

Delta Electronics, Inc. (“Company”)
Minutes of 2014 Annual General Shareholders' Meeting
(Translation)

Time: 10:00 AM, June 10, 2014

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

Quorum: 2,177,023,002 shares were represented by the shareholders and proxies present, which amounted to 89.31% of the Company’s 2,437,543,329 issued and outstanding shares.

Board Members Present: Bruce CH Cheng, Yancey Hai, Mark Ko, Ping Chen, Johnson Lee 、 Simon Chang, Chung-Hsing Huang, Yung-Chin Chen (Independent Director), Tsong-Pyng Perng (Independent Director), George Chao (Independent Director). 10 members of the Board of Directors (including 3 Independent Directors) are present.

Attendance: Ms. Audrey Tseng, and Ms. Liang, Hua-Ling, 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) 2013 Operation Results (Please refer to the Attachment 1, page 33-35)
- (2) 2013 Financial Results (Please refer to the Attachment 2, page 36-52)
- (3) Audit Committee's Review Opinions on 2013 Financial Results (Please refer to the Attachment 3, page 53)
- (4) The Company's Short-form Merger with Delta Robot Automatic Co. Ltd.

II. ACKNOWLEDGEMENT ITEMS

Item 1 Acknowledge the 2013 Financial Results (Proposed by the Board of Directors)

Explanation: (1) This Company's 2013 Financial Results including the Business Report, Individual Financial Statements and Consolidated Financial Statements (please refer to page 33-52) 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 has 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 2,177,023,002 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,848,223,989, among which 1,059,633,222 was exercised by electronic transmission, or 84.90% of the total voting rights when votes were cast).

Item 2 Acknowledge the 2013 Earnings Distribution (Proposed by the Board of Directors)

- Explanation: (1) With regard to earnings in 2013, 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, 2014.
- (2) NT\$14,137,751,308 will be distributed as shareholders' cash dividends for 2013. 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 (i.e., 2,437,543,329 shares), each one thousand shares shall receive a cash dividend of NT\$5,800. If there is any change of laws and regulations, change of competent authority's approval or change of the number of common shares of the Company (such as transferring or cancelling the registration of the Company's shares bought back by the Company, increasing cash capital domestically, or exercising 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.
2013 Earnings Distribution Table**

Item	Explanation	(in NT\$) Amount
Undistributed earnings of previous year		6,433,295,300
Add: Net effects of adopting IFRSs, IASs and interpretations approved by the Financial Supervisory Commission on January 1, 2013		1,002,809,080
Revert of fractional cash dividend of previous year		19,979
Earnings in 2013		
Pre-tax earnings in 2013		19,036,348,556
Income tax expense		1,260,144,750
After-tax earnings in 2013 [Note 1]		17,776,203,806

Subtract: setting aside 10% legal reserve		1,777,620,381
Add: reversal of special reserve		3,546,948,748
Earnings available for distribution by the end of 2013 [Note 2]		26,981,656,532
Distribution items:		
Shareholders bonuses--cash [Note 3]	NT\$5.8 per share	14,137,751,308
Undistributed earnings by the end of 2013		12,843,905,224

Note 1: Allocated employee bonuses--cash: NT\$2,492,438,453.

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

Note 2: Principle of earnings distribution in the Company's 2013 Earnings Distribution Table: Distribution of 2013 distributable earnings first.

Note 3: Distribution of cash dividends will be calculated to New Taiwan Dollar. Fractional amount less than one dollar will be set aside as undistributed earnings.

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,177,023,002 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,859,235,988, among which 1,070,645,221 was exercised by electronic transmission, or 85.40% of the total voting rights when votes were cast).

III. DISCUSSION ITEMS

Item 1 Discussion of Amendments to Articles of Incorporation (Proposed by the Board of Directors)

Explanation:(1) In order to better meet the Company's business needs, it is proposed to amend certain provisions of the Articles of Incorporation . Please see the comparison table of the Company's Articles of Incorporation for the detailed revisions.

(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; 	<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; 	<p>The business items are revised to better meet the Company's business needs: add subparagraphs 54 and 78 and re-number the original subparagraph to conform to the Codes of Business Items promulgated by the MOEA.</p>

<p>12. CC01010 Electronic power 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. CC01120 Data Storage Media Manufacturing and Duplicating;</p> <p>22. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>23. CD01010 Ship and parts manufacturing business;</p>	<p>12. CC01010 Electronic power 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. CC01120 Data Storage Media Manufacturing and Duplicating;</p> <p>22. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>23. CD01010 Ship and parts manufacturing business;</p>	
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<p>24. CD01020 Tramway Cars 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>24. CD01020 Tramway Cars 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>	
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<p>40. E603040 Fire fighting 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. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles;</p> <p>52. F113010 Machinery wholesale business;</p> <p>53. F113020 Electrical appliances wholesale business;</p> <p><u>54. F113030 Wholesale of Precision Instruments;</u></p>	<p>40. E603040 Fire fighting 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. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles;</p> <p>52. F113010 Machinery wholesale business;</p> <p>53. F113020 Electrical appliances wholesale business;</p>	
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<p><u>55.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>56.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>57.</u> F113110 Wholesale of Batteries;</p> <p><u>58.</u> F118010 Computer software wholesale business;</p> <p><u>59.</u> F119010 Electronic components and materials wholesale business;</p> <p><u>60.</u> F199990 Other wholesale business;</p> <p><u>61.</u> F201010 Retail Sale of Agricultural Products;</p> <p><u>62.</u> F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products;</p> <p><u>63.</u> F208031 Medical equipment retail business;</p> <p><u>64.</u> F209060 Education, musical instruments and entertainment articles retail business;</p> <p><u>65.</u> F213010 Electrical appliances retail business;</p> <p><u>66.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>67.</u> F213060 Telecommunication equipment retail business;</p> <p><u>68.</u> F218010 Computer software retail business;</p> <p><u>69.</u> F219010 Electronic components and materials retail business;</p> <p><u>70.</u> F399040 Non-store retail business;</p> <p><u>71.</u> F401010 International trade</p>	<p><u>54.</u> F113050 Computer and office appliances and equipment wholesale business;</p> <p><u>55.</u> F113070 Telecommunication equipment wholesale business;</p> <p><u>56.</u> F113110 Wholesale of Batteries;</p> <p><u>57.</u> F118010 Computer software wholesale business;</p> <p><u>58.</u> F119010 Electronic components and materials wholesale business;</p> <p><u>59.</u> F199990 Other wholesale business;</p> <p><u>60.</u> F201010 Retail Sale of Agricultural Products;</p> <p><u>61.</u> F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products;</p> <p><u>62.</u> F208031 Medical equipment retail business;</p> <p><u>63.</u> F209060 Education, musical instruments and entertainment articles retail business;</p> <p><u>64.</u> F213010 Electrical appliances retail business;</p> <p><u>65.</u> F213030 Computer and office appliances and equipment retail business;</p> <p><u>66.</u> F213060 Telecommunication equipment retail business;</p> <p><u>67.</u> F218010 Computer software retail business;</p> <p><u>68.</u> F219010 Electronic components and materials retail business;</p> <p><u>69.</u> F399040 Non-store retail business;</p> <p><u>70.</u> F401010 International trade</p>	
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<p>business;</p> <p><u>72.</u> F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p><u>73.</u> F401181 Measuring instrument importing business;</p> <p><u>74.</u> F601010 Intellectual property business;</p> <p><u>75.</u> G801010 Warehousing and storage business;</p> <p><u>76.</u> I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy;</p> <p><u>77.</u> I103060 Management consulting services business;</p> <p><u>78.</u> <u>I199990 Other Consultancy</u></p> <p><u>79.</u> I301010 Software design and service business;</p> <p><u>80.</u> I301020 Data processing services business;</p> <p><u>81.</u> I301030 Digital information supply services business;</p> <p><u>82.</u> I401010 General advertising service business;</p> <p><u>83.</u> I501010 Product external appearance designing business;</p> <p><u>84.</u> I599990 Other design business;</p> <p><u>85.</u> IG02010 Research development service business;</p> <p><u>86.</u> IG03010 Energy technical services business;</p> <p><u>87.</u> IZ03010 Newspaper clipping business;</p> <p><u>88.</u> IZ04010 Translation business;</p> <p><u>89.</u> IZ10010 Typesetting business;</p>	<p>business;</p> <p><u>71.</u> F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p><u>72.</u> F401181 Measuring instrument importing business;</p> <p><u>73.</u> F601010 Intellectual property business;</p> <p><u>74.</u> G801010 Warehousing and storage business;</p> <p><u>75.</u> I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy;</p> <p><u>76.</u> I103060 Management consulting services business;</p> <p><u>77.</u> I301010 Software design and service business;</p> <p><u>78.</u> I301020 Data processing services business;</p> <p><u>79.</u> I301030 Digital information supply services business;</p> <p><u>80.</u> I401010 General advertising service business;</p> <p><u>81.</u> I501010 Product external appearance designing business;</p> <p><u>82.</u> I599990 Other design business;</p> <p><u>83.</u> IG02010 Research development service business;</p> <p><u>84.</u> IG03010 Energy technical services business;</p> <p><u>85.</u> IZ03010 Newspaper clipping business;</p> <p><u>86.</u> IZ04010 Translation business;</p> <p><u>87.</u> IZ10010 Typesetting business;</p>	
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<p><u>90.</u> IZ13010 Network authentication service business;</p> <p><u>91.</u> IZ99990 Other industry and commerce services not elsewhere classified;</p> <p><u>92.</u> J303010 Magazines (journals) publishing business;</p> <p><u>93.</u> J304010 Books publishing business;</p> <p><u>94.</u> J305010 Audio publishing business;</p> <p><u>95.</u> J399010 Software publishing business;</p> <p><u>96.</u> J399990 Other publishing business;</p> <p><u>97.</u> J701070 Computer Recreational Activities;</p> <p><u>98.</u> JE01010 Rental and leasing business;</p> <p><u>99.</u> ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	<p><u>88.</u> IZ13010 Network authentication service business;</p> <p><u>89.</u> IZ99990 Other industry and commerce services not elsewhere classified;</p> <p><u>90.</u> J303010 Magazines (journals) publishing business;</p> <p><u>91.</u> J304010 Books publishing business;</p> <p><u>92.</u> J305010 Audio publishing business;</p> <p><u>93.</u> J399010 Software publishing business;</p> <p><u>94.</u> J399990 Other publishing business;</p> <p><u>95.</u> J701070 Computer Recreational Activities;</p> <p><u>96.</u> JE01010 Rental and leasing business;</p> <p><u>97.</u> ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through <u>46th</u> revision dates have been omitted for simplicity) The <u>47th</u> amendment is made on June <u>10, 2014</u>.</p>	<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through <u>45th</u> revision dates have been omitted for simplicity) The <u>46th</u> amendment is made on June <u>7, 2013</u>.</p>	Addition of the 47 th revision date.

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,177,023,002 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,856,344,282, among which 1,067,753,515 was exercised by electronic transmission, or 85.27% of the total voting rights when votes were cast).

Item 2 Discussion of the Amendments to Operating Procedures of Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanation:(1) In order to conform to the amendments to laws and regulations and to better meet the Company's business needs, it is proposed to amend certain provisions of the Operating Procedures of Acquisition or Disposal of Assets. Please see the comparison table of revised articles of the Operating Procedures of Acquisition or Disposal of Assets for the detailed revisions.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Acquisition or Disposal of Assets

Article after revision	Article before revision	Explanation
<p>Article 3 Definition of Terms: 1. [Not revised] 2. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: refers to assets acquired or disposed through mergers, splits, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other applicable laws, or issuance of new shares and by use of the share equity so raised as the consideration payable for acquisition of another company's shares (the "assignment of shares") in accordance with Paragraph 8, Article 156 of the Company Law. 3. Related party and subsidiaries: as defined in the <u>Regulations Governing the Preparation of Financial Reports by Securities Issuers</u>. 4. [Delete] 4. Professional appraiser: refers to a real estate appraiser or other person authorized by applicable laws to engage in the appraisal of real</p>	<p>Article 3 Definition of Terms: 1. [Omitted] 2. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: refers to assets acquired or disposed through mergers, splits, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other applicable laws, or issuance of new shares and by use of the share equity so raised as the consideration payable for acquisition of another company's shares (the "assignment of shares") in accordance with Paragraph 6, Article 156 of the Company Law. 3. Related party: as defined in <u>Statement of Financial Accounting Standards No. 6 published by the Accounting Research and Development Foundation of the Republic of China (the "ARDF")</u>. 4. Subsidiary: as defined in Statement of Financial Accounting Standards No. 5 and No. 7 published by the ARDF. 5. Professional appraiser: refers to a real estate appraiser or other person authorized by applicable laws to engage in the appraisal of real</p>	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>estate or <u>equipment</u>.</p> <p>5. Date of occurrence: refers to the date of contract signing, date of payment, date of completion of trading, date of transfer registration, date of board of directors resolution, or other date confirming the counterpart and amount of the transaction, whichever date is earlier. However, in the case of investments for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: refers to investments in Mainland China area approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China.</p> <p>7. As used in the Operating Procedures, "within one year" refers to the year preceding the date of occurrence of the acquisition of disposal of assets; however, items duly announced in accordance with the Operating Procedures will be disregarded.</p> <p>8. As used in the Operating Procedures, "latest financial statement" refers to the financial statement published and audited or reviewed by the Company's auditing CPA in accordance with applicable laws prior to the acquisition or disposal of assets.</p> <p>9. As used in the Operating Procedures, "10% of</p>	<p>estate or <u>other fixed assets</u>.</p> <p>6. Date of occurrence: refers to the date of contract signing, date of payment, date of completion of trading, date of transfer registration, date of board of directors resolution, or other date confirming the counterpart and amount of the transaction, whichever date is earlier. However, in the case of investments for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>7. Mainland China area investment: refers to investments in Mainland China area approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China.</p> <p>8. As used in the Operating Procedures, "within one year" refers to the year preceding the date of occurrence of the acquisition of disposal of assets; however, items duly announced in accordance with the Operating Procedures will be disregarded.</p> <p>9. As used in the Operating Procedures, "latest financial statement" refers to the financial statement published and audited or reviewed by the Company's auditing CPA in accordance with applicable laws prior to the acquisition or disposal of assets.</p>	
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<p><u>the Company's total assets" is calculated based on the total assets as stated in the most recent stand-alone or individual financial statement prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>		
<p>Article 4 Scope of assets applicable to the Operating Procedures</p> <ol style="list-style-type: none"> 1. Securities: including long- term and short-term investments such as stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, deposit receipts, call (put) warrants, beneficiary certificates and asset-backed securities. 2. Real estate <u>(including land, buildings and construction, investment real estate and rights to use land) and equipment.</u> 3. Membership certificates. 4. Intangible assets: including patents, copyrights, trademarks, and franchises, etc. 5. Claims against financial institutions (including receivables, loans and bills purchase discounts, and overdue receivables). 6. Derivatives. 7. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws. 8. Other important assets. 	<p>Article 4 Scope of assets applicable to the Operating Procedures</p> <ol style="list-style-type: none"> 1. Securities: including long- term and short-term investments such as stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, deposit receipts, call (put) warrants, beneficiary certificates and asset-backed securities. 2. Real estate <u>and other fixed assets.</u> 3. Membership certificates. 4. Intangible assets: including patents, copyrights, trademarks, and franchises, etc. 5. Claims against financial institutions (including receivables, loans and bills purchase discounts, and overdue receivables). 6. Derivatives. 7. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws. 8. Other important assets. 	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>Article 6 When assets are acquired or disposed in accordance with the Operating Procedures, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance and then submit it for approval by the authorized person according to the authorized limit table approved by the Board of Directors. If the amount of the assets to be acquired or disposed exceeds the amount as set forth in the authorized limit table, the transaction may be implemented only after approved by the Board of Directors. The execution departments referred to in the foregoing paragraph are as follows:</p> <ol style="list-style-type: none"> 1. [not revised] 2. For real property and <u>equipment</u>: the Department which uses such assets and the Finance Department. 3. [not revised] 4. For intangible assets: each business unit, <u>Legal and Intellectual Property Department or other competent department concerned.</u> 5. [not revised] 6. [not revised] 7. [not revised] 8. [not revised] 	<p>Article 6 When assets are acquired or disposed in accordance with the Operating Procedures, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance and then submit it for approval by the authorized person according to the authorized limit table approved by the Board of Directors. If the amount of the assets to be acquired or disposed exceeds the amount as set forth in the authorized limit table, the transaction may be implemented only after approved by the Board of Directors. The execution departments referred to in the foregoing paragraph are as follows:</p> <ol style="list-style-type: none"> 1. [omitted] 2. For real property and <u>other fixed assets</u>: the Department which uses such assets and the Finance Department. 3. [omitted] 4. For intangible assets: each business unit <u>and the Finance Department.</u> 5. [omitted] 6. [omitted] 7. [omitted] 8. [omitted] 	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and actual conditions of operation.</p>
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<p>Article 10 When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. If the accountant needs to use an expert's report, the accountant shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the <u>Accounting Research and Development Foundation (the "ARDF")</u>. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p>	<p>Article 10 When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. If the accountant needs to use an expert's report, the accountant shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p>	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 11 The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property and other fixed assets: When acquiring or disposing real property or <u>equipment</u>, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a governmental agency, engaging others to build on its own land, engaging others to build on leased</p>	<p>Article 11 The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property and other fixed assets: When acquiring or disposing real property or <u>other fixed assets</u>, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a governmental agency, engaging others to build on its own land, engaging others to build on leased land, or</p>	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>land, or acquiring <u>equipment</u> for operating use, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. [not revised] 2. [not revised] 3. [not revised] 4. [not revised] 5. [not revised] 	<p>acquiring <u>machinery and equipment</u> for operating use, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. [omitted] 2. [omitted] 3. [omitted] 4. [omitted] 5. [omitted] 	
<p>Article 12 Procedures governing transactions with a related party are as follows:</p> <ol style="list-style-type: none"> 1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13. The <u>aforementioned</u> calculation of the transaction amount shall be made in accordance 	<p>Article 12 Procedures governing transactions with a related party are as follows:</p> <ol style="list-style-type: none"> 1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13. The calculation of the transaction amount <u>referred to in the preceding paragraph</u> 	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property from or to a related party, or acquires or disposes of assets other than real property from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, <u>except for trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds</u>, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets. (2) The reason for choosing the related party as the transaction counterparty. 	<p>shall be made in accordance with <u>Article 13-1</u> hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures: Where the Company acquires or disposes of real property from or to a related party, or acquires or disposes of assets other than real property from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <ol style="list-style-type: none"> (1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets. (2) The reason for choosing the related party as the transaction counterparty. (3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in 	
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<p>(3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) and (4), subparagraph 3 of this Article 12.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p>The <u>aforementioned</u> calculation of the transaction amount shall be made in accordance with Subparagraph 5 of Paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the Board of Directors in accordance with these Operating Procedures need not be counted toward the said transaction amount.</p>	<p>accordance with the provisions of items (1) and (4), subparagraph 3 of this Article 12.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p>The calculation of the transaction amount <u>referred to in the preceding paragraph</u> shall be made in accordance with Subparagraph 5 of Paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the Board of Directors in accordance with these Operating Procedures need not be counted toward the said transaction amount.</p> <p>With respect to the acquisition or disposal of machinery and equipment for business use between the Company and <u>its parent company or</u></p>	
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<p>With respect to the acquisition or disposal of machinery and equipment for business use between the Company and its subsidiaries, the Board of Directors <u>hereby authorizes</u> the Chairman to decide such matters when the transaction is within <u>NT\$300 million</u> and subsequently submit the aforesaid decision to the next meeting of the Board of Directors for ratification.</p> <p>When the items listed in subparagraph 2 of this Article 12 are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion. If an independent director objects or expresses reservation about any matter, it shall be recorded in the meeting minutes of the Board of Directors.</p> <p>3. Assessment of reasonableness of transaction cost:</p> <ol style="list-style-type: none"> (1) [not revised] (2) [not revised] (3) [not revised] (4) [not revised] (5) [not revised] (6) When the Company acquires real property from a related party and any of the following circumstances occur, it shall implement the transaction in accordance with the appraisal and operating procedures in subparagraphs 1 and 2 of this Article 12, and items (1), (2), and (3), subparagraph 3 of this Article 12 	<p>subsidiaries, the Board of Directors <u>may</u> authorize the Chairman to decide such matters when the transaction is within <u>a certain amount</u> and subsequently submit the aforesaid decision to the next meeting of the Board of Directors for ratification.</p> <p>When the items listed in subparagraph 2 of this Article 12 are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion. If an independent director objects or expresses reservation about any matter, it shall be recorded in the meeting minutes of the Board of Directors.</p> <p>3. Assessment of reasonableness of transaction cost:</p> <ol style="list-style-type: none"> (1) [omitted] (2) [omitted] (3) [omitted] (4) [omitted] (5) [omitted] (6) When the Company acquires real property from a related party and any of the following circumstances occur, it shall implement the transaction in accordance with the appraisal and operating procedures in subparagraphs 1 and 2 of this Article 12, and items (1), (2), and (3), subparagraph 3 of this Article 12 regarding the assessment of the 	
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<p>regarding the assessment of the reasonableness of transaction cost are not applicable:</p> <ol style="list-style-type: none"> a. The related party acquired the real property through inheritance or as a gift. b. More than five years will have elapsed from the time the related party signed the contract to obtain the real property to the execution date of the proposed transaction. c. The real property is to be acquired through signing of a joint development contract with the related party <u>or through engaging the related party to build real property, either on the Company's own land or on a leased land.</u> <p>(7) [not revised]</p>	<p>reasonableness of transaction cost are not applicable:</p> <ol style="list-style-type: none"> a. The related party acquired the real property through inheritance or as a gift. b. More than five years will have elapsed from the time the related party signed the contract to obtain the real property to the execution date of the proposed transaction. c. The real property is to be acquired through signing of a joint development contract with the related party. <p>(7) [omitted]</p>	
<p>Article 13 The Company shall comply with the following guidelines with regard to the acquisition or disposal of membership certificates or intangible assets: When the Company acquires or disposes of membership certificates or intangible assets and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, <u>except for transacting with a government agency</u>, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. The accountant so appointed shall act in accordance with Statement of General Auditing</p>	<p>Article 13 The Company shall comply with the following guidelines with regard to the acquisition or disposal of membership certificates or intangible assets: When the Company acquires or disposes of membership certificates or intangible assets and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. The accountant so appointed shall act in accordance with Statement of General Auditing Procedures No. 20 published by the ARDF</p>	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>Procedures No. 20 published by the ARDF accordingly.</p>	<p>accordingly.</p>	
<p>Article 15 Procedures governing derivatives trading activities are as follows:</p> <ol style="list-style-type: none"> 1. [not revised] 2. [not revised] 3. Accounting treatment: Accounting treatment shall be handled in accordance with the <u>Regulations Governing the Preparation of Financial Reports by Securities Issuers</u>. 4. Internal control system: <ol style="list-style-type: none"> (1) [not revised] (2) [not revised] (3) [not revised] (4) Oversight principles for derivative trading by the Board of Directors: <ol style="list-style-type: none"> a. The Board of Directors shall appoint senior management officers to regularly monitor and control the derivatives trading risk. The guidelines for monitoring and control are as follows: <ol style="list-style-type: none"> i. Periodically evaluate whether the risk management measures currently adopted are appropriate and are conducted in accordance with these Operating Procedures and derivative trading operating guidelines promulgated by the Company. ii. Monitoring trading activities and 	<p>Article 15 Procedures governing derivatives trading activities are as follows:</p> <ol style="list-style-type: none"> 1. [omitted] 2. [omitted] 3. Accounting treatment: Accounting treatment shall be handled in accordance with the <u>ROC Financial and Accounting Standards and other regulations</u>. 4. Internal control system: <ol style="list-style-type: none"> (1) [omitted] (2) [omitted] (3) [omitted] (4) Oversight principles for derivative trading by the Board of Directors: <ol style="list-style-type: none"> a. The Board of Directors shall appoint senior management officers to regularly monitor and control the derivatives trading risk. The guidelines for monitoring and control are as follows: <ol style="list-style-type: none"> i. Periodically evaluate whether the risk management measures currently adopted are appropriate and are conducted in accordance with these Operating Procedures and derivative trading operating guidelines promulgated by the Company. ii. Monitoring trading activities and 	<p>Revise to conform to the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

<p>profit/loss status, whenever irregularities are found, the senior management officers shall take appropriate counter measures and shall immediately report to the Board of Directors.</p> <p>b. Periodically evaluate whether derivatives trading performance is consistent with the Company's established operational strategy and whether the risk exposure is acceptable to the Company.</p> <p>c. When engaging in derivatives trading, the Company shall report to the <u>next</u> Board of Directors <u>meeting</u> after it authorizes relevant personnel to conduct derivatives trading in accordance with the derivative trading operating guidelines promulgated by the Company.</p> <p>d. The Company shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under items 3-2, 4-1 and 4-2, subparagraph 4 of this Article 15, shall be recorded in detail in the memorandum book for inspection.</p> <p>5. [not revised]</p>	<p>profit/loss status, whenever irregularities are found, the senior management officers shall take appropriate counter measures and shall immediately report to the Board of Directors.</p> <p>b. Periodically evaluate whether derivatives trading performance is consistent with the Company's established operational strategy and whether the risk exposure is acceptable to the Company.</p> <p>c. When engaging in derivatives trading, the Company shall report to the Board of Directors after it authorizes relevant personnel to conduct derivatives trading in accordance with the derivative trading operating guidelines promulgated by the Company.</p> <p>d. The Company shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under items 3-2, 4-1 and 4-2, subparagraph 4 of this Article 15, shall be recorded in detail in the memorandum book for inspection.</p> <p>5. [omitted]</p>	
<p>Article 17 Items to be publicly announced and reported and</p>	<p>Article 17 Items to be publicly announced and reported and</p>	<p>Revise to conform to the amendments to the</p>

<p>requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of government bonds or bonds under repurchase and resale agreements, <u>or subscription or redemption of domestic money market funds.</u> 2. Merger or consolidation, split, acquisition, or assignment of shares. 3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts as set out in the operating procedures promulgated by the Company. 4. Other asset transactions other than those referred to in the preceding three subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances: <ol style="list-style-type: none"> (1) Trading of government bonds. (2) Where the company is an investment company, the securities trading in foreign 	<p>requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of government bonds or bonds under repurchase and resale agreements. 2. Merger or consolidation, split, acquisition, or assignment of shares. 3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts as set out in the operating procedures promulgated by the Company. 4. Other asset transactions other than those referred to in the preceding three subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances: <ol style="list-style-type: none"> (1) Trading of government bonds. (2) Where the company is an investment company, the securities trading in foreign 	<p>Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
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<p>securities exchanges or over-the-counter markets.</p> <p>(3) Trading of bonds under repurchase/resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p> <p>(4) Where the type of asset acquired or disposed of is equipment and machinery for operational use, and the transaction counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(5) Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and the transaction amount to be invested by the Company is less than NT\$500 million.</p> <p>5. The transaction amount referred to in the foregoing four subparagraphs shall be calculated as follows; and the term "within one year" refers to the year preceding the date of occurrence of the proposed transaction; and items which has been duly announced in accordance with applicable regulations may be disregarded for the calculation:</p> <p>(1) The amount of each transaction.</p> <p>(2) The cumulative transaction amount of acquisitions and disposals of the same type</p>	<p>securities exchanges or over-the-counter markets.</p> <p>(3) Trading of bonds under repurchase/resale agreements.</p> <p>(4) Where the type of asset acquired or disposed of is equipment and machinery for operational use, and the transaction counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(5) Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and the transaction amount to be invested by the Company is less than NT\$500 million.</p> <p>5. The transaction amount referred to in the foregoing four subparagraphs shall be calculated as follows; and the term "within one year" refers to the year preceding the date of occurrence of the proposed transaction; and items which has been duly announced in accordance with applicable regulations may be disregarded for the calculation:</p> <p>(1) The amount of each transaction.</p> <p>(2) The cumulative transaction amount of acquisitions and disposals of the same type</p>	
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<p>of assets with the same transaction counterparty within one year.</p> <p>(3) The cumulative transaction amount of acquisitions and disposals of real property in the same development project within one year (the amount for acquisition and the amount for disposal shall be calculated separately).</p> <p>(4) The cumulative transaction amount of acquisitions and disposals of the same security within one year (the amount for acquisition and the amount for disposal shall be calculated separately).</p>	<p>of assets with the same transaction counterparty within one year.</p> <p>(3) The cumulative transaction amount of acquisitions and disposals of real property in the same development project within one year (the amount for acquisition and the amount for disposal shall be calculated separately).</p> <p>(4) The cumulative transaction amount of acquisitions and disposals of the same security within one year (the amount for acquisition and the amount for disposal shall be calculated separately).</p>	
<p>[Deleted in its entirety]</p>	<p>Table of Authorized Limits for the Acquisition or Disposal of Assets</p> <p>1. Authorized limits for single securities acquisition or disposal transaction are as follows:</p> <p>Chairman of the Board of Directors NT\$300 million or less</p> <p>CEO NT\$100 million or less</p> <p>General manager NT\$30 million or less</p> <p>Chief Officer of the Investment Department NT\$15 million or less</p> <p>2. Authorized limits for cumulative daily securities acquisition or disposal transaction are as follows:</p> <p>Chairman of the Board of Directors</p>	<p>Delete in accordance with the Company's operational needs. Table of Authorization Limits will be enacted separately.</p>

	<p style="text-align: right;">NT\$1.5 billion or less</p> <p>CEO</p> <p style="text-align: right;">NT\$1 billion or less</p> <p>Chief Officer of the Finance Department</p> <p style="text-align: right;">NT\$500 million or less</p> <p>3. Authorized limits for single real property or other fixed assets acquisition or disposal transaction are as follows:</p> <p>Chairman of the Board of Directors</p> <p style="text-align: right;">NT\$100 million or less</p> <p>CEO</p> <p style="text-align: right;">NT\$50 million or less</p> <p>General Manager</p> <p style="text-align: right;">NT\$30 million or less</p> <p>Head of each Business Unit</p> <p style="text-align: right;">NT\$5 million or less</p> <p>4. Authorized limits for single membership certificate acquisition or disposal transaction are as follows:</p> <p>Chairman of the Board of Directors</p> <p style="text-align: right;">NT\$5 million or less</p> <p>CEO</p> <p style="text-align: right;">NT\$4 million or less</p> <p>General Manager</p> <p style="text-align: right;">NT\$3 million or less</p> <p>5. Authorized limits for single intangible assets</p>	
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	<p>acquisition or disposal transaction are as follows:</p> <p>Chairman of the Board of Directors NT\$100 million or less</p> <p>CEO NT\$50 million or less</p> <p>General Manager NT\$30 million or less</p> <p>Head of each Business Unit NT\$5 million or less</p> <p>6. Authorized limits for derivatives trading are as follows:</p> <table border="0"> <thead> <tr> <th></th> <th><u>Upper limit on single trades</u></th> <th><u>Total daily limit</u></th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>US\$40 million</td> <td>US\$100 million</td> </tr> <tr> <td>Chief Officer of Finance Department</td> <td>US\$20 million</td> <td>US\$50 million</td> </tr> <tr> <td>Officer of Funds Management Department</td> <td>US\$5 million</td> <td>US\$15 million</td> </tr> </tbody> </table> <p>Note: When any execution department acquires or disposes of assets, it shall simultaneously notify the department responsible for public announcement and reporting so as to facilitate relevant public announcement and reporting which should be made accordingly.</p>		<u>Upper limit on single trades</u>	<u>Total daily limit</u>	CEO	US\$40 million	US\$100 million	Chief Officer of Finance Department	US\$20 million	US\$50 million	Officer of Funds Management Department	US\$5 million	US\$15 million	
	<u>Upper limit on single trades</u>	<u>Total daily limit</u>												
CEO	US\$40 million	US\$100 million												
Chief Officer of Finance Department	US\$20 million	US\$50 million												
Officer of Funds Management Department	US\$5 million	US\$15 million												

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,177,023,002 shares with

voting rights were present when votes were cast; the number of voting rights for approval is 1,859,235,178, among which 1,070,644,411 was exercised by electronic transmission, or 85.40% of the total voting rights when votes were cast).

**Item 3 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
Yancey Hai	USI Corporation (the "USI")	Independent Director

Resolution: Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,177,023,002 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,727,644,515, among which 1,032,402,281 was exercised by electronic transmission, or 79.36% of the total voting rights when votes were cast).

IV. EXTEMPORARY MOTIONS

Proposal by Chung-Shing entertainment Co., Ltd.

(Shareholder Identification Number: 308326): authorize the Board of Directors of the Company to raise funds when appropriate in order to carry out the Company's research activities or any plans of mergers and acquisitions in the future.

Explanation and decision by the Chairman: the proposal will be included for discussion at the meeting of the Board of Directors.

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

Meeting Adjourned: 11:15 AM, June 10, 2014

Chairman: Yancey Hai

Recorder: Ms. Jill Lee

Business Report

“To provide innovative, clean and energy-efficient solutions for a better tomorrow” has been the mission of Delta since its inception. Through solid R&D capabilities and continuous innovation, we aim to provide energy-efficient products and solutions to meet market demand and contribute to the society while consistently enhancing our operational excellence and profitability to earn public recognition and reward our shareholders for their support to Delta. Last year, Delta demonstrated outstanding performance with continued growth in revenues and profits. Delta reported 2013 consolidated revenues of NT\$177.1 billion, a 3% growth from the year before. The gross profits were NT\$45 billion with 25.4% gross margin, an increase of 7% over the previous year. The net operating profits were NT\$19.5 billion, 13% increase compared to 2012 and 11% of total revenues. The net income after tax was NT\$17.8 billion with a net profit margin of 10%, 20% growth from previous year. In 2013, Delta achieved record high EPS (earnings per share) of NT\$7.32 and 20.2% ROE (return on equity). The annual return to shareholders and P/E ratio exceeded 60% and 20 times respectively. Delta’s market capitalization reached above NT\$400 billion with 76% shareholding by foreign institutional investors at year end, indicating that Delta’s management philosophy and operational performance were highly regarded by the market. Below outlines the business results and future prospects of Delta’s three major business categories in brief.

Power Electronics: Power Electronics is the foundation of Delta and has been the major contributor to revenues and profits. Delta has been number one in global power supply and brushless DC fan markets, and we constantly apply our core technologies and R&D results from IT, communications, industrial, automotive and consumer electronics industries to new fields such as cloud computing, medical equipments, electric vehicles, smart homes, and handheld as well as wearable devices applications. Our relentless efforts to create value through increasing energy conversion efficiency and energy recycling, developing ultra slim fan featuring low energy consumption and pioneering miniaturized integrated hot pressed chokes to meet customer demands for cloud-based services enable Delta not only to earn customer confidence but also to secure growth momentum for the future.

Energy Management: Delta’s fast-growing Energy Management business covers a broad spectrum of products, systems and solutions with primary focus on industrial automation, power systems and power quality management, and constitutes the core of Delta’s presence in branded business to deliver our brand promise of “Smarter. Greener. Together.” Our industrial automation business has been growing rapidly, thanks to our innovative products and total solutions such as robots, CNC solutions and industrial energy-efficient automation systems as well as the expedited development of sales channels in key markets, industry expert teams and key account service teams. We believe the ever-increasing demand for factory automation and smart, efficient energy in the global manufacturing industry will continue to provide abundant business opportunities to Delta.

Delta’s telecom power conversion efficiency has been the best in class, and the business continues to grow with increase in global telecom infrastructure investments. Delta’s Data Center Infrastructure Solutions not

only offer tailor-made systems for large datacenters to reduce considerable energy consumption and operations costs, but also provide modularized systems that enable enterprise customers to easily put cabinets and servers together and commence private cloud buildup in a short time. Energy management is the area Delta will continue to pursue aggressively. Besides continued investment in in-house R&D and business development, M&A is also an option for Delta to accelerate growth and become a world-class player with strong industrial brand recognition.

Smart Green Life: Networking and display solutions are Delta's major businesses in Smart Green Life category. Our networking business has demonstrated steady growth over past years and has been servicing both external business customers as well as providing networking expertise to internal business teams for data collection and transmission capabilities required in solution business development. As cloud and smart applications develop rapidly, the need for network communications also increases and networking business naturally becomes one of the forces driving Delta's growth. Delta's display solutions business not only maintains its dominant position in high-end projection market but also successfully launches the integrated monitoring and management solutions through advanced systems software and technology integration of Delta's expertise in sensing/detection, network communications and power management fields. Our integrated monitoring and management solutions enable quick and accurate decision-making and have been applied to smart building, power grid, transportation network, communications industry as well as social security applications. We are confident about the future prospects of our Smart Green Life businesses.




Delta's technological competency and market sensitivity has enabled us to constantly transform and adapt to changes in industry structure and economic environment. By launching new products ahead of competition to seize business opportunities, Delta has accumulated leading-edge technologies across wide variety of disciplines to achieve steady growth and develop different business models over time. Delta has crossed over from ODM to integrated systems and solutions-oriented branded business, which illustrates our path of growth based upon our corporate mission and adaptivity to the changing environment. We believe the success of new businesses depends on four major capabilities, namely the abilities to gauge market trend, identify customer needs, provide practical solutions to solve customers' problems, as well as the ability to earn customer recognition. Consequently, dedicated efforts to develop innovative and high added-value products and solutions will be as important as cross functional collaboration and integration for best synergy. This is the direction for Delta to go and we are fully committed to it.

In 2013, Delta was listed on the top 20 international brands in Taiwan for the third time, making us the only industrial brand in domestic electronics industry to be accredited with such honor for three consecutive years. Delta also received various customer awards from our long-term partners such as Dell, Cisco, Sharp, Asus and Rockwell Automation. In addition to customer recognitions, the general public also praised Delta for our commitment in corporate social responsibilities, corporate governance and professional services to investors. Last year, Delta was ranked in the first place by CommonWealth magazine's Most Admired Company in Taiwan in electronics industry sector for twelve consecutive years, and we received the top award honor of "Excellence in Corporate Social Responsibility" in large corporation category. Delta was also selected by Dow Jones Sustainability Indices (DJSI) World Index for three years in a row and last year's newly published DJSI-Emerging

Markets Index. Furthermore, Delta was the only Taiwanese high-tech company to receive the “Outstanding Enterprise Award” from CSN, the Corporate Social Responsibility Ranking in China for two straight years. In terms of corporate governance, Delta received a grade above ranking from Securities & Futures Institute’s TWSE/GTSM listed companies information transparency and disclosure ranking for eight years since 2006, and we received the highest ranking of A++ during 2012 and 2013. Moreover, after receiving the “Best Investor Relations Practices Award” and “Taiwan’s Best CEO Award” from IR Magazine in 2012, Delta also won two major awards including “Best Sustainability Practice “ and “Best Investor Relations by CEO” last year, demonstrating the full support to Delta from general public both in Taiwan and overseas.

With our sincere gratitude to colleagues for their contributions over the years, to our customers, suppliers, shareholders and the society for their continued support and recognition, we will strive towards our strategic goals with full dedication and commitment. Given the rapid transformation in technological development and market trends, we will execute our strategies with discipline to achieve our goals and put our corporate mission in daily practice to take Delta to the next level of success, making Delta a respectable world-class company in the future.

Sincerely yours,

Chairman 
CEO 
CFO 

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR13002302

To Delta Electronics, Inc.

We have audited the accompanying parent company only balance sheets of Delta Electronics, Inc. as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related parent company only statements of comprehensive income, of changes in stockholders' equity and of cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. As explained in Note 6(8), we did not audit the financial statements of certain investments accounted for under the equity method. The investments accounted for under the equity method amounted to \$5,342,282 thousand, \$4,516,997 thousand and \$4,237,948 thousand, constituting 3.90%, 3.78% and 3.47% of the total assets as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively, and total comprehensive income (including share of profit (loss) of associates and joint ventures accounted for under equity method and share of other comprehensive income of associates and joint ventures accounted for under equity method) amounted to \$993,227 thousand and \$782,953 thousand, constituting 4.32% and 6.58% of the total comprehensive income for the years ended December 31, 2013 and 2012, respectively. Those statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts and the information disclosed in Note 13, is based solely on the reports of the other independent accountants.

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics, Inc. as of December 31, 2013, December 31, 2012 and January 1, 2012, and the results of its operations and its cash flows for the years ended December 31, 2013 and 2012, in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”.

PricewaterhouseCoopers, Taiwan

March 11, 2014

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

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

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2013, DECEMBER 31, 2012 AND JANUARY 1, 2012
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2013	December 31, 2012	January 1, 2012
Current assets					
1100	Cash	6(1)	\$ 5,889,486	\$ 5,045,761	\$ 8,437,582
1110	Financial assets at fair value through profit or loss - current	6(2)	-	714,730	-
1125	Available-for-sale financial assets - current	6(3)	586,773	555,522	578,857
1150	Notes receivable, net		54,675	88,759	121,034
1170	Accounts receivable, net	6(6)	8,021,708	4,747,381	3,989,817
1180	Accounts receivable - related parties	7	1,109,261	1,828,201	1,197,372
1200	Other receivables		43,479	104,604	103,629
1210	Other receivables - related parties	7	378,913	533,146	471,882
1220	Current income tax assets	6(25)	5,957	-	-
130X	Inventory	6(7)	691,306	756,526	937,228
1410	Prepayments		30,940	57,400	60,915
1460	Non-current assets held for sale - net	6(8)	-	1,561,357	-
1470	Other current assets		367,425	248,283	645,403
11XX	Total current assets		<u>17,179,923</u>	<u>16,241,670</u>	<u>16,543,719</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	-	-	2,563,142
1523	Available-for-sale financial assets - non-current	6(3)	6,117,918	2,434,458	3,063,142
1543	Financial assets carried at cost - non-current	6(4)	210,985	210,985	211,859
1550	Investments accounted for under the equity method	6(8)	102,730,961	89,951,647	91,434,509
1600	Property, plant and equipment	6(9)	9,568,372	9,253,275	6,893,463
1780	Intangible assets	6(10)	634,017	604,806	127,119
1840	Deferred income tax assets	6(25)	506,415	571,052	698,350
1900	Other non-current assets	6(11)	198,871	231,235	438,829
15XX	Total non-current assets		<u>119,967,539</u>	<u>103,257,458</u>	<u>105,430,413</u>
1XXX	Total assets		<u>\$ 137,147,462</u>	<u>\$ 119,499,128</u>	<u>\$ 121,974,132</u>

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2013, DECEMBER 31, 2012 AND JANUARY 1, 2012
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2013	December 31, 2012	January 1, 2012
Current liabilities				
2125	Derivative financial liabilities	6(5)		
	for hedging - current	\$ -	\$ 1,485	\$ -
2170	Accounts payable	754,656	451,013	650,072
2180	Accounts payable - related parties	7	8,671,249	6,649,501
				6,157,405
2200	Other payables	6,450,408	5,217,612	4,888,024
2220	Other payables - related parties	7	166,770	47,768
				233,988
2230	Current income tax liabilities	6(25)	-	952,207
				892,266
2300	Other current liabilities	1,098,555	850,187	1,396,420
21XX	Total current liabilities	<u>17,141,638</u>	<u>14,169,773</u>	<u>14,218,175</u>
Non-current liabilities				
2540	Long-term borrowings	6(12)	18,716,500	16,315,000
				22,272,000
2570	Deferred income tax liabilities	6(25)	5,018,981	4,135,332
				4,838,874
2600	Other non-current liabilities	6(13)	2,622,751	2,517,401
				2,461,531
25XX	Total non-current liabilities	<u>26,358,232</u>	<u>22,967,733</u>	<u>29,572,405</u>
2XXX	Total Liabilities	<u>43,499,870</u>	<u>37,137,506</u>	<u>43,790,580</u>
Equity				
Share capital				
3110	Share capital - common stock	6(15)	24,375,433	24,211,780
				24,033,974
Capital surplus				
3200	Capital surplus	6(16)	25,790,922	24,774,551
				23,824,784
Retained earnings				
		6(17)		
3310	Legal reserve	13,774,636	12,163,682	11,064,579
3320	Special reserve	4,074,505	2,156,092	5,323,562
3350	Unappropriated retained earnings	25,212,328	23,808,695	15,827,730
Other equity interest				
		6(8)		
3400	Other equity interest	419,768	(4,753,178)	(1,891,077)
3XXX	Total equity	<u>93,647,592</u>	<u>82,361,622</u>	<u>78,183,552</u>
Significant contingent liabilities and unrecorded contract commitments				
		9		
Significant events after the balance sheet date				
		11		
	Total liabilities and equity	<u>\$ 137,147,462</u>	<u>\$ 119,499,128</u>	<u>\$ 121,974,132</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 11, 2014.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	2013	2012
4000 Sales revenue	7	\$ 37,206,319	\$ 36,287,556
5000 Operating costs	6(19) and 7	(33,051,609)	(32,394,635)
5900 Net operating margin		4,154,710	3,892,921
5920 Realized profit from sales		-	578
5950 Net operating margin		<u>4,154,710</u>	<u>3,893,499</u>
Operating expenses	6(23)(24)		
6100 Selling expenses		(545,477)	(328,677)
6200 General and administrative expenses		(1,519,051)	(1,571,562)
6300 Research and development expenses		(214,623)	(155,471)
6000 Total operating expenses		(2,279,151)	(2,055,710)
6900 Operating profit		<u>1,875,559</u>	<u>1,837,789</u>
Non-operating income and expenses			
7010 Other income	6(20)	596,910	627,481
7020 Other gains and losses	6(2)(21)	(495,076)	(519,367)
7050 Finance costs	6(22)	(108,523)	(134,901)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, net	6(8)	16,635,706	14,742,524
7000 Total non-operating income and expenses		<u>16,629,017</u>	<u>15,754,471</u>
7900 Profit before income tax		18,504,576	17,592,260
7950 Income tax expense	6(25)	(1,260,145)	(943,359)
8000 Profit for the year from continuing operations		17,244,431	16,648,901
8100 Profit (loss) for the year from discontinued operations	6(8)	531,771	(1,865,517)
8200 Profit for the year		<u>\$ 17,776,202</u>	<u>\$ 14,783,384</u>
Other comprehensive income (loss)			
8310 Financial statements translation differences of foreign operations		\$ 1,980,117	(\$ 2,936,787)
8325 Unrealized gain (loss) on valuation of available-for-sale financial assets		2,421,856	(124,715)
8330 Cash flow hedges		1,485	(1,485)
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method		1,082,753	(196,383)
8399 Income tax relating to the components of other comprehensive income	6(25)	(258,127)	376,651
8300 Other comprehensive income (loss) for the year		<u>\$ 5,228,084</u>	<u>(\$ 2,882,719)</u>
8500 Total comprehensive income for the year		<u>\$ 23,004,286</u>	<u>\$ 11,900,665</u>
Basic earnings per share	6(26)		
9710 Basic earnings per share from continuing operations		\$ 7.10	\$ 6.90
9720 Basic earnings per share from discontinued operations		0.22	(0.77)
9750 Total basic earnings per share		<u>\$ 7.32</u>	<u>\$ 6.13</u>
Diluted earnings per share			
9810 Diluted earnings per share from continuing operations		\$ 7.02	\$ 6.80
9820 Diluted earnings per share from discontinued operations		0.22	(0.76)
9850 Total diluted earnings per share		<u>\$ 7.24</u>	<u>\$ 6.04</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 11, 2014.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars)

	Retained Earnings					Other equity interest				Total equity
	Share capital - common stock	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for- sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Equity directly related to non-current assets held for sale	
<u>2012</u>										
Balance at January 1, 2012	\$ 24,033,974	\$ 23,824,784	\$ 11,064,579	\$ 5,323,562	\$ 15,827,730	(\$ 1,687,326)	(\$ 268,272)	\$ 64,521	\$ -	\$ 78,183,552
Share-based payments	177,806	1,009,205	-	-	-	-	-	-	-	1,187,011
Distribution of 2011 earnings										
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)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(21,467)	-	-	(453,462)	-	-	-	-	(474,929)
Change in equity of associates and joint ventures accounted for under the equity method	-	(17,353)	-	-	-	-	-	-	-	(17,353)
Equity directly associated with non-current assets classified as held for sale	-	(20,618)	-	-	-	47,593	-	-	(26,975)	-
Other comprehensive loss for the year	-	-	-	-	-	(2,619,784)	(224,643)	(38,292)	-	(2,882,719)
Profit for the year	-	-	-	-	14,783,384	-	-	-	-	14,783,384
Balance at December 31, 2012	<u>\$ 24,211,780</u>	<u>\$ 24,774,551</u>	<u>\$ 12,163,682</u>	<u>\$ 2,156,092</u>	<u>\$ 23,808,695</u>	<u>(\$ 4,259,517)</u>	<u>(\$ 492,915)</u>	<u>\$ 26,229</u>	<u>(\$ 26,975)</u>	<u>\$ 82,361,622</u>
<u>2013</u>										
Balance at January 1, 2013	\$ 24,211,780	\$ 24,774,551	\$ 12,163,682	\$ 2,156,092	\$ 23,808,695	(\$ 4,259,517)	(\$ 492,915)	\$ 26,229	(\$ 26,975)	\$ 82,361,622
Share-based payments	163,653	934,077	-	-	-	-	-	-	-	1,097,730
Distribution of 2012 earnings										
Legal reserve	-	-	1,610,954	-	(1,610,954)	-	-	-	-	-
Special reserve	-	-	-	1,918,413	(1,918,413)	-	-	-	-	-
Cash dividends	-	-	-	-	(12,843,202)	-	-	-	-	(12,843,202)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	34,344	-	-	-	-	-	-	(55,138)	(20,794)
Change in equity of associates and joint ventures accounted for under equity method	-	47,950	-	-	-	-	-	-	-	47,950
Other comprehensive income for the year	-	-	-	-	-	2,556,027	2,597,295	(7,351)	82,113	5,228,084
Profit for the year	-	-	-	-	17,776,202	-	-	-	-	17,776,202
Balance at December 31, 2013	<u>\$ 24,375,433</u>	<u>\$ 25,790,922</u>	<u>\$ 13,774,636</u>	<u>\$ 4,074,505</u>	<u>\$ 25,212,328</u>	<u>(\$ 1,703,490)</u>	<u>\$ 2,104,380</u>	<u>\$ 18,878</u>	<u>\$ -</u>	<u>\$ 93,647,592</u>

Note 1: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$1,536,340 had been deducted from the Statement of Comprehensive Income in 2012.

Note 2: Directors' and supervisors' remuneration amounting to \$30,400 and employees' bonus amounting to \$2,047,925 had been deducted from the Statement of Comprehensive Income in 2013.

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 11, 2014.

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year from continuing operations	\$ 18,504,576	\$ 17,592,260
Profit (loss) before tax for the year from discontinued operations	531,771	(1,865,517)
Profit before tax for the year	19,036,347	15,726,743
Adjustments to reconcile net income to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	550,471	480,325
Amortization	311,204	26,759
Provision (reversal of provision) for bad debts	(11,142)	46,023
Interest expense	108,523	134,901
Interest income	(8,725)	(14,600)
Dividend income	(119,400)	(158,661)
Gain from financial assets at fair value through profit or loss	(5,270)	(338)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method (including loss from discontinued operations)	(16,332,293)	(13,686,201)
Gain on disposal of property, plant and equipment	(24,594)	(7,547)
Gain on disposal of non-current assets classified as held for sale (shown as profit (loss) from discontinued operations)	(25,989)	-
Loss (gain) on disposal of investments	433,670	(477,018)
Impairment loss on financial assets	33,880	-
(Reversal of) impairment loss on non-financial assets (shown as loss from discontinued operations)	(809,194)	809,194
Impairment loss on non-financial assets	32,141	-
Unrealized gain from intercompany transactions	-	(578)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	34,084	32,275
Accounts receivable	(3,263,185)	(803,587)
Accounts receivable - related parties	718,940	(630,829)
Other receivables	61,162	(22,703)
Other receivables - related parties	154,233	(61,264)
Inventory	65,220	180,702
Prepayments	26,460	3,515
Other current assets	(119,142)	397,120
Other non-current assets	3,246	18,036
Net changes in liabilities relating to operating activities		
Accounts payable	303,643	(199,059)
Accounts payable - related parties	2,021,748	492,096
Other payables	1,240,534	330,058
Other payables - related parties	119,002	(186,220)
Other current liabilities	248,368	(546,233)
Other non-current liabilities	104,510	55,778
Cash generated from operations	4,888,452	1,938,687
Interest received	8,688	13,033
Dividends received	8,522,831	12,252,079
Interest paid	(116,261)	(135,371)
Income tax paid	(1,536,544)	(1,095,678)
Net cash provided by operating activities	11,767,166	12,972,750

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars)

	2013	2012
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of financial assets at fair value through profit or loss, designated as upon initial recognition	\$ 720,000	\$ -
Acquisition of available-for-sale financial assets	(349,023)	-
Proceeds from disposal of available-for-sale financial assets	742,441	536,761
Proceeds from capital reduction of available-for-sale financial assets	-	5,184
Proceeds from capital reduction of financial assets at cost	-	875
Acquisition of investments accounted for under the equity method	(1,510,254)	(790,402)
Proceeds from disposal of investments accounted for under the equity method	939	27,132
Proceeds from capital reduction of investments accounted for under the equity method	-	190,000
Decrease (increase) in cash surrender value of life insurance	2,602	(2,734)
Acquisition of property, plant and equipment	(1,114,501)	(2,862,460)
Proceeds from disposal of property, plant and equipment	241,386	29,870
Acquisition of intangible assets	(340,415)	(504,446)
(Increase) decrease in refundable deposits	(998)	3,736
Decrease in prepayments for business facilities	27,514	188,556
Net cash used in investing activities	(1,580,309)	(3,177,928)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from long-term debt	3,289,500	-
Repayment of long-term debt	(888,000)	(5,957,000)
Increase in guarantee deposits received	840	670
Exercise of employee share options	1,097,730	1,187,011
Cash dividends paid	(12,843,202)	(8,417,324)
Net cash used in financing activities	(9,343,132)	(13,186,643)
Increase (decrease) in cash	843,725	(3,391,821)
Cash at beginning of year	5,045,761	8,437,582
Cash at end of year	\$ 5,889,486	\$ 5,045,761

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 11, 2014.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR13002529

To Delta Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets (including investments accounted for under the equity method) of \$6,051,355 thousand, \$5,662,006 thousand and \$6,579,004 thousand, constituting 3.07%, 3.10% and 3.36% of the consolidated total assets as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively, and total comprehensive income (including share of profit (loss) of associates and joint ventures accounted for under the equity method and share of other comprehensive income of associates and joint ventures accounted for under the equity method) of \$993,227 thousand and \$782,953 thousand, constituting 3.99% and 6.11% of the consolidated total comprehensive income for the years ended December 31, 2013 and 2012, respectively. Those statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts and the information disclosed in Note 13, is based solely on the reports of the other independent accountants.

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics, Inc. and subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and their financial performance and cash flows for the years ended December 31, 2013 and 2012, in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission (FSC).

We have also audited the parent company only financial statements of Delta Electronics, Inc. as of and for the years ended December 31, 2013 and 2012, on which we have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 11, 2014

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, 2013, DECEMBER 31, 2012 AND JANUARY 1, 2012
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2013	December 31, 2012	January 1, 2012
Current assets					
1100	Cash and cash equivalents	6(1)	\$ 59,023,870	\$ 51,096,128	\$ 67,695,906
1110	Financial assets at fair value through profit or loss - current	6(2)	82,749	728,015	2,342
1125	Available-for-sale financial assets - current	6(3)	686,511	600,373	627,944
1135	Derivative financial assets for hedging - current	6(5)	13,340	39,901	115,111
1150	Notes receivable, net		1,535,567	1,319,593	1,330,220
1170	Accounts receivable, net	6(6)	41,121,837	34,978,476	34,708,687
1180	Accounts receivable - related parties	7	1,083,328	1,231,877	816,456
1200	Other receivables		407,045	431,096	1,934,087
1210	Other receivables - related parties	7	157,570	230,939	148,570
1220	Current income tax assets	6(29)	5,957	-	-
130X	Inventory	6(7)	18,041,829	15,461,032	19,126,113
1410	Prepayments		3,993,820	2,782,463	2,384,204
1460	Non-current assets held for sale - net	6(12)	-	11,265,968	-
1470	Other current assets		349,678	319,041	537,779
11XX	Total current assets		<u>126,503,101</u>	<u>120,484,902</u>	<u>129,427,419</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	109,810	247,513	2,803,667
1523	Available-for-sale financial assets - non-current	6(3)	7,677,790	3,546,918	3,835,595
1543	Financial assets carried at cost - non-current	6(4)	400,605	398,289	402,903
1550	Investments accounted for under the equity method	6(8)	6,696,275	6,352,742	5,911,784
1600	Property, plant and equipment	6(9)	37,194,762	35,278,446	34,628,392
1760	Investment property - net	6(10)	1,960,453	1,232,135	-
1780	Intangible assets	6(11)	10,857,876	10,937,813	11,064,855
1840	Deferred income tax assets	6(29)	3,288,189	2,436,921	2,507,096
1900	Other non-current assets	6(13)	2,639,953	1,926,757	5,466,313
15XX	Total non-current assets		<u>70,825,713</u>	<u>62,357,534</u>	<u>66,620,605</u>
1XXX	Total assets		<u>\$ 197,328,814</u>	<u>\$ 182,842,436</u>	<u>\$ 196,048,024</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2013, DECEMBER 31, 2012 AND JANUARY 1, 2012
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2013	December 31, 2012	January 1, 2012
Current liabilities					
2100	Short-term borrowings	6(14)	\$ 4,561,722	\$ 5,037,267	\$ 17,599,492
2120	Financial liabilities at fair value through profit or loss - current	6(15)	16,883	26,286	4,257
2125	Derivative financial liabilities for hedging - current	6(5)	2,644	14,750	46,873
2150	Notes payable		808	-	-
2170	Accounts payable		32,628,527	26,864,029	30,271,738
2180	Accounts payable - related parties	7	187,088	182,467	118,374
2200	Other payables		17,533,426	14,587,340	14,590,427
2230	Current income tax liabilities	6(29)	1,390,013	2,156,441	2,010,601
2260	Liabilities directly related to non-current assets held for sale	6(12)	-	6,849,496	-
2300	Other current liabilities	6(16)	3,046,701	3,238,723	4,367,943
21XX	Total current liabilities		<u>59,367,812</u>	<u>58,956,799</u>	<u>69,009,705</u>
Non-current liabilities					
2540	Long-term borrowings	6(16)	18,827,664	16,491,517	24,862,247
2570	Deferred income tax liabilities	6(29)	7,431,813	5,391,475	5,280,177
2600	Other non-current liabilities	6(17)	3,815,895	3,674,667	3,798,067
25XX	Total non-current liabilities		<u>30,075,372</u>	<u>25,557,659</u>	<u>33,940,491</u>
2XXX	Total Liabilities		<u>89,443,184</u>	<u>84,514,458</u>	<u>102,950,196</u>
Equity					
Share capital					
3110	Share capital - common stock	6(19)	24,375,433	24,211,780	24,033,974
Capital surplus					
3200	Capital surplus	6(20)	25,790,922	24,774,551	23,824,784
Retained earnings					
3310	Legal reserve	6(21)	13,774,636	12,163,682	11,064,579
3320	Special reserve		4,074,505	2,156,092	5,323,562
3350	Unappropriated retained earnings		25,212,328	23,808,695	15,827,730
Other equity interest					
3400	Other equity interest		419,768	(4,753,178)	(1,891,077)
31XX	Equity attributable to owners of the parent		<u>93,647,592</u>	<u>82,361,622</u>	<u>78,183,552</u>
36XX	Non-controlling interest		<u>14,238,038</u>	<u>15,966,356</u>	<u>14,914,276</u>
3XXX	Total equity		<u>107,885,630</u>	<u>98,327,978</u>	<u>93,097,828</u>
Significant contingent liabilities and unrecorded contract commitments					
Significant events after the balance sheet date					
	Total liabilities and equity		<u>\$ 197,328,814</u>	<u>\$ 182,842,436</u>	<u>\$ 196,048,024</u>

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	2013	2012
4000	Sales revenue	\$ 177,053,122	\$ 171,759,924
5000	Operating costs	(132,033,192)	(129,661,688)
5950	Net operating margin	<u>45,019,930</u>	<u>42,098,236</u>
	Operating expenses		
6100	Selling expenses	(8,412,757)	(8,283,739)
6200	General and administrative expenses	(5,824,674)	(5,529,085)
6300	Research and development expenses	(11,274,117)	(10,981,460)
6000	Total operating expenses	(25,511,548)	(24,794,284)
6900	Operating profit	<u>19,508,382</u>	<u>17,303,952</u>
	Non-operating income and expenses		
7010	Other income	3,036,141	3,652,456
7020	Other gains and losses	(752,798)	356,580
7050	Finance costs	(175,959)	(250,184)
7060	Share of profit/(loss) of associates and joint ventures accounted for under the equity method	<u>880,788</u>	<u>724,814</u>
7000	Total non-operating income and expenses	<u>2,988,172</u>	<u>4,483,666</u>
7900	Profit before income tax	22,496,554	21,787,618
7950	Income tax expense	(3,581,786)	(3,158,399)
8000	Profit for the year from continuing operations	18,914,768	18,629,219
8100	Profit (loss) for the year from discontinued operations	<u>119,628</u>	<u>(2,744,333)</u>
8200	Profit for the year	<u>\$ 19,034,396</u>	<u>\$ 15,884,886</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	2013	2012
Other comprehensive income			
8310	Financial statements translation differences of foreign operations	\$ 3,524,544	(\$ 3,111,743)
8325	Unrealized gain (loss) on valuation of available-for-sale financial assets	2,594,163	(258,708)
8330	Cash flow hedges	(15,109)	(41,712)
8370	Share of other comprehensive income of associates and joint ventures accounted for under the equity method	3,453	(36,200)
8399	Income tax relating to the components of other comprehensive income	(258,127)	376,651
8500	Total comprehensive income for the year	<u>\$ 24,883,320</u>	<u>\$ 12,813,174</u>
Profit (loss), attributable to:			
8610	Owners of the parent	<u>\$ 17,776,202</u>	<u>\$ 14,783,384</u>
8620	Non-controlling interest	<u>\$ 1,258,194</u>	<u>\$ 1,101,502</u>
Comprehensive income attributable to:			
8710	Owners of the parent	<u>\$ 23,004,286</u>	<u>\$ 11,900,665</u>
8720	Non-controlling interest	<u>\$ 1,879,034</u>	<u>\$ 912,509</u>
Basic earnings per share 6(30)			
9710	Basic earnings per share from continuing operations	\$ 7.10	\$ 6.90
9720	Basic earnings (loss) per share from discontinued operations	0.22	(0.77)
9750	Total basic earnings per share	<u>\$ 7.32</u>	<u>\$ 6.13</u>
Diluted earnings per share			
9810	Diluted earnings per share from continuing operations	\$ 7.02	\$ 6.80
9820	Diluted earnings (loss) per share from discontinued operations	0.22	(0.76)
9850	Total diluted earnings per share	<u>\$ 7.24</u>	<u>\$ 6.04</u>

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of dollars)

	Equity attributable to owners of the parent											
	Share capital - common stock	Total capital surplus	Retained Earnings			Other equity interest					Non-controlling interest	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for- sale financial assets	Hedging instrument gain (loss) on effective hedge of cash flow hedges	Equity directly related to non-current assets held for sale	Total		
2012												
Balance at January 1, 2012	\$24,033,974	\$23,824,784	\$11,064,579	\$ 5,323,562	\$15,827,730	(\$ 1,687,326)	(\$ 268,272)	\$ 64,521	\$ -	\$78,183,552	\$14,914,276	\$93,097,828
Share-based payments	177,806	1,009,205	-	-	-	-	-	-	-	1,187,011	-	1,187,011
Distribution of 2011 earnings												
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)	-	(8,417,324)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(21,467)	-	-	(453,462)	-	-	-	-	(474,929)	-	(474,929)
Change in equity of associates and joint ventures accounted for under equity method	-	(17,353)	-	-	-	-	-	-	-	(17,353)	-	(17,353)
Equity directly associated with non-current assets classified as held for sale	-	(20,618)	-	-	-	47,593	-	-	(26,975)	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	139,572	139,572
Other comprehensive loss for the year	-	-	-	-	-	(2,619,784)	(224,643)	(38,292)	-	(2,882,719)	(188,994)	(3,071,713)
Profit for the year	-	-	-	-	14,783,384	-	-	-	-	14,783,384	1,101,502	15,884,886
Balance at December 31, 2012	<u>\$24,211,780</u>	<u>\$24,774,551</u>	<u>\$12,163,682</u>	<u>\$ 2,156,092</u>	<u>\$23,808,695</u>	<u>(\$ 4,259,517)</u>	<u>(\$ 492,915)</u>	<u>\$ 26,229</u>	<u>(\$ 26,975)</u>	<u>\$82,361,622</u>	<u>\$15,966,356</u>	<u>\$98,327,978</u>
2013												
Balance at January 1, 2013	\$24,211,780	\$24,774,551	\$12,163,682	\$ 2,156,092	\$23,808,695	(\$ 4,259,517)	(\$ 492,915)	\$ 26,229	(\$ 26,975)	\$82,361,622	\$15,966,356	\$98,327,978
Share-based payments	163,653	934,077	-	-	-	-	-	-	-	1,097,730	-	1,097,730
Distribution of 2012 earnings												
Legal reserve	-	-	1,610,954	-	(1,610,954)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,918,413	(1,918,413)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,843,202)	-	-	-	-	(12,843,202)	-	(12,843,202)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	34,344	-	-	-	-	-	-	(55,138)	(20,794)	-	(20,794)
Change in equity of associates and joint ventures accounted for under equity method	-	47,950	-	-	-	-	-	-	-	47,950	-	47,950
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,607,352)	(3,607,352)
Other comprehensive income for the year	-	-	-	-	-	2,556,027	2,597,295	(7,351)	82,113	5,228,084	620,840	5,848,924
Profit for the year	-	-	-	-	17,776,202	-	-	-	-	17,776,202	1,258,194	19,034,396
Balance at December 31, 2013	<u>\$24,375,433</u>	<u>\$25,790,922</u>	<u>\$13,774,636</u>	<u>\$ 4,074,505</u>	<u>\$25,212,328</u>	<u>(\$ 1,703,490)</u>	<u>\$ 2,104,380</u>	<u>\$ 18,878</u>	<u>\$ -</u>	<u>\$93,647,592</u>	<u>\$14,238,038</u>	<u>\$107,885,630</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2014.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars)

	2013	2012
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax from continuing operations	\$ 22,496,554	\$ 21,787,618
Profit (loss) before tax from discontinued operations	132,798	(2,758,813)
Profit before tax	22,629,352	19,028,805
Adjustments to reconcile net income to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	7,227,049	6,545,246
Amortization	1,114,557	829,506
Provision for bad debts	177,496	111,172
Interest expense	242,701	470,905
Interest income	(724,410)	(946,306)
Dividend income	(140,180)	(55,814)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(56,480)	13,065
Share of profit of associates accounted for under the equity method	(880,788)	(724,814)
Loss on disposal of property, plant and equipment	9,303	1,306
Gain on disposal of non-current assets classified as held for sale (shown as profit (loss) from discontinued operations)	(25,989)	-
Loss (gain) on disposal of investments	400,298	(775,815)
Impairment loss on non-financial assets	32,141	-
(Reversal of) impairment loss on non-financial assets (shown as profit (loss) from discontinued operations)	(809,194)	809,194
Impairment loss on financial assets	42,012	-
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets held for trading	(15,515)	4,557
Notes receivable	(214,819)	9,472
Accounts receivable	(6,554,316)	(498,856)
Accounts receivable - related parties	450,800	(529,088)
Other receivables	43,592	1,425,689
Other receivables - related parties	75,440	(82,369)
Inventories	(2,753,789)	3,344,114
Prepayments	(1,483,288)	(2,001,826)
Other current assets	(17,785)	118,318
Other non-current assets	(79,596)	356,120
Net changes in liabilities relating to operating activities		
Notes payable	808	-
Accounts payable	6,293,187	(2,854,448)
Accounts payable - related parties	(49,045)	64,093
Other payables	3,062,366	426,967
Other current liabilities	(184,513)	5,957
Other non-current liabilities	24,936	51,093
Cash generated from operations	27,836,331	25,146,243
Interest received	724,410	930,370
Dividend received	308,122	356,179
Interest paid	(226,124)	(467,291)
Income tax paid	(3,220,469)	(2,969,318)
Net cash provided by operating activities	25,422,270	22,996,183

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in thousands of New Taiwan dollars)

	2013	2012
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss, designated upon initial recognition	(\$ 114,700)	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss, designated upon initial recognition	970,000	-
Acquisition of available-for-sale financial assets	(362,670)	(462,324)
Proceeds from disposal of available-for-sale financial assets	801,448	698,581
Proceeds from capital reduction of available-for-sale financial assets	-	5,184
Proceeds from capital reduction of financial assets carried at cost	-	875
Proceeds from investments accounted for under the equity method	939	859
(Increase) decrease in other financial assets	(12,841)	100,869
Acquisition of property, plant and equipment (including investment property)	(8,831,515)	(14,040,329)
Proceeds from disposal of property, plant and equipment (including investment property)	443,944	522,982
Acquisition of intangible assets	(398,634)	(817,891)
(Increase) decrease in other non-current assets	(320,291)	2,404,866
Net cash flow from acquisition of subsidiaries and acquisition of assets of other companies	(605,843)	101,788
Disposal of subsidiaries	(644,799)	(1,946,553)
Net cash used in investing activities	(9,074,962)	(13,431,093)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term borrowings	(576,247)	(10,708,580)
Proceeds from long-term debt	3,350,440	-
Repayment of long-term debt	(1,422,128)	(5,821,699)
Exercise of employee share options	1,097,730	1,187,011
Change in non-controlling interests	(803,844)	(156,385)
Cash dividends paid	(12,843,202)	(8,417,324)
Net cash used in financing activities	(11,197,251)	(23,916,977)
Effects due to changes in exchange rate	2,777,955	(2,247,891)
Increase (decrease) in cash and cash equivalents	7,927,742	(16,599,778)
Cash and cash equivalents at beginning of year	51,096,128	67,695,906
Cash and cash equivalents at end of year	\$ 59,023,870	\$ 51,096,128

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 11, 2014.

Attachment 3

Audit Committee's Review Report

To: The 2014 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 2013 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.

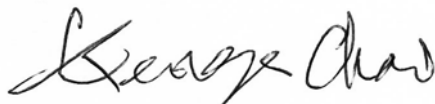
Independent Director: Yung-Chin Chen



Independent Director: Tsong-Pyng Perng



Independent Director: George Chao



Date: March 11, 2014