



**2010 General Shareholders' Meeting  
Meeting Agenda  
(Translation)**

**Date of the Meeting:** June 15, 2010 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 2010 General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2009 Financial Statements, 2009 Consolidated Financial Statements and 2010 Annual General Shareholders' Meeting Agenda are available on the "Market Observation Post System Website;" please visit <http://newmops.twse.com.tw/> for details.

## **Procedures of Delta Electronics, Inc. 2010 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 and discussion items
9. Extemporaneous motions
10. Meeting adjourned

## **I. REPORT ITEMS**

1. 2009 Operation Results  
See Attachment 1: Business Report (pages 23-25)
2. 2009 Financial Results
  - (1) PricewaterhouseCoopers CPA Audit Report  
See Attachment 2: PricewaterhouseCoopers CPA Audit Report (pages 26)
  - (2) Balance Sheet as of December 31, 2009  
See Attachment 2: Balance Sheet (page 27-28)
  - (3) Income Statement (January 1, 2009 ~ December 31, 2009)  
See Attachment 2: Income Statement (page 29)
  - (4) Statement of Changes in Shareholders' Equity (January 1, 2009 ~ December 31, 2009)  
See Attachment 2: Statement of Changes in Shareholders' Equity (page 30)
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See Attachment 2: Cash Flow Statement (pages 31-32)
  - (6) PricewaterhouseCoopers CPA Audit Report (Consolidated Financial Statements)  
See Attachment 3: PricewaterhouseCoopers CPA Audit Report (pages 33)
  - (7) Consolidated Balance Sheet as of December 31, 2009  
See Attachment 3: Consolidated Balance Sheet (page 34-35)
  - (8) Consolidated Income Statement (January 1, 2009 ~ December 31, 2009)  
See Attachment 3: Consolidated Income Statement (page 36)
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See Attachment 3: Combined Statement of Changes in Shareholders' Equity (page 37)
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See Attachment 3: Consolidated Cash Flow Statement (pages 38-39)
3. Supervisors' Review Opinions on 2009 Financial Results  
See Attachment 4: Supervisors' Review Opinions on 2009 Financial Results (page 40)
4. 2009 Results of Impairment of Assets
  - (1) See Attachment 2: Income Statement and Attachment 3: Consolidated Income Statement

for details of results of impairment of assets recognized by the Company and all subsidiaries pursuant to the Financial Accounting Standard No. 35 (pages 29 and 36)

(2) Please review.

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

### **1. Acknowledge the 2009 Financial Results (Proposed by the Board of Directors)**

Explanation: (1) This Company's 2009 Financial Results including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to pages 23-39) 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 2009 Earnings Distribution (Proposed by the Board of Directors)

- Explanation: (1) With regard to earnings in 2009, 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 April 27, 2010.
- (2) NT\$10,012,785,195 will be distributed as shareholders' cash dividends for 2009. After approval by the general meeting, the board of directors would be authorized to set a record date of dividends distribution to shareholders of record for shares held on the record date. Based on the number of the issued shares of the Company entitled to receiving distribution as of April 9, 2010 (i.e., 2,383,996,475 shares), each one thousand shares shall receive a cash dividend of NT\$4,200. If the number of outstanding shares of the Company changes due to exercise of employee stock options and consequently leads to a change in the dividend distribution ratio approved by the general meeting, the board of directors is authorized to adjust the ratio based on the number of outstanding shares.
- (3) Please acknowledge.

Delta Electronics, Inc.  
2009 Earnings Distribution Table

Item	Explanation	Amount (in NT\$)
Undistributed earnings of previous year		4,672,530,278
Add: Revert of fractional cash dividend of previous year		19,820
Earnings in 2009		
Pre-tax earnings in 2009		11,576,547,821
Income tax expense		80,927,548
After-tax earnings in 2009 [Note 1]		11,657,475,369
Subtract: setting aside 10% legal reserve		1,165,747,537
Earnings available for distribution by the end of 2009 [Note 2]		15,164,277,930
Distribution items:		
Shareholders bonuses--cash [Note 3]	NT\$4.2 per share	10,012,785,195
Undistributed earnings by the end of 2009		5,151,492,735

- Note 1: Allocated employee bonuses--cash: NT\$2,156,670,465.  
Allocated directors' and supervisors' compensation--NT\$16,700,000.
- Note 2: Principle of earnings distribution in the Company's 2009 Earnings Distribution Table:  
Distribution of 2009 distributable earnings first.
- Note 3: On the basis of the number of outstanding common shares of the Company as of April 9, 2010 (i.e., 2,383,996,475 shares).
- Note 4: 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 the 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 Revised Articles of the Operational Procedures of Fund Lending

Article	Article after revision	Article before revision	Explanation
Article 3 Total Amount of Funds Lending and Limit for Each Recipient	1.(not revised.) 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 <u>10 percent</u> 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	1.(omitted for simplicity.) 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 <u>20 percent</u> 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,	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>amount to a single recipient shall not exceed <u>10 percent</u> 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.</p> <p>3.(not revised.)</p>	<p>the short-term financing amount to a single recipient shall not exceed <u>20 percent</u> 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.</p> <p>3. (omitted for simplicity.)</p>	
Article 5 Procedures for Fund Lending	<p>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. <u>The Board of Directors may authorize</u></p>	<p>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</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><u>the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year.</u> 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.</p> <p>(2)~(5) (not revised.)</p> <p>2. (not revised.)</p>	<p>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.</p> <p>(2)~(5) (omitted for simplicity.)</p> <p>2. (omitted for simplicity.)</p>	
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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 Revised Articles of the Operational Procedures of Endorsement and Guarantee

Article	Article after revision	Article before revision	Explanation
IV Limits of Endorsements /Guarantees	The total amount of the endorsements and guarantees made by the Company shall not exceed <u>40 percent</u> 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 <u>20 percent</u> of the Company's net worth as stated in the Company's latest financial statements. <u>The total amount of the endorsements and guarantees made by the Company and its subsidiary as a whole shall not exceed 50 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 30 percent of the</u>	The total amount of the endorsements and guarantees made by the Company shall not exceed <u>80 percent</u> 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 <u>40 percent</u> of the Company's net worth as stated in the Company's latest financial statements.	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><u>Company's net worth as stated in the Company's latest financial statements.</u></p> <p>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.</p>	<p>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.</p>	
<p><u>XII</u> Article Added</p>	<p><u>In case of endorsement or guarantee provided for a subsidiary whose net worth is lower than one half of the paid-in capital, the financial unit of the Company shall, on a monthly basis, assess the financial structure of such subsidiary, and upon any major changes, shall immediately notify the Chairman and request the relevant divisions in charge to handle the matters as soon as possible.</u></p>	<p>Article Added</p>	<p>Article added 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><u>XIII</u> Other Matters</p>	<p>After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for</p>	<p>After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for</p>	<p>Article 12 move to Article13.</p>

	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
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Resolution:

**5. Discussion of the Amendments to Articles of Incorporation (Proposed by the Board of Directors)**

Explanation:(1) The Company plans to revise Articles 2, 6, 22-1 and 33 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 voting.

Comparison Table of Revised Articles of the Articles of Incorporation

Article after revision	Article before revision	Explanation
<p>Article 2</p> <p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. <u>C801010 Basic chemical industry business;</u></li> <li>2. <u>C801990 Other chemical material manufacturing business;</u></li> <li>3. <u>CB01010 Machinery equipment manufacturing business;</u></li> <li>4. <u>CB01990 Other machinery manufacturing business;</u></li> <li>5. <u>CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</u></li> <li>6. <u>CC01030 Electric appliance and audiovisual electric products manufacturing business;</u></li> <li>7. <u>CC01040 Lighting equipment manufacturing business;</u></li> <li>8. <u>CC01060 Wire communication equipment and apparatus manufacturing business;</u></li> <li>9. <u>CC01070 Wireless communication devices and equipment manufacturing</u></li> </ol>	<p>Article 2</p> <p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> <li>1. <u>CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</u></li> <li>2. <u>CC01030 Electric appliance and audiovisual electric products manufacturing business;</u></li> <li>3. <u>CC01040 Lighting equipment manufacturing business;</u></li> <li>4. <u>CC01060 Wire communication equipment and apparatus manufacturing business;</u></li> <li>5. <u>CC01080 Electronic parts and components manufacturing business;</u></li> <li>6. <u>CC01990 Other electrical and electronic machinery and materials manufacturing business;</u></li> <li>7. <u>CE01030 Photographic and Optical Equipment Manufacturing business;</u></li> <li>8. <u>CB01990 Other machinery</u></li> </ol>	<p>Amendments to the business items have been drafted to better meet the Company's business needs: delete subparagraphs 29, add subparagraphs 1, 2, 23, 27, 30, 37, 39, 45, 48, 53, 57-65 and move the original subparagraph to meet the revision of the Codes of Business Items made by the MOEA.</p>

<p>business;</p> <p><u>10.</u> CC01080 Electronic parts and components manufacturing business;</p> <p><u>11.</u> CC01090 Batteries manufacturing business;</p> <p><u>12.</u> CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p><u>13.</u> CC01110 Computers and its peripheral equipment manufacturing business;</p> <p><u>14.</u> CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p><u>15.</u> CD01010 Ship and parts manufacturing business;</p> <p><u>16.</u> CD01020 Tramway Cars manufacturing business;</p> <p><u>17.</u> CD01030 Automobiles and auto-parts manufacturing business;</p> <p><u>18.</u> CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p><u>19.</u> CD01050 Bicycles and bicycle parts manufacturing business;</p> <p><u>20.</u> CD01060 Aircraft and parts manufacturing business;</p> <p><u>21.</u> CD01990 Other transportation equipment and parts manufacturing business;</p> <p><u>22.</u> CE01010 General equipment and instruments manufacturing business;</p> <p><u>23.</u> <u>CE01021 measuring instruments manufacturing business;</u></p>	<p>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 wholesale business;</p> <p><u>18.</u> CC01090 Batteries manufacturing business;</p> <p><u>19.</u> CC01070 Wireless communication devices and equipment manufacturing business;</p> <p><u>20.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>21.</u> F213060 Telecommunication equipment retail business;</p> <p><u>22.</u> CC01101 Restrained telecommunication radio</p>	
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<p><u>24.</u> CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p><u>25.</u> CE01040 Clocks and Watches manufacturing business;</p> <p><u>26.</u> CF01011 Medical appliances and equipment business;</p> <p><u>27.</u> <u>E601010 Electric appliance installation business;</u></p> <p><u>28.</u> E603050 Automation control equipment manufacturing business;</p> <p><u>29.</u> E605010 Computer equipment installation business;</p> <p><u>30.</u> <u>E701030 Restricted telecommunication radio frequency equipment and materials installation business;</u></p> <p><u>31.</u> F108031 Drugs and medical goods wholesale business;</p> <p><u>32.</u> F113020 Electrical appliances wholesale business;</p> <p><u>33.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>34.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>35.</u> F118010 Computer software wholesale business;</p> <p><u>36.</u> F119010 Electronic components and materials wholesale business;</p> <p><u>37.</u> <u>F199990 Other wholesale business;</u></p> <p><u>38.</u> F208031 Medical equipment retail business;</p> <p><u>39.</u> <u>F209060 Education, musical instruments and entertainment articles retail business;</u></p> <p><u>40.</u> F213010 Electrical appliances</p>	<p>frequency equipment and materials manufacturing;</p> <p><u>23.</u> F113020 Electrical appliances wholesale business;</p> <p><u>24.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>25.</u> F213010 Electrical appliances retail business;</p> <p><u>26.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>27.</u> F401010 International trade business;</p> <p><u>28.</u> G801010 Warehousing and storage business;</p> <p><u>29.</u> <u>E701010 Telecommunication engineering and construction business;</u></p> <p><u>30.</u> I301010 Software design and service business;</p> <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</p>	
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<p>retail business;</p> <p><u>41.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>42.</u> F213060 Telecommunication equipment retail business;</p> <p><u>43.</u> F218010 Computer software retail business;</p> <p><u>44.</u> F219010 Electronic components and materials retail business;</p> <p><u>45.</u> <u>F399040 Non-store retail business;</u></p> <p><u>46.</u> F401010 International trade business;</p> <p><u>47.</u> F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p><u>48.</u> <u>F401181 Measuring instrument importing business;</u></p> <p><u>49.</u> G801010 Warehousing and storage business;</p> <p><u>50.</u> I301010 Software design and service business;</p> <p><u>51.</u> I301020 Data processing services business;</p> <p><u>52.</u> I301030 Digital information supply services business;</p> <p><u>53.</u> <u>I401010 General advertising service business;</u></p> <p><u>54.</u> I501010 Product external appearance designing business;</p> <p><u>55.</u> I599990 Other design business;</p> <p><u>56.</u> IG03010 Energy technical services business;</p> <p><u>57.</u> <u>IZ03010 Newspaper clipping business;</u></p> <p><u>58.</u> <u>IZ04010 Translation business;</u></p>	<p>materials import business;</p> <p><u>37.</u> CD01010 Ship and parts manufacturing business;</p> <p><u>38.</u> CD01020 Tramway Cars manufacturing business;</p> <p><u>39.</u> CD01060 Aircraft and parts manufacturing business;</p> <p><u>40.</u> CD01990 Other transportation equipment and parts manufacturing business;</p> <p><u>41.</u> F108031 Drugs and medical goods wholesale business.</p> <p><u>42.</u> F118010 Computer software wholesale business;</p> <p><u>43.</u> F208031 Medical equipment retail business;</p> <p><u>44.</u> F218010 Computer software retail business;</p> <p><u>45.</u> I301020 Data processing services business;</p> <p><u>46.</u> I301030 Digital information supply services business;</p> <p><u>47.</u> IG03010 Energy technical services business;</p> <p><u>48.</u> ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
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<p>59. <u>IZ10010 Typesetting business;</u>  60. <u>IZ13010 Network authentication service business;</u>  61. <u>J303010 Magazines (journals) publishing business;</u>  62. <u>J304010 Books publishing business;</u>  63. <u>J305010 Audio publishing business;</u>  64. <u>J399010 Software publishing business;</u>  65. <u>J399990 Other publishing business;</u>  66. <u>ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</u></p>		
<p>Article 6  The <u>shares</u> of the Company <u>may be made</u> without physical certificates. <u>Nevertheless</u>, the stock of the Company shall be registered with the securities centralized depository institution.</p>	<p>Article 6  <u>Subject to the Company Law or other related regulations</u>, the <u>stock certificates</u> of the Company <u>may be printed in combination form for the aggregate number of shares issued for each installment or</u> may be made without physical certificates. <u>However</u>, the stock of the Company shall be registered with the securities centralized depository institution.</p>	<p>Amendments to the wording in order to follow promotion of book entry form made by the competent authority.</p>
<p>Article 22-1  The <u>notice of meeting</u> of Board of Directors shall be <u>made</u> in accordance with Article 204 of the Company Act, <u>and may be made in writing, or by e-mail, facsimile, etc.</u></p>	<p>Article 22-1  The meeting of Board of Directors shall be <u>convened</u> in accordance with Article 204 of the Company Law. <u>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>Minor amendments to wording to meet the Company Law and the regulations made by the competent authorities.</p>

<p>Article 33  These Articles of Incorporation were enacted on July 28, 1975. (the 1<sup>st</sup> through 42<sup>nd</sup> revision dates have been omitted for simplicity) The 43<sup>rd</sup> amendment is made on <u>June 15, 2010</u>.</p>	<p>Article 33  These Articles of Incorporation were enacted on July 28, 1975. (the 1<sup>st</sup> through 41<sup>st</sup> revision dates have been omitted for simplicity) The 42<sup>nd</sup> amendment is made on <u>June 10, 2009</u>.</p>	<p>Addition of the 43<sup>rd</sup> revision date.</p>
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Resolution:

## **6. Discussion of Releasing the Directors 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) Directors Mark Ko, Ping Chen, and Raymond R Y Hsu will concurrently act as the directors of newly incorporated Chenzhou Delta Technology Co., Ltd and Wuhu Delta Technology Co., Ltd. and Ping Chen will act as the general manager of said companies. Without prejudice to the interests of the Company, it is proposed to submit to the shareholders' meeting to remove the non-competition restrictions.
  - (3) The proposals are submitted for discussion and voting.

Resolution:

### **III. EXTEMPORARY MOTIONS**

Meeting adjourned



## Business Report

As the financial tsunami brought turmoil to the global economy in 2009, Delta Electronics adhered to the principles of integrity, quality, agility, teamwork and innovation, and safely weathered the turbulent year. Delta's consolidated sales revenues totaled NT\$125.5 billion, a decrease of 12% compared to 2008. Delta's gross profit totaled NT\$26.4 billion (21% of total sales revenues), an increase of 3%; net profit totaled NT\$11.8 billion (9.4% of total sales revenues), an increase of 6%; and net income after tax totaled NT\$11.7 billion (9.3% of total sales revenues), an increase of 14% from last year. Earnings per Share (EPS) for 2009 was NT\$5.2.

With our solid foundation in technology and dedication to innovation, Delta is widely recognized as the leading company in switching power supplies for the global electronics industry. We continue to be the world's number one in market share for power supplies used in servers, workstations and notebook PCs. In addition, Delta power supplies have made substantial market gains in consumer electronics markets. Last year Delta launched two telecom base station power systems with the world's highest efficiency, which we have improved from 92% to 96%, as well as the world's highest power density. Delta holds the number one telecom power market share in China and India. Delta designed and built the world's largest stadium solar energy system for the Kaohsiung World Games Stadium in 2008, followed by a 1.5 Mega Watt solar power system capacity for the Taichung Thermal Power Plant, which is now ready for trial runs. In 2009, Delta entered US solar energy market with a new business model that builds solar systems on rooftop and sells electricity to the residents. Delta also launched a full range of advanced LED lighting products with high efficiency and the world's first dimmable feature, for which we already received orders from international customers. Following our corporate mission to provide innovative, clean and efficient energy solutions such as solar power systems and LED lighting, Delta not only helps to reduce greenhouse gas emission but can also seize business opportunities for further growth.

For the Visual Display business, Delta is in an advantageous position with our self-developed key components. Delta has demonstrated strong capabilities in home theaters, professional projectors for commercial theaters and large venue convention centers. We also entered the outdoor LED Display market and developed advanced glasses-free 3D displays as well as extreme short throw projectors using an LED source. Delta's Full HD LED Home Theater DLP® projector was awarded the 2009 Computex Design and Innovation Award organized by iF — International Forum Design. During the



Beijing 2008 Olympic Games, Delta broadcasted the programs live on 300-inch screens through our high definition DLP projectors. Delta's high end projectors also revealed the wonders of the universe for the 2009 International Year of Astronomy in the outdoor Spring Equinox Night at National Chiang Kai-shek Memorial Hall in Taipei and the 400 Years of Heaven Gazing Exhibit.

Last year, despite the global economic recession, Delta's Industrial Automation business continued to grow as we significantly improved our competitiveness in the China market. Also in 2009 Delta developed and successfully tested a hybrid propulsion system for electric vehicles. All of these developments are the important pillars for Delta's future growth.

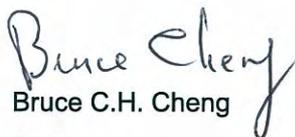
With Delta's insight into environmental protection, energy-saving and miniaturization, we continue to develop in-house expertise as well as seek complementary resources from external. Last year Delta merged Cyntec to integrate its know-how, processing technologies, and patents in miniaturized passive components as well as high density packaging technologies. Such move will benefit both sides through increased operation efficiencies and shortened product development cycle to provide customers with a wide variety of integrated, high efficiency, low power consumption power modules as well as manufacturing process services, technical support and a total solution.

Delta is dedicated to provide innovative, clean and efficient energy solutions, and has earned strong recognition from its customers consistently through innovation, quality and agility. Last year we received vendor awards from HP, Sony, Fujitsu, Black & Decker, and Pegatron Corporation. Delta is committed to corporate governance, provides key information in a timely and transparent manner, and carries out our social responsibility. As a result, last year Delta was named The Most Admired Company in the Electronics Industry for the eighth consecutive year and received the Corporate Citizenship Award for the 3rd consecutive year from CommonWealth Magazine. Delta was also ranked Grade A+ in Information Disclosure and Transparency by the authority, and received the first Asia Pacific 2009 Frost and Sullivan Green Excellence Award. Delta also published its 2008 Corporate Social Responsibility Report and its Tainan Plant was awarded by Taiwan's Ministry of Interior Affairs the "Diamond Rating" certificate for Green Buildings, an upgrade from its previous gold rating. With all these achievements, we will continue to devote our efforts to make Delta a globally respected enterprise.



The effects of the financial tsunami continue to have adverse impact on global economy. While many companies are laying off employees and closing factories, Delta insists on pursuing our long term goals, developing talents and investing in R&D. Construction of Delta's Shanghai R&D center is almost completed and will commence operation this August. Delta is about to begin construction for its third Taoyuan Plant which will serve as the global R&D center for industrial automation business. Environmentally related industries and infrastructure projects such as alternative energy, energy-saving products, telecommunication are not only the focus for government spending in most countries but also a must for the mankind. Delta rides on the frontier of this global wave and considers it our mission to develop advanced products such as solar energy, LED lighting, electric vehicles and components, E-paper and super capacitors to meet market demand, both now and future.

I wish to take this opportunity to thank our people for their contributions to the company and the efforts to achieve our goals. I also appreciate the recognition and support from Delta's shareholders. With these in mind, we will do our utmost to ensure Delta's continued growth and success.

  
Bruce C.H. Cheng  
Chairman

  
Yancey Hai  
Chief Executive Officer

  
Roger Chu  
Chief Financial Officer

## Attachment 2

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. as of December 31, 2009 and 2008, 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 24, 2010, 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, (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, and (c) effective January 1, 2009, the Company adopted the amendments to R.O.C. Statement of Financial Accounting Standards No. 10, “Accounting for Inventories”, 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 Taiwan  
February 24, 2010

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The accompanying 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 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)

	2009	2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4(1))	\$ 1,430,136	\$ 2,282,423
Available-for-sale financial assets - current (Note 4(5))	629,628	420,456
Derivative financial assets for hedging - current (Note 10(9))	14,173	11,675
Notes receivable, net	73,111	79,700
Accounts receivable, net (Note 4(3))	4,835,117	5,883,460
Accounts receivable, net - related parties (Note 5)	806,470	392,370
Other receivables	197,907	167,601
Other receivables - related parties (Note 5)	966,960	225,627
Other financial assets - current (Note 6)	30,236	29,167
Inventories (Note 4(4))	469,143	458,144
Deferred income tax assets - current (Note 4(20))	31,275	121,841
Other current assets - other	196,867	63,650
<b>Total current assets</b>	<u>9,681,023</u>	<u>10,136,114</u>
<b>Funds and Investments</b>		
Financial assets at fair value through profit or loss - non-current (Note 4(2))	860,000	-
Available-for-sale financial assets - non-current (Note 4(5))	589,371	76,209
Financial assets carried at cost - non-current (Notes 4(6)(11))	821,251	758,832
Investments in bonds without active markets - non-current (Note 4(7))	1,119,475	1,148,700
Long-term equity investments accounted for under the equity method (Note 4(8))	73,196,837	64,213,206
Cash surrender value of life insurance	91,852	91,862
<b>Total funds and investments</b>	<u>76,678,786</u>	<u>66,288,809</u>
<b>Property, Plant and Equipment, Net (Notes 4(9)(11))</b>		
<b>Cost</b>		
Land	1,164,884	1,143,562
Buildings	2,443,784	2,402,927
Machinery and equipment	1,583,610	1,654,402
Molding equipment	272,867	267,539
Computer and communication equipment	227,912	305,972
Testing equipment	1,521,616	1,497,375
Transportation equipment	18,623	20,796
Office equipment	159,076	159,852
Revaluation increments	471,818	407,007
Cost and revaluation increments	7,864,190	7,859,432
Less: Accumulated depreciation	( 3,827,642)	( 3,556,872)
Accumulated impairment loss - property, plant and equipment	( 241,298)	-
Construction in progress and prepayments for equipment	165,844	148,639
<b>Total property, plant and equipment, net</b>	<u>3,961,094</u>	<u>4,451,199</u>
<b>Intangible Assets</b>		
Patents	43,555	56,665
Deferred pension costs (Note 4(15))	16,463	20,579
Other intangible assets - other	-	3,914
<b>Total intangible assets</b>	<u>60,018</u>	<u>81,158</u>
<b>Other Assets</b>		
Assets leased to others (Notes 4(10) and 5)	590,576	641,750
Refundable deposits	6,591	3,403
Deferred expenses	107,697	141,926
Other assets - other	14,740	-
<b>Total other assets</b>	<u>719,604</u>	<u>787,079</u>
<b>TOTAL ASSETS</b>	<u>\$ 91,100,525</u>	<u>\$ 81,744,359</u>

(Continued)

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

	2009	2008
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans (Note 4(12))	\$ 5,479,920	\$ 3,066,753
Financial liabilities at fair value through profit or loss - current (Note 4(13))	-	218
Derivative financial liabilities for hedging - current (Note 10(9))	21,153	8,913
Accounts payable	558,879	440,733
Accounts payable - related parties (Note 5)	6,829,606	9,157,891
Income tax payable (Note 4(20))	218,941	92,122
Accrued expenses	3,899,532	3,040,839
Other payables - related parties (Note 5)	1,224,606	353,567
Other payables	226,683	281,896
Receipts in advance	279,194	228,637
Other current liabilities	370,140	250,087
<b>Total current liabilities</b>	<b>19,108,654</b>	<b>16,921,656</b>
<b>Long-term Liability</b>		
Long-term loans (Note 4(14))	2,410,000	-
<b>Reserve</b>		
Land value incremental reserve (Note 4(9))	91,569	74,312
<b>Other Liabilities</b>		
Accrued pension liabilities (Note 4(15))	985,807	791,213
Guarantee deposits received (Note 5)	5,912	5,912
Deferred income tax liabilities - non-current (Note 4(20))	5,100,279	5,491,853
Other liabilities - other	97,215	115,949
<b>Total other liabilities</b>	<b>6,189,213</b>	<b>6,404,927</b>
<b>Total liabilities</b>	<b>27,799,436</b>	<b>23,400,895</b>
<b>Stockholders' Equity</b>		
<b>Capital</b>		
Common stock (Notes 1 and 4(16))	22,573,091	21,850,456
<b>Capital Reserves (Note 4(17))</b>		
Capital reserve from conversion of convertible bonds	10,253,416	10,471,921
Capital reserve - other	4,818,949	2,810,283
<b>Retained Earnings</b>		
Legal reserve (Note 4(18))	8,323,411	7,298,319
Undistributed earnings (Note 4(19))	16,330,025	13,563,786
<b>Other Adjustments to Stockholders' Equity</b>		
Asset revaluations (Note 4(9))	407,170	359,616
Unrealized gain or loss on financial instruments	626,148	135,764
Cumulative translation adjustments	108,570	1,884,323
Unrecognized pension cost (Note 4(15))	(139,691)	(31,004)
<b>Total stockholders' equity</b>	<b>63,301,089</b>	<b>58,343,464</b>
<b>Commitments And Contingent Liabilities (Notes 5 and 7)</b>		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 91,100,525</b>	<b>\$ 81,744,359</b>

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated February 24, 2010.

**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)

	2009		2008					
Operating Revenues (Note 5)								
Sales	\$	23,912,000	\$	32,966,159				
Sales returns	(	17,012)	(	17,387)				
Sales discounts	(	56,818)	(	57,987)				
Net Sales		23,838,170		32,890,785				
Service income (Note 5)		5,712,660		5,015,628				
Net Operating Revenues		29,550,830		37,906,413				
Operating Costs (Notes 4(22) and 5)								
Cost of goods sold	(	21,664,160)	(	30,617,894)				
Service costs	(	4,187,138)	(	4,143,304)				
Net Operating Costs	(	25,851,298)	(	34,761,198)				
Gross profit		3,699,532		3,145,215				
Operating Expenses (Note 4(22))								
Sales and marketing expenses	(	441,123)	(	472,814)				
General and administrative expenses	(	1,322,527)	(	1,359,930)				
Research and development expenses	(	553,580)	(	509,602)				
Total Operating Expenses	(	2,317,230)	(	2,342,346)				
Operating income		1,382,302		802,869				
Non-operating Income and Gains								
Interest income		33,524		192,344				
Investment income accounted for under the equity method (Note 4(8))		9,923,567		9,638,686				
Dividend income		23,043		71,228				
Gain on disposal of property, plant and equipment		8,916		1,179				
Gain on disposal of investments		10,113		134,819				
Foreign exchange gain, net		87,161		44,963				
Rental income (Note 5)		43,068		45,071				
Other non-operating income		386,919		481,188				
Non-operating Income and Gains		10,516,311		10,609,478				
Non-operating Expenses and Losses								
Interest expense	(	42,829)	(	14,123)				
Loss on valuation of financial liabilities (Note 4(13))	(	-	(	218)				
Impairment loss (Note 4(11))	(	245,346)	(	-				
Other non-operating losses	(	33,890)	(	11,155)				
Non-operating Expenses and Losses	(	322,065)	(	25,496)				
Income from continuing operations before income tax		11,576,548		11,386,851				
Income tax benefit (expense) (Note 4(20))		80,927	(	1,135,936)				
Net income	\$	11,657,475	\$	10,250,915				
		Before Tax	After Tax	Before Tax	After Tax			
Earnings Per Share (In Dollars) (Note 4(21))								
Basic Earnings Per Share								
Net income	\$	5.16	\$	5.20	\$	5.11	\$	4.60
Diluted Earnings Per Share								
Net income	\$	5.11	\$	5.15	\$	5.04	\$	4.53

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated February 24, 2010.

DELTA ELECTRONICS, INC.  
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

	<u>Retained Earnings</u>								Total
	Common stock	Capital Reserves	Legal reserve	Undistributed earnings	Asset revaluations	Unrealized gain or loss on financial instruments	Cumulative translation adjustments	Unrecognized pension cost	
<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
Capitalization of capital reserve	210,641	( 210,641)	-	-	-	-	-	-	-
Distribution of 2007 earnings:									
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)
Stock dividends	210,642	-	-	( 210,642)	-	-	-	-	-
Cash dividends	-	-	-	( 11,585,295)	-	-	-	-	( 11,585,295)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	5,589	-	-	-	-	-	-	5,589
Change in asset revaluations	-	-	-	-	98,698	-	-	-	98,698
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	( 1,265,408)	-	-	( 1,265,408)
Unrecognized pension cost	-	-	-	-	-	-	-	( 31,004)	( 31,004)
Changes in cumulative translation adjustments	-	-	-	-	-	-	409,340	-	409,340
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	74,473	986,503	-	1,060,976
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>
<u>2009</u>									
Balance at January 1, 2009	\$ 21,850,456	\$ 13,282,204	\$ 7,298,319	\$ 13,563,786	\$ 359,616	\$ 135,764	\$ 1,884,323	( \$ 31,004)	\$ 58,343,464
Capitalization of capital reserve	218,505	( 218,505)	-	-	-	-	-	-	-
Employees' stock bonus	247,775	1,374,900	-	-	-	-	-	-	1,622,675
Employees' stock option	37,850	276,311	-	-	-	-	-	-	314,161
Distribution of 2008 earnings:									
Legal reserve	-	-	1,025,092	( 1,025,092)	-	-	-	-	-
Stock dividends	218,505	-	-	( 218,505)	-	-	-	-	-
Cash dividends	-	-	-	( 7,647,639)	-	-	-	-	( 7,647,639)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	357,455	-	-	-	-	-	-	357,455
Change in asset revaluations	-	-	-	-	47,554	-	-	-	47,554
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	712,591	-	-	712,591
Unrecognized pension cost	-	-	-	-	-	-	-	( 108,687)	( 108,687)
Changes in cumulative translation adjustments	-	-	-	-	-	-	( 2,774,605)	-	( 2,774,605)
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	( 222,207)	998,852	-	776,645
Net income for the year	-	-	-	11,657,475	-	-	-	-	11,657,475
Balance at December 31, 2009	<u>\$ 22,573,091</u>	<u>\$ 15,072,365</u>	<u>\$ 8,323,411</u>	<u>\$ 16,330,025</u>	<u>\$ 407,170</u>	<u>\$ 626,148</u>	<u>\$ 108,570</u>	<u>( \$ 139,691)</u>	<u>\$ 63,301,089</u>

Note: Directors' and supervisors' remuneration amounting to \$16,200 and employees' bonus amounting to \$1,344,879 had been deducted from the Non-Consolidated Statement of Income in 2008.

Note: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$1,671,961 had been deducted from the Non-Consolidated Statement of Income in 2009.

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated February 24, 2010.

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

	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 11,657,475	\$ 10,250,915
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in unrealized valuation of financial assets	-	1,529
Changes in unrealized valuation of financial liabilities	( 218)	( 43)
Reversal of allowance for doubtful accounts	( 10,311)	( 2,079)
Provision for inventory obsolescence and market price declines	27,355	-
Reversal of allowance for inventory obsolescence and market price declines	-	( 12,712)
Gain on disposal of investments	( 10,113)	( 134,819)
Impairment loss on financial assets	4,048	-
Change in foreign exchange on investments in bonds without active markets	29,225	( 285,795)
Investment income accounted for under equity method	( 9,923,567)	( 9,638,686)
Cash dividends received from investee companies accounted for under the equity method	2,562,720	474,291
Depreciation (including assets leased to others)	466,580	527,974
Amortization	174,810	148,980
Gain on disposal of property, plant and equipment, net	( 8,916)	( 1,179)
Impairment loss on non-financial assets	241,298	-
Amortization of long-term deferred income	( 18,734)	( 17,499)
Changes in assets and liabilities		
Notes receivable	6,589	( 37,541)
Accounts receivable	1,058,654	1,603,908
Accounts receivable, net - related parties	( 414,100)	544,361
Other receivables	( 27,895)	10,970
Other receivables, net - related parties	( 741,333)	103,502
Inventories	( 38,354)	191,784
Deferred tax assets	90,566	( 3,165)
Other current assets - other	( 133,217)	89,528
Other assets - other	( 14,740)	-
Accounts payable	118,146	( 48,764)
Accounts payable - related parties	( 2,328,285)	( 4,530,240)
Income tax payable	126,819	( 213,995)
Accrued expenses	2,474,145	1,609,942
Other payables - related parties	871,039	( 1,519,942)
Other payables	( 55,213)	( 52,723)
Receipts in advance	50,557	( 51,512)
Other current liabilities	120,053	65,531
Accrued pension liabilities	90,023	58,621
Deferred tax liabilities	( 391,574)	1,038,575
Net cash provided by operating activities	<u>6,053,532</u>	<u>169,717</u>

(Continued)

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

	2009	2008
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through profit or loss	(\$ 860,000)	\$ -
Decrease in financial assets at fair value through profit or loss	-	169
Decrease in financial liabilities at fair value through profit or loss	-	(170)
Increase in other financial assets - current	(1,069)	(8,009)
Increase in available-for-sale financial assets	-	(90,000)
Proceeds from disposal of available-for-sale financial assets	-	177,404
Increase in financial assets carried at cost	(77,307)	(248,700)
Proceeds from disposal of financial assets carried at cost	17,736	-
Proceeds from liquidation of investee company	5,345	36,721
Proceeds from disposal of investments in bonds without active markets	-	6,272,795
Increase in long-term equity investments accounted for under the equity method	(3,260,606)	(687,500)
Decrease (increase) in cash surrender value of life insurance	10	(4,347)
Acquisition of property, plant and equipment	(165,945)	(777,752)
Proceeds from disposal of property, plant and equipment	73,073	7,175
Increase in intangible assets	-	(34,252)
(Increase) decrease in refundable deposits	(3,188)	1,061
Increase in deferred expenses	(123,557)	(170,236)
Net cash (used in) provided by investing activities	(4,395,508)	4,474,359
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	2,413,167	3,066,753
Increase in long-term loans	2,410,000	-
Employees' stock option	314,161	-
Payment of directors' and supervisors' remuneration	-	(16,200)
Payment of cash dividends and employees' cash bonus	(7,647,639)	(11,950,295)
Net cash used in financing activities	(2,510,311)	(8,899,742)
Decrease in cash and cash equivalents	(852,287)	(4,255,666)
Cash and cash equivalents at beginning of year	2,282,423	6,538,089
Cash and cash equivalents at end of year	\$ 1,430,136	\$ 2,282,423
<b><u>Supplemental disclosures of cash flow information</u></b>		
Cash paid during the year for interest	\$ 40,535	\$ 13,076
Cash paid during the year for income tax	\$ 93,262	\$ 314,521
<b><u>Non-cash flows from investing and financing activities:</u></b>		
Employees' stock bonus	\$ 1,622,675	\$ 365,000

The accompanying notes are an integral part of these financial statements.  
See report of independent accountants dated February 24, 2010.

## Attachment 3

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 consolidated balance sheets of Delta Electronics, Inc. and its subsidiaries as of December 31, 2009 and 2008, 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 24, 2010, 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, and (c) effective January 1, 2009, the Company and its subsidiaries adopted the amendments to R.O.C. Statement of Financial Accounting Standards No. 10 “Accounting for Inventories”, 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 Taiwan  
February 24, 2010

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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)

	2009	2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4(1))	\$ 57,499,350	\$ 43,093,738
Financial assets at fair value through profit or loss - current (Note 4(2))	49,593	43,491
Available-for-sale financial assets - current (Note 4(5))	629,628	420,456
Derivative financial assets for hedging - current (Note 10(9))	274,648	1,051,215
Notes receivable, net	708,618	582,309
Accounts receivable, net (Note 4(3))	25,104,218	22,810,469
Accounts receivable, net - related parties (Note 5)	2,454,403	1,449,652
Other receivables (Note 4(20))	1,313,299	1,793,032
Other financial assets - current (Note 6)	38,573	709,292
Inventories (Note 4(4))	9,748,280	9,244,953
Prepayments	1,159,724	1,168,419
Other current assets	222,919	71,405
<b>Total current assets</b>	<u>99,203,253</u>	<u>82,438,431</u>
<b>Funds and Investments</b>		
Financial assets at fair value through profit or loss - non-current (Note 4(2))	860,000	-
Available-for-sale financial assets - non-current (Note 4(5))	628,199	79,156
Financial assets carried at cost - non-current (Notes 4(6)(11))	1,324,258	1,240,510
Investments in bonds without active markets - non-current (Note 4(7))	1,119,475	1,148,700
Long-term equity investments accounted for under the equity method (Note 4(8))	7,730,006	7,227,174
Cash surrender value of life insurance	91,852	91,862
<b>Total funds and investments</b>	<u>11,753,790</u>	<u>9,787,402</u>
<b>Property, Plant and Equipment, Net (Notes 4(9)(11))</b>		
<b>Cost</b>		
Land	1,643,868	1,654,542
Buildings	11,079,871	9,719,960
Machinery and equipment	12,895,532	12,856,518
Molding equipment	1,581,738	1,448,980
Computer and communication equipment	1,111,669	1,006,484
Testing equipment	6,781,633	6,622,990
Transportation equipment	149,436	175,705
Office equipment	1,638,283	1,639,476
Leasehold improvements	284,920	251,918
Other equipment	-	13,229
Revaluation increments	471,818	407,007
Cost and revaluation increments	<u>37,638,768</u>	<u>35,796,809</u>
Less: Accumulated depreciation	( 19,875,894)	( 16,636,294)
Accumulated impairment loss - property, plant and equipment	( 1,164,773)	( 5,748)
Construction in progress and prepayments for equipment	<u>3,669,880</u>	<u>3,186,542</u>
<b>Total property, plant and equipment, net</b>	<u>20,267,981</u>	<u>22,341,309</u>
<b>Intangible assets</b>		
Patents (Note 5)	211,287	56,665
Deferred pension costs (Note 4(15))	16,463	20,579
Other intangible assets - other	856,536	839,196
<b>Total intangible assets</b>	<u>1,084,286</u>	<u>916,440</u>
<b>Other Assets</b>		
Assets leased to others (Notes 4(10)(11))	46,626	49,597
Refundable deposits	61,691	55,410
Deferred expenses	206,017	339,970
Other assets - other	1,289,423	1,628,812
<b>Total other assets</b>	<u>1,603,757</u>	<u>2,073,789</u>
<b>TOTAL ASSETS</b>	<u>\$ 133,913,067</u>	<u>\$ 117,557,371</u>

(Continued)

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

	2009	2008
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans (Note 4(12))	\$ 11,773,271	\$ 7,093,047
Financial liabilities at fair value through profit or loss - current (Note 4(13))	3,924	83,750
Derivative financial liabilities for hedging - current (Note 10(9))	39,769	476,441
Accounts payable	25,106,360	19,858,456
Accounts payable - related parties (Note 5)	273,407	292,853
Income tax payable (Note 4(20))	654,896	517,009
Accrued expenses	7,464,755	6,352,437
Other payables	1,477,960	1,720,836
Receipts in advance	785,183	524,342
Deferred income tax liabilities - current (Note 4(20))	146,184	40,282
Other current liabilities - other	573,572	523,160
<b>Total current liabilities</b>	<b>48,299,281</b>	<b>37,482,613</b>
<b>Long-term Liability</b>		
Long-term loans (Note 4(14))	2,973,971	65,640
<b>Reserve</b>		
Land value incremental reserve (Note 4(9))	91,569	74,312
<b>Other Liabilities</b>		
Accrued pension liabilities (Note 4(15))	1,943,650	1,575,619
Guarantee deposits received	54,421	105,370
Deferred income tax liabilities - non-current (Note 4(20))	4,430,972	5,242,335
Other liabilities - other	274,251	423,106
<b>Total other liabilities</b>	<b>6,703,294</b>	<b>7,346,430</b>
<b>Total liabilities</b>	<b>58,068,115</b>	<b>44,968,995</b>
<b>Stockholders' Equity</b>		
<b>Capital</b>		
Common stock (Note 4(16))	22,573,091	21,850,456
<b>Capital Reserves (Note 4(17))</b>		
Capital reserve from conversion of convertible bonds	10,253,416	10,471,921
Capital reserve - other	4,818,949	2,810,283
<b>Retained Earnings</b>		
Legal reserve (Note 4(18))	8,323,411	7,298,319
Undistributed earnings (Note 4(19))	16,330,025	13,563,786
<b>Other Adjustments to Stockholders' Equity</b>		
Asset revaluations (Note 4(9))	407,170	359,616
Unrealized gain or loss on financial instruments	626,148	135,764
Cumulative translation adjustments	108,570	1,884,323
Unrecognized pension cost (Note 4(15))	(139,691)	(31,004)
<b>Stockholders' equity</b>	<b>63,301,089</b>	<b>58,343,464</b>
Minority interest	12,543,863	14,244,912
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>75,844,952</b>	<b>72,588,376</b>
Commitments And Contingent Liabilities (Notes 5 and 7)		
Subsequent Event (Note 9)		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 133,913,067</b>	<b>\$ 117,557,371</b>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 24, 2010.

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

	2009		2008		
Operating Revenues (Note 5)					
Sales	\$	125,712,755	\$	143,084,821	
Sales returns	(	599,044)	(	1,223,062)	
Sales discounts	(	429,579)	(	288,766)	
Net Sales		124,684,132		141,572,993	
Service income		826,683		1,071,861	
Net Operating Revenues		125,510,815		142,644,854	
Operating Costs (Notes 4(22) and 5)					
Cost of goods sold	(	98,657,967)	(	116,099,039)	
Service costs	(	485,360)	(	827,661)	
Net Operating Costs	(	99,143,327)	(	116,926,700)	
Gross profit		26,367,488		25,718,154	
Operating Expenses (Note 4(22))					
Sales and marketing expenses	(	4,178,403)	(	4,453,121)	
General and administrative expenses	(	3,683,934)	(	3,685,370)	
Research and development expenses	(	6,742,736)	(	6,446,593)	
Total Operating Expenses	(	14,605,073)	(	14,585,084)	
Operating income		11,762,415		11,133,070	
Non-operating Income and Gains					
Interest income		524,658		1,144,013	
Gain on valuation of financial assets (Note 4(2))		38,330		61,537	
Investment income accounted for under the equity method (Note 4(8))		728,112		695,116	
Dividend income		37,905		110,886	
Gain on disposal of property, plant and equipment		14,208		-	
Gain on disposal of investments		10,290		-	
Foreign exchange gain, net		741,882		1,069,357	
Rental income		11,381		13,682	
Other non-operating income		1,683,006		1,525,985	
Non-operating Income and Gains		3,789,772		4,620,576	
Non-operating Expenses and Losses					
Interest expense	(	113,171)	(	218,160)	
Loss on valuation of financial liabilities (Note 4(12))	(	3,924)	(	83,750)	
Loss on disposal of property, plant and equipment	(	-	(	10,587)	
Loss on disposal of investments	(	-	(	50,165)	
Impairment loss (Note 4(11))	(	1,172,774)	(	7,907)	
Other non-operating losses	(	723,952)	(	596,248)	
Non-operating Expenses and Losses	(	2,013,821)	(	966,817)	
Income from continuing operations before income tax		13,538,366		14,786,829	
Income tax expense (Note 4(20))	(	470,331)	(	2,524,109)	
Consolidated net income	\$	13,068,035	\$	12,262,720	
Attributable to:					
Equity holder of the Company	\$	11,657,475	\$	10,250,915	
Minority interest		1,410,560		2,011,805	
	\$	13,068,035	\$	12,262,720	
		Before Tax	After Tax	Before Tax	After Tax
Earnings Per Share (In Dollars) (Note 4(21))					
Basic Earnings Per Share					
Net income from continuing operations	\$	6.04	\$	5.83	\$ 6.63
Minority interest income	(	0.63)	(	0.63)	( 0.90)
Net income	\$	5.41	\$	5.20	\$ 5.73
Diluted earnings per share					
Net income from continuing operations	\$	5.97	\$	5.77	\$ 6.54
Minority interest income	(	0.62)	(	0.62)	( 0.89)
Net income	\$	5.35	\$	5.15	\$ 5.65

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 24, 2010.

**DELTA ELECTRONICS, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

	<u>Retained Earnings</u>					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>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
Capitalization of capital reserve	210,641	( 210,641)	-	-	-	-	-	-	-	-
Distribution of 2007 earnings:										
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)	-
Stock dividends	210,642	-	-	( 210,642)	-	-	-	-	-	-
Cash dividends	-	-	-	( 11,585,295)	-	-	-	-	( 11,585,295)	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	5,589	-	-	-	-	-	-	-	5,589
Change in asset revaluation	-	-	-	-	98,698	-	-	-	-	98,698
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	( 1,265,408)	-	-	( 1,265,408)	-
Unrecognized pension cost	-	-	-	-	-	-	( 31,004)	-	( 31,004)	-
Changes in cumulative translation adjustments	-	-	-	-	-	-	409,340	-	-	409,340
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	74,473	986,503	-	-	1,060,976
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>
<u>2009</u>										
Balance at January 1, 2009	\$ 21,850,456	\$ 13,282,204	\$ 7,298,319	\$ 13,563,786	\$ 359,616	\$ 135,764	\$ 1,884,323	( \$ 31,004)	\$ 14,244,912	\$ 72,588,376
Capitalization of capital reserve	218,505	( 218,505)	-	-	-	-	-	-	-	-
Employees' stock bonus	247,775	1,374,900	-	-	-	-	-	-	-	1,622,675
Employees' stock option	37,850	276,311	-	-	-	-	-	-	-	314,161
Distribution of 2008 earnings:										
Legal reserve	-	-	1,025,092	( 1,025,092)	-	-	-	-	-	-
Stock dividends	218,505	-	-	( 218,505)	-	-	-	-	-	-
Cash dividends	-	-	-	( 7,647,639)	-	-	-	-	( 7,647,639)	-
Change in ownership percentage of long-term equity investments accounted for under equity method	-	357,455	-	-	-	-	-	-	-	357,455
Change in asset revaluation	-	-	-	-	47,554	-	-	-	-	47,554
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	712,591	-	-	-	712,591
Unrecognized pension cost	-	-	-	-	-	-	( 108,687)	-	( 108,687)	-
Changes in cumulative translation adjustments	-	-	-	-	-	-	( 2,774,605)	-	( 2,774,605)	-
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	( 222,207)	998,852	-	-	776,645
Changes in minority interest	-	-	-	-	-	-	-	( 3,111,609)	( 3,111,609)	-
Consolidated net income for the year	-	-	-	11,657,475	-	-	-	-	1,410,560	13,068,035
Balance at December 31, 2009	<u>\$ 22,573,091</u>	<u>\$ 15,072,365</u>	<u>\$ 8,323,411</u>	<u>\$ 16,330,025</u>	<u>\$ 407,170</u>	<u>\$ 626,148</u>	<u>\$ 108,570</u>	<u>( \$ 139,691)</u>	<u>\$ 12,543,863</u>	<u>\$ 75,844,952</u>

Note: Directors' and supervisors' remuneration amounting to \$28,957 and employees' bonus amounting to \$2,196,262 had been deducted from the Consolidated Statement of Income in 2008.  
Note: Directors' and supervisors' remuneration amounting to \$31,220 and employees' bonus amounting to \$2,492,808 had been deducted from the Consolidated Statement of Income in 2009.

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 24, 2010.

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

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 13,068,035	\$ 12,262,720
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in unrealized valuation of financial assets	( 6,102)	24,969
Changes in unrealized valuation of financial liabilities	( 79,826)	81,450
Provision for doubtful accounts	68,834	63,063
Provision for inventory obsolescence and market price decline	-	470,987
Reversal of allowance for inventory obsolescence and market price decline	( 57,864)	-
(Gain) loss on disposal of investments	( 10,290)	50,165
Impairment loss on financial assets	4,048	7,053
Change in foreign exchange on investments in bonds without active markets	29,225	( 285,795)
Investment income accounted for under equity method	( 728,112)	( 695,116)
Cash dividends received from investee companies accounted for under the equity method	445,769	557,228
Depreciation (including assets leased to others)	4,422,518	4,145,779
Amortization	377,097	306,263
(Gain) loss on disposal of property, plant and equipment, net	( 14,208)	10,587
Impairment loss on non-financial assets	1,168,726	854
Amortization of long-term deferred income	( 18,734)	( 17,499)
Changes in assets and liabilities		
Notes and accounts receivable	( 2,488,892)	4,482,975
Accounts receivable, net - related parties	( 1,004,751)	22,118
Other receivables	482,222	( 555,603)
Inventories	( 445,463)	207,985
Prepayments	9,919	( 814,025)
Deferred tax assets	-	170,104
Other current assets - other	( 151,514)	117,002
Other assets	345,845	( 830,418)
Accounts payable	5,247,904	( 5,849,724)
Accounts payable - related parties	( 19,446)	( 81,438)
Income tax payable	137,887	( 48,980)
Accrued expenses	1,109,814	2,347,046
Other payables	( 242,876)	( 1,572,240)
Receipts in advance	260,841	31,401
Other current liabilities	50,171	43,931
Accrued pension liabilities	263,455	282,561
Deferred tax liabilities	( 705,461)	937,062
Other liabilities	( 130,121)	205,980
Net cash provided by operating activities	<u>21,388,650</u>	<u>16,078,445</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	( 860,000)	-
Decrease in financial assets at fair value through profit or loss	-	169
Decrease in financial liabilities at fair value through profit or loss	-	( 170)
Decrease (increase) in other financial assets - current	670,719	( 688,134)
Increase in available-for-sale financial assets	( 165,699)	( 102,109)
Proceeds from disposal of available-for-sale financial assets	165,699	177,404
Increase in financial assets carried at cost	( 111,164)	( 600,745)
Proceeds from disposal of financial assets carried at cost	17,910	24,135
Proceeds from liquidation of investee company	5,345	38,780
Proceeds from disposal of investments in bonds without active markets	-	6,272,795
Increase in long-term equity investments accounted for under the equity method	( 418,268)	( 472,000)
Acquisition price of subsidiary	( 37,500)	-
Decrease (increase) in cash surrender value of life insurance	10	( 4,347)
Acquisition of property, plant and equipment	( 3,969,859)	( 7,478,089)
Proceeds from disposal of property, plant and equipment	232,504	299,965
Increase in intangible assets	( 235,522)	( 116,909)
(Increase) decrease in refundable deposits	( 5,789)	19,064
Increase in deferred expenses	( 189,029)	( 440,491)
Increase in other assets	( 6,451)	( 3,266)
Purchase of minority interests	( 4,599,470)	( 249,132)
Net cash used in investing activities	<u>( 9,506,564)</u>	<u>( 3,323,080)</u>

(Continued)

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

	2009	2008
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	\$ 4,680,224	\$ 3,049,985
Increase in long-term loans	2,908,331	65,640
(Decrease) increase in guarantee deposits received	( 50,949)	7,889
Employees' stock options	314,161	-
Payment of directors' and supervisors' remuneration	-	( 16,200)
Payment of cash dividends and employees' cash bonus	( 7,647,639)	( 11,950,295)
Cash dividends declared to minority interests	( 266,961)	( 735,452)
Increase in subsidiaries' capital from minority shareholders	1,490,000	167,578
Net cash provided by (used in) financing activities	1,427,167	( 9,410,855)
Effect due to changes in exchange rates	1,021,544	1,163,856
Effect due to changes in consolidated subsidiaries	74,815	( 18,141)
Increase in cash and cash equivalents	14,405,612	4,490,225
Cash and cash equivalents at beginning of year	43,093,738	38,603,513
Cash and cash equivalents at end of year	<u>\$ 57,499,350</u>	<u>\$ 43,093,738</u>
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for interest	<u>\$ 316,149</u>	<u>\$ 258,287</u>
Cash paid during the year for income tax	<u>\$ 1,086,986</u>	<u>\$ 1,667,723</u>
<u>Non-cash flows from investing and financing activities:</u>		
Employees' stock bonus	<u>\$ 1,622,675</u>	<u>\$ 365,000</u>
<u>Fair value of assets and liabilities of the acquired subsidiary were as follows:</u>		
Cash and cash equivalents	\$ 74,815	\$ -
Other receivables	78	-
Prepayments	1,224	-
Property, plant and equipment	3,467	-
Other intangible assets	7,287	-
Refundable deposits	493	-
Deferred expenses	3,237	-
Accrued expenses	( 2,504)	-
Other current liabilities	( 242)	-
Minority interests	( 16,114)	-
Less: Long-term investment in the subsidiary before acquisition	( 34,241)	-
Total	<u>\$ 37,500</u>	<u>\$ -</u>
Cash acquired from subsidiary	\$ 74,815	\$ -
Less: Acquisition price of subsidiary	( 37,500)	-
Net cash received from the acquisition of the subsidiary	<u>\$ 37,315</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated February 24, 2010.

## 2009 Supervisors' Report

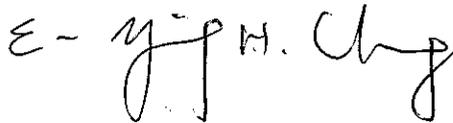
The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2009 Business Report, financial statements, consolidated financial statements and proposal for distribution of earnings of the Company. The above Business Report, financial 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 2010 General Shareholders' Meeting of Delta Electronics, Inc.

Supervisor    Chung-Hsing Huang



Supervisor    E-Ying Hsieh



April 27, 2010

**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  
May 23, 2003--amendment passed by the Board of Directors  
May 18, 2006-- passed by the general shareholders' meeting  
February 27, 2009--amendment passed by the Board of Directors  
April 27, 2009--amendment passed by the Board of Directors  
June 10, 2009-- 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 a related party.
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 a related party is in need of short-term financing in connection with its material-purchasing or operational needs.

### **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.

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 preceding two paragraphs.

### **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 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 plans.

### **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 the recipients of the fund lending are not in compliance with the Operating Procedures 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 and rectify as scheduled under the corrective plans.

#### **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 quarterly. 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.
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 lent to others by the Company and its Subsidiaries 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 by the Company and its Subsidiaries 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) Amount of funds newly lent by the Company or its Subsidiaries exceeds 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.

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  
April 27, 2009--amendment passed by the Board of Directors  
June 10, 2009-- 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 Company may make endorsements and/or guarantees for the following companies:

1. Related parties 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.

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.

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 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.

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.

The terms "related party", "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, No. 6 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. 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 and rectify as scheduled under the corrective plans.

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 cashflow 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 quarterly. 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.

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 balance of endorsements and guarantees made by the Company and its Subsidiaries reaches 50 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(2) The balance of endorsements and guarantees made by the Company and its Subsidiaries 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 balance of endorsements and guarantees made by the Company and its Subsidiaries 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 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.

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. (the "Company")  
Rules and Procedures of Shareholders' Meeting  
(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 Electric appliance and audiovisual electric products manufacturing business;
3. CC01040 Lighting equipment manufacturing business;
4. CC01060 Wire communication equipment and apparatus manufacturing business;
5. CC01080 Electronic parts and components manufacturing business;
6. CC01990 Other electrical and electronic machinery and materials manufacturing business;
7. CE01030 Photographic and Optical Equipment Manufacturing business;
8. CB01990 Other machinery manufacturing business;
9. CD01030 Automobiles and auto-parts manufacturing business;
10. CD01040 Motorcycles and motorcycle parts manufacturing business;
11. CD01050 Bicycles and bicycle parts manufacturing business;
12. E605010 Computer equipment installation business;
13. E603050 Automation control equipment manufacturing business;
14. I1501010 Product external appearance designing business;
15. I599990 Other design business;
16. F219010 Electronic components and materials retail business;
17. F119010 Electronic components and materials wholesale business;
18. CC01090 Batteries manufacturing business;
19. CC01070 Wireless communication devices and equipment manufacturing business;
20. F113070 Telecommunication equipment wholesale business;
21. F213060 Telecommunication equipment retail business;
22. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
23. F113020 Electrical appliances wholesale business;
24. F113050 Computer and Office appliances and equipment wholesale business;

25. F213010 Electrical appliances retail business;
26. F213030 Computer and Office appliances and equipment retail business;
27. F401010 International trade business;
28. G801010 Warehousing and storage business;
29. E701010 Telecommunication engineering and construction business;
30. I301010 Software design and service business;
31. CF01011 Medical appliances and equipment business;
32. CB01010 Machinery equipment manufacturing business;
33. CE01040 Clocks and Watches manufacturing business;
34. CC01110 Computers and its peripheral equipment manufacturing business;
35. CE01010 General equipment and instruments manufacturing business;
36. F401021 Restricted telecommunication radio frequency equipment and materials import business;
37. CD01010 Ship and parts manufacturing business;
38. CD01020 Tramway Cars manufacturing business;
39. CD01060 Aircraft and parts manufacturing business;
40. CD01990 Other transportation equipment and parts manufacturing business;
41. F108031 Drugs and medical goods wholesale business;
42. F118010 Computer software wholesale business;
43. F208031 Medical equipment retail business;
44. F218010 Computer software retail business;
45. I301020 Data processing services business;
46. I301030 Digital information supply services business;
47. IG03010 Energy technical services business;
48. ZZ99999 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\$27,000,000,000, divided into 2,700,000,000 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 22-1**

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.

### **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 and the recorder. The minutes shall be distributed to each director and supervisor within twenty (20) days after the meeting. 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.

The production and distribution of the meeting minutes may be made in the electronic form.

### **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 where 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;  
The fortieth amendment was made on June 8, 2007;  
The forty-first amendment was made on June 13, 2008; and  
The forty-second amendment was made on June 10, 2009.

**Delta Electronics, Inc.**  
**Details of Major Acquisition or Disposal of Assets in 2009**

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
Stock Exchange	Cyntec Co., Ltd.	Acquisition	163,532,702	5,500,000	None
Dynapack International Technology Corp.	Dynapack International Technology Corp. Privately Placed Domestic Unsecured Convertible Bonds	Acquisition	860,000,000	-	None
DelSolar Co., Ltd.	DelSolar Co., Ltd. Privately Placed Common Stock	Acquisition	3,010,000,000	75,250,000	Subsidiary of the Company

Attachment 10

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

This Company's proposed distribution of earnings for 2009 in the form of employees' bonuses and directors' and supervisors' compensation as approved by the Board of Directors is set forth as follows:

- Proposed employee cash bonuses and directors' and supervisors' compensation:
  - (1) Employee cash bonuses: NT\$2,156,670,465.
  - (2) Directors' and supervisors' compensation: NT\$16,700,000.
  
- There is no difference between the estimated amount of the expense for the recognition year and the amount of the employee cash bonuses and directors' and supervisors' compensation proposed by the Board of Directors.

Attachment 11

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

No Stock distribution is proposed in this shareholders' meeting, and the Company is not required to disclose 2010 financial forecasts according to relevant laws and regulations. Hence, the Company is not required to disclose yearly forecast information.

### 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 issued shares, and thus may not be less than 71,519,895 shares.
  - (2) The total shareholdings of all supervisors at the Company may not be less than 0.3% of the Company's total issued shares, and thus may not be less than 7,151,990 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	139,642,593	5.858%
Vice Chairman	Yancey Hai	952,302	0.040%
Director	Mark Ko	1,418,358	0.059%
Director	Raymond R Y Hsu	2,172,617	0.091%
Director	Fred Chai Yan Lee	0	0%
Director	Ping Chen	8,304,645	0.348%
Director	Simon Chang	994,881	0.042%
Director	Ming-Chung Chang	1,188,791	0.050%
Independent director	Yi Chiang Lo	265,120	0.011%
Shareholdings of all directors		154,939,307	6.499%
Supervisor	E-Ying Hsieh	45,697,948	1.917%
Independent supervisor	Chung-Hsing Huang	0	0%
Shareholdings of all supervisors		45,697,948	1.917%

Note: This Company had a total of 2,383,996,475 issued shares as of the general shareholders' meeting's book closing date.

Attachment 13

**Relevant Information on Proposals Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company**

1. In accordance with Article 172-1 of the Company Law, the proposal accepting period of 2010 general shareholders meeting is from April 2, 2010 to April 15, 2010.
2. No proposals are raised by shareholders holding 1% or more of the total number of issued shares of the Company during the above period.



**Jesse Chou**

Senior Director

Corporate Communications

Delta Electronics, Inc.