



**2011 Annual General Shareholders' Meeting
Meeting Agenda
(Translation)**

Date of the Meeting: June 24, 2011 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 2011 Annual General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2010 Financial Statements, 2010 Consolidated Financial Statements and 2011 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. 2011 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. 2010 Operation Results
See Attachment 1: Business Report (pages 23-26)
2. 2010 Financial Results
 - (1) PricewaterhouseCoopers CPA Audit Report
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4. Matters Regarding Short-Form Merger of the Company and Pre-Optix Co. Ltd.
 - (1) To integrate resources efficiently to expand business scale and reduce operating costs to

enhance profitability, and strengthen market competitiveness, after approval by the board meetings of both companies on October 28, 2010, the Company merged with its subsidiary Pre-Optix Co. Ltd. (which was 94.89% owned by the Company). The record date of the merger was March 1, 2011. The Company is the surviving company and Pre-Optix Co. Ltd. is dissolved after the merger.

- (2) The corporate amendment registration of the merger was approved by and registered with the Ministry of Economic Affairs on March 25, 2011.

II. ACKNOWLEDGEMENT AND DISCUSSION ITEMS

1. Acknowledge the 2010 Financial Results (Proposed by the Board of Directors)

Explanation: (1) This Company's 2010 Financial Results including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to pages 23-41) 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.

2. Acknowledge the 2010 Earnings Distribution (Proposed by the Board of Directors)

- Explanation: (1) With regard to earnings in 2010, 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 March 10, 2011.
- (2) NT\$12,480,064,964 will be distributed as shareholders' cash dividends for 2010. After approval by the annual general shareholders' meeting, the Board of Directors of the Company 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 March 1, 2011 (i.e., 2,400,012,493 shares), each one thousand shares shall receive a cash dividend of NT\$5,200. 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 of the Company is authorized to adjust the ratio based on the number of outstanding shares.
- (3) Please acknowledge.

Delta Electronics, Inc. 2010 Earnings Distribution Table

Item	Explanation	Amount (in NT\$)
Undistributed earnings of previous year		5,151,492,735
Add: Revert of fractional cash dividend of previous year		29,845
Earnings in 2010		
Pre-tax earnings in 2010		16,382,957,331
Income tax expense		628,749,846
After-tax earnings in 2010 [Note 1]		15,754,207,485
Subtract: setting aside 10% legal reserve		1,575,420,749
Special reserve		4,796,005,772
Earnings available for distribution by the end of 2010 [Note 2]		14,534,303,544
Distribution items:		
Shareholders bonuses--cash [Note 3]	NT\$5.2 per share	12,480,064,964
Undistributed earnings by the end of 2010		2,054,238,580

- Note 1: Allocated employee bonuses--cash: NT\$2,914,389,805.
Allocated directors' and supervisors' compensation--NT\$16,700,000.
- Note 2: Principle of earnings distribution in the Company's 2010 Earnings Distribution Table:
Distribution of 2010 distributable earnings first.
- Note 3: On the basis of the number of outstanding common shares of the Company as of March 1, 2011 (i.e., 2,400,012,493 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.

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

Explanation: The Company plans to revise Articles 2, 5, 18 and 33 and add Article 18-1 to 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.

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"> 1. C801010 Basic chemical industry business; 2. C801990 Other chemical material manufacturing business; 3. <u>C802120 Industrial Catalyst Manufacturing;</u> 4. CB01010 Machinery equipment manufacturing business; 5. <u>CB01071 Frozen and Air-conditioning manufacturing business;</u> 6. CB01990 Other machinery manufacturing business; 7. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business; 8. CC01030 Electric appliance and audiovisual electric products manufacturing business; 9. CC01040 Lighting equipment manufacturing business; 10. CC01060 Wire communication 	<p>Article 2</p> <p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. C801010 Basic chemical industry business; 2. C801990 Other chemical material manufacturing business; 3. CB01010 Machinery equipment manufacturing business; 4. CB01990 Other machinery manufacturing business; 5. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business; 6. CC01030 Electric appliance and audiovisual electric products manufacturing business; 7. CC01040 Lighting equipment manufacturing business; 8. CC01060 Wire communication equipment and apparatus manufacturing business; 9. CC01070 Wireless 	<p>Amendments to the business items have been drafted to better meet the Company's business needs: add subparagraphs 3, 5, 28, 30, 32, 33, 35, 36, 39, 40, 42, 60, 62, 69, 75, and 81 and re-number the original subparagraph to conform to the Codes of Business Items promulgated by the MOEA.</p>

<p>equipment and apparatus manufacturing business;</p> <p>11. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>12. CC01080 Electronic parts and components manufacturing business;</p> <p>13. CC01090 Batteries manufacturing business;</p> <p>14. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>15. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>16. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>17. CD01010 Ship and parts manufacturing business;</p> <p>18. CD01020 Tramway Cars manufacturing business;</p> <p>19. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>20. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>21. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>22. CD01060 Aircraft and parts manufacturing business;</p> <p>23. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>24. CE01010 General equipment</p>	<p>communication devices and equipment manufacturing business;</p> <p>10. CC01080 Electronic parts and components manufacturing business;</p> <p>11. CC01090 Batteries manufacturing business;</p> <p>12. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>13. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>14. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>15. CD01010 Ship and parts manufacturing business;</p> <p>16. CD01020 Tramway Cars manufacturing business;</p> <p>17. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>18. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>19. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>20. CD01060 Aircraft and parts manufacturing business;</p> <p>21. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>22. CE01010 General equipment and instruments</p>	
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<p>and instruments manufacturing business;</p> <p>25. CE01021 measuring instruments manufacturing business;</p> <p>26. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>27. CE01040 Clocks and Watches manufacturing business;</p> <p>28. <u>CE01990 Other photographic and optical equipment manufacturing business;</u></p> <p>29. CF01011 Medical appliances and equipment business;</p> <p>30. <u>E599010 Pipe lines construction business;</u></p> <p>31. E601010 Electric appliance installation business;</p> <p>32. <u>E601020 Electric appliance construction business;</u></p> <p>33. <u>E603040 Fire fighting equipments installation business;</u></p> <p>34. E603050 Automation control equipment manufacturing business;</p> <p>35. <u>E603090 Illumination equipments installation business;</u></p> <p>36. <u>E604010 Machinery installation business;</u></p> <p>37. E605010 Computer equipment installation business;</p> <p>38. E701030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>39. <u>EZ05010 Apparatus installation and construction</u></p>	<p>manufacturing business;</p> <p>23. CE01021 measuring instruments manufacturing business;</p> <p>24. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>25. CE01040 Clocks and Watches manufacturing business;</p> <p>26. CF01011 Medical appliances and equipment business;</p> <p>27. E601010 Electric appliance installation business;</p> <p>28. E603050 Automation control equipment manufacturing business;</p> <p>29. E605010 Computer equipment installation business;</p> <p>30. E701030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>31. F108031 Drugs and medical goods wholesale business;</p> <p>32. F113020 Electrical appliances wholesale business;</p> <p>33. F113050 Computer and office appliances and equipment wholesale business;</p> <p>34. F113070 Telecommunication equipment wholesale business;</p> <p>35. F118010 Computer software wholesale business;</p> <p>36. F119010 Electronic</p>	
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<p><u>business;</u></p> <p>40. <u>F106040 Water containers</u> <u>wholesale business;</u></p> <p>41. F108031 Drugs and medical goods wholesale business;</p> <p>42. <u>F113010 Machinery wholesale</u> <u>business;</u></p> <p>43. F113020 Electrical appliances wholesale business;</p> <p>44. F113050 Computer and office appliances and equipment wholesale business;</p> <p>45. F113070 Telecommunication equipment wholesale business;</p> <p>46. F118010 Computer software wholesale business;</p> <p>47. F119010 Electronic components and materials wholesale business;</p> <p>48. F199990 Other wholesale business;</p> <p>49. F208031 Medical equipment retail business;</p> <p>50. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>51. F213010 Electrical appliances retail business;</p> <p>52. F213030 Computer and office appliances and equipment retail business;</p> <p>53. F213060 Telecommunication equipment retail business;</p> <p>54. F218010 Computer software retail business;</p> <p>55. F219010 Electronic components and materials retail business;</p> <p>56. F399040 Non-store retail business;</p>	<p>components and materials wholesale business;</p> <p>37. F199990 Other wholesale business;</p> <p>38. F208031 Medical equipment retail business;</p> <p>39. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>40. F213010 Electrical appliances retail business;</p> <p>41. F213030 Computer and office appliances and equipment retail business;</p> <p>42. F213060 Telecommunication equipment retail business;</p> <p>43. F218010 Computer software retail business;</p> <p>44. F219010 Electronic components and materials retail business;</p> <p>45. F399040 Non-store retail business;</p> <p>46. F401010 International trade business;</p> <p>47. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p>48. F401181 Measuring instrument importing business;</p> <p>49. G801010 Warehousing and storage business;</p> <p>50. I301010 Software design and service business;</p> <p>51. I301020 Data processing services business;</p> <p>52. I301030 Digital information</p>	
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<p>57. F401010 International trade business;</p> <p>58. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p>59. F401181 Measuring instrument importing business;</p> <p>60. <u>F601010 Intellectual property business;</u></p> <p>61. G801010 Warehousing and storage business;</p> <p>62. <u>I103060 Management consulting services business;</u></p> <p>63. I301010 Software design and service business;</p> <p>64. I301020 Data processing services business;</p> <p>65. I301030 Digital information supply services business;</p> <p>66. I401010 General advertising service business;</p> <p>67. I501010 Product external appearance designing business;</p> <p>68. I599990 Other design business;</p> <p>69. <u>IG02010 Research development service business;</u></p> <p>70. IG03010 Energy technical services business;</p> <p>71. IZ03010 Newspaper clipping business;</p> <p>72. IZ04010 Translation business;</p> <p>73. IZ10010 Typesetting business;</p> <p>74. IZ13010 Network authentication service business;</p> <p>75. <u>IZ99990 Other industry and commerce services not elsewhere classified;</u></p>	<p>supply services business;</p> <p>53. I401010 General advertising service business;</p> <p>54. I501010 Product external appearance designing business;</p> <p>55. I599990 Other design business;</p> <p>56. IG03010 Energy technical services business;</p> <p>57. IZ03010 Newspaper clipping business;</p> <p>58. IZ04010 Translation business;</p> <p>59. IZ10010 Typesetting business;</p> <p>60. IZ13010 Network authentication service business;</p> <p>61. J303010 Magazines (journals) publishing business;</p> <p>62. J304010 Books publishing business;</p> <p>63. J305010 Audio publishing business;</p> <p>64. J399010 Software publishing business;</p> <p>65. J399990 Other publishing business;</p> <p>66. 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>76. J303010 Magazines (journals) publishing business;</p> <p>77. J304010 Books publishing business;</p> <p>78. J305010 Audio publishing business;</p> <p>79. J399010 Software publishing business;</p> <p>80. J399990 Other publishing business;</p> <p>81. <u>JE01010 Rental and leasing business;</u></p> <p>82. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>		
<p>Article 5</p> <p>The total capital stock of the Company shall be in the amount of <u>NT\$29,000,000,000</u>, divided into <u>2,900,000,000</u> 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</p>	<p>Article 5</p> <p>The total capital stock of the Company shall be in the amount of <u>NT\$27,000,000,000</u>, divided into <u>2,700,000,000</u> 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</p>	<p>Amendment is made to meet the Company's business Needs.</p>

<p>in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.</p> <p>In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.</p>	<p>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.</p> <p>In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.</p>	
<p>Article 18</p> <p>The Company shall have at least five but no more than <u>eleven</u> 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.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, <u>at least two independent directors, and the number of independent directors shall be no less than one-fifth</u> of the total number of the directors. The independent directors shall be elected from among the nominees</p>	<p>Article 18</p> <p>The Company shall have at least five but no more than <u>nine</u> 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.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, <u>at least one but no more than three independent directors</u>. The independent directors shall be elected from among the nominees listed in the roster of</p>	<p>Amendment is made to conform to the Securities and Exchange Act and to meet the Company's business needs.</p>

<p>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.</p> <p>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.</p> <p>Remuneration for directors <u>(including independent directors) and supervisors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries.</u></p> <p>The Company may purchase liability insurance for its directors and supervisors.</p>	<p>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.</p> <p>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.</p> <p>Remuneration for directors and supervisors shall be determined by the shareholders' meeting.</p> <p>The Company may purchase liability insurance for its directors and supervisors.</p>	
<p>Article 18-1 <u>The Company may establish an audit committee according to the Securities and Exchange Act. Upon the establishment of the audit committee, supervisors shall be discharged and relevant articles relating to supervisors hereof shall cease to be effective.</u></p>		<p>According to the Securities and Exchange Act, either audit committee or supervisors shall be established.</p>
<p>Article 33</p>	<p>Article 33</p>	<p>Addition of the 44th</p>

<p>These Articles of Incorporation were enacted on July 28, 1975. (the 1st through <u>43rd</u> revision dates have been omitted for simplicity) The <u>44th</u> amendment is made on <u>June 24, 2011</u>.</p>	<p>These Articles of Incorporation were enacted on July 28, 1975. (the 1st through <u>42nd</u> revision dates have been omitted for simplicity) The <u>43rd</u> amendment is made on <u>June 15, 2010</u>.</p>	<p>revision date.</p>
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4. Discussion of the Amendments to Director and Supervisor Election Regulations (Proposed by the Board of Directors)

Explanation: The Company plans to amend Director and Supervisor Election Regulations according to the template of "Procedure for Election of Directors and Supervisors" published by the Financial Supervisory Commission of Executive Yuan to meet the Company's business needs. Please see the comparison table of the Company's Director and Supervisor Election Regulations before and after revision.

Comparison Table of Revised Articles of Director and Supervisor Election Regulations

Article after revision	Article before revision	Explanation
<p>Article 2</p> <p>Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors and supervisors shall be conducted in accordance with these Regulations.</p> <p><u>The Company may elect independent directors according to the Securities and Exchange Act and establish an audit committee of which all independent directors shall be members. Supervisors will not be elected if the audit committee is established and comprised of all independent directors.</u></p>	<p>Article 2</p> <p>Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors and supervisors shall be conducted in accordance with these Regulations.</p>	<p>According to the Securities and Exchange Act, either audit committee or supervisors shall be established.</p>
<p>Article 3</p> <p>When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry</p>	<p>Article 3</p> <p>When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis</p>	<p>To better exercise the function of directors and supervisors, add paragraphs 2, 4, 5 and 6 with reference to the Securities and Exchange Act and the Company Law.</p>

<p>knowledge, international market perspective, leadership ability, and decision-making ability.</p> <p><u>The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors.</u></p> <p>When selecting supervisors of the Company, it should take into consideration whether the candidates possess trustworthiness, fair judgment, professional knowledge, plentiful experience, and the ability to read financial statements.</p> <p><u>Except for the above requirement, at least one of the supervisors of the Company shall have expertise about accounting or finance.</u></p> <p><u>There shall be at least one supervisor having no spousal relationship or family relationship within the second degree of kinship with any other supervisor or director.</u></p> <p><u>A supervisor shall not be concurrently a director, a manager or other employee of the Company, and better be domiciled in Taiwan to exercise its oversight function in a timely manner.</u></p>	<p>management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.</p> <p>When selecting supervisors of the Company, it should take into consideration whether the candidates possess trustworthiness, fair judgment, professional knowledge, plentiful experience, and the ability to read financial statements.</p>	
<p>Article 7 Before the start of an election the chairman shall designate <u>several persons to count ballots and two persons (who should be shareholders) to check ballots to perform relevant duties.</u> The Board</p>	<p>Article 7 Before the start of an election the chairman shall designate <u>two persons (who should be shareholders) to check ballots and several persons (who should be shareholders) to count ballots</u></p>	<p>Adjust the wording slightly.</p>

<p>of Directors shall prepare a ballot box. Persons designated to check ballots shall open and check the box in front of the meeting before voting begins.</p>	<p>to perform relevant duties. The Board of Directors shall prepare a ballot box. Persons designated to check ballots shall open and check the box in front of the meeting before voting begins.</p>	
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5. 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) Regarding directors who will concurrently serve for other companies and thus be subject to Article 209 of the Company Law, without prejudice to the interests of the Company, it is proposed to submit to the shareholders' meeting to remove the non-competition restrictions.

Details of Directors' Major Posts in Other Companies (New Addition)

Name of Directors	Major Posts in Other Companies	Post
Bruce CH Cheng	Delta Electronics Capital Company	Director
	Delta Electronics (Wujiang) Trading Co., Ltd.	Chairman
Yancey Hai	Delta Electronics Capital Company	Director
Mark Ko	Delta Electronics Capital Company	Director
	Delta Electronics Int'l (Singapore) Pte Ltd.	Director
	Delta Electronics (Wujiang) Trading Co., Ltd.	Director
Ping Chen	Delta Electronics Int'l (Singapore) Pte Ltd.	Director
	Delta Electronics (Wujiang) Trading Co., Ltd.	Director/General Manager
Fred Chai Yan Lee	NeoEnergy Microelectronics	Director
Ming-Chung Chang	Delta Greentech (China) Co., Ltd.	Director
Simon Chang	Delta Greentech (China) Co., Ltd.	Director

Voting and Resolution for Each of Acknowledgement and Discussion Agenda

III. EXTEMPORARY MOTIONS

Meeting adjourned



2010 Delta Electronics Annual Report – Business Summary

As Delta Electronics celebrates its fortieth anniversary in 2011 and the beginning of our fifth decade, we look back at the year 2010, which crowned forty years of remarkable achievement. In 2010, the Company's revenues, profits, and market value surpassed all previous records. We solidified our leading position in power management and components, and continued our multi-year effort in developing renewable energy, energy-saving and new energy technologies. Delta also made major progress in such advanced business areas as industrial automation, display solutions, solar energy, LED lighting, and electric vehicle control systems and full-car power train systems. These efforts are not only in step with global green energy trends but also drive the future growth of Delta. We summarize our business results of the past year and the outlook for the future below.

Delta Electronics' 2010 consolidated sales revenues were NT\$171.3 billion, increasing 38% compared to the previous year; gross profit was NT\$36.6 billion, or 21.4% of revenues, representing 37% growth from the previous year; net operating profit was NT\$17.3 billion, or 10.1% of revenues, increasing 40% from the previous year. Net income after tax was NT\$15.8 billion, or 9.2% of revenues, rising 35% from the previous year. Earnings per share was NT\$6.69 in 2010.

Delta's global market share in switching power supplies has stayed at number one since 2002. In recent years, we have aggressively brought into new applications our longtime accumulated power electronics technologies as well as other innovations, fortifying Delta's industry leadership and its contribution to global energy efficiency. Last year, Delta introduced a green telecommunication power solution, successfully integrating renewable energy with an existing high-efficiency telecommunication power system, and thus winning business from telecommunication operators in India and Mainland China. Delta not only maintained its number one market share, but also helped customers achieve their goals of reducing energy consumption and carbon emissions.

In addition to the power supply business, Delta also ranks number one globally in brushless DC fans. Through advanced high-efficiency thermal technologies, we are able to help customers solve system-level heat dissipation issues, improve energy efficiency and recycle energy. With efficient energy technologies such as variable frequency servo motors and drives, Delta helps customers renovate labor-intensive legacy factory equipment with cutting edge automation technologies, dramatically reducing their reliance on labor and electricity. Delta has also been developing the China market. Along with expanding distribution networks and setting up closer partnerships, we



have established logistics centers as well as intelligent information systems to monitor market trends and respond in a timely manner. As a result, in 2010 Delta could contend with first-tier industrial names from Europe, America, and Japan in the China market. As labor shortages, wage inflation, energy conservation and carbon reduction issues continue unabated, the potential for Delta's industrial automation business is significant.

Delta's display solution business continues to spearhead into professional areas such as home and commercial cinemas, high-end large-venue conference projection systems, and large outdoor LED displays. It also leads the industry in developing LED ultra-short-throw projectors, 3D high quality projection systems, and glass-less 3D displays. Combining with system software technologies, our large real-time interactive monitoring systems and 360-degree surround video walls are also widely praised. Delta displayed its world-leading 3D projection systems at the 2010 Taipei International Flora Exposition's Palace of Dreams and EXPO Theater. Our participation highlighted the urgency of global warming and environmental protection, and promoted the use of innovative, clean and efficient energy solutions.

Delta's strategy for renewable energy is reaching new milestones. In solar energy, our subsidiary DelSolar focuses on developing solar cells and modules, and targets expanding its capacity to over one gigawatt this year. In 2010, besides introducing solar inverters with 98% efficiency and a high-precision solar tracking system, Delta also expanded its solar system business into overseas markets. For example, we partner with a major U.S. food distributor for solar projects that operate on an innovative leasing model, and we completed a landmark solar system on the city hall roof of historical Zhenjiang City in China, based on our superior design capabilities and our experience building the solar energy system for the Kaohsiung 2009 World Games Stadium. Wind power is another market with enormous potential. In addition to small wind power generators and systems, Delta has developed several megawatt level large-scale wind power inverters for generators ashore or offshore, to further strengthen the Company's green energy portfolio.

Delta is also focusing on LED lighting and electric vehicles. Current LED light bulbs are nine times more efficient than traditional light sources, and still improving. LED bulbs also enjoy lifetimes of over forty thousand hours, which translates into 11 years of 10-hour usage everyday without having to replace the bulb. Offering greater energy efficiency and a much longer life, but lacking the mercury pollution of fluorescent lamps, LED bulbs are the ideal eco-friendly energy-saving lighting product. The general public is reluctant to deploy LED bulbs due to the cost difference. However,



with superior longevity and energy efficiency, LED lighting is more economical than other lighting technologies. Delta has successfully developed high-efficiency indoor and outdoor LED lighting systems. Last year, we introduced high color rendition LED light bulbs that have the number one efficiency rating in Taiwan, and are the first to obtain TÜV certification. Delta has become a recognized LED lighting manufacturer and we are successfully developing green business opportunities and winning business from renowned international customers. Delta is also devoting great effort to the area of hybrid and pure electric vehicles, providing major multinational automobile companies with chargers and power converters. We have also begun road testing hybrid cars with full power train systems that integrate Delta's captive automatic control, motor drive, servo motor, and power electronics technologies. The performances are exceeding expectations.

With our emphasis on long-term development, Delta continues to strengthen through expanding R&D centers and developing talent. The construction of Taoyuan Plant 3 will finish this year and we will establish the global research and development center of our Industrial Automation business. The Pingjhen Plant was acquired last year to become our main manufacturing base for e-paper. DelSolar has boosted its capacity in Zhunan to cope with increasing market demand. Developing green energy technology is Delta's corporate mission and social commitment, and we know that humanity must pursue sustainable growth. We believe the advanced technologies such as solar energy, LEDs, electric vehicles, e-paper, and fuel cells that we have dedicated ourselves to over the years will bear fruit. We are committed to providing the market with new products and services, reduce greenhouse gas emissions, and contribute to the protection of our earth.

Delta's achievements are receiving global recognition. In 2010, the management team won honors such as the CNBC China Business Leader of the Year and Asia Innovator of the Year awards, and Ernst & Young Entrepreneur of the Year and CSR Entrepreneur awards. In addition, we have received best-of-the-best awards from customers such as ASUSTeK, Cisco, and Rockwell, in recognition of our dedicated efforts. Delta's fulfillment of corporate social responsibilities was also recognized last year: We were ranked number one for Corporate Citizenship by CommonWealth Magazine and won its Most Admired Company award in the electronics industry for the 9th consecutive year, and we were also rated A+ for the third time for the Securities and Futures Institute's Information Transparency and Disclosure Ranking. We are devoted to corporate social responsibility and we strive to continuously enhance Delta's international standing.



We sincerely offer our gratitude to our Delta colleagues who have achieved their targets through dedicated effort, and to our customers, suppliers, shareholders, and the public for their support. Together we will continue to build on Delta's four full decades of achievement as we pursue our mission to contribute to a greener planet and a better tomorrow.

Chairman

A handwritten signature in black ink that reads "Bruce Chen".

Chief Executive Officer

A handwritten signature in black ink that reads "Yancy Hsu".

Chief Financial Officer

A handwritten signature in black ink that reads "Sha Shih-yeon".

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing the Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the non-consolidated balance sheets of Delta Electronics, Inc. as of December 31, 2010 and 2009, 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 Taiwan Stock Exchange Corporation. In our report dated March 2, 2011, in which we indicated that: (a) the financial statements and the related information of certain investees accounted for under the equity method were audited by other auditors, and (b) effective January 1, 2009, the Company adopted the 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

March 2, 2011

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

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

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

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4(1))	\$ 1,116,442	\$ 1,430,136
Available-for-sale financial assets - current (Note 4(5))	524,669	629,628
Derivative financial assets for hedging - current	-	14,173
Financial assets carried at cost - current (Note 4(6))	31,248	-
Notes receivable, net	80,498	73,111
Accounts receivable, net (Note 4(3))	4,866,919	4,835,117
Accounts receivable, net - related parties (Note 5)	890,784	806,470
Other receivables	86,592	197,907
Other receivables - related parties (Note 5)	633,044	966,960
Other financial assets - current (Note 6)	43,943	30,236
Inventories (Note 4(4))	664,347	469,143
Deferred income tax assets - current (Note 4(21))	65,519	31,275
Other current assets	474,614	284,153
Total current assets	9,478,619	9,768,309
Funds and Investments		
Financial assets at fair value through profit or loss - non-current (Note 4(2))	1,580,000	860,000
Available-for-sale financial assets - non-current (Note 4(5))	921,072	589,371
Financial assets carried at cost - non-current (Note 4(6))	628,987	821,251
Investments in bonds without active markets - non-current (Note 4(7))	-	1,119,475
Long-term equity investments accounted for under the equity method (Note 4(8))	85,539,282	73,196,837
Cash surrender value of life insurance	103,691	91,852
Total funds and investments	88,773,032	76,678,786
Property, Plant and Equipment, Net (Note 4(9))		
Cost		
Land	1,132,728	1,164,884
Buildings	2,378,437	2,443,784
Machinery and equipment	901,829	1,583,610
Molding equipment	300,309	272,867
Computer and communication equipment	235,253	227,912
Testing equipment	1,592,035	1,521,616
Transportation equipment	19,944	18,623
Office equipment	175,407	159,076
Leasehold improvements	23,151	-
Revaluation increments	500,545	471,818
Cost and revaluation increments	7,259,638	7,864,190
Less: Accumulated depreciation	(3,164,515)	(3,827,642)
Accumulated impairment loss	-	(241,298)
Construction in progress and prepayments for equipment	517,830	78,558
Total property, plant and equipment, net	4,612,953	3,873,808
Intangible Assets		
Patents	30,446	43,555
Deferred pension costs	12,347	16,463
Total intangible assets	42,793	60,018
Other Assets		
Assets leased to others (Note 4(10))	676,772	590,576
Idle assets (Note 4(11))	-	-
Refundable deposits	4,816	6,591
Deferred expenses	135,069	107,697
Other assets - other	21,545	14,740
Total other assets	838,202	719,604
TOTAL ASSETS	\$ 103,745,599	\$ 91,100,525

(Continued)

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

	2010	2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans (Note 4(13))	\$ 115,000	\$ 5,479,920
Derivative financial liabilities for hedging - current	-	21,153
Accounts payable	880,890	558,879
Accounts payable - related parties (Note 5)	5,597,759	6,829,606
Income tax payable (Note 4(21))	1,017,766	218,941
Accrued expenses	4,764,443	3,899,532
Other payables - related parties (Note 5)	200,959	1,224,606
Other payables	317,119	226,683
Receipts in advance	294,903	279,194
Other current liabilities	615,585	370,140
Total current liabilities	13,804,424	19,108,654
Long-term Liability		
Long-term loans (Note 4(14))	8,219,000	2,410,000
Reserve		
Land value incremental reserve (Note 4(9))	95,279	91,569
Other Liabilities		
Accrued pension liabilities (Note 4(15))	1,046,384	985,807
Guarantee deposits received (Note 5)	4,740	5,912
Deferred income tax liabilities - non-current (Note 4(21))	4,744,228	5,100,279
Other liabilities - other	82	97,215
Total other liabilities	5,795,434	6,189,213
Total liabilities	27,914,137	27,799,436
Stockholders' Equity		
Capital		
Common stock (Note 4(16))	23,947,984	22,573,091
Capital Reserves (Note 4(17))		
Paid-in capital in excess of par value of common stock	12,634,267	1,651,212
Capital reserve from conversion of convertible bonds	10,253,416	10,253,416
Capital reserve - other	3,396,912	3,167,737
Retained Earnings		
Legal reserve (Note 4(18))	9,489,158	8,323,411
Undistributed earnings (Note 4(19))	20,905,730	16,330,025
Other Adjustments to Stockholders' Equity		
Cumulative translation adjustments	(5,862,383)	108,570
Unrecognized pension cost	(112,627)	(139,691)
Unrealized gain or loss on financial instruments	746,818	626,148
Asset revaluations (Note 4(9))	432,187	407,170
Total stockholders' equity	75,831,462	63,301,089
Commitments and Contingent Liabilities (Notes 5 and 7)		
Subsequent Events (Note 9)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 103,745,599	\$ 91,100,525

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 2, 2011.

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)

	2010	2009	
Operating Revenues (Note 5)			
Sales	\$ 27,878,638	\$ 23,813,192	
Sales returns	(2,827)	(13,791)	
Sales discounts	(30,450)	(54,765)	
Net Sales	27,845,361	23,744,636	
Service income (Note 5)	6,206,285	5,712,476	
Net Operating Revenues	34,051,646	29,457,112	
Operating Costs (Notes 4(23) and 5)			
Cost of goods sold	(24,947,778)	(21,380,273)	
Service costs	(5,241,862)	(4,187,822)	
Net Operating Costs	(30,189,640)	(25,568,095)	
Gross profit	3,862,006	3,889,017	
Unrealized gain from intercompany transactions	(82)	-	
Gross profit, net	3,861,924	3,889,017	
Operating Expenses (Note 4(23))			
Sales and marketing expenses	(412,877)	(416,392)	
General and administrative expenses	(1,447,537)	(1,258,548)	
Research and development expenses	(273,643)	(461,461)	
Total Operating Expenses	(2,134,057)	(2,136,401)	
Operating income	1,727,867	1,752,616	
Non-operating Income and Gains			
Interest income	16,865	33,524	
Investment income accounted for under the equity method (Note 4(8))	13,823,467	9,923,567	
Dividend income	54,284	23,043	
Gain on disposal of property, plant and equipment	7,416	5,358	
Gain on disposal of investments (Note 5)	306,839	10,113	
Foreign exchange gain, net	-	87,161	
Rental income (Note 5)	41,782	43,068	
Other non-operating income	471,944	324,578	
Total Non-operating Income and Gains	14,722,597	10,450,412	
Non-operating Expenses and Losses			
Interest expense	(50,452)	(42,829)	
Foreign exchange loss, net	(17,046)	-	
Impairment loss (Note 4(12))	-	(4,048)	
Other non-operating losses	(20,614)	(14,485)	
Total Non-operating Expenses and Losses	(88,112)	(61,362)	
Income from continuing operations before income tax	16,362,352	12,141,666	
Income tax expense (Note 4(21))	(589,315)	(738)	
Income from continuing operations	15,773,037	12,140,928	
Loss from discontinued operations (Note 10(10)) (Net of income tax expense of \$39,435 and income tax benefit of \$81,665, respectively)	(18,830)	(483,453)	
Net income	\$ 15,754,207	\$ 11,657,475	
	Before Tax	After Tax	Before Tax
Earnings per share (In Dollars) (Note 4(22))			
Basic earnings per share			
Net income from continuing operations	\$ 6.94	\$ 6.70	\$ 5.41
Net gain (loss) from discontinued operations	0.01	(0.01)	(0.25)
Net income	\$ 6.95	\$ 6.69	\$ 5.16
Diluted earnings per share			
Net income from continuing operations	\$ 6.84	\$ 6.59	\$ 5.36
Net gain (loss) from discontinued operations	0.01	(0.01)	(0.25)
Net income	\$ 6.85	\$ 6.58	\$ 5.11

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 2, 2011.

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

	<u>Retained Earnings</u>					Unrecognized pension cost	Unrealized gains or losses on financial instruments	Asset revaluations	Total
	Common stock	Capital reserves	Legal reserve	Undistributed earnings	Cumulative translation adjustments				
<u>2009</u>									
Balance at January 1, 2009	\$ 21,850,456	\$ 13,282,204	\$ 7,298,319	\$ 13,563,786	\$ 1,884,323	(\$ 31,004)	\$ 135,764	\$ 359,616	\$ 58,343,464
Capitalization of capital reserve	218,505	(218,505)	-	-	-	-	-	-	-
Employees' stock bonus	247,775	1,374,900	-	-	-	-	-	-	1,622,675
Employees' stock options	37,850	276,311	-	-	-	-	-	-	314,161
Distribution of 2008 earnings (Note 1):									
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
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	47,554	47,554
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	722,333	-	722,333
Changes in unrealized loss on cash flow hedge	-	-	-	-	-	-	(9,742)	-	(9,742)
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	-	-	-	-	998,852	-	(222,207)	-	776,645
Net income for the period	-	-	-	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>\$ 108,570</u>	<u>(\$ 139,691)</u>	<u>\$ 626,148</u>	<u>\$ 407,170</u>	<u>\$ 63,301,089</u>
<u>2010</u>									
Balance at January 1, 2010	\$ 22,573,091	\$ 15,072,365	\$ 8,323,411	\$ 16,330,025	\$ 108,570	(\$ 139,691)	\$ 626,148	\$ 407,170	\$ 63,301,089
Employees' stock options	142,966	932,800	-	-	-	-	-	-	1,075,766
Distribution of 2009 earnings (Note 2):									
Legal reserve	-	-	1,165,747	(1,165,747)	-	-	-	-	-
Cash dividends	-	-	-	(10,012,755)	-	-	-	-	(10,012,755)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	7,408	-	-	-	-	-	-	7,408
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	25,017	25,017
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	(44,509)	-	(44,509)
Changes in unrealized gain on cash flow hedge	-	-	-	-	-	-	6,980	-	6,980
Unrecognized pension cost	-	-	-	-	-	27,064	-	-	27,064
Issuance of new stocks for the merger	1,231,927	9,978,608	-	-	-	-	-	-	11,210,535
Employees' stock options assumed from subsidiary due to the merger	-	293,414	-	-	-	-	-	-	293,414
Changes in cumulative translation adjustments	-	-	-	-	(5,876,333)	-	-	-	(5,876,333)
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	(94,620)	-	158,199	-	63,579
Net income for the period	-	-	-	15,754,207	-	-	-	-	15,754,207
Balance at December 31, 2010	<u>\$ 23,947,984</u>	<u>\$ 26,284,595</u>	<u>\$ 9,489,158</u>	<u>\$ 20,905,730</u>	<u>(\$ 5,862,383)</u>	<u>(\$ 112,627)</u>	<u>\$ 746,818</u>	<u>\$ 432,187</u>	<u>\$ 75,831,462</u>

Note 1: Directors' and supervisors' remuneration amounting to \$16,200 and employees' bonus amounting to \$1,893,141 had been deducted from the Non-Consolidated Statement of Income in 2008.

Note 2: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$2,156,670 had been deducted from the Non-Consolidated Statement of Income in 2009.

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 2, 2011.

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

	2010	2009
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 15,754,207	\$ 11,657,475
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in unrealized valuation of financial liabilities	-	(218)
Reversal of allowance for doubtful accounts	(11,429)	(10,311)
Provision for inventory obsolescence and market price decline	30,177	27,355
Gain on disposal of investments	(306,839)	(10,113)
Change in foreign exchange of investments in bonds without active markets	38,745	29,225
Investment income recognized under equity method	(13,823,467)	(9,923,567)
Cash dividends received from investee companies accounted for under the equity method	7,948,489	2,562,720
Unrealized gain from intercompany transactions	82	-
Depreciation (including assets leased to others)	294,125	466,580
Amortization	175,372	174,810
Impairment loss on financial assets	-	4,048
Loss (gain) on disposal of property, plant and equipment, net	11,566	(8,916)
(Reversal of) impairment loss on non-financial assets	(37,339)	241,298
Amortization of long-term deferred income	(58,165)	(18,734)
Changes in assets and liabilities		
Notes receivable	(7,387)	6,589
Accounts receivable	(20,373)	1,058,654
Accounts receivable - related parties	(84,314)	(414,100)
Other receivables	111,315	(27,895)
Other receivables - related parties	333,916	(741,333)
Inventories	(225,381)	(38,354)
Deferred tax assets	(34,244)	90,566
Other current assets	(190,461)	(220,503)
Other assets - other	(6,805)	(14,740)
Accounts payable	322,011	118,146
Accounts payable - related parties	(1,231,847)	(2,328,285)
Income tax payable	798,825	126,819
Accrued expenses	864,911	2,474,145
Other payables	90,436	(55,213)
Other payables - related parties	(1,023,647)	871,039
Receipts in advance	15,709	50,557
Other current liabilities	245,445	120,053
Deferred tax liabilities	(356,051)	(391,574)
Accrued pension liabilities	91,757	90,023
Net cash provided by operating activities	9,709,339	5,966,246

(Continued)

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

	2010	2009
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	(\$ 720,000)	(\$ 860,000)
Increase in other financial assets - current	(13,707)	(1,069)
Increase in available-for-sale financial assets	(155,300)	-
Proceeds from disposal of available-for-sale financial assets	320,054	-
Increase in financial assets carried at cost	(50,979)	(77,307)
Proceeds from disposal of financial assets carried at cost	40,806	17,736
Proceeds from capital reduction of financial assets carried at cost	2,975	2,025
Proceeds from disposal of investments in bonds without active markets	1,080,730	-
Increase in long-term equity investments accounted for under the equity method	(768,866)	(3,260,606)
Proceeds from liquidation of long-term equity investment accounted for under equity method	-	3,320
(Increase) decrease in cash surrender value of life insurance	(11,839)	10
Acquisition of property, plant and equipment	(1,097,785)	(78,659)
Proceeds from disposal of property, plant and equipment	32,818	73,073
Decrease (increase) in refundable deposits	1,775	(3,188)
Increase in deferred expenses	(189,634)	(123,557)
Net cash used in investing activities	(1,528,952)	(4,308,222)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term loans	(5,364,920)	2,413,167
Increase in long-term loans	5,809,000	2,410,000
Decrease in guarantee deposits received	(1,172)	-
Payment of cash dividends and employees' cash bonus	(10,012,755)	(7,647,639)
Employees' stock option	1,075,766	314,161
Net cash used in financing activities	(8,494,081)	(2,510,311)
Net decrease in cash and cash equivalents	(313,694)	(852,287)
Cash and cash equivalents at beginning of year	1,430,136	2,282,423
Cash and cash equivalents at end of year	\$ 1,116,442	\$ 1,430,136
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for interest	\$ 50,037	\$ 40,535
Cash paid during the year for income tax	\$ 220,219	\$ 93,262
<u>Non-cash flows from investing and financing activities:</u>		
Issuance of new stocks for the merger	\$ 11,448,584	\$ -
Employees' stock bonus	\$ -	\$ 1,622,675

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 2, 2011.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing the Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2010 and 2009, and the related 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 Taiwan Stock Exchange Corporation. In our report dated March 2, 2011, 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, 2009, the Company and its subsidiaries adopted the 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

March 2, 2011

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

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

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

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4(1))	\$ 60,459,996	\$ 57,499,350
Financial assets at fair value through profit or loss - current (Note 4(2))	10,550	49,593
Available-for-sale financial assets - current (Note 4(5))	524,669	629,628
Derivative financial assets for hedging - current (Note 10(9))	381,799	274,648
Financial assets carried at cost - current (Note 4(6))	31,248	-
Notes receivable, net	328,038	99,507
Accounts receivable, net (Note 4(3))	29,560,272	25,713,329
Accounts receivable, net - related parties (Note 5)	3,815,671	2,454,403
Other receivables (Note 4(22))	1,265,926	1,313,299
Other financial assets - current (Note 6)	50,902	38,573
Inventories (Note 4(4))	14,788,981	9,748,280
Prepayments	1,499,852	1,159,724
Deferred income tax assets - current (Note 4(22))	89,028	-
Other current assets	435,834	222,919
Total current assets	<u>113,242,766</u>	<u>99,203,253</u>
Funds and Investments		
Financial assets at fair value through profit or loss - non-current (Note 4(2))	1,830,000	860,000
Available-for-sale financial assets - non-current (Note 4(5))	925,606	628,199
Financial assets carried at cost - non-current (Note 4(6))	1,457,614	1,324,258
Investments in bonds without active markets - non-current (Note 4(7))	-	1,119,475
Long-term equity investments accounted for under the equity method (Note 4(8))	6,327,356	7,730,006
Cash surrender value of life insurance	103,691	91,852
Other financial assets - non-current (Note 6)	1,544	-
Total funds and investments	<u>10,645,811</u>	<u>11,753,790</u>
Property, Plant and Equipment, Net (Note 4(9))		
Cost		
Land	1,693,056	1,643,868
Buildings	15,352,240	11,352,550
Machinery and equipment	17,166,118	12,895,532
Molding equipment	1,900,050	1,581,738
Computer and communication equipment	1,158,432	1,111,669
Testing equipment	7,193,773	6,781,633
Transportation equipment	166,908	149,436
Office equipment	1,640,704	1,638,283
Leasehold improvements	49,118	12,241
Other equipment	21	-
Revaluation increments	500,545	471,818
Cost and revaluation increments	<u>46,820,965</u>	<u>37,638,768</u>
Less: Accumulated depreciation	(23,214,433)	(19,875,894)
Accumulated impairment loss	(21,664)	(1,164,773)
Construction in progress and prepayments for equipment	3,315,949	3,669,880
Total property, plant and equipment, net	<u>26,900,817</u>	<u>20,267,981</u>
Intangible assets		
Patents	833,134	211,287
Goodwill	5,158,672	11,887
Deferred pension costs	12,347	16,463
Other intangible assets	3,025,410	844,649
Total intangible assets	<u>9,029,563</u>	<u>1,084,286</u>
Other Assets		
Assets leased to others (Note 4(10))	14,283	46,626
Idle assets	-	-
Refundable deposits	101,901	61,691
Deferred expenses	426,132	206,017
Other assets - other	1,377,201	1,289,423
Total other assets	<u>1,919,517</u>	<u>1,603,757</u>
TOTAL ASSETS	<u>\$ 161,738,474</u>	<u>\$ 133,913,067</u>

(Continued)

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

	2010	2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans (Note 4(13))	\$ 9,877,658	\$ 11,773,271
Financial liabilities at fair value through profit or loss - current (Note 4(14))	806	3,924
Derivative financial liabilities for hedging - current (Note 10(9))	137,154	39,769
Accounts payable	29,266,371	25,106,360
Accounts payable - related parties (Note 5)	318,192	273,407
Income tax payable (Note 4(22))	1,805,572	654,896
Accrued expenses	9,444,258	7,464,755
Other payables	5,071,914	1,477,960
Receipts in advance	735,163	785,183
Long-term liabilities - current portion (Note 4(15))	110,656	-
Deferred income tax liabilities - current (Note 4(22))	-	146,184
Other current liabilities	1,467,204	573,572
Total current liabilities	58,234,948	48,299,281
Long-term Liability		
Long-term loans (Note 4(15))	9,540,184	2,973,971
Reserve		
Land value incremental reserve (Note 4(9))	95,279	91,569
Other Liabilities		
Accrued pension liabilities (Note 4(16))	2,130,082	1,943,650
Guarantee deposits received	52,920	54,421
Deferred income tax liabilities - non-current (Note 4(22))	4,069,491	4,430,972
Other liabilities - other	223,577	274,251
Total other liabilities	6,476,070	6,703,294
Total liabilities	74,346,481	58,068,115
Stockholders' Equity		
Capital		
Common stock (Note 4(17))	23,947,984	22,573,091
Capital Reserves (Note 4(18))		
Paid-in capital in excess of par value of common stock	12,634,267	1,651,212
Capital reserve from conversion of convertible bonds	10,253,416	10,253,416
Capital reserve - other	3,396,912	3,167,737
Retained Earnings		
Legal reserve (Note 4(19))	9,489,158	8,323,411
Undistributed earnings (Note 4(20))	20,905,730	16,330,025
Other Adjustments to Stockholders' Equity		
Cumulative translation adjustments	(5,862,383)	108,570
Unrecognized pension cost	(112,627)	(139,691)
Unrealized gain or loss on financial instruments	746,818	626,148
Asset revaluations (Note 4(9))	432,187	407,170
Stockholders' equity	75,831,462	63,301,089
Minority interest	11,560,531	12,543,863
Total stockholders' equity	87,391,993	75,844,952
Commitments and Contingent Liabilities (Notes 5 and 7)		
Subsequent Events (Note 9)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 161,738,474	\$ 133,913,067

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 2, 2011.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31

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

	2010	2009		
Operating Revenues (Note 5)				
Sales	\$ 171,795,811	\$ 124,307,006		
Sales returns	(810,183)	(585,877)		
Sales discounts	(455,332)	(427,527)		
Net Sales	170,530,296	123,293,602		
Service income	772,157	826,500		
Net Operating Revenues	171,302,453	124,120,102		
Operating Costs (Notes 4(24) and 5)				
Cost of goods sold	(134,381,239)	(96,869,551)		
Service costs	(317,658)	(485,360)		
Net Operating Costs	(134,698,897)	(97,354,911)		
Gross profit	36,603,556	26,765,191		
Operating Expenses (Note 4(24))				
Sales and marketing expenses	(5,932,940)	(4,149,312)		
General and administrative expenses	(4,500,868)	(3,619,955)		
Research and development expenses	(8,900,631)	(6,635,124)		
Total Operating Expenses	(19,334,439)	(14,404,391)		
Operating income	17,269,117	12,360,800		
Non-operating Income and Gains				
Interest income	567,651	524,658		
Investment income accounted for under the equity method (Note 4(8))	871,212	728,112		
Dividend income	110,893	37,905		
Gain on disposal of property, plant and equipment	18,982	11,643		
Gain on disposal of investments	101,476	10,290		
Foreign exchange gain, net	684,806	741,882		
Rental income	31,634	11,381		
Gain on valuation of financial assets (Note 4(2))	48,636	38,330		
Other non-operating income	1,544,468	1,570,467		
Total Non-operating Income and Gains	3,979,758	3,674,668		
Non-operating Expenses and Losses				
Interest expense	(218,777)	(113,171)		
Impairment loss (Note 4(12))	(294,729)	(66,184)		
Loss on valuation of financial liabilities (Note 4(14))	(806)	(3,924)		
Other non-operating losses	(588,573)	(620,766)		
Total Non-operating Expenses and Losses	(1,102,885)	(804,045)		
Income from continuing operations before income tax	20,145,990	15,231,423		
Income tax expense (Note 4(22))	(2,271,228)	(839,207)		
Income from continuing operations	17,874,762	14,392,216		
Gain (loss) from discontinued operations (Note 10(11))				
(Net of income tax expense of \$48,299 and income tax benefit of \$368,876, respectively)	7,763	(1,324,181)		
Consolidated net income	\$ 17,882,525	\$ 13,068,035		
Attributable to:				
Equity holders of the Company	\$ 15,754,207	\$ 11,657,475		
Minority interest	2,128,318	1,410,560		
	\$ 17,882,525	\$ 13,068,035		
	Before Tax	After Tax	Before Tax	After Tax
Earnings Per Share (in Dollars) (Note 4(23))				
Basic Earnings Per Share				
Net income from continuing operations	\$ 8.55	\$ 7.59	\$ 6.79	\$ 6.42
Net gain (loss) from discontinued operations	0.02	-	(0.75)	(0.59)
Minority interest income	(0.90)	(0.90)	(0.63)	(0.63)
Net income	\$ 7.67	\$ 6.69	\$ 5.41	\$ 5.20
Diluted Earnings Per Share				
Net income from continuing operations	\$ 8.42	\$ 7.47	\$ 6.72	\$ 6.36
Net gain (loss) from discontinued operations	0.02	-	(0.75)	(0.59)
Minority interest income	(0.89)	(0.89)	(0.62)	(0.62)
Net income	\$ 7.55	\$ 6.58	\$ 5.35	\$ 5.15

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 2, 2011.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	<u>Retained Earnings</u>				Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Minority interest	Total
	Common stock	Capital reserves	Legal reserve	Undistributed earnings						
<u>2009</u>										
Balance at January 1, 2009	\$ 21,850,456	\$ 13,282,204	\$ 7,298,319	\$13,563,786	\$1,884,323	(\$ 31,004)	\$ 135,764	\$ 359,616	\$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 (Note 1):										
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
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	47,554	-	47,554
Change in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	722,333	-	-	722,333
Change in unrealized loss on cash flow hedge	-	-	-	-	-	-	(9,742)	-	-	(9,742)
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	-	-	-	-	998,852	-	(222,207)	-	-	776,645
Changes in minority interest	-	-	-	-	-	-	-	-	(3,111,609)	(3,111,609)
Consolidated net income for the period	-	-	-	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>\$ 108,570</u>	<u>(\$ 139,691)</u>	<u>\$ 626,148</u>	<u>\$ 407,170</u>	<u>\$12,543,863</u>	<u>\$ 75,844,952</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

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

Note 1: Directors' and supervisors' remuneration amounting to \$16,200 and employees' bonus amounting to \$1,893,141 had been deducted from the Consolidated Statement of Income in 2008.
Note 2: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$2,156,670 had been deducted from the Consolidated Statement of Income in 2009.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 2, 2011.

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

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 17,882,525	\$ 13,068,035
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in unrealized valuation of financial assets	39,318	(6,102)
Changes in unrealized valuation of financial liabilities	(3,118)	(79,826)
(Reversal of allowance for) provision for doubtful accounts	(2,443)	68,834
Provision for (reversal of allowance for) inventory obsolescence and market price decline	362,483	(57,864)
Loss on purchase commitment	678,166	-
Gain on disposal of investments	(101,476)	(10,290)
Impairment loss on financial assets	319,330	4,048
Change in foreign exchange of investments in bonds without active markets	38,745	29,225
Investment income recognized under equity method	(871,212)	(728,112)
Cash dividends received from investee companies accounted for under the equity method	386,110	445,769
Depreciation (including assets leased to others)	4,529,117	4,422,518
Amortization	423,032	377,097
Loss (gain) on disposal of property, plant and equipment, net	9,218	(14,208)
Reversal of impairment loss on non-financial assets	(81,666)	-
Impairment loss on non-financial assets	-	1,168,726
Amortization of long-term deferred income	(58,165)	(18,734)
Changes in assets and liabilities		
Notes receivable	(222,700)	482,802
Accounts receivable	1,885,470	(2,971,694)
Accounts receivable - related parties	(1,304,260)	(1,004,751)
Other receivables	51,509	482,222
Inventories	(4,747,677)	(445,463)
Deferred tax assets	(89,028)	-
Prepayments	(219,922)	9,919
Other current assets	212,915	(151,514)
Other assets - other	(83,307)	345,845
Accounts payable	3,227,847	5,247,904
Accounts payable - related parties	41,370	(19,446)
Income tax payable	1,103,150	137,887
Accrued expenses	1,780,819	1,109,814
Other payables	612,798	(242,876)
Receipts in advance	(62,272)	260,841
Other current liabilities	215,466	50,171
Accrued pension liabilities	136,176	263,455
Deferred tax liabilities	(331,188)	(705,461)
Other liabilities - other	7,491	(130,121)
Net cash provided by operating activities	21,567,851	21,388,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(970,000)	(860,000)
(Increase) decrease in other financial assets - current	(2,881)	670,719
Increase in available-for-sale financial assets	152,340	(165,699)
Proceeds from disposal of available-for-sale financial assets	400,945	165,699
Increase in financial assets carried at cost	(328,300)	(111,164)
Proceeds from disposal of financial assets carried at cost	40,804	17,910
Proceeds from capital reduction of financial assets carried at cost	2,975	5,345
Proceeds from disposal of investments in bonds without active markets	1,080,730	-
Increase in long-term equity investments accounted for under the equity method	-	(418,268)
Acquisition price of subsidiary	(55,000)	(37,500)
(Increase) decrease in cash surrender value of life insurance	(11,839)	10
Acquisition of property, plant and equipment	(8,859,751)	(3,969,859)
Proceeds from disposal of property, plant and equipment	417,334	232,504
Increase in other intangible assets	(32,564)	(235,522)
Increase in refundable deposits	(35,059)	(5,789)
Increase in deferred expenses	(482,869)	(189,029)
Increase in other assets - other	(4,249)	(6,451)
Purchase of minority interest	(10,464)	(4,599,470)
Net cash used in investing activities	(9,002,528)	(9,506,564)

(Continued)

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

	2010	2009
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term loans	(\$ 2,307,415)	\$ 4,680,224
Increase in long-term loans	6,676,869	2,908,331
Decrease in guarantee deposits received	(1,501)	(50,949)
Employees' stock options	1,075,766	314,161
Payment of cash dividends	(10,012,755)	(7,647,639)
Cash dividends declared to minority interests	-	(266,961)
Increase in subsidiaries' capital from minority shareholders	-	1,490,000
Net cash (used in) provided by financing activities	(4,569,036)	1,427,167
Effect due to changes in exchange rates	(4,873,261)	1,021,544
Effect due to changes in consolidated subsidiaries	(162,380)	74,815
Net increase in cash and cash equivalents	2,960,646	14,405,612
Cash and cash equivalents at beginning of year	57,499,350	43,093,738
Cash and cash equivalents at end of year	\$ 60,459,996	\$ 57,499,350
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for interest	\$ 205,301	\$ 316,149
Cash paid during the year for income tax	\$ 1,324,945	\$ 1,086,986
<u>Non-cash flows from financing activities</u>		
Cash dividends declared but not yet paid to minority interest	\$ 2,501,607	\$ -
Employees' cash bonus	\$ -	\$ 1,622,675
<u>Fair value of assets and liabilities of the acquired subsidiary were as follows:</u>		
Cash and cash equivalents	\$ 436,045	\$ 74,815
Other current assets	2,988,575	1,302
Funds and investments	100,935	-
Property, plant and equipment	3,448,393	3,467
Goodwill	5,151,385	-
Other intangible assets	3,254,760	7,287
Other assets	66,841	3,730
Other current liabilities	(2,085,393)	(2,746)
Other liabilities	(53,865)	-
Investment cost before merger	(1,804,092)	(34,241)
Minority interest	-	(16,114)
	\$ 11,503,584	\$ 37,500
Cost of issuing new common stock to acquired subsidiary	\$ 11,448,584	\$ -
Acquisition price of subsidiary	55,000	37,500
	\$ 11,503,584	\$ 37,500

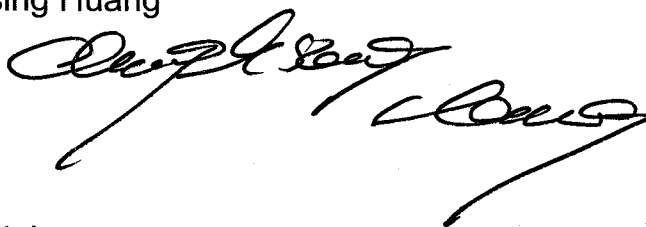
The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 2, 2011.

2010 Supervisors' Report

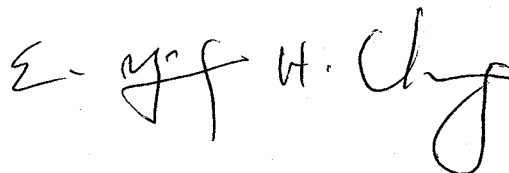
The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2010 Business Report, financial statements, consolidated financial statements and proposal for distribution of earnings of the Company. The above Business Report, financial 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 2011 General Shareholders' Meeting of Delta Electronics, Inc.

Supervisor Chung-Hsing Huang



Supervisor E-Ying Hsieh



Mar 11, 2011

Delta Electronics, Inc. (the "Company")
Director and Supervisor Election Regulations
(Translation)

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

Article 1

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

Article 2

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

Article 3

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

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

Article 4

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

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

Article 5

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

Article 6

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

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

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

Article 7

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

Article 8

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

Article 9

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

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

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

5. The elector has intermixed other text or figures in addition to the candidate's name, shareholder's account number or ID number, and number of votes allocated.
6. The number of candidates on the ballot exceeds the specified number.

Article 10

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

Article 11

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

Article 12

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

Article 13

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

**Delta Electronics, Inc. (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. C801010 Basic chemical industry business;
2. C801990 Other chemical material manufacturing business;
3. CB01010 Machinery equipment manufacturing business;
4. CB01990 Other machinery manufacturing business;
5. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;
6. CC01030 Electric appliance and audiovisual electric products manufacturing business;
7. CC01040 Lighting equipment manufacturing business;
8. CC01060 Wire communication equipment and apparatus manufacturing business;
9. CC01070 Wireless communication devices and equipment manufacturing;
10. CC01080 Electronic parts and components manufacturing business
11. CC01990 Other electrical and electronic machinery and materials manufacturing business;
12. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
13. CC01110 Computers and its peripheral equipment;
14. CC01990 Other electrical and electronic machinery and materials manufacturing business;
15. CD01010 Ship and parts manufacturing business;
16. CD01020 Tramway Cars manufacturing business;
17. CD01030 Automobiles and auto-parts manufacturing business;
18. CD01040 Motorcycles and motorcycle parts manufacturing business;
19. CD01050 Bicycles and bicycle parts manufacturing business;
20. CD01060 Aircraft and parts manufacturing business;
21. CD01990 Other transportation equipment and parts manufacturing business;
22. CE01010 General equipment and instruments manufacturing business;
23. CE01021 Measuring instruments manufacturing business;
24. CE01030 Photographic and Optical Equipment Manufacturing business;

25. CE01040 Clocks and Watches manufacturing business;
26. CF01011 Medical appliances and equipment business;
27. E601010 Electric appliance installation business;
28. E603050 Automation control equipment manufacturing business;
29. E605010 Computer equipment installation business;
30. E701030 Restricted telecommunication radio frequency equipment and materials installation business;
31. F108031 Drugs and medical goods wholesale business;
32. F113020 Electrical appliances wholesale business;
33. F113050 Computer and office appliances and equipment wholesale business;
34. F113070 Telecommunication equipment wholesale business;
35. F108031 Computer software wholesale business;
36. F119010 Electronic components and materials wholesale business;
37. F199990 Other wholesale business;
38. F208031 Medical equipment retail business;
39. F209060 Education, musical instruments and entertainment articles retail business;
40. F213010 Electrical appliances retail business;
41. F213030 Computer and Office appliances and equipment retail business;
42. F213060 Telecommunication equipment retail business;
43. F218010 Computer software retail business;
44. F219010 Electronic components and materials retail business;
45. F399040 Non-store retail business;
46. F401010 International trade business;
47. F401021 Restricted telecommunication radio frequency equipment and materials import business;
48. F401181 Measuring instrument importing business;
49. G801010 Warehousing and storage business;
50. I301010 Software design and service business;
51. I301020 Digital information supply services business;
52. I301030 Digital information services business;
53. I401010 General advertising service business;
54. I501010 Product external appearance designing business;
55. I599990 Other design business;
56. IG03010 Energy technical services business;
57. IZ03010 Newspaper clipping business;
58. IZ04010 Translation business;
59. IZ10010 Typesetting business;
60. IZ 13010 Network authentication service business;
61. J303010 Magazines publishing business;
62. J304010 Books publishing business;
63. J305010 Audio publishing business;

- 64. J399010 Software publishing business;
- 65. J399990 Other publishing business;
- 66. 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

The shares of the Company may be made without physical certificates. Nevertheless, 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/her 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 notice of meeting of Board of Directors shall be made in accordance with Article 204 of the Company Act, and may be made in writing, or by email, facsimile, etc.

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.

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 receding 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;
The forty-second amendment was made on June 10, 2009; and
The forty-third amendment was made on June 15, 2010.

Delta Electronics, Inc.
Details of Major Acquisition or Disposal of Assets in 2010

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	11,448,584,406	131,816,185	None
DelBio Inc.	Common Shares of DelBio Inc.	Acquisition	140,000,000	14,000,000	Subsidiary of the Company
Delta Electronics Capital Company	Common Shares of Delta Electronics Capital Company	Acquisition	550,000,000	55,000,000	Subsidiary of the Company
Bright Led Electronics Corp.	Privately Placed Domestic Unsecured Convertible Bonds of Bright Led Electronics Corp.	Acquisition	720,000,000	NA	None
Tong Hsing Electronic Industries, Ltd.	Common Shares of Tong Hsing Electronic Industries, Ltd.	Acquisition	152,000,000	1,600,000	None
Stock Exchange	Anpec Electronics Corp.	Disposal	299,028,850	8,889,000	None

Major Acquisition or Disposal of Asset refers to those transactions that the accumulated amount of the same marketable securities reached NT\$100 million or more than 20% of the Company's Paid-in Capital.

Employees' Bonuses and Directors' and Supervisors' Compensation

This Company's proposed distribution of earnings for 2010 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\$2,914,389,805.
 - (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 10

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 2011 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 72,044,004 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 7,204,401 shares.

2. As of the book closing date of this annual 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	5.81%
Vice Chairman	Yancey Hai	952,302	0.03%
Director	Mark Ko	1,225,358	0.05%
Director	Raymond R Y Hsu	1,965,617	0.08%
Director	Fred Chai Yan Lee	0	0%
Director	Ping Chen	8,304,645	0.34%
Director	Simon Chang	985,881	0.04%
Director	Ming-Chung Chang	1,023,791	0.04%
Independent director	Yi Chiang Lo	265,120	0.01%
Shareholdings of all directors		154,365,307	6.42%
Supervisor	E-Ying Hsieh	45,697,948	1.90%
Supervisor	Chung-Hsing Huang	0	0%
Shareholdings of all supervisors		45,697,948	1.90%

Note: This Company had a total of 2,401,466,790 issued shares as of the annual general shareholders' meeting's book closing date.

Attachment 12

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 2011 annual general shareholders' meeting is from April 13, 2011 to April 25, 2011.
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.