

Delta Electronics, Inc. (“Company”)
Minutes of 2011 Annual General Shareholders' Meeting
(Translation)

Time: 10:00 AM, June 24, 2011

Place: Golden Dragon Hall, Taoyuan Chuto Plaza Hotel
No. 398 Taoying Rd., Taoyuan City

Quorum: 2,131,431,350 shares were represented by the shareholders and proxies present, which amounted to 88.75% of the Company’s 2,401,466,790 issued and outstanding shares.

Attendance: Ms. Audrey Tseng, CPA, PricewaterhouseCoopers
Mr. James Chen, Attorneys-at-Law, Lee and Li

Chairman: Bruce CH Cheng, Chairman of the Board of Directors

Recorder: Ms. Jill Lee

Commencement: (The aggregate shareholding of the shareholders and proxies present constituted a quorum. The Chairman called the meeting to order.)

Salute according to the etiquette

Chairman’s speech: (omitted)

I. REPORT ITEMS

- (1) 2010 Operation Results (Please refer to the Attachment)
- (2) 2010 Financial Results (Please refer to the Attachment)
- (3) Supervisors' Review Opinions on 2010 Financial Results (Please refer to the Attachment)
- (4) Matters Regarding Short-Form Merger of the Company and Pre-Optix Co. Ltd.

II. ACKNOWLEDGEMENT AND DISCUSSION ITEMS

Item 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 the Attachment) have been reviewed by the Company's Supervisors. The Company's Supervisors have found no discrepancies after a thorough review and have made a written review report for records.

(2) Please acknowledge.

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,131,204,345 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,825,900,796, or 85.67% of the total voting rights when votes were cast).

Item 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 would be authorized to set a record date of dividends distribution to shareholders of record in accordance with the number of shares held by them on the record date respectively. 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 shareholders' meeting, the Board of Directors 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 | (in NT\$) Amount |
|-----------------------------------------------------------------|-------------|---------------------|
| 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 benefit | | 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:

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| 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.

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,131,204,345 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,826,106,639, or 85.68% of the total voting rights when votes were cast).

Item 3 Discussion of 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 of the Articles of Incorporation in conformity with the Company Law and other regulations and to better meet the Company's business needs. Please see the comparison table of the Company's Articles of Incorporation before and after revision.

Comparison Table of Revised Articles of the Articles of Incorporation

| Article after revision | Article before revision | Explanation |
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| <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; | <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; | <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> |

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| <p>10. CC01060 Wire communication 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>9. CC01070 Wireless 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</p> | |
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| <p>24. CE01010 General equipment 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. E7010030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>39. <u>EZ05010 Apparatus</u></p> | <p>and instruments 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. E7010030 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> | |
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| <p><u>installation and construction business;</u></p> <p>40. <u>F106040 Water containers wholesale business;</u></p> <p>41. F108031 Drugs and medical goods wholesale business;</p> <p>42. <u>F113010 Machinery wholesale 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</p> | <p>36. F119010 Electronic 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> | |
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| <p>business;</p> <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</u></p> | <p>52. I301030 Digital information 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><u>elsewhere classified;</u> 76. J303010 Magazines (journals) publishing business; 77. J304010 Books publishing business; 78. J305010 Audio publishing business; 79. J399010 Software publishing business; 80. J399990 Other publishing business; 81. <u>JE01010 Rental and leasing business;</u> 82. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p> | | |
| <p>Article 5 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'</p> | <p>Article 5 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</p> | <p>Amendment is made to meet the Company's business Needs.</p> |

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| <p>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.</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>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.</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</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</u> independent directors. The</p> | <p>Amendment is made to conform to the Securities and Exchange Act and to meet the Company's business needs.</p> |

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| <p>number of the 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.</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 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.</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</p> <p><u>The Company may establish an audit committee according to the Securities and Exchange Act. Upon the establishment of the</u></p> | | <p>According to the Securities and Exchange Act, either audit committee or supervisors shall be established.</p> |

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| <u>audit committee, supervisors shall be discharged and relevant articles relating to supervisors hereof shall cease to be effective.</u> | | |
| <p>Article 33</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>Article 33</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>Addition of the 44th revision date.</p> |

Resolution: Approved as proposed by the Board of Directors by voting (a total of 2,131,204,345 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,694,211,515, or 79.49% of the total voting rights when votes were cast).

Item 4 Discussion of 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 |
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| <p>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.</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 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 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 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> |

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| <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</u> to perform relevant duties. 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> |

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| 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. | 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. | |
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Resolution: Approved as proposed by the Board of Directors by voting (a total of 2,131,204,345 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,825,900,796, or 85.67% of the total voting rights when votes were cast).

Item 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 |

Resolution: Approved as proposed by the Board of Directors by voting (a total of 2,131,204,345 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,428,840,240, or 67.04% of the total voting rights when votes were cast).

III. EXTEMPORARY MOTIONS: None

(content of the shareholders' questions and the Chairman's responses: Omitted)

There is no extemporary motion after consultation with all present shareholders. The Chairman declares that the meeting is adjourned.

Meeting Adjourned

Chairman: Bruce CH Cheng

Recorder: Ms. Jill Lee



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

Bruce Cheny

Chief Executive Officer

Yancy Hui

Chief Financial Officer

Shaoh-guan

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 |

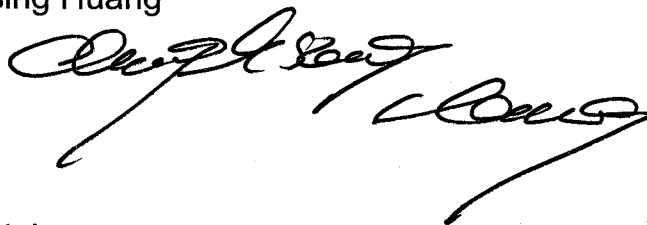
The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 2, 2011.

2010 Supervisors' Report

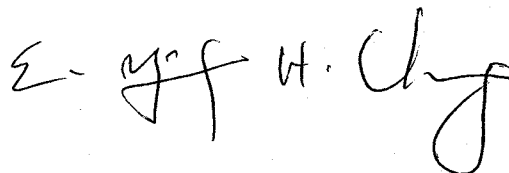
The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2010 Business Report, financial statements, consolidated financial statements and proposal for distribution of earnings of the Company. The above Business Report, financial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