endorsements and guarantees made to a single enterprise reaches NT\$10 million or more and the aggregate amount of endorsements and guarantees for, long-term investment in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(4) The aggregate amount of endorsements and guarantees made for an enterprise which the Company has business relations with exceeds the total transactions amount between such enterprise and the Company in the most

recent year.

(5) After the public announcement and reporting is made pursuant to any of the preceding four paragraphs, the aggregate amount of endorsements and guarantees made to the same recipient increases by more than 5 percent of the Company's net worth as stated in the Company's latest financial statements.

3. If any of the matters to be public announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

#### XI. Penalty Provisions

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will be submitted for review according to the Company's working rules and will receive penalties commensurate with the severity of such violation.

#### XII. Other Matters

After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendment to the Operating Procedures.

When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

**Delta Electronics, Inc. Director and Supervisor Election Regulations**  
**(Translation)**

Passed by general shareholders' meeting on March 19, 1988  
Amendment passed by general shareholders' meeting on May 16, 2002  
Amendment passed by general shareholders' meeting on May 19, 2005  
Amendment passed by general shareholders' meeting on June 13, 2008

**Article 1**

These Regulations have been stipulated in accordance with the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies" in achieving fair, neutral, and open election of directors and supervisors.

**Article 2**

Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors and supervisors shall be conducted in accordance with these Regulations.

**Article 3**

When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.

When selecting supervisors of the Company, it should take into consideration whether the candidates possess trustworthiness, fair judgment, professional knowledge, plentiful experience, and the ability to read financial statements.

**Article 4**

The qualifications of the Company's independent directors must comply with the competent authority's determination standards; the election of the independent directors shall be subject to the regulations prescribed by the competent authority.

The independent directors shall be elected pursuant to the candidates nomination system in Article 192-1 of the Company Law.

#### **Article 5**

The Company's directors and supervisors shall be elected by means of the single open cumulative ballot method. According to relevant laws, each share is entitled to votes equal to the number of directors and supervisors to be elected, and the number of votes may be used together to elect one person or spread out over several persons. The Board of Directors shall prepare ballots equal to the number of directors and supervisors to be elected. In addition to affixing the Company's seal on the ballots, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders.

#### **Article 6**

The Company's Board of Directors or any shareholder may submit a list of candidates for the election of non-independent directors and supervisors. Such lists shall serve as references for the election of non-independent directors and supervisors.

When the Board of Directors submits a list of candidates, it may also provide the candidates' academic background, career experiences, shareholdings, name of government or legal entity represented, and status of independence, etc. for the reference of shareholders.

Candidates for election of the Company's directors and supervisors shall be elected, with independent directors, non-independent directors and supervisors elected at the same time but in separately calculated numbers, in sequence starting from those who have received the highest number of votes until the number of persons specified in the Company's Articles of Incorporation is elected. If two or more persons receive the same number of votes, and resulting in the total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes with others is not present at the meeting, the chairman shall draw a straw on that absent person's behalf.

#### **Article 7**

Before the start of an election the chairman shall designate two persons (who

should be shareholders) to check ballots and several persons (who should be shareholders) to count ballots to perform relevant duties. The Board of Directors shall prepare a ballot box. Persons designated to check ballots shall open and check the box in front of the meeting before voting begins.

### **Article 8**

If a candidate is a shareholder, electors must clearly fill in the candidate's shareholder number and name in the candidate column of each ballot. If a candidate is not a shareholder, electors must clearly fill in the candidate's name and ID document number. ID document refers to the original copy of the citizens' ID card for domestic natural persons and the original copy of a passport for foreign natural persons. The ID document number shall serve as the person's ID number for the purpose of the election. However, if a candidate is a governmental organization or legal entity, the name of the governmental organization or legal entity (or the name of the government organization and its representative or the name of the legal entity and its representative) must be clearly filled out in the candidate column of the ballot. If there are several representatives, each of the representatives' names must be filled in.

### **Article 9**

A ballot is invalid if any of the following circumstances occur:

1. The elector has failed to use a ballot prepared by the Board of Directors.
2. A blank ballot with no writings has been cast in the ballot box.
3. The writing is unclear and illegible or has been altered.
4. When the candidate is a shareholder, any item of the candidate's name, shareholder's account number, or number of votes allocated has been omitted or altered; or the candidate's name or shareholder's account number does not conform to that in the shareholders register.

If the candidate is not a shareholder, any item of the candidate's name, ID number, or number of votes allocated has been omitted or altered; or the candidate's name or ID number is found not to conform to that on the original documents.

5. The elector has intermixed other text or figures in addition to the candidate's

name, shareholder's account number or ID number, and number of votes allocated.

6. The number of candidates on the ballot exceeds the specified number.

#### **Article 10**

If the number of votes allocated is less than the total number of votes vested to shareholders, the votes which are not cast shall be deemed to have been forfeited by that shareholder.

#### **Article 11**

The ballot box shall be opened in front of the meeting after the completion of voting. The chairman shall announce the names of the elected directors and supervisors in front of the meeting, or the chairman may appoint a master of ceremonies to do so.

#### **Article 12**

The Company's Board of Directors shall issue election notification to each elected director and supervisor.

#### **Article 13**

These Regulations shall be effective from the date they are approved by the shareholders' meeting. The same shall apply in the case of amendments.

**Delta Electronics, Inc. Shareholders' Meeting Rules and Procedures**  
**(Translation)**

Passed by general shareholders' meeting on March 19, 1988  
Amendment passed by general shareholders' meeting on May 15, 1998  
Amendment passed by general shareholders' meeting on May 16, 2002  
Amendment passed by general shareholders' meeting on May 19, 2005  
Amendment passed by general shareholders' meeting on May 18, 2006

**Article 1**

These Rules and Procedures have been stipulated in accordance with the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in order to establish effective governance of the shareholders' meeting, implement sound supervisory functions, and strengthen managerial functions.

**Article 2**

Unless otherwise provided for in applicable laws and regulation or this Company's Articles of Incorporation, the Company's Shareholders' Meeting Rules and Procedures shall comply with the following articles.

**Article 3**

The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.

All shareholders shall be notified of a general shareholders' meeting at least 30 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 30 days in advance of the meeting.

All shareholders shall be notified of a special shareholders' meeting at least 15 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 15 days in advance of the meeting. Notification and announcements shall state the reasons for the meeting.

The election or discharge of directors and supervisors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law, or Article 26-1 or Article 43-6 of the Securities and Exchange Law shall be listed among the reasons for the meeting, and may not be proposed as provisional motions.



#### **Article 4**

Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended.

Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy. Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply.

#### **Article 5**

Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.

#### **Article 6**

The Company shall provide a sign-in book allowing attending shareholders or their appointed proxies (hereafter referred to as "shareholders") to sign in or require attending shareholders to submit attendance cards in lieu of signing in.

The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors and supervisors is to be held.

Shareholders shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.

When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.

#### **Article 7**

If a shareholders' meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding at the meeting. If the Chairman of the Board of Directors is on leave or cannot perform his duties for some reason, the Vice-Chairman shall preside at the meeting on the Chairman's

behalf; if the Company does not have a vice-Chairman or the Vice-Chairman is on leave or cannot perform his duties for some reason, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman shall appoint a director to serve on his behalf. If the Chairman has not appointed a representative, the managing directors or directors shall nominate among themselves to preside over the meeting.

More than one-half of the directors should attend the shareholders' meeting if that meeting has been convened by the Board of Directors.

If the shareholders' meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman. If there is more than one such person entitled to convene the meeting, those persons shall nominate amongst themselves to be the meeting's chairman.

This Company may appoint designated legal counsel, CPA, or relevant persons to attend the shareholders' meeting.

#### **Article 8**

The proceeding of the meeting shall be audio recorded or videotaped in its entirety and these tapes shall be preserved for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

#### **Article 9**

Attendance at shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders.

The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting.

If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent

more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.

If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.

### **Article 10**

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including provisional motions) listed in the agenda are completed. If the chairman announces the adjournment of the meeting in violation of these Rules and Procedures, other members of the Board of Directors shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and provisional motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting.

### **Article 11**

When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any attending shareholder at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the contents of the speech of a shareholder are inconsistent with the

contents of the speech note, the contents of actual speech shall prevail.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed five minutes. The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; otherwise the chairman shall stop such interruption.

When a legal-entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for each agenda item.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

## **Article 12**

Voting at a shareholders' meeting shall be based on number of shares.

The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, that shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

## **Article 13**

Each shareholder is entitled to one vote for each share held. The above provision shall not apply to those persons whose voting rights are restricted or who have no voting rights.

Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.

An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by casting ballots in accordance with the foregoing paragraph.

If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.

The ballots shall be publicly counted at the meeting venue and the result of voting shall be announced at the meeting and placed on record.

#### **Article 14**

If the election of directors and supervisors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director and Supervisor Election Regulations, and the results must be announced at the meeting.

The ballots cast in the election in the foregoing paragraph must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

#### **Article 15**

Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed to those shareholders who each hold less than 1,000 registered and outstanding shares in the form of an announcement on the Market Observation Post System Website.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

"There is no objection from any shareholders after solicitation by the chairman

and the resolution is passed" shall be recorded in the minutes if no objection is voiced after solicitation by the chairman before an agenda item is put to a vote. If there are any objections, however, and the agenda item is put to a vote, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.

#### **Article 16**

The Company shall, on the day of the meeting, compile the number of shares obtained by solicitors and the number of shares represented by proxies in statistical tables in the specified format, and shall post such tables in prominent locations within the meeting place.

If any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

#### **Article 17**

Persons handling affairs of the meeting shall wear identification cards or arm badges.

The chairman may order disciplinary officers or security guards to assist in keeping order in the meeting place. Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place.

If the meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman's correction, or disrupt the proceeding of the meeting and fail to desist, to leave the meeting place.

#### **Article 18**

During the meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set for the shareholders' meeting are completed, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

#### **Article 19**

These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

**ARTICLES OF INCORPORATION OF DELTA ELECTRONICS, INC.**  
**(Translation)**

**Section I - General Provisions**

**Article 1**

The Company is incorporated as a company limited by shares under the Company Law of the Republic of China, and its name is "Delta Electronics, Inc."

**Article 2**

The Company is engaged in the following businesses:

1. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;
2. CC01030 Household appliances manufacturing business;
3. CC01040 Lighting equipment manufacturing business;
4. CC01050 Data storage and processing equipment manufacturing business;
5. CC01060 Wire communication equipment and apparatus manufacturing business;
6. CC01080 Electronic parts and components manufacturing business;
7. CC01990 Other electrical and electronic machinery and materials manufacturing business (manufacturing of parts and components of household appliances, and parts and components of lighting equipment);
8. CE01030 Photographic and Optical Equipment Manufacturing business;
9. CB01990 Other machinery manufacturing business (mechanics components);
10. CD01030 Automobiles and auto-parts manufacturing business;
11. CD01040 Motorcycles and motorcycle parts manufacturing business;
12. CD01050 Bicycles and bicycle parts manufacturing business;
13. F401030 Manufacture and export business;
14. E605010 Computer equipment installation business;
15. E603050 Automation control equipment manufacturing business;
16. I1501010 Product external appearance designing business;
17. I599990 Other design business (electronics);
18. F219010 Electronic components and materials retail business;
19. F119010 Electronic components and materials wholesale business;
20. CC01090 Batteries manufacturing business;
21. CC01070 Wireless communication devices and equipment manufacturing



- business;
22. F113070 Telecommunication equipment wholesale business;
  23. F213060 Telecommunication equipment retail business;
  24. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
  25. F113020 Electrical appliances wholesale business;
  26. F113050 Office appliances and equipment wholesale business;
  27. F213010 Electrical appliances retail business;
  28. F213030 Office appliances and equipment retail business;
  29. F401010 International trade business;
  30. G801010 Warehousing and storage business;
  31. E701010 Telecommunication engineering and construction business;
  32. I301010 Software design and service business;
  33. CF01011 Medical appliances and equipment business;
  34. CB01010 Machinery equipment manufacturing business;
  35. CE01040 Clocks and Watches manufacturing business;
  36. CC01110 Computers and its peripheral equipment manufacturing business;
  37. CE01010 General equipment and instruments manufacturing business;
  38. F401021 Restricted telecommunication radio frequency equipment and materials import business;
  39. All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.

### **Article 3**

The Company shall have its head office in Taoyuan County, Taiwan, and may set up branch offices at various locations that the Board of Directors may deem necessary by resolution.

### **Article 4**

The method to make public announcements of the Company shall be subject to Article 28 of the Company Law and regulations stipulated by the competent securities administration authority.

### **Article 4-1**

When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the "Operational Procedures for Providing Endorsement and Guarantee" of the Company.

## **Section II - Capital Stock**

### **Article 5**

The total capital stock of the Company shall be in the amount of NT\$25,000,000,000, divided into 2,500,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

### **Article 5-1**

The aggregate amount of the Company's investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.

### **Article 5-2**

Deleted

### **Article 6**

Subject to the Company Law or other related regulations, the stock certificates of the Company may be printed in combination form for the aggregate number of shares issued for each installment or may be made without physical certificates. However, the stock of the Company shall be registered with the securities centralized depository institution.

**Article 6-1**

Deleted

**Article 7**

Unless otherwise provided for in applicable laws, regulations and rulings stipulated by the competent securities authority, the Company shall handle its stock affairs for shareholders in accordance with the Company Law and the - Regulations Governing Handling of Stock Affairs by Public Companies.

**Article 8**

Deleted

**Article 9**

Deleted

**Article 10**

Deleted

**Article 11**

Registration for stock transfer shall be suspended for sixty days before any general shareholders' meeting, thirty days before any special shareholders' meeting, and five days before a record date on which dividends, bonuses or any other interests are scheduled for distribution by the Company.

**Section III - Stockholders' Meeting****Article 12**

Shareholders' meetings shall be of two types: general meetings and special meetings. General shareholders' meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened according to laws when necessary.

**Article 13**

In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

**Article 14**

A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case of his absence, the Chairman of the Board of Directors shall designate one director to act on his behalf. In the absence of such designation, the directors shall elect one from among themselves as the chairman of the meeting.

**Article 15**

A shareholder shall be entitled to one vote for each share held by him/her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.

**Article 16**

Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

**Article 17**

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in - book of attending shareholders and proxy forms shall be kept in the Company. For each registered shareholder whose shareholding is less than one thousand shares, the distribution of meeting minutes may be effected by means of a public announcement.

The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.

## **Section IV - Directors and Supervisors**

### **Article 18**

The Company shall have at least five but no more than nine directors and two or three supervisors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors and supervisors shall be three years. All of the directors and supervisors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least one but no more than three independent directors. The independent directors shall be elected from among the nominees listed in the roster of independent director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.

The aggregate number of the registered shares held by all directors and supervisors shall be subject to the regulations, if any stipulated by the competent securities authority.

Remuneration for directors and supervisors shall be determined by the shareholders' meeting.

The Company may purchase liability insurance for its directors and supervisors.

### **Article 19**

When one-third of the directors have vacated their offices, a shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor.

### **Article 20**

If the re-election of directors and supervisors is not held before the current term of office expires, the incumbent directors and supervisors shall hold office until their successors have been elected and have assumed their office.

### **Article 21**

The Board of Directors shall be formed by directors. The directors shall elect from among themselves the Chairman of the Board of Directors by a majority of votes cast by the directors present at the meeting attended by at least two-thirds of the directors, and such method may apply to the election of vice-Chairman.

The Chairman and vice-Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and the resolutions adopted by the Board of Directors.

#### **Article 21-1**

The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

#### **Article 22**

Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Law. In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

#### **Article 23**

Unless otherwise provided in the Company Law, a meeting of the Board of Directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend a meeting of Board of Directors, he shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. The power of attorney shall specify the scope and limitation of authority or powers in respect to the business to be transacted at the meeting. The proxy may accept the appointment of one director only. If a meeting of the Board of Directors is held by way of a videoconference, the director who attends the meeting in such manner shall be deemed as present in person.

#### **Article 24**

Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting. The minutes shall be distributed to each director within twenty (20) days after the meeting. The minutes shall record the time, the date and place of the meeting, name of chairman and the manner for adopting a resolution, the key contents and the

results of the meeting. The minutes, sign-in book of directors and proxy forms shall be kept in the Company, and the preservation period of the same shall be subject to the Company Law.

#### **Article 25**

The supervisors, in addition to independently exercising their supervising powers according to applicable laws, may attend meetings of the Board of Directors to voice their opinions (but shall not be entitled to participate in voting).

### **Section V - Officers and Staffers**

#### **Article 26**

The Company may appoint officers. The appointment and discharge of the officers shall be approved by a majority in a meeting of the Board of Directors attended by a majority of the directors.

#### **Article 27**

Deleted

#### **Article 28**

Deleted

### **Section VI - Finalization of Accounts**

#### **Article 29**

The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the supervisors for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the supervisors, shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. Proposal concerning allocation of earnings or making up losses.

### **Article 30**

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings;
4. Setting aside a special reserve when necessary;
5. The balance after the abovementioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution of the shareholders' meeting in the following order for that fiscal year:
  - (1) no more than 1% as the remuneration for directors and supervisors;
  - (2) at least 3% as the employee bonuses; when bonuses are distributed in the form of stock, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications. The Board of Directors, or persons authorized by the Board of Directors, shall stipulate relevant regulations for distribution of employee bonuses; and
  - (3) the shareholders' dividends: the balance after deducting the preceding two items thereof shall then be allocated as dividends to the shareholders.

### **Article 30-1**

The Company is situated in a volatile environment and is at the stable growth phase of the enterprise life cycle. Furthermore, taking into account the Company's financial structure, ability to generate operating profits, and the need to expand the operating scale, the Company decides to adopt a residual dividend policy.

The proposal concerning the allocation of earnings raised by the Board of Directors shall be made according to the principle that at least 50% of the distributable earnings as of that year should be allocated as the shareholders' dividends, and no less than 5% of the distributed dividends shall be in the form of cash.

## **Section VII - Supplementary Provisions**



### **Article 31**

The internal organizational rules and regulations of the Company shall be separately stipulated by the Board of Directors.

### **Article 32**

In regards to all matters not provided for in these Articles of Incorporation, the Company Law and other laws and regulations shall govern.

### **Article 33**

These Articles of Incorporation were enacted on July 28, 1975.

The first amendment was made on September 25, 1976;

The second amendment was made on January 10, 1977;

The third amendment was made on May 31, 1977;

The fourth amendment was made on May 29, 1978;

The fifth amendment was made on March 31, 1979;

The sixth amendment was made on May 28, 1979;

The seventh amendment was made on September 20, 1980;

The eighth amendment was made on September 9, 1982;

The ninth amendment was made on April 20, 1983;

The tenth amendment was made on June 25, 1984;

The eleventh amendment was made on June 10, 1985;

The twelfth amendment was made on June 20, 1985;

The thirteenth amendment was made on July 12, 1985;

The fourteenth amendment was made on April 18, 1987;

The fifteenth amendment was made on May 12, 1987;

The sixteenth amendment was made on November 17, 1987;

The seventeenth amendment was made on December 11, 1987;

The eighteenth amendment was made on March 19, 1988;

The nineteenth amendment was made on May 12, 1988;

The twentieth amendment was made on July 24, 1988;

The twenty-first amendment was made on November 25, 1988;

The twenty-second amendment was made on May 22, 1989;

The twenty-third amendment was made on May 9, 1990;  
The twenty-fourth amendment was made on May 8, 1991;  
The twenty-fifth amendment was made on May 8, 1992;  
The twenty-sixth amendment was made on May 8, 1993;  
The twenty-seventh amendment was made on May 9, 1994;  
The twenty-eighth amendment was made on May 10, 1995;  
The twenty-ninth amendment was made on June 6, 1996;  
The thirtieth amendment was made on June 3, 1997;  
The thirty-first amendment was made on May 15, 1998;  
The thirty-second amendment was made on May 12, 1999;  
The thirty-third amendment was made on May 18, 2000;  
The thirty-fourth amendment was made on May 16, 2001;  
The thirty-fifth amendment was made on May 16 2002;  
The thirty-sixth amendment was made on May 6, 2003;  
The thirty-seventh amendment was made on May 18, 2004;  
The thirty-eighth amendment was made on May 19, 2005;  
The thirty-ninth amendment was made on May 18, 2006; and  
The fortieth amendment was made on June 8, 2007.  
The forty-first amendment was made on June 13, 2008.

**Delta Electronics, Inc.**  
**Details of major Acquisition or Disposal of Assets for 2008**

Counterparty	Name of Asset	Acquisition or disposal	Value of acquisition or disposal (NT\$)	Number of shares acquired or disposed of (shares)	Relationship with the Company
Edison Opto Corporation	Edison Opto Corporation Common Stock	Acquisition	162,000,000	1,800,000	NA
Amita Technologies Inc. Ltd.	Amita Technologies Inc. Ltd. Common Stock	Acquisition	382,500,000	8,500,000	Invested company appraised using equity method
Original Shareholder(s) of Amita Technologies Inc. Ltd.	Amita Technologies Inc. Ltd. Common Stock	Acquisition	47,000,000	1,000,000	NA
PreOptix Co., Ltd.	PreOptix Co., Ltd. Common Stock	Acquisition	210,000,000	21,000,000	Subsidiary
Stock Exchange	Anpec Electronics Co., Common Stock	Disposal	162,918,900	2,954,000	NA

### **Employees' Bonuses and Directors' and Supervisors' Compensation**

This Company's proposed distribution of earnings for 2008 in the form of employees' bonuses and directors' and supervisors' compensation as approved by the Board of Directors is as follows:

- Proposed employee cash bonuses, employee stock bonuses and directors' and supervisors' compensation:
  - (1) Employee cash bonuses: NT\$270,445,806;
  - (2) Employee stock bonuses: NT\$1,622,674,836;
  - (3) Directors' and supervisors' compensation: NT\$16,200,000.
  
- There is no difference between the estimated amount of the expense for the recognition year and the amount of the employee cash bonuses, employee stock bonuses and directors' and supervisors' compensation proposed by the Board of Directors.

**Effect of Stock Distribution Resolved at This Shareholders' Meeting on  
Operating Performance and Earnings per Share**

(in NT\$)

Item	Year	2009 (Note 1)
Paid-in capital at beginning of the year		21,850,456,000
Distribution of stock dividends and cash dividends for the year	Cash dividends per share (NT\$)	3.5
	Number of shares allocated to per share for capitalized (NT\$)	0.1
	Number of shares allocated to per share for capitalization of legal reserve (NT\$)	0.1
Changes in operating performance	Operating income	(Note 2)
	Increase (decrease) in operating income in comparison with same period of the previous year	
	After-tax net profit	
	Increase (decrease) in after-tax net profit in comparison with same period of the previous year	
	Earnings per share (NT\$)	
	Increase (decrease) in earnings per share in comparison with same period of the previous year	
	Average rate return on investment for year (reciprocal of PE ratio)	
Hypothetical earnings per share and PE ratio	If capitalization of earnings was entirely distributed in the form cash dividends	Hypothetical earnings per share (NT\$)
		Hypothetical average rate of return on investment for year
	If capital reserve was not converted to capital	Hypothetical earnings per share (NT\$)
		Hypothetical average rate of return on investment for year

	If capital reserve were not converted to capital and capitalization of earnings was instead distributed in the form of cash dividends	Hypothetical earnings per share (NT\$)	
		Hypothetical average rate of return on investment for year	

Note 1: The proposed 2009 distribution of stock dividends and cash dividends indicated above was resolved at meetings of the Board of Directors held on February 27, 2009. The basis for distribution is the 2,185,045,600 outstanding shares as of April 12, 2009 (the book closing date of this year's general shareholders' meeting).

Note 2: The Company is not required to disclose 2009 financial forecasts according to relevant laws and regulations. Accordingly, changes in operating performance, hypothetical earnings per share, and PE ratio information are not applicable.

Chairman: Bruce CH Cheng

Manager: Yancey Hai

Officer in Charge: Roger Chu

### Shareholdings of All Directors and Supervisors

1. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors at Public Companies:
  - (1) The total shareholdings of all directors at the Company may not be less than 3% of the Company's total outstanding shares, and thus may not be less than 65,551,368 shares.
  - (2) The total shareholdings of all supervisors at the Company may not be less than 0.3% of the Company's total outstanding shares, and thus may not be less than 6,555,137 shares.
  
2. As of the book closing date of this general shareholders' meeting, the Company's directors and supervisors had the following shareholdings as recorded in the shareholders register:

Title	Name	Current shareholdings	
		Shares	Percentage
Chairman	Bruce CH Cheng	134,979,764	6.177%
Vice Chairman	Yancey Hai	713,739	0.033%
Director	Mark Ko	1,287,038	0.059%
Director	Raymond R Y Hsu	2,042,379	0.093%
Director	Fred Chai Yan Lee	-	0%
Director	Ping Chen	7,144,935	0.327%
Director	Simon Chang	808,557	0.037%
Independent director	Yi Chiang Lo	259,922	0.012%
Shareholdings of all directors		147,236,334	6.738%
Supervisor	E-Ying Hsieh	43,740,477	2.002%
Independent supervisor	Chung-Hsing Huang	-	0%
Shareholdings of all supervisors		43,740,477	2.002%

Note: This Company had a total of 2,185,045,600 outstanding shares as of the general shareholders' meeting's book closing date.

**Relevant information on proposals and nominations by shareholders who hold more than 1% of the total issued and outstanding shares of the Company**

1. In accordance with Article 172-1 and Article 192-1 of the Company Law, the proposal and nomination accepting period of 2009 general shareholders meeting is from April 1, 2009 to April 13, 2009.
2. No proposals/nominations are raised by shareholders holding 1% or more of the total number of outstanding shares during the 2009 general shareholders meeting except that the board nominated Yi Chiang Lo as a candidate for independent director of the 15<sup>th</sup> session.