

Delta Electronics, Inc. (“Company”)
Minutes of 2013 Annual General Shareholders' Meeting
(Translation)

Time: 10:00 AM, June 7, 2013

Place: Conference Room at 2nd floor, no. 18,
XinLong Road, Taoyuan City, Taoyuan County

Quorum: 2,155,486,168 shares were represented by the shareholders and proxies present, which amounted to 88.84% of the Company’s 2,426,016,226 issued and outstanding shares.

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

Chairman: Yancey Hai, 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) 2012 Operation Results (Please refer to the Attachment 1, page 29-36)
- (2) 2012 Financial Results (Please refer to the Attachment 2, page 37-51)
- (3) Audit Committee's Review Opinions on 2012 Financial Results (Please refer to the Attachment 3, page 52)
- (4) The Adjustment to 2012 Distributable Earnings and the Amount of the Special Reserve set aside by the Company (Please refer to the Meeting Handbook, page 6)
- (5) The Amendments to Rules and Procedures of the Meeting of Board of Directors (Please refer to the Attachment 4, page 53-60)

II. ACKNOWLEDGEMENT AND DISCUSSION ITEMS

Item 1 Acknowledge the 2012 Financial Results (Proposed by the Board of Directors)

Explanation: (1) This Company's 2012 Financial Results including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to page 29-51) have been reviewed by the Audit Committee of the Company. The Audit Committee of the Company has 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 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,805,214,024, among which 1,015,095,277 was exercised by electronic transmission, or 83.74% of the total voting rights when votes were cast).

Item 2 Acknowledge the 2012 Earnings Distribution (Proposed by the Board of Directors)

- Explanation: (1) With regard to earnings in 2012, 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 11, 2013.
- (2) NT\$12,843,221,947 will be distributed as shareholders' cash dividends for 2012. 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 February 26, 2013 (i.e., 2,423,249,424 shares), each one thousand shares shall receive a cash dividend of NT\$5,300. 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.
2012 Earnings Distribution Table**

Item	Explanation	(in NT\$) Amount
Undistributed earnings of previous year		6,696,308,714
Add: Revert of fractional cash dividend of previous year		34,083
Earnings in 2012		
Pre-tax earnings in 2012		17,038,125,958
Income tax expense		928,584,109
After-tax earnings in 2012 [Note 1]		16,109,541,849
Subtract: setting aside 10% legal reserve		1,610,954,185
Subtract: setting aside special reserve		1,918,413,214
Earnings available for distribution by the end of 2012 [Note 2]		19,276,517,247

Distribution items:

Shareholders bonuses--cash [Note 3]	NT\$5.3 per share	12,843,221,947
Undistributed earnings by the end of 2012		6,433,295,300

Note 1: Allocated employee bonuses--cash: NT\$2,047,925,270.

Allocated directors' compensation--NT\$30,400,000.

Note 2: Principle of earnings distribution in the Company's 2012 Earnings Distribution Table: Distribution of 2012 distributable earnings first.

Note 3: On the basis of the number of outstanding common shares of the Company as of February 26, 2013 (i.e., 2,423,249,424 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.

Chairman:_____ Manager:_____ Chief Accounting Officer:_____

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,805,215,119, among which 1,015,096,372 was exercised by electronic transmission, or 83.75% 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:(1) The Company plans to amend certain provisions in the Articles of Incorporation to better meet the Company's business needs and to establish good corporate governance. The details please see the comparison table of the Company's Articles of Incorporation before and after revision.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Articles of Incorporation

Article after revision	Article before revision	Explanation
<p>Article 2 The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. A101020 Food Crops; 2. A102080 Horticulture; 3. A199990 Other Agriculture; 4. C801010 Basic chemical industry business; 5. C801990 Other chemical material manufacturing business; 6. C802120 Industrial Catalyst Manufacturing; 7. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified; 8. CA04010 Metal Surface Treating; 9. CB01010 Machinery equipment manufacturing business; 10. CB01071 Frozen and Air-conditioning manufacturing business; 11. CB01990 Other machinery manufacturing business; 12. CC01010 Electronic power 	<p>Article 2 The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. A101020 Food Crops; 2. A102080 Horticulture; 3. A199990 Other Agriculture; 4. C801010 Basic chemical industry business; 5. C801990 Other chemical material manufacturing business; 6. C802120 Industrial Catalyst Manufacturing; 7. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified; 8. CA04010 Metal Surface Treating; 9. CB01010 Machinery equipment manufacturing business; 10. CB01071 Frozen and Air-conditioning manufacturing business; 11. CB01990 Other machinery manufacturing business; 12. CC01010 Electronic power 	<p>Amendments to the business items have been drafted to better meet the Company's business needs: add subparagraphs 21, 51, 56, and 95 and re-number the original subparagraph to conform to the Codes of Business Items promulgated by the Ministry of Economic Affairs.</p>

<p>generating, Electric transmission and power distributing machinery manufacturing business;</p> <p>13. CC01030 Electric appliance and audiovisual electric products manufacturing business;</p> <p>14. CC01040 Lighting equipment manufacturing business;</p> <p>15. CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p>16. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>17. CC01080 Electronic parts and components manufacturing business;</p> <p>18. CC01090 Batteries manufacturing business;</p> <p>19. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>20. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>21. <u>CC01120 Data Storage Media Manufacturing and Duplicating;</u></p> <p>22. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>23. CD01010 Ship and parts manufacturing business;</p> <p>24. CD01020 Tramway Cars</p>	<p>generating, Electric transmission and power distributing machinery manufacturing business;</p> <p>13. CC01030 Electric appliance and audiovisual electric products manufacturing business;</p> <p>14. CC01040 Lighting equipment manufacturing business;</p> <p>15. CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p>16. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>17. CC01080 Electronic parts and components manufacturing business;</p> <p>18. CC01090 Batteries manufacturing business;</p> <p>19. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>20. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>21. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>22. CD01010 Ship and parts manufacturing business;</p> <p>23. CD01020 Tramway Cars manufacturing business;</p> <p>24. CD01030 Automobiles and auto-parts manufacturing</p>	
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<p>manufacturing business;</p> <p>25. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>26. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>27. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>28. CD01060 Aircraft and parts manufacturing business;</p> <p>29. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>30. CE01010 General equipment and instruments manufacturing business;</p> <p>31. CE01021 measuring instruments manufacturing business;</p> <p>32. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>33. CE01040 Clocks and Watches manufacturing business;</p> <p>34. CE01990 Other photographic and optical equipment manufacturing business;</p> <p>35. CF01011 Medical appliances and equipment business;</p> <p>36. E599010 Pipe lines construction business;</p> <p>37. E601010 Electric appliance installation business;</p> <p>38. E601020 Electric appliance construction business;</p> <p>39. E602011 Frozen and Air-conditioning Engineering;</p> <p>40. E603040 Fire fighting</p>	<p>business;</p> <p>25. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>26. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>27. CD01060 Aircraft and parts manufacturing business;</p> <p>28. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>29. CE01010 General equipment and instruments manufacturing business;</p> <p>30. CE01021 measuring instruments manufacturing business;</p> <p>31. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>32. CE01040 Clocks and Watches manufacturing business;</p> <p>33. CE01990 Other photographic and optical equipment manufacturing business;</p> <p>34. CF01011 Medical appliances and equipment business;</p> <p>35. E599010 Pipe lines construction business;</p> <p>36. E601010 Electric appliance installation business;</p> <p>37. E601020 Electric appliance construction business;</p> <p>38. E602011 Frozen and Air-conditioning Engineering;</p> <p>39. E603040 Fire fighting equipments installation business;</p> <p>40. E603050 Automation control</p>	
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<p>equipments installation business;</p> <p>41. E603050 Automation control equipment manufacturing business;</p> <p>42. E603090 Illumination equipments installation business;</p> <p>43. E604010 Machinery installation business;</p> <p>44. E605010 Computer equipment installation business;</p> <p>45. E7010030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>46. EZ05010 Apparatus installation and construction business;</p> <p>47. EZ14010 Sports Ground Equipments Construction;</p> <p>48. F101081 Wholesale of Seedling;</p> <p>49. F106040 Water containers wholesale business;</p> <p>50. F108031 Drugs and medical goods wholesale business;</p> <p>51. <u>F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles;</u></p> <p>52. F113010 Machinery wholesale business;</p> <p>53. F113020 Electrical appliances wholesale business;</p> <p>54. F113050 Computer and office appliances and equipment wholesale business;</p>	<p>equipment manufacturing business;</p> <p>41. E603090 Illumination equipments installation business;</p> <p>42. E604010 Machinery installation business;</p> <p>43. E605010 Computer equipment installation business;</p> <p>44. E7010030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>45. EZ05010 Apparatus installation and construction business;</p> <p>46. EZ14010 Sports Ground Equipments Construction;</p> <p>47. F101081 Wholesale of Seedling;</p> <p>48. F106040 Water containers wholesale business;</p> <p>49. F108031 Drugs and medical goods wholesale business;</p> <p>50. F113010 Machinery wholesale business;</p> <p>51. F113020 Electrical appliances wholesale business;</p> <p>52. F113050 Computer and office appliances and equipment wholesale business;</p> <p>53. F113070 Telecommunication equipment wholesale business;</p> <p>54. F118010 Computer software wholesale business;</p> <p>55. F119010 Electronic components and materials</p>	
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<p>55. F113070 Telecommunication equipment wholesale business;</p> <p>56. <u>F113110 Wholesale of Batteries;</u></p> <p>57. F118010 Computer software wholesale business;</p> <p>58. F119010 Electronic components and materials wholesale business;</p> <p>59. F199990 Other wholesale business;</p> <p>60. F201010 Retail Sale of Agricultural Products;</p> <p>61. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products;</p> <p>62. F208031 Medical equipment retail business;</p> <p>63. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>64. F213010 Electrical appliances retail business;</p> <p>65. F213030 Computer and office appliances and equipment retail business;</p> <p>66. F213060 Telecommunication equipment retail business;</p> <p>67. F218010 Computer software retail business;</p> <p>68. F219010 Electronic components and materials retail business;</p> <p>69. F399040 Non-store retail business;</p> <p>70. F401010 International trade business;</p> <p>71. F401021 Restricted telecommunication radio</p>	<p>wholesale business;</p> <p>56. F199990 Other wholesale business;</p> <p>57. F201010 Retail Sale of Agricultural Products;</p> <p>58. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products;</p> <p>59. F208031 Medical equipment retail business;</p> <p>60. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>61. F213010 Electrical appliances retail business;</p> <p>62. F213030 Computer and office appliances and equipment retail business;</p> <p>63. F213060 Telecommunication equipment retail business;</p> <p>64. F218010 Computer software retail business;</p> <p>65. F219010 Electronic components and materials retail business;</p> <p>66. F399040 Non-store retail business;</p> <p>67. F401010 International trade business;</p> <p>68. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p>69. F401181 Measuring instrument importing business;</p> <p>70. F601010 Intellectual property business;</p> <p>71. G801010 Warehousing and storage business;</p>	
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<p>frequency equipment and materials import business;</p> <p>72. F401181 Measuring instrument importing business;</p> <p>73. F601010 Intellectual property business;</p> <p>74. G801010 Warehousing and storage business;</p> <p>75. I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy;</p> <p>76. I103060 Management consulting services business;</p> <p>77. I301010 Software design and service business;</p> <p>78. I301020 Data processing services business;</p> <p>79. I301030 Digital information supply services business;</p> <p>80. I401010 General advertising service business;</p> <p>81. I501010 Product external appearance designing business;</p> <p>82. I599990 Other design business;</p> <p>83. IG02010 Research development service business;</p> <p>84. IG03010 Energy technical services business;</p> <p>85. IZ03010 Newspaper clipping business;</p> <p>86. IZ04010 Translation business;</p> <p>87. IZ10010 Typesetting business;</p> <p>88. IZ13010 Network authentication service business;</p> <p>89. IZ99990 Other industry and</p>	<p>72. I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy;</p> <p>73. I103060 Management consulting services business;</p> <p>74. I301010 Software design and service business;</p> <p>75. I301020 Data processing services business;</p> <p>76. I301030 Digital information supply services business;</p> <p>77. I401010 General advertising service business;</p> <p>78. I501010 Product external appearance designing business;</p> <p>79. I599990 Other design business;</p> <p>80. IG02010 Research development service business;</p> <p>81. IG03010 Energy technical services business;</p> <p>82. IZ03010 Newspaper clipping business;</p> <p>83. IZ04010 Translation business;</p> <p>84. IZ10010 Typesetting business;</p> <p>85. IZ13010 Network authentication service business;</p> <p>86. IZ99990 Other industry and commerce services not elsewhere classified;</p> <p>87. J303010 Magazines (journals) publishing business;</p> <p>88. J304010 Books publishing business;</p> <p>89. J305010 Audio publishing business;</p> <p>90. J399010 Software publishing</p>	
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<p>commerce services not elsewhere classified;</p> <p>90. J303010 Magazines (journals) publishing business;</p> <p>91. J304010 Books publishing business;</p> <p>92. J305010 Audio publishing business;</p> <p>93. J399010 Software publishing business;</p> <p>94. J399990 Other publishing business;</p> <p>95. <u>J701070 Computer Recreational Activities;</u></p> <p>96. JE01010 Rental and leasing business;</p> <p>97. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	<p>business;</p> <p>91. J399990 Other publishing business;</p> <p>92. JE01010 Rental and leasing business;</p> <p>93. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
<p>Article 18</p> <p>The Company shall have at least five but no more than thirteen directors 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 shall be three years. All of the directors are eligible for re-election.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least <u>three</u> independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including</p>	<p>Article 18</p> <p>The Company shall have at least five but no more than thirteen directors 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 shall be three years. All of the directors are eligible for re-election.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent</p>	<p>Amendment is made to conform to the Securities and Exchange Act.</p>

<p>independent directors) shall be elected from among the nominees listed in the roster of 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>Paragraphs 3 to 5 are not amended.</p>	<p>directors) shall be elected from among the nominees listed in the roster of 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>Paragraphs 3 to 5 are omitted.</p>	
<p><u>Article 18-1</u> <u>The Company shall establish an Audit Committee according to Article 14-4 of the Securities and Exchange Act and the Audit Committee shall have such powers and duties of supervisors as provided in the Company Law, the Securities and Exchange Act, and other laws and regulations.</u></p>		<p>Addition is made to meet the Company's business needs and to establish good corporate governance.</p>
<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through 45th revision dates have been omitted for simplicity) The 46th amendment is made on June 7, 2013.</p>	<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through 44th revision dates have been omitted for simplicity) The 45th amendment is made on June 19, 2012.</p>	<p>Addition of the 46th revision date.</p>

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,801,359,861, among which 1,011,241,114 was exercised by electronic transmission, or 83.57% of the total voting rights when votes were cast).

Item 4 Discussion of the Amendments to Rules and Procedures of Shareholders' Meeting (Proposed by the Board of Directors)

Explanation:(1) In order to conform to relevant laws and regulations and to enhance the operation of shareholders' meeting and protect shareholders' rights and interests, it is proposed to amend certain provisions of the Rules and Procedures of Shareholders' Meeting. The details please see the comparison table of the Rules and Procedures of Shareholders' Meeting before and after revision.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Rules and Procedures of Shareholders' Meeting

Article after revision	Article before revision	Explanation
<p>Article 6 <u>The Company shall, in the notification of the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.</u></p> <p><u>The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place.</u></p> <p><u>Attending shareholders or their appointed proxies (hereafter referred to as "shareholders")</u> 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.</p> <p>The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit</p>	<p>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.</p> <p>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 (including independent directors) is to be held.</p> <p>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.</p>	<p>Paragraph 1 and paragraph 2 are added to conform to the Company Law and relevant regulations and to protect shareholders' rights and interests. The original paragraphs are re-numbered and certain languages are revised as appropriate.</p>

<p>attendance cards in lieu of signing in.</p> <p>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 (including independent directors) is to be held.</p> <p>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.</p>	<p>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.</p>	
<p>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</p>	<p>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</p>	<p>Paragraph 2 is added to enhance the operation of shareholders' meeting and to conform to relevant laws and regulations.</p>

<p>behalf. If the Chairman has not appointed a representative, the managing directors or directors shall nominate among themselves to preside over the meeting.</p> <p><u>In the event that a managing director or a director presides at a shareholders' meeting on the Chairman's behalf pursuant to the above paragraph, such managing director or director shall have held office for at least six months and shall be familiar with the financial and business condition of the Company. The same requirements shall apply when a representative of a juristic-person director presides at a shareholders' meeting.</u></p> <p>The rest is not amended.</p>	<p>behalf. If the Chairman has not appointed a representative, the managing directors or directors shall nominate among themselves to preside over the meeting.</p> <p>Paragraphs 2 to 4 are omitted.</p>	
<p>Article 8 <u>From the moment that the Company accepts check-in for the meeting, the attending shareholders' check-in process, the proceeding of the meeting, and the voting and counting process shall be continuously audio recorded and videotaped in its entirety without any interruption.</u></p> <p><u>These audio and video files shall be preserved for at least one year. However, the said files shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.</u></p>	<p>Article 8 The proceeding of the meeting shall be audio recorded <u>or</u> videotaped in its entirety <u>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.</u></p>	<p>Paragraph 1 is added to preserve the proceeding of the meeting in its entirety and to conform to relevant laws and regulations. The original languages regarding preservation period is moved to paragraph 2.</p>
<p>Article 13 Paragraphs 1 to 5 are not amended.</p>	<p>Article 13 Paragraphs 1 to 5 are omitted. The ballots shall be publicly</p>	<p>Paragraph 6 is amended to enable the shareholders to promptly know the</p>

<p>The ballots <u>for voting or election matters</u> shall be publicly counted at the meeting venue and <u>once the counting is done, the result of voting including the number of votes casted shall be announced at the meeting</u> and placed on record.</p>	<p>counted at the meeting venue and <u>the result of voting shall be announced at the meeting</u> and placed on record.</p>	<p>voting results and the number of votes casted and to conform to relevant laws and regulations.</p>
<p>Article 14 If the election of directors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results <u>including the list of elected directors and the number of votes casted</u> must be announced at the meeting.</p> <p>The rest is not amended.</p>	<p>Article 14 If the election of directors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results must be announced at the meeting.</p> <p>Omitted.</p>	<p>Paragraph 1 is amended to enable the shareholders to promptly know the voting results, the list of elected persons and the number of votes casted.</p>

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,805,213,861, among which 1,015,095,114 was exercised by electronic transmission, or 83.74% of the total voting rights when votes were cast).

**Item 5 Discussion of the Amendments to Operating Procedures of Fund Lending
(Proposed by the Board of Directors)**

Explanation:(1) In order to conform to amendment to relevant laws and regulations and to meet the Company's business needs, it is proposed to amend the Operating Procedures of Fund Lending. The details please see the comparison table of the Operating Procedures of Fund Lending before and after revision.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Fund Lending

Article after revision	Article before revision	Explanation
<p>Article 3: Total Amount of Funds Lending and Limit for Each Recipient</p> <p>1. Not amended.</p> <p>2. Not amended.</p> <p>3. Deleted.</p> <p><u>"Related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p><u>"Net worth" referred to herein shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>Article 3: Total Amount of Funds Lending and Limit for Each Recipient</p> <p>1. Omitted.</p> <p>2. Omitted.</p> <p>3. The lending of funds between the Company and the foreign Subsidiaries whose equity shares with voting rights are 100% held (directly and indirectly) by the Company may be exempt from the restrictions prescribed in the preceding two paragraphs.</p>	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies.</p>
<p>Article 9: Public Announcement and Reporting Procedures</p> <p>1. Not amended.</p> <p>2. In addition to the monthly</p>	<p>Article 9: Public Announcement and Reporting Procedures</p> <p>1. Omitted.</p> <p>2. In addition to the monthly</p>	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and</p>

<p>public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days <u>commencing from the date of occurrence of such event:</u></p> <p>(1) The balance of lending of funds lent to others by the Company and its Subsidiaries reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(2) The balance of funds lent by the Company and its Subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) Amount of funds newly lent by the Company or its Subsidiaries exceeds NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock</p>	<p>public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:</p> <p>(1) The balance of lending of funds lent to others by the Company and its Subsidiaries reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(2) The balance of funds lent by the Company and its Subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) Amount of funds newly lent by the Company or its Subsidiaries exceeds NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock</p>	<p>Guarantees by Public Companies.</p>
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<p>Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.</p> <p><u>"Date of occurrence" referred to herein shall mean the date of contract signing, date of payment, date of resolution by board of directors, or other date that can determine the counterparty and transaction amount of the transaction, whichever date is earlier.</u></p>	<p>Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.</p>	
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Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,795,732,765, among which 1,005,614,018 was exercised by electronic transmission, or 83.30% of the total voting rights when votes were cast).

Item 6 Discussion of the Amendments to Operating Procedures of Endorsement and Guarantee (Proposed by the Board of Directors)

Explanation:(1) In order to conform to amendment to relevant laws and regulations and to meet the Company's business needs, it is proposed to amend the Operating Procedures of Endorsement and Guarantee. The details please see the comparison table of the Operating Procedures of Endorsement and Guarantee before and after revision.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Endorsement and Guarantee

Article after revision	Article before revision	Explanation
<p>III. Recipients of Endorsements and Guarantees</p> <p>The Company may make endorsements and/or guarantees for the following companies:</p> <ol style="list-style-type: none"> 1. Related parties with which the Company has business relations. 2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares. 3. The company which directly and indirectly owns more than 50% of the Company's voting shares. <p>A company in which the Company directly and indirectly owns 100% of its voting shares may make endorsements and/or guarantees to another company in which the Company directly and indirectly owns 100% of its voting shares.</p> <p>The mutual guarantees made by and between the Company and other enterprises of the same trade for the need of contracting</p>	<p>III. Recipients of Endorsements and Guarantees</p> <p>The Company may make endorsements and/or guarantees for the following companies:</p> <ol style="list-style-type: none"> 1. Related parties with which the Company has business relations. 2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares. 3. The company which directly and indirectly owns more than 50% of the Company's voting shares. <p>A company in which the Company directly and indirectly owns 100% of its voting shares may make endorsements and/or guarantees to another company in which the Company directly and indirectly owns 100% of its voting shares.</p> <p>The mutual guarantees made by and between the Company and other enterprises of the same trade for the need of contracting</p>	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies.</p>

<p>for construction work or between joint builders in compliance with the contracts or the endorsements/guarantees made by the shareholders for joint investment in a company in proportion to their shareholdings shall be exempt from the restrictions prescribed in the preceding two paragraphs.</p> <p>The aforementioned investment refers to the investment directly made by the Company or indirectly made through a company whose voting shares are 100% owned by the Company.</p> <p>The terms "related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in <u>the Regulations Governing the Preparation of Financial Reports by Securities Issuers</u>.</p>	<p>for construction work or between joint builders in compliance with the contracts or the endorsements/guarantees made by the shareholders for joint investment in a company in proportion to their shareholdings shall be exempt from the restrictions prescribed in the preceding two paragraphs.</p> <p>The aforementioned investment refers to the investment directly made by the Company or indirectly made through a company whose voting shares are 100% owned by the Company.</p> <p>The terms "related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in <u>the Statement of Financial Accounting Standards No. 5, No. 6 and No. 7 published by the Accounting Research and Development Foundations of the Republic of China</u>.</p>	
<p>IV. Limits of Endorsements and Guarantees</p> <p>The total amount of the endorsements and guarantees made by the Company shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements. The total amount of the endorsements and guarantees</p>	<p>IV. Limits of Endorsements and Guarantees</p> <p>The total amount of the endorsements and guarantees made by the Company shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements. The total amount of the endorsements and guarantees</p>	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies.</p>

<p>made by the Company and its subsidiary as a whole shall not exceed 50 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 30 percent of the Company's net worth as stated in the Company's latest financial statements.</p> <p><u>"Net worth" referred to herein shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>(Hereinafter not amended)</p>	<p>made by the Company and its subsidiary as a whole shall not exceed 50 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 30 percent of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(Hereinafter omitted)</p>	
<p>V. Procedures for Making Endorsement and Guarantee</p> <ol style="list-style-type: none"> 1. Not amended. 2. Not amended. 3. Not amended. 4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees 	<p>V. Procedures for Making Endorsement and Guarantee</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Omitted. 4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees 	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies.</p>

<p>made, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.</p> <p>5. Not amended.</p> <p>6. Not amended.</p>	<p>made <u>according to the Statement of Financial Accounting Standards No. 9</u>, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.</p> <p>5. Omitted.</p> <p>6. Omitted.</p>	
<p>X. Public Announcement and Reporting Procedures</p> <p>1. Not amended.</p> <p>2. In addition to the monthly public announcement and reporting of the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days <u>commencing from the date of occurrence of such event:</u></p> <p>(1) The balance of endorsements and guarantees made by the Company and its Subsidiaries reaches 50 percent or more of the Company's net worth as</p>	<p>X. Public Announcement and Reporting Procedures</p> <p>1. Omitted.</p> <p>2. In addition to the monthly public announcement and reporting of the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:</p> <p>(1) The balance of endorsements and guarantees made by the Company and its Subsidiaries reaches 50 percent or more of the Company's net worth as</p>	<p>Amendment is made to conform to the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies.</p>

<p>stated in the Company's latest financial statements.</p> <p>(2) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches NT\$10 million or more and the aggregate amount of endorsements and guarantees for, <u>investment of a long-term nature</u> in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(4) The amount of endorsements and guarantees newly made by the Company or its Subsidiaries exceeds NT\$30 million and reaches 5 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>3. If any of the matters to be public announced and reported as specified above is subject to</p>	<p>stated in the Company's latest financial statements.</p> <p>(2) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(3) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches NT\$10 million or more and the aggregate amount of endorsements and guarantees for, long-term investment in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>(4) The amount of endorsements and guarantees newly made by the Company or its Subsidiaries exceeds NT\$30 million and reaches 5 percent or more of the Company's net worth as stated in the Company's latest financial statements.</p> <p>3. If any of the matters to be public announced and reported as specified above is subject to the "Taiwan Stock Exchange</p>	
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<p>the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.</p> <p><u>"Date of occurrence" referred to herein shall mean the date of contract signing, date of payment, date of resolution by board of directors, or other date that can determine the counterparty and transaction amount of the transaction, whichever date is earlier.</u></p>	<p>Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.</p>	
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Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,795,733,785, among which 1,005,615,038 was exercised by electronic transmission, or 83.30% of the total voting rights when votes were cast).

**Item 7 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) The Company's directors concurrently perform work for other companies and thus are 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 for resolution to remove the restrictions preventing the Company's directors from performing work for their newly appointed positions in other companies.

(3) The proposal is submitted for discussion.

Details of Positions Concurrently Held by Directors in Other Companies (Newly Added)

Name of Director	Name of Company Where Director Holds Major Position	Position
Mark Ko	Delta Greentech (China) Co., Ltd.	Director
Simon Chang	Delta Robot Automatic Co., Ltd.	Chairman
Ping Chen	Delta Robot Automatic Co., Ltd.	Director
	Deltronics (Netherlands) B.V.	Director
	Delta Energy Technology (Wuhu) Co., Ltd	Chairman
	Delta Energy Technology (Chenzhou) Co., Ltd.	Chairman
	Delta Energy Technology (Dongguan) Co., Ltd. Delta Energy Technology (Wujiang) Co., Ltd.	Chairman Chairman
Steven Liu	Delta Electronics Int'l (Singapore) Pte Ltd	Director
Johnson Lee	Delta Electronics (Chenzhou) Co., Ltd.	Director
	Delta Technology (Chenzhou) Co., Ltd.	Director
	Delta Electronics (Wuhu) Co., Ltd.	Director
	Delta Technology (Wuhu) Co., Ltd.	Director
	Delta Electronics Components (Wujiang) Ltd.	Director
	Delta Electronics International Limited	Director
	Delta International Holding Limited	Director
	Delta Electronics (HK) Limited	Director
	Delta Power Sharp Ltd.	Director
Yung-Chin Chen	Lifestyle Global Enterprise Inc.	Independent Supervisor
Ming-Chung Chang	Neo Solar Power Corp.	Director

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,155,486,168 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,672,264,242, among which 920,537,495 was exercised by electronic transmission, or 77.58% of the total voting rights when votes were cast).

III. EXTEMPORARY MOTIONS

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

Meeting Adjourned

Chairman: Yancey Hai

Recorder: Ms. Jill Lee

Letter to Our Shareholders

2012 global economy was marked by uncertainty and a continued lack of market confidence. Delta nevertheless delivered strong performance thanks to the efforts of our employees. In addition to revenues growth, Delta saw a sharp jump in profitability. Delta's consolidated revenues in 2012 amounted to 171.8 Billion NTD, 6% increase on the previous year. Operating profit was \$42.2 Billion NTD, up 22% from last year with a gross margin of 24.5%. Net operating profit was 17.4 Billion NTD, up 32% from last year and accounted for 10.1% of total revenues. Net profit after tax increased by 47% to 16.1 Billion NTD compared to last year and the net operating profit margin was 9.4%. Earning per share (EPS) in 2012 was 6.68 NTD.

"Care for the Environment, Energy-saving and Our Green Earth" has been the overriding business philosophy of Delta for decades and a core corporate element of our culture. Delta has not only cemented our leadership and developed new opportunities in the power supply and component ODM industry, but has also actively expanded into systems and solutions. By drawing on our thorough understanding of customer requirements, innovative technologies and products, and seamless integration of software and hardware, we create more environmentally friendly, comfortable and intelligent applications that enhance Delta's brand value. Important changes were made to Delta's corporate governance structure and management team last year to strengthen the company's foundations for future development. The following is a brief summary of key developments in our business and organization over the last year as well as our vision for the future.

In the power supply and components field, Delta has been the world leader by market share of power supplies and DC brushless fan motors for many years. We have also continued to introduce our core technologies and innovative R&D results into more applications, while improving their energy conversion efficiency and recycling. Delta has not only continued to maintain our leadership in the communications, industrial, automotive and consumer electronics industries, but has also made major gains in the emerging cloud application, medical and

electric vehicle markets last year. Delta successfully developed the world's first titanium-grade server power supply with 96% efficiency. Delta also earned orders from large data center customers such as Google, Facebook and Amazon, and Delta now owns more than 50% of the global server power supply market. Our entry into the medical imaging device market progressed smoothly as well. New products, such as power supplies for medical X-ray machines, are now shipping and creating higher added value. In 2011, Delta began working on onboard chargers for electric vehicles. Last year, Delta released a new product with a conversion efficiency of up to 95% that is also lighter, thinner, more compact and more powerful than competing products. We are now officially a tier-1 supplier to the top 3 car brands in the U.S., and we anticipate strong business growth in this area.

Delta's Fan & Thermal Management Business Group leads the industry in slim design and mass production technology. We are also actively leveraging low-power consumption and low-noise designs to extend our product lines into smart air ventilation fans, hot-air blowers and thermal exchangers. These products will allow the general public to enjoy the high quality of life provided by green technology while saving energy and reducing carbon emissions. Delta is currently the only company to have Taiwan's Energy Label certification for its complete range of smart air ventilation fans. Cyntec, a Delta wholly-owned subsidiary, specializes in the development of highly integrated miniaturized components and modules. The company has won customer recognition for its responsiveness, technology, and mass production capability. The popularity of handheld electronic devices, the rapid development of the cloud service industry, the general public's increasing demand for quality of life as well as healthcare services all indicate that Delta's power supply and components business should continue to perform well.

Delta is engaged in a variety of energy management fields, including products, systems and turnkey solutions for industrial automation, energy systems, electric vehicle control, power and charging systems, large wind turbine converters and photovoltaic inverters. All of these products delivered a remarkable performance last year. Delta Industrial Automation developed a

number of innovative products and turnkey solutions last year including robots and energy-efficient industrial automation solutions which integrate lighting, injection molding machines, elevators, air-conditioning, air compressors and factory power management systems. In addition, Delta also developed the first digital control system solution (DCS) for CNCs. The new in-house developed DCS is a complete, responsive and flexible solution that integrates control panel, servo drive, spindle motor and servo motor, supports multi-tasking and delivers speed, precision and stability. Delta also developed a new range of highly competitive medium-sized programmable controller products. All of these demonstrate innovative R&D by Delta Industrial Automation to provide customers with energy-saving, high-performance products and solutions that take industries into the new age of smart, green energy.

Delta's telecom power supplies have always been the industry leader with an energy conversion efficiency of up to 97%. Last year, we integrated our world-leading core technologies in energy management and thermal engineering with environmental management and rack design solutions to offer a total solution for next-generation data center infrastructure. The new integrated solution for data center infrastructure features UPS, power distribution, environmental monitoring and precision air-conditioning with the advantages of modularity, flexible integration, ease of management and high reliability. Enterprise customers can build their own "Green Data Center" for significant savings in energy and operating costs. Apart from large data centers, Delta is actively investing in the market for private enterprise clouds by developing racks that integrate power supply, cooling and UPS products. These products allow customers to combine Delta racks and servers to greatly speed up the rollout process and have won unanimous compliment from our customers.

Delta made breakthroughs in electric vehicle charging solutions last year. A grant was received from the U.S. Department of Energy to work with North American electricity companies and automotive manufacturers on joint development of home electric vehicle charging equipment under a smart grid architecture. The grant is intended to reduce the cost of communication between charging equipment and electrical grids. Delta also participates in Norway's

charging grid initiative by building a full-scale electric vehicle charging facilities along the 3,000 km long E6 highway between Norway and Sweden. Delta's R&D integration ability, product innovation and design abilities have repeatedly won international recognition. The team's efforts will undoubtedly become evident as the electric vehicle industry prospers in Taiwan and overseas.

In solar energy market, reductions in government subsidies and global oversupply had severe adverse impact on the industry. Nevertheless, the drop in market prices is positive for the industry as a whole over the long-term and will encourage the popularization of PV technology. Delta therefore made the decision to merge DelSolar, a Delta subsidiary, into Neo Solar Power, through share swap scheme. The new, larger company will be more competitive and will become the largest PV cell maker in Taiwan and the second largest in the world. Delta hopes that this will accelerate the replacement of dirty fossil fuels with clean and cost-effective renewable energy.

In smart green life, the most significant progress has been in the network communications and display solutions business. Delta's network communications subsidiary, Delta Networks, has grown steadily over the years by balancing the demands of high-end enterprise and SOHO markets. The rapid growth of cloud and smart applications brings with it increasing demand for network communications and makes Delta Networks one of Delta's key engines for growth. Delta's display solutions business has not only maintained its leadership in the high-end projection systems market, but has also integrated art and aesthetics into everyday life through integrated software technologies. In 2012, Delta set up 12 large cinema-grade projectors outside of the Red House in Taipei. The exterior of the unique octagonal building formed a large outdoor 3D projection stage, and audio control technology was used to combine the visual effects with the architecture. The audience was able to relive the medal-winning performances of Chinese Taipei Olympic athletes and enjoy the opening ceremony at the London Olympic Stadium. This authentic experience of the world's greatest athletics event provided an excellent demonstration of smart green life.

LED is the trend for future lighting and it is one of Delta's new business units. Delta spent six months last year on the Peng Bay Bridge scenic lighting project, installing 2,600 LED lights of various types. The lighting system was officially activated in October, 2012. The design of the lighting had to balance the needs of eco-conservation, lighting technology, tourism and recreation. The eco-friendly energy lighting and variable 7-colored LED lighting now transforms the Peng Bay Bridge into a glowing rainbow at night. The bridge is now a part of life for residents and tourists alike, emphasizing the endless possibilities of advanced technology in smart green living. While high costs continue to hamper LED adoption, Delta believes that LED, with its advantages in energy-saving, long life, mercury-free and a high color rendering property, will soon replace conventional lighting in the future and make a contribution to the environment.

A keen understanding of market trends and readiness to exploit new business opportunities have always been one of the keys to Delta's success. Delta has continued to actively adjust our overall strategy and take advantage of emerging opportunities in response to changes in the industrial structure and economic climate. The Delta's business model continues to evolve as well. From Delta Inside to Delta Outside, from IT to ET (Energy Technology), from ODM to brand-oriented integrated energy-saving services, these all trace how Delta has grown in response to changes in the external environment. While as Delta's business units concentrate their energies on developing innovative products and providing customers with even better value-added solutions, we are sparing no effort when it comes to integrating and applying products and technologies across different business units. Take the most advanced intelligent monitoring and management system iPEMS™ for example, it integrates our expertise in video conferencing, sensing, network communications and power management was combined together to support the concurrent monitoring of more than 10 million data points for real-time data collecting, smart data analysis and ultra high-definition data visualization. The iPEMS™ can be used in a variety of different industrial monitoring and management applications such as energy production and consumption, smart factories, large data centers, smart grids, traffic and communications. This advanced high-performance, high-reliability, flexible and eco-friendly energy-saving solution helps managers make right

decisions quickly. Green building is another example. We integrated renewable energy applications, energy management optimization, factory energy-saving automation and home energy-saving products into a solution, and optimized architectural design, choice of building materials, natural lighting and insulation, air-conditioning and hot water systems. The result not only greatly reduces the consumption of water and power, but also offers more comfortable indoor temperatures, humidity and air quality. These system solutions have translated into improved productivity and environmental quality. Delta has built a number of green factories, offices and laboratories over the years that have proven to be great successes. Building upon our solid foundations and exploiting the synergies from collaborative development to provide even more influential total integrated solutions is now Delta's main direction of development for the future.

The success of our integrated solutions business depends on in depth understanding of the customer's problems and the technology to solve them. Delta has made long-term investments in cultivating R&D expertise and innovation. We also approach the market carefully to understand customer requirements and establish our brand value. Having previously been named one of the first "Top 20 Innovation Enterprises in Taiwan" by the Industrial Development Bureau of the Ministry of Economic Affairs in 2011, Delta earned the Outstanding Innovative Enterprise Award again last year. The top award in the National Industrial Innovation Awards recognized Delta's embrace of energy-saving, sustainability and value creation as core values as well as our innovations in system integration, design, channel, brand and service. Last year, Delta was once again named as one of the top 20 international brands in Taiwan by Interbrand, making it the only large electronics company in Taiwan to receive this accolade with an industrial brand for two successive years. 2010 was Year One for the Delta brand. After an analysis of global trends and the Delta core values, "Smarter. Greener. Together." was defined as the Delta brand essence last year. *Smarter* represents our continued advancement in technology in response to customers' expectations of the Delta brand on a functional level. *Greener* embodies our commitment to the business philosophy of "Care for the Environment, Energy-saving and Our Green Earth ". *Together* describes the Delta management philosophy of working together with customers to establish a

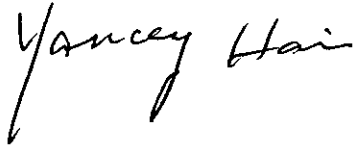
long-term partnership and grow together. We hope these three English words will effectively communicate the Delta value, establish good will in business, and ultimately ensure our continued competitiveness and guide our sustainable development.

Delta received many accolades from customers such as ASUS, SONY, Dell and Lenovo in 2012. After receiving the "Best CEO in Technology/Hardware", "Best Investor Relations" and "Best IR Professional" awards from *Institutional Investor* magazine in 2011, Delta's management team was presented with the "Best investor relations officer" and "Best investor relations by a CEO or president" awards by *IR Magazine* in 2012. Delta's investor relations ranking in Greater China also jumped into 3rd place, showing that Delta's long-term efforts in corporate governance and investor relations is paying off. Delta's commitment to corporate social responsibility has been well recognized too: Delta won the *CommonWealth Magazine's* "Most Admired Company" award for the 11th consecutive year and the Corporate Citizenship Award for the 6th consecutive year, the *Global Views Magazine's* top prize in the education category for the "2012 Corporate Social Responsibility Awards", the Securities & Futures Institute's best possible A++ rating for disclosure and transparency by a publicly listed company, was included again in the "World Index" and "Asia-Pacific Index" of the Dow Jones Sustainability Indexes, and was named global "Industry leader" in the ITC Electronic Equipment sector. Delta also became the first Taiwanese-owned electronics company to receive the "Outstanding Enterprise Award" in China's Corporate Social Responsibility Ranking last year and has now been named one of the Top 50 private enterprises in China for three consecutive years. The awards provide ample proof of how highly regarded Delta is in the China market.

Delta constantly strives toward the best practices of corporate governance, although we might already be considered a role-model in Taiwan. The Delta Board of Directors was restructured last year, and the supervisors were replaced by an Audit Committee and Remuneration Committee made up of three independent directors. The move marked an important step towards best corporate governance. Changes were made to the Delta management team last

year as well. Mr. Bruce Cheng, our beloved founder, announced his retirement last year and resigned his chairmanship to become honorary chairman. The responsibility of managing the company is now shared by me as new Chairman, Vice Chairman Mark Ko, CEO Ping Cheng and COO Johnson Lee. We present Mr. Bruce Cheng with our highest regards for devoting more than forty years of his life to laying the foundations for Delta's success. We are also grateful to our colleagues for their long-term contributions to the company, and also to our customers, suppliers, shareholders and the general public for their support and belief in Delta. We will strive to continue to lead all Delta employees in the direction set for the company and implement the growth strategies we have developed. We will do our best to realize our goals, accomplishing our corporate mission, pass on the Delta value, and forge Delta into an internationally respected enterprise.

Yancey Hai, Chairman



Attachment 2

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, 2012 and 2011, 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 11, 2013, in which we indicated that the financial statements and the related information of certain investees accounted for under the equity method were audited by other independent accountants, we expressed a modified unqualified opinion on those non-consolidated financial statements.

In our opinion, 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 11, 2013

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

ASSETS	Notes	2012	2011
Current Assets			
Cash and cash equivalents	4(1)	\$ 5,045,761	\$ 8,437,582
Financial assets measured at fair value through profit or loss - current	4(2)	720,000	-
Available-for-sale financial assets - current	4(5)	555,522	524,013
Financial assets carried at cost - current	4(6)	-	37,092
Notes receivable, net		88,759	121,034
Accounts receivable, net	4(3)	4,747,381	3,989,817
Accounts receivable, net - related parties	5	1,828,201	1,197,372
Other receivables		104,604	103,629
Other receivables - related parties	5	533,146	471,882
Other financial assets - current	6	39,849	44,163
Inventories	4(4)	756,526	937,228
Long-term equity investments held for disposal	4(7)	2,378,066	-
Deferred income tax assets - current	4(19)	38,144	56,655
Other current assets		265,834	662,155
Total current assets		<u>17,101,793</u>	<u>16,582,622</u>
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	-	1,580,000
Available-for-sale financial assets - non-current	4(5)	2,143,517	22,198
Financial assets carried at cost - non-current	4(6)	575,292	3,299,410
Long-term equity investments accounted for under the equity method	4(7)	89,188,433	90,836,694
Cash surrender value of life insurance		115,434	112,700
Total funds and investments		<u>92,022,676</u>	<u>95,851,002</u>
Property, Plant and Equipment, Net			
Cost			
Land		2,179,538	1,100,055
Buildings		3,990,972	2,331,617
Machinery and equipment		1,053,694	999,542
Molding equipment		359,520	347,102
Computer and communication equipment		317,491	296,979
Testing equipment		1,732,249	1,685,548
Transportation equipment		27,640	26,924
Office equipment		198,604	186,078
Leasehold improvements		73,069	53,638
Revaluation increments		620,497	620,497
Cost and revaluation increments		<u>10,553,274</u>	<u>7,647,980</u>
Less: Accumulated depreciation		(3,770,512)	(3,438,351)
Construction in progress and prepayments for equipment		632,803	2,123,454
Total property, plant and equipment, net	4(8)	<u>7,415,565</u>	<u>6,333,083</u>
Intangible Assets			
Trademarks	4(9)	412,890	-
Patents		20,061	23,170
Deferred pension costs		4,116	8,232
Total intangible assets		<u>437,067</u>	<u>31,402</u>
Other Assets			
Assets leased to others	4(10)	1,795,589	765,157
Idle assets	4(11)	-	-
Refundable deposits		2,927	6,663
Deferred expenses		311,303	185,055
Other assets - other		15,547	33,583
Total other assets		<u>2,125,366</u>	<u>990,458</u>
TOTAL ASSETS		<u>\$ 119,102,467</u>	<u>\$ 119,788,567</u>

(Continued)

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

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2012	2011
Current Liabilities			
Derivative financial liabilities for hedging - current	10(9)	\$ 1,485	\$ -
Accounts payable		451,013	650,072
Accounts payable - related parties	5	6,649,501	6,157,405
Income tax payable	4(19)	952,207	892,266
Accrued expenses		4,720,398	4,430,746
Other payables - related parties	5	47,768	233,988
Other payables		185,092	198,586
Receipts in advance		228,558	219,388
Other current liabilities		621,629	1,177,032
Total current liabilities		<u>13,857,651</u>	<u>13,959,483</u>
Long-term Liability			
Long-term loans	4(12)	<u>16,315,000</u>	<u>22,272,000</u>
Reserve			
Land value incremental reserve	4(8)	<u>119,864</u>	<u>119,864</u>
Other Liabilities			
Accrued pension liabilities	4(13)	1,522,532	1,370,529
Guarantee deposits received	5	5,410	4,740
Deferred income tax liabilities - non-current	4(19)	3,615,969	4,240,595
Other liabilities - other		-	578
Total other liabilities		<u>5,143,911</u>	<u>5,616,442</u>
Total liabilities		<u>35,436,426</u>	<u>41,967,789</u>
Stockholders' Equity			
Capital			
Common stock	4(14)	24,211,780	24,033,974
Capital Reserves			
Paid-in capital in excess of par value of common stock	4(15)	14,384,691	13,242,489
Capital reserve from conversion of convertible bonds		10,253,416	10,253,416
Capital reserve - other		1,765,000	3,013,550
Retained Earnings			
Legal reserve	4(16)	12,163,682	11,064,579
Special Reserve		1,628,536	4,796,006
Undistributed earnings	4(17)	22,805,885	13,045,300
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(4,287,240)	(1,716,140)
Unrecognized pension cost		(284,342)	(263,401)
Unrealized gain or loss on financial instruments		(281,431)	(176,551)
Asset revaluations	4(8)	527,556	527,556
Amounts recognised directly in equity relating to non-current assets held for sale	4(7)	778,508	-
Total stockholders' equity		<u>83,666,041</u>	<u>77,820,778</u>
Commitments and Contingent Liabilities	7		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 119,102,467</u>	<u>\$ 119,788,567</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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

Items	Notes	2012		2011	
Operating Revenues	5				
Sales		\$ 28,206,472		\$ 25,800,466	
Sales returns		(8,069)		(13,467)	
Sales discounts		(5,490)		(3,282)	
Net Sales		<u>28,192,913</u>		<u>25,783,717</u>	
Service income	5	8,094,643		6,917,765	
Net Operating Revenues		<u>36,287,556</u>		<u>32,701,482</u>	
Operating Costs	4(21) and 5				
Cost of goods sold	4(4)	(25,379,810)		(23,266,764)	
Service costs		(7,015,935)		(5,740,112)	
Net Operating Costs		<u>(32,395,745)</u>		<u>(29,006,876)</u>	
Gross profit		3,891,811		3,694,606	
Unrealized gain from intercompany transactions		-		(578)	
Realized gain on inter-affiliate accounts		578		82	
Net Gross profit		<u>3,892,389</u>		<u>3,694,110</u>	
Operating Expenses	4(21)				
Sales and marketing expenses		(327,779)		(333,807)	
General and administrative expenses		(1,580,020)		(1,493,559)	
Research and development expenses		(154,360)		(129,192)	
Total Operating Expenses		<u>(2,062,159)</u>		<u>(1,956,558)</u>	
Operating income		<u>1,830,230</u>		<u>1,737,552</u>	
Non-operating Income and Gains					
Interest income		14,600		19,103	
Investment income accounted for under the equity method	4(7)	14,468,324		10,714,871	
Dividend income		40,789		69,535	
Gain on disposal of property, plant and equipment		7,547		4,923	
Gain on disposal of investments	4(2)	1,380,059		180,517	
Foreign exchange gain, net		66,550		23,933	
Rental income	5	52,638		44,557	
Other non-operating income		401,582		369,125	
Total Non-operating Income and Gains		<u>16,432,089</u>		<u>11,426,564</u>	
Non-operating Expenses and Losses					
Interest expense		(134,901)		(71,922)	
Other non-operating losses		(32,086)		(16,021)	
Total Non-operating Expenses and Losses		<u>(166,987)</u>		<u>(87,943)</u>	
Income from continuing operations before income tax		18,095,332		13,076,173	
Income tax expense	4(19)	(928,584)		(584,922)	
Income from continuing operations		17,166,748		12,491,251	
Loss from discontinued operations (Net of income tax expense of \$0 and \$0, respectively)	4(7)	(1,057,206)		(1,500,220)	
Net income		<u>\$ 16,109,542</u>		<u>\$ 10,991,031</u>	
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Earnings per share (In Dollars)	4(20)				
Basic earnings per share					
Net income from continuing operations		\$ 7.51	\$ 7.12	\$ 5.44	\$ 5.20
Net loss from discontinued operations		(0.44)	(0.44)	(0.62)	(0.62)
Net income		<u>\$ 7.07</u>	<u>\$ 6.68</u>	<u>\$ 4.82</u>	<u>\$ 4.58</u>
Diluted earnings per share					
Net income from continuing operations		\$ 7.39	\$ 7.01	\$ 5.34	\$ 5.10
Net loss from discontinued operations		(0.43)	(0.43)	(0.61)	(0.61)
Net income		<u>\$ 6.96</u>	<u>\$ 6.58</u>	<u>\$ 4.73</u>	<u>\$ 4.49</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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

	Retained Earnings							Unrealized gains or losses on financial instruments	Asset revaluations	Amounts recognised directly in equity relating to non-current assets held for sale	Total
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost				
2011											
Balance at January 1, 2011	\$ 23,947,984	\$ 26,284,595	\$ 9,489,158	\$ -	\$ 20,905,730	(\$ 5,862,383)	(\$ 112,627)	\$ 746,818	\$ 432,187	\$ -	\$ 75,831,462
Compensation cost amortization of employees' stock option assumed from subsidiary due to merger	-	30,154	-	-	-	-	-	-	-	-	30,154
Employees' stock options	85,990	511,042	-	-	-	-	-	-	-	-	597,032
Distribution of 2010 earnings (Note a)											
Legal reserve	-	-	1,575,421	-	(1,575,421)	-	-	-	-	-	-
Special reserve	-	-	-	4,796,006	(4,796,006)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,480,034)	-	-	-	-	-	(12,480,034)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(316,336)	-	-	-	-	-	-	-	-	(316,336)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	95,369	-	95,369
Unrecognized pension cost	-	-	-	-	-	-	(150,774)	-	-	-	(150,774)
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(716,811)	-	-	(716,811)
Change in cumulative translation adjustment	-	-	-	-	-	2,541,927	-	-	-	-	2,541,927
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	1,604,316	-	(206,558)	-	-	1,397,758
Net income for the year	-	-	-	-	10,991,031	-	-	-	-	-	10,991,031
Balance at December 31, 2011	<u>\$ 24,033,974</u>	<u>\$ 26,509,455</u>	<u>\$ 11,064,579</u>	<u>\$ 4,796,006</u>	<u>\$ 13,045,300</u>	<u>(\$ 1,716,140)</u>	<u>(\$ 263,401)</u>	<u>(\$ 176,551)</u>	<u>\$ 527,556</u>	<u>\$ -</u>	<u>\$ 77,820,778</u>
2012											
Balance at January 1, 2012	\$ 24,033,974	\$ 26,509,455	\$ 11,064,579	\$ 4,796,006	\$ 13,045,300	(\$ 1,716,140)	(\$ 263,401)	(\$ 176,551)	\$ 527,556	\$ -	\$ 77,820,778
Employees' stock options	177,806	1,009,205	-	-	-	-	-	-	-	-	1,187,011
Distribution of 2011 earnings (Note b)											
Legal reserve	-	-	1,099,103	-	(1,099,103)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,167,470)	3,167,470	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,417,324)	-	-	-	-	-	(8,417,324)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(49,516)	-	-	-	-	-	-	-	-	(49,516)
Disposal of long-term equity investments	-	(239,936)	-	-	-	10,537	-	-	-	-	(229,399)
Unrecognized pension cost	-	-	-	-	-	-	(20,941)	-	-	-	(20,941)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	31,866	-	-	31,866
Change in cumulative translation adjustment	-	-	-	-	-	(2,179,519)	-	-	-	-	(2,179,519)
Change in stockholders' equity of investee companies accounted for under the equity method	-	-	-	-	-	(449,711)	-	(136,746)	-	-	(586,457)
Change in amounts recognised directly in equity relating to non-current assets held for sale	-	(826,101)	-	-	-	47,593	-	-	-	778,508	-
Net income for the year	-	-	-	-	16,109,542	-	-	-	-	-	16,109,542
Balance at December 31, 2012	<u>\$ 24,211,780</u>	<u>\$ 26,403,107</u>	<u>\$ 12,163,682</u>	<u>\$ 1,628,536</u>	<u>\$ 22,805,885</u>	<u>(\$ 4,287,240)</u>	<u>(\$ 284,342)</u>	<u>(\$ 281,431)</u>	<u>\$ 527,556</u>	<u>\$ 778,508</u>	<u>\$ 83,666,041</u>

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

Note b: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$1,536,340 had been deducted from the Non-Consolidated Statement of Income in 2011.

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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

	2012	2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 16,109,542	\$ 10,991,031
Adjustments to reconcile net income to net cash provided by operating activities		
Provision (reversal of allowance) for doubtful accounts	46,023	(3,530)
Provision for inventory obsolescence and market price decline	75,720	33,145
Gain on disposal of investments	(1,380,059)	(180,517)
Investment income recognized under equity method	(13,411,118)	(9,214,651)
Cash dividends received from investee companies accounted for under the equity method	12,093,418	8,322,573
Unrealized gain from intercompany transactions	-	578
Realized gain from intercompany transactions	(578)	(82)
Depreciation (including assets leased to others)	457,678	406,242
Amortization	308,674	255,975
Gain on disposal of property, plant and equipment, net	(7,547)	(4,923)
Changes in assets and liabilities		
Notes receivable	32,275	(40,536)
Accounts receivable	(803,587)	932,789
Accounts receivable - related parties	(630,829)	(263,694)
Other receivables	(24,271)	(17,029)
Other receivables - related parties	(61,264)	179,669
Inventories	104,982	(306,026)
Deferred tax assets	71,363	8,864
Other current assets	396,321	(187,376)
Other assets - other	18,036	(12,038)
Accounts payable	(199,059)	(233,345)
Accounts payable - related parties	492,096	467,621
Income tax payable	59,941	(125,500)
Accrued expenses	289,652	(339,455)
Other payables - related parties	(186,220)	33,029
Other payables	(13,494)	(132,662)
Receipts in advance	9,170	(75,515)
Other current liabilities	(555,403)	561,262
Accrued pension liability	116,766	123,537
Deferred tax liabilities	(298,396)	(461,068)
Net cash provided by operating activities	13,109,832	10,718,368

(Continued)

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

	2012	2011
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease (increase) in other financial assets - current	\$ 4,314	(\$ 220)
Proceeds from disposal of available-for-sale financial assets	536,761	290,437
Cash dividends received from available-for-sale financial assets during the year of conversion	117,872	-
Increase in financial assets carried at cost	-	(2,710,152)
Proceeds from disposal of financial assets carried at cost	-	105,886
Proceeds from capital reduction of financial assets carried at cost	6,059	750
Increase in long-term equity investments accounted for under the equity method	(790,402)	(808,315)
Proceeds from disposal of long-term equity investments accounted for under the equity method	27,132	176
Proceeds from capital reduction of long-term equity investments accounted for under the equity method	190,000	-
Increase in cash surrender value of life insurance	(2,734)	(9,009)
Acquisition of property, plant and equipment	(2,592,916)	(2,112,169)
Proceeds from disposal of property, plant and equipment	29,870	23,140
Decrease (increase) in refundable deposits	3,736	(1,647)
Increase in deferred expenses	(431,538)	(298,536)
Acquisition of intangible assets	(413,164)	-
Cash inflows from simple merger	-	67,433
Net cash used in investing activities	<u>(3,315,010)</u>	<u>(5,452,226)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term loans	-	(115,000)
(Decrease) increase in long-term loans	(5,957,000)	14,053,000
Increase in guarantee deposits received	670	-
Payment of cash dividends and employees' cash bonus	(8,417,324)	(12,480,034)
Employees' stock option	1,187,011	597,032
Net cash (used in) provided by financing activities	<u>(13,186,643)</u>	<u>2,054,998</u>
(Decrease) increase in cash and cash equivalents	(3,391,821)	7,321,140
Cash and cash equivalents at beginning of year	8,437,582	1,116,442
Cash and cash equivalents at end of year	<u>\$ 5,045,761</u>	<u>\$ 8,437,582</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	<u>\$ 135,371</u>	<u>\$ 55,087</u>
Cash paid during the year for income tax	<u>\$ 1,139,669</u>	<u>\$ 1,162,627</u>
<u>FAIR VALUE OF ASSETS AND LIABILITIES OF THE ACQUIRED SUBSIDIARY WERE AS FOLLOWS</u>		
Cash and cash equivalents	\$ 101,788	\$ 67,433
Other current assets	2,918	113,731
Funds and investments	-	170,782
Property, plant, and equipment	1,324,614	850
Goodwill	13,793	-
Other assets	1,275,575	350
Other current liabilities	(2,916)	(114,624)
Other liabilities	(4,800)	-
Minority interest	(820)	-
Subtotal	2,710,152	238,522
Investment cost before merger	(2,710,152)	(220,647)
Cash paid in total	<u>\$ -</u>	<u>\$ 17,875</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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, 2012 and 2011, 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 the Taiwan Stock Exchange Corporation. In our report dated March 11, 2013, in which we indicated that (a) the financial statements and the related information of certain subsidiaries and investees accounted for under the equity method were audited by other independent accountants, and (b) pursuant to the regulations of the Former Financial Supervisory Commission, Executive Yuan, R.O.C. (FSC) effective January 1, 2013, Delta Electronics, Inc. should prepare consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins (IFRSs) that are ratified by FSC and the “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be applied in 2013 and discloses in advance certain information relating to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of FSC, dated February 2, 2010, we expressed a modified unqualified opinion on those consolidated financial statements.

In our opinion, 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 11, 2013

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)

ASSETS	Notes	2012	2011
Current Assets			
Cash and cash equivalents	4(1)	\$ 51,096,128	\$ 67,695,906
Financial assets at fair value through profit or loss - current	4(2)	733,285	2,342
Available-for-sale financial assets - current	4(5)	600,373	524,013
Derivative financial assets for hedging - current	10(9)	39,901	115,111
Financial assets carried at cost - current	4(6)	-	86,180
Notes receivable, net		1,319,593	1,330,220
Accounts receivable, net	4(3)	34,978,476	34,708,687
Accounts receivable, net - related parties	5	1,231,877	816,456
Other receivables, net		662,035	2,082,657
Other financial assets - current	6	42,384	143,061
Inventories, net	4(4)	15,461,032	19,126,113
Prepayments		2,782,463	2,384,204
Non-current assets classified as held for sale	4(13)	12,075,952	-
Deferred income tax assets - current	4(23)	589,592	597,914
Other current assets		276,657	394,718
Total current assets		<u>121,889,748</u>	<u>130,007,582</u>
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	247,513	1,820,525
Available-for-sale financial assets - non-current	4(5)	2,352,916	125,859
Financial assets carried at cost - non-current	4(6)	1,665,433	4,157,228
Long-term equity investments accounted for under the equity method	4(7)	6,352,742	5,911,784
Cash surrender value of life insurance		115,434	112,700
Prepaid long-term investments	4(6)	30,000	-
Other financial assets - non-current	6	1,552	1,548
Total funds and investments		<u>10,765,590</u>	<u>12,129,644</u>
Property, Plant and Equipment, Net	4(8) and 6		
Cost			
Land		3,959,555	1,779,860
Buildings		23,783,220	20,101,112
Machinery and equipment		20,633,371	23,195,634
Molding equipment		2,407,932	2,168,664
Computer and communication equipment		1,512,840	1,577,409
Testing equipment		9,129,829	8,903,472
Transportation equipment		226,107	237,344
Office equipment		2,094,147	1,851,522
Leasehold improvements		190,349	190,800
Other equipment		90,146	34,516
Revaluation increments		620,497	620,497
Cost and revaluation increments		<u>64,647,993</u>	<u>60,660,830</u>
Less: Accumulated depreciation		(32,457,450)	(30,318,850)
Accumulated impairment loss		(611,693)	(23,486)
Construction in progress and prepayments for equipment		3,329,580	6,599,291
Total property, plant and equipment, net		<u>34,908,430</u>	<u>36,917,785</u>
Intangible assets			
Trademarks	4(9)	412,890	-
Patents		344,861	628,035
Goodwill	10(10)	6,856,128	6,898,970
Deferred pension costs		5,094	9,299
Other intangible assets	4(10)	4,114,239	4,560,628
Total intangible assets		<u>11,733,212</u>	<u>12,096,932</u>
Other Assets			
Assets leased to others	4(11)	1,278,851	205,337
Idle assets	4(12)	-	-
Refundable deposits		152,684	103,306
Deferred expenses	6	1,100,676	845,367
Other assets - other		59,406	888,026
Total other assets		<u>2,591,617</u>	<u>2,042,036</u>
TOTAL ASSETS		<u>\$ 181,888,597</u>	<u>\$ 193,193,979</u>

(Continued)

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

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2012	2011
Current Liabilities			
Short-term loans	4(14)	\$ 5,037,267	\$ 17,599,492
Financial liabilities at fair value through profit or loss - current	4(15)	26,286	4,257
Derivative financial liabilities for hedging - current	10(9)	14,750	46,873
Accounts payable		26,864,029	30,271,738
Accounts payable - related parties	5	182,467	118,374
Income tax payable	4(23)	2,296,864	2,092,919
Accrued expenses		11,389,826	11,268,694
Other payables		2,807,771	2,983,192
Receipts in advance		1,454,815	1,051,540
Long-term liabilities - current portion	4(16)	72,933	857,832
Liabilities directly associated with non-current assets classified as held for sale	4(13)	6,837,219	-
Other current liabilities		1,710,975	2,457,898
Total current liabilities		<u>58,695,202</u>	<u>68,752,809</u>
Long-term Liability			
Long-term loans	4(16)	16,491,517	24,862,247
Reserve			
Land value incremental reserve	4(8)	119,864	119,864
Other Liabilities			
Accrued pension liabilities	4(17)	2,746,430	2,617,949
Guarantee deposits received		86,753	77,332
Deferred income tax liabilities - non-current	4(23)	4,148,016	3,867,305
Other liabilities - other		196,989	410,804
Total other liabilities		<u>7,178,188</u>	<u>6,973,390</u>
Total liabilities		<u>82,484,771</u>	<u>100,708,310</u>
Stockholders' Equity			
Capital			
Common stock	4(18)	24,211,780	24,033,974
Capital Reserves			
Paid-in capital in excess of par value of common stock	4(19)	14,384,691	13,242,489
Capital reserve from conversion of convertible bonds		10,253,416	10,253,416
Capital reserve - other		1,765,000	3,013,550
Retained Earnings			
Legal reserve	4(20)	12,163,682	11,064,579
Special reserve		1,628,536	4,796,006
Undistributed earnings	4(21)	22,805,885	13,045,300
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(4,287,240)	(1,716,140)
Unrecognized pension cost		(284,342)	(263,401)
Unrealized gain or loss on financial instruments		(281,431)	(176,551)
Asset revaluations	4(8)	527,556	527,556
Amounts recognised directly in equity relating to non-current assets held for sale	4(13)	778,508	-
Total Parent Company Stockholders' Equity		<u>83,666,041</u>	<u>77,820,778</u>
Minority interest		15,737,785	14,664,891
Total stockholders' equity		<u>99,403,826</u>	<u>92,485,669</u>
Commitments and Contingent Liabilities	7		
Subsequent Events	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 181,888,597</u>	<u>\$ 193,193,979</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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

Items	Notes	2012		2011	
Operating Revenues	5				
Sales		\$ 169,639,243		\$ 161,982,404	
Sales returns		(794,497)		(758,733)	
Sales discounts		(295,097)		(319,139)	
Net Sales		<u>168,549,649</u>		<u>160,904,532</u>	
Service income		<u>3,210,275</u>		<u>1,569,807</u>	
Net Operating Revenues		<u>171,759,924</u>		<u>162,474,339</u>	
Operating Costs	4(25) and 5				
Cost of goods sold	4(4)	(127,704,709)		(127,106,412)	
Service costs		(1,895,062)		(751,451)	
Net Operating Costs		<u>(129,599,771)</u>		<u>(127,857,863)</u>	
Gross profit		<u>42,160,153</u>		<u>34,616,476</u>	
Operating Expenses	4(25)				
Sales and marketing expenses		(8,284,073)		(7,235,206)	
General and administrative expenses		(5,540,757)		(4,746,613)	
Research and development expenses		(10,983,334)		(9,472,996)	
Total Operating Expenses		<u>(24,808,164)</u>		<u>(21,454,815)</u>	
Operating income		<u>17,351,989</u>		<u>13,161,661</u>	
Non-operating Income and Gains					
Interest income		930,370		881,441	
Investment income accounted for under the equity method	4(7)	724,814		507,550	
Dividend income		48,228		75,672	
Gain on disposal of property, plant and equipment		5,132		-	
Gain on disposal of investments	4(2)	1,564,707		270,860	
Foreign exchange gain, net		215,800		1,378,264	
Rental income		55,814		30,892	
Gain on valuation of financial assets	4(2)	12,883		-	
Other non-operating income		<u>2,500,172</u>		<u>1,787,658</u>	
Total Non-operating Income and Gains		<u>6,057,920</u>		<u>4,932,337</u>	
Non-operating Expenses and Losses					
Interest expense		(392,100)		(356,773)	
Loss on disposal of property, plant and equipment		-		(8,248)	
Loss on valuation of financial assets		-		(9,273)	
Loss on valuation of financial liabilities	4(15)	(26,286)		(8,344)	
Other non-operating losses		(485,186)		(290,028)	
Total Non-operating Expenses and Losses		<u>(903,572)</u>		<u>(672,666)</u>	
Income from continuing operations before income tax		<u>22,506,337</u>		<u>17,421,332</u>	
Income tax expense	4(23)	(3,349,038)		(3,121,356)	
Income from continuing operations		<u>19,157,299</u>		<u>14,299,976</u>	
Loss from discontinued operations (Net of income tax expense of \$20,515 and \$295,394, respectively)	4(13)	(1,939,811)		(2,540,948)	
Extraordinary gain (Net of income tax expense of \$0)	10(11)	-		205,629	
Consolidated net income		<u>\$ 17,217,488</u>		<u>\$ 11,964,657</u>	
Attributable to:					
Equity holders of the Company		\$ 16,109,542		\$ 10,991,031	
Minority interest		<u>1,107,946</u>		<u>973,626</u>	
		<u>\$ 17,217,488</u>		<u>\$ 11,964,657</u>	
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Earnings Per Share (in Dollars)	4(24)				
Basic Earnings Per Share					
Net income from continuing operations		\$ 9.34	\$ 7.95	\$ 7.26	\$ 5.96
Loss from discontinued operations		(0.82)	(0.81)	(1.19)	(1.06)
Extraordinary gain		-	-	0.09	0.09
Minority interest income		(0.46)	(0.46)	(0.41)	(0.41)
Net income		<u>\$ 8.06</u>	<u>\$ 6.68</u>	<u>\$ 5.75</u>	<u>\$ 4.58</u>
Diluted Earnings Per Share					
Net income from continuing operations		\$ 9.19	\$ 7.82	\$ 7.12	\$ 5.84
Loss from discontinued operations		(0.80)	(0.79)	(1.16)	(1.03)
Extraordinary gain		-	-	0.08	0.08
Minority interest income		(0.45)	(0.45)	(0.40)	(0.40)
Net income		<u>\$ 7.94</u>	<u>\$ 6.58</u>	<u>\$ 5.64</u>	<u>\$ 4.49</u>

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

See report of independent accountants dated March 11, 2013.

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)

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

(Continued)

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

	<u>Retained Earnings</u>										Minority interest	Total
	Common stock	Paid-in capital in excess of par value of common stock	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Amounts recognised directly in equity relating to non-current assets held for sale		
<u>2012</u>												
Balance at January 1, 2012	\$ 24,033,974	\$ 26,509,455	\$ 11,064,579	\$ 4,796,006	\$ 13,045,300	(\$ 1,716,140)	(\$ 263,401)	(\$ 176,551)	\$ 527,556	\$ -	\$ 14,664,891	\$ 92,485,669
Employees' stock options	177,806	1,009,205	-	-	-	-	-	-	-	-	-	1,187,011
Distribution of 2011 earnings (Note b)												
Legal reserve	-	-	1,099,103	-	(1,099,103)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,167,470)	3,167,470	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,417,324)	-	-	-	-	-	-	(8,417,324)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(49,516)	-	-	-	-	-	-	-	-	-	(49,516)
Disposal of long-term equity investments	-	(239,936)	-	-	-	10,537	-	-	-	-	-	(229,399)
Unrecognized pension cost	-	-	-	-	-	(20,941)	-	-	-	-	-	(20,941)
Unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	31,866	-	-	-	31,866
Change in cumulative translation adjustment	-	-	-	-	-	(2,179,519)	-	-	-	-	-	(2,179,519)
Change in stockholders' equity of investee companies accounted for under the equity method	-	-	-	-	-	(449,711)	-	(136,746)	-	-	-	(586,457)
Change in amounts recognised directly in equity relating to non-current assets held for sale	-	(826,101)	-	-	-	47,593	-	-	-	778,508	-	-
Change in minority interest	-	-	-	-	-	-	-	-	-	-	(35,052)	(35,052)
Consolidated net income for the year	-	-	-	-	16,109,542	-	-	-	-	-	1,107,946	17,217,488
Balance at December 31, 2012	<u>\$ 24,211,780</u>	<u>\$ 26,403,107</u>	<u>\$ 12,163,682</u>	<u>\$ 1,628,536</u>	<u>\$ 22,805,885</u>	<u>(\$ 4,287,240)</u>	<u>(\$ 284,342)</u>	<u>(\$ 281,431)</u>	<u>\$ 527,556</u>	<u>\$ 778,508</u>	<u>\$ 15,737,785</u>	<u>\$ 99,403,826</u>

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

Note b: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$1,536,340 had been deducted from the Consolidated Statement of Income in 2011.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2013.

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

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 17,217,488	\$ 11,964,657
Adjustments to reconcile net income to net cash provided by operating activities		
Extraordinary gain	-	205,629
Changes in unrealized valuation of financial assets	(19,868)	65,170
Changes in unrealized valuation of financial liabilities	20,236	7,538
Provision for doubtful accounts	111,172	97,466
Provision for inventory obsolescence and market price decline	7,371	678,673
(Reversal of) loss on purchase commitment	(146,653)	202,043
Gain on disposal of investments	(1,564,707)	(270,860)
Investment income recognized under equity method	(724,814)	(507,550)
Cash dividends received from investee companies accounted for under the equity method	300,395	598,969
Depreciation (including assets leased to others)	6,546,504	5,450,880
Amortization	1,482,457	1,060,370
Loss on disposal of property, plant and equipment, net	1,306	11,094
Changes in assets and liabilities		
Notes receivable	9,472	331,663
Accounts receivable	(498,856)	(640,091)
Accounts receivable - related parties	(529,088)	3,229,681
Other receivables	1,343,320	(811,394)
Inventories	3,336,742	(2,660,567)
Prepayments	(2,001,826)	(778,021)
Deferred tax assets	(208,660)	(250,567)
Other current assets	118,043	49,265
Other assets - other	297,434	517,581
Accounts payable	(2,854,448)	(974,733)
Accounts payable - related parties	64,093	(2,265,514)
Income tax payable	203,945	261,026
Accrued expenses	345,677	351,585
Other payables	246,481	601,531
Receipts in advance	421,438	314,451
Other current liabilities	(352,916)	787,122
Accrued pension liabilities	128,481	487,867
Deferred tax liabilities	366,870	(228,661)
Other liabilities	(35,538)	186,312
Net cash provided by operating activities	23,631,551	18,072,615
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in financial assets held for trading	4,557	-
Decrease in other financial assets	100,869	1,302,640
Increase in available-for-sale financial assets	(60,765)	(147,000)
Proceeds from disposal of available-for-sale financial assets	549,031	290,437
Cash dividends received from available-for-sale financial assets during the year of conversion	117,872	-
Increase in financial assets carried at cost	(401,559)	(3,030,367)
Proceeds from disposal of financial assets carried at cost	149,550	168,854
Proceeds from capital reduction of financial assets carried at cost	6,059	750
Increase in long-term equity investments accounted for under the equity method	-	(90,825)
Proceeds from disposal of long-term equity investment accounted for under the equity method	859	403,785
Acquisition price of subsidiary	-	(6,098,012)
Increase in cash surrender value of life insurance	(2,734)	(9,009)
Increase in prepaid long-term investment	(30,000)	-
Acquisition of property, plant and equipment	(10,996,419)	(14,130,018)
Proceeds from disposal of property, plant and equipment	291,453	839,954
Increase in other intangible assets	(435,430)	-
Increase in refundable deposits	(59,781)	43,452
Increase in deferred expenses	(1,136,623)	(949,273)
Increase in other assets - other	1,715	116
Purchase of minority interest	-	(485,678)
Proceeds from disposal of equity in subsidiaries to minority shareholders	26,273	-
Net cash used in investing activities	(11,875,073)	(21,890,194)

(Continued)

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

	2012	2011
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term loans	(\$ 10,708,580)	\$ 5,179,329
(Decrease) increase in long-term loans	(5,821,699)	16,069,239
Increase in quarantine deposits received	5,637	18,802
Payment of cash dividends	(8,417,324)	(12,480,034)
Employees' stock options	1,187,011	597,032
Cash dividends declared to minority interests	(413,486)	(2,308,729)
Increase in subsidiaries' capital from minority shareholders	257,101	1,121
Net cash (used in) provided by financing activities	(23,911,340)	7,076,760
Effect due to changes in exchange rates	(2,600,151)	2,446,694
Effect due to changes in consolidated subsidiaries	101,788	1,530,035
Cash of subsidiary classified as held for sale at end of year	(1,946,553)	-
(Decrease) increase in cash and cash equivalents	(16,599,778)	7,235,910
Cash and cash equivalents at beginning of year	67,695,906	60,459,996
Cash and cash equivalents at end of year	<u>\$ 51,096,128</u>	<u>\$ 67,695,906</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	<u>\$ 467,291</u>	<u>\$ 372,113</u>
Cash paid during the year for income tax	<u>\$ 3,013,309</u>	<u>\$ 2,892,648</u>
<u>NON-CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Cash dividends declared but not yet paid to minority interest	<u>\$ -</u>	<u>\$ 58,401</u>
<u>FAIR VALUE OF ASSETS AND LIABILITIES OF THE ACQUIRED SUBSIDIARY WERE AS</u>		
<u>FOLLOWS:</u>		
Cash and cash equivalents	\$ 101,788	\$ 1,530,035
Other current assets	2,918	10,301,783
Funds and investments	-	324,950
Property, plant and equipment	1,324,614	781,091
Goodwill	13,793	1,740,298
Other intangible assets	-	1,777,023
Other assets	1,275,575	75,489
Other current liabilities	(2,916)	(7,843,879)
Other liabilities	(4,800)	(62,623)
Minority interest	(820)	(2,157,429)
Subtotal	2,710,152	6,466,738
Investments before merger (shown as financial asset carried at cost - non-current)	(2,710,152)	(368,726)
Cash paid to acquire subsidiary	<u>\$ -</u>	<u>\$ 6,098,012</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2013.

Attachment 3

Audit Committee's Review Report

To: The 2013 Annual General Shareholders' Meeting of Delta Electronics, Inc.

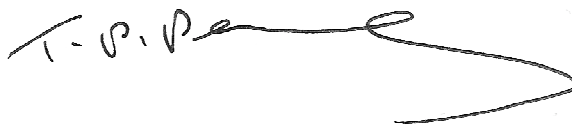
We, the Audit Committee of the Company have reviewed the business report, financial statements, consolidated financial statements and proposal for earnings distribution of the Company for the year 2012 in accordance with applicable laws and regulations and found the same have been complied with. We hereby report to the shareholders as described above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit Committee of Delta Electronics, Inc.

Independent Director: Yung-Chin Chen



Independent Director: Tsong-Pyng Perng



Independent Director: George Chao



Date: March 11, 2013

Delta Electronics, Inc. (the "Company")
Rules and Procedures of the Meeting of Board of Directors
(Translation)

Passed by the Board of Directors on February 27, 2004

Amended and passed by the Board of Directors on October 26, 2006

Amended and passed by the Board of Directors on March 19, 2007

Amended and passed by the Board of Directors on March 10, 2008

Amended and passed by the Board of Directors on June 28, 2012

Amended and passed by the Board of Directors on October 29, 2012

Article 1

The Rules and Procedures of Meeting of Board of Directors have been stipulated in order to establish an effective governance system, enhance supervising capability, and strengthen management functions for the Board of Directors pursuant to the "Regulations Governing Procedures for Board of Directors Meetings of Public Companies."

Article 2

The main agenda items, operational procedures, required content of the Meeting (as defined below) minutes, public announcements and other compliance requirements in the Company's rules and procedures of meeting of Board of Directors shall comply with the rules and procedures set forth below.

Article 3

The Board of Directors shall meet at least quarterly. The reasons for calling a Board of Directors meeting (the "Meeting") shall be notified to each director at least seven (7) days in advance. In emergency circumstances, however, the Meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in paragraph 1 of Article 12 shall be specified in the notice of the reasons for calling the Meeting; none of them may be raised by an

extraordinary motion except in the case of an emergency or legitimate reason.

Article 4

The Corporate Communications Department of the Company shall be the unit in charge of handling all matters related to the proceedings of the Meeting and shall be responsible for coordinating Meeting matters, preparing agenda items for the Meetings, and shall provide sufficient pre-Meeting materials, to be sent together with the notice of the Meetings.

A director of the opinion that the pre-Meeting materials provided is insufficient in content may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.

Article 5

When the Meeting is held, an attendance book shall be made ready for signature by directors attending the Meeting and thereafter made available for future reference. Attendance via video-conference is deemed as attendance in person.

If a director is unable to attend the Meeting, he/she may appoint one of the other directors to attend the meeting on his/her behalf by executing a power of attorney specifying the power authorized in relation to the proposals to be discussed at the Meeting. However, each attending director may only act for one of the other directors.

Article 6

The Meetings shall be held at the location and during the business hours of the Company, or at a place and time convenient to all directors and suitable for holding such the Meeting.

Article 7

Meetings shall be called and chaired by the chairperson of the board. However, the first Meeting of each newly elected Board of Directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the Meeting, they shall choose

one person by and from among themselves to do so.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson; or the vice chairperson also is on leave or for any reason is unable to act, by a director designated thereby, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.

Article 8

The Corporate Communications Department shall prepare relevant materials for the directors' reference at any time during the course of the Meeting.

When holding a Meeting, the Company may, as necessary for the agenda items of the Meeting, notify personnel of relevant departments or subsidiaries to attend the Meeting as nonvoting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chairperson of the Meeting shall call the Meeting to order at the scheduled time of the Meeting if a majority of the directors are present. When the time of a Meeting has arrived and one-half of all the board directors are not present, the Meeting chairperson may announce postponement of the Meeting time, provided that only two postponements, in combined total of not more than one hour, may be made. If the quorum is still not met after two such delays, the chairperson may re-call the Meeting in accordance with the procedures provided for in Article 3 hereof.

The term "all the board directors" as referred to in the preceding paragraph shall include only the directors in active duty as such.

Article 9

The Company shall record on audio or video tape the entire proceedings of a Meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Meeting, the relevant evidentiary

audio or video data and information recorded in the Meetings shall be continuously retained until the conclusion of the proceedings of such lawsuit.

Where a Meeting is held via video-conference, the data contained in the audio or video recordings of that Meeting shall constitute a part of the Meeting minutes and shall be securely retained throughout the duration of the Company.

Article 10

Agenda items for regular Meetings shall include at least the following:

1. Reports:

- (1) Minutes of the last Meeting and actions arising.
- (2) Reporting business conditions.
- (3) Reporting financial conditions.
- (4) Reporting internal audit activities.
- (5) Other important matters to be reported.

2. Discussions:

- (1) Items discussed and continued from the last meeting.
- (2) Scheduled items for discussion at this meeting.

3. Extraordinary motions.

Article 11

The proceedings of a Meeting shall be conducted in a predetermined order of agenda items as stated in the Meeting notice. However, the order may be changed with the approval of a majority of directors present at the Meeting.

The Meeting chairperson may not declare the Meeting closed unless with the approval of a majority of directors present at the Meeting.

If at any time during the proceeding of a Meeting, the directors sitting at the Meeting are not more than half of the directors present at the Meeting, then upon motion by the directors sitting at the Meeting, the chairperson shall declare a suspension of Meeting, in which case Article 8 shall apply mutatis mutandis.

Article 12

A company shall submit the following items for discussion by the Board of

Directors:

1. The Company's corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the "SEA").
4. Adoption or amendment, pursuant to Article 36-1 of the SEA, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the SEA or any other law, regulation, or bylaw to be adopted by a resolution at a shareholders' meeting or at a Meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

Other than the paragraph 1 items submitted for consideration by the Board of Directors under the preceding paragraph, any delegation in accordance with laws and regulations or the Company's articles of incorporation by the Board of Directors of powers of the board shall be specific in terms of the levels, contents and matters so delegated.

With respect to a matter required by Article 14-3 of the SEA to be submitted to a

Meeting, each independent director shall attend the Meeting in person or appoint one of the other independent directors to attend the meeting on his/her behalf. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the Meeting minutes; an independent director intending to express objection or reservations but unable to attend the Meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Meeting minutes.

Article 13

When the chairperson at a Meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a matter comes to a vote at a Meeting, if upon inquiry by the chairperson none of the entire directors present at the Meeting voices an objection, the matter is deemed approved, as if it has been approved by vote. A proposal shall be put to a vote if there is any objection after solicitation by the chairperson, and voting shall be conducted by a show of raising hands.

The term "the entire directors present at the Meeting" referred to in the preceding paragraph does not include the director who is not entitled to exercise the voting power at the Meeting pursuant to paragraph 1 of Article 15 hereof.

Article 14

Except as otherwise stated in the SEA or in the Company Act, a resolution on a matter at a Meeting requires the approval of a majority of the directors present at the Meeting that shall be attended by a majority of all directors.

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

The result of voting shall be announced at the Meeting and placed on record.

Directors who object to the results of voting may make a written statement, and such written statement shall be recorded in the minutes of the Meeting.

Article 15

If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

With respect to a resolution at a Meeting, the provisions of Article 180, paragraph 2, of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3, of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 16

This Company's Board of Directors may establish various types of functional committees. If the Company's Board of Directors has established functional committees, the functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval.

Article 17

Minutes shall be prepared of the discussions at Meetings; the Meeting minutes shall record the following:

1. Session (or year), time, and place of Meeting.
2. Name of the Meeting chairperson.
3. Attendance of directors at the Meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the Meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal;

opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 5.

8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing; or any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee, in relation to a resolution passed at a Meeting shall be stated in the Meeting minutes and within two days of the Meeting be published on an information reporting website designated by the competent authority:

The attendance book forms a part of the minutes for each Meeting and shall be securely retained throughout the duration of the Company.

The minutes of a Meeting shall bear the signature or seal of both the Meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director within twenty (20) days after the Meeting and well preserved as important company records during the existence of the Company.

The production and distribution of the Meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 18

The promulgation and amendment of the Rules and Procedures of Meeting of Board of Directors shall be approved by the Board of Directors.