

**Delta Electronics, Inc. (“Company”)**  
**Minutes of 2009 First Extraordinary Shareholders' Meeting**  
(Translation)

Time: 10:00 AM, December 18, 2009

Place: Chi-Hsiang Hall, Taoyuan Chuto Plaza Hotel  
No. 398 Taoying Rd., Taoyuan City

Quorum: 2,020,332,882 shares were represented by the shareholders and proxies present, which amounted to 89.65% of the Company's 2,253,523,956 issued shares.

Attendance: Mr. James Tsai and Ms. Vanessa Yeh, CPA, PricewaterhouseCoopers  
Mr. James Chen, Attorney-at-Law, Lee and Li

Chairman: Mr. Bruce C. H. Cheng, President  
Secretary: 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. Discussion Items**

1. Discuss the share swap between the Company and Cytotec Co., Ltd. (Proposed by the Board of Directors)

Explanation: (1) In order to pool resources for expansion of operation scale, to lower management cost for enhancement of operating efficiency and to strengthen competitiveness on global market, the Company proposes to enter into a share swap transaction with

Cyntec Co., Ltd. (hereinafter "Cyntec"), 35.6 % of its share capital has been held by the Company. After the completion of share swap, Cyntec will become the Company's 100% owned subsidiary.

- (2) The share swap will be conducted in the manner that Cyntec, on share swap effective date, transfers all of its issued and outstanding shares (deducted by those the Company has already owned) to the Company in consideration for the Company's newly issued shares subscribed by Cyntec's shareholders.
- (3) The share swap ratio between both parties is: the Company: Cyntec = 1:1.07, that is, on share swap effective date, the Company issues 120,530,079 new shares in exchange for the 128,967,185 issued and outstanding common share of Cyntec. The aforesaid share swap ratio is set on the basis of respective financial statements of the Company and Cyntec as of 30 September 2009, with reference to their respective earnings per share, market value per share, net worth per share, company prospect and opinions issued by independent experts on the reasonableness of the ratio. Any fractional common shares as a result of the share swap ratio shall be combined to one person by Cyntec's shareholders or shall be paid by the Company in the form of cash pursuant to the par values of shares on a pro-rata basis (round up to the nearest NT\$), and the chairman of the Company shall be authorized to discuss with specific persons to subscribe for such fractional shares.
- (4) In case that any events specified in Article 3 of the Share Swap Agreement occurs, the share swap ratio between both parties shall be adjusted in accordance with the Share Swap Agreement.
- (5) The actual number of new shares to be issued by the Company under the share swap will be determined in accordance with the total number of issued and outstanding common shares of Cyntec on the share swap effective date, the number of Cyntec's common shares already owned by the Company, the provisions of the Share Swap Agreement and the number of new shares to be issued by the Company under the share swap set forth in the filing with the Securities and Futures Bureau of the Financial Supervisory Commission. Rights and obligations of such newly

issued shares shall be the same as other issued shares of the Company.

- (6) Employee stock options issued by Cyntec shall, after the share swap effective date, be exercisable for the Company's shares, subject to the adjustment to exercise price and volume in accordance with Cyntec's Rules for Issuing Employee Stock Option and the share swap ratio specified in the Share Swap Agreement. The implementation of the said employee stock option shall be handled by the Company in accordance with applicable laws and regulations and the instruction of competent authorities.
- (7) The effective date of share swap is tentatively scheduled on March 31, 2010 by both parties. Nevertheless, the board of directors is authorized to change the effective date of share swap as necessary depending on the implementation situation of this share swap transaction.
- (8) If any change in the aforesaid share swap is necessary due to any matter not provided in the Share Swap Agreement, the laws and regulations of R.O.C., instructions of competent authorities or objective/subjective circumstances, the chairman of the Company is authorized to represent the Company to negotiate, adjust, revise or change the relevant conditions, implementation priority and all other relevant matters of this share swap. The chairman of the Company shall report all documents executed for this share swap and relevant matters to the board of directors for ratification.
- (9) Please refer to Attachments for the Share Swap Agreement and Opinions of Independent Expert on Reasonableness of Share Swap Ratio.
- (10) Respectfully proposed for discussion and resolution.

Chairman's Further Explanation:

The above is the explanation regarding the share swap proposal between the Company and Cyntec; in addition, I would like to supplement the above explanation with the most recent development. From my understanding, the board of directors of Cyntec Co., Ltd. has tabled a proposal to its shareholders meeting for the

authorization of its supervisor to re-execute the share swap agreement with the Company on behalf of Cyntec Co., Ltd. and all terms and conditions therein remain unchanged as previously agreed by both parties. If necessary, I would represent the Company to re-execute the share swap agreement and handle all relevant matters in accordance with the resolution of the Company's shareholders meeting.

Summary of Shareholders' Remarks:

Remarks From Shareholder No. 211307: Inquired about the impact that the proposed merger would have on the Company's revenues, so far as the Company's operations are concerned.

Remarks From Shareholder No. 189676: Voiced support for the proposal and requested to vote on the proposal.

Remarks From Shareholder No. 179928: Inquired about post-merger changes in revenues and profits, share swap price and valuation basis.

Remarks From Shareholder No. 215228: Inquired about post-merger shareholders' rights and interests, earnings per share, difference in share swap price and associated conflict of interest issues under the Company Law.

Remarks From Shareholder No. 228483: Inquired about the legality of applying the Enterprise Mergers And Acquisitions Act and the reasonableness of the consideration.

Remarks From Shareholder No. 204953: Inquired about net profit, earnings and earnings per share (EPS).

Remarks From Shareholder No. 100005: Suggested to approve the proposal by vote.

Remarks From Shareholder No. 211307: Inquired about procedural issues of the meeting and the qualifications of the financial expert.

The Chairman responded to, and also appointed relevant personnel to further

respond to, remarks made by the above shareholders. The Chairman then determined to vote on this item as proposed.

Resolution: Among the 2,020,325,967 shareholder voting rights represented at the meeting, 1,543,807,763 votes were in favor of the proposal, 66,702,735 votes were against and 2,092 votes were invalid. Votes in favor of the proposal amounted to 76.41%, and hence exceeding one half, of the total shareholder voting rights represented at the meeting. The proposal was passed as proposed and if necessary the Chairman would re-execute the share swap agreement and handle all relevant matters in accordance with the authorization per resolution of the shareholders meeting.

2. In respect of the proposed share swap, it is proposed to increase the Company's capital by issuing new share. (Proposed by the Board of Directors)

Explanation: (1) The current paid-in capital of the Company is NT\$ 22,535,239,560, and the number of total issued and outstanding shares is 2,253,523,956 shares. In order to satisfy the needs under the proposed share swap described in the preceding discussion item, it is anticipated that the company should increase its capital by issuing 120,530,079 new shares to Cyntec's shareholders with a par value of NT\$10 per share, in the total of NT\$ 1,205,300,790. After the completion of the proposal capital increase by issuing new shares, the paid-in capital of the Company is expected to be NT\$23,740,540,350 and the total number of issued and outstanding shares is expected to be 2,374,054,035 shares.

(2) In case that any events as specified in Article 3 of the Share Swap Agreement occurs, the share swap ratio between both parties shall be adjusted in accordance with the Share Swap Agreement. The actual number of new shares to be issued by the Company under the share swap will be determined in accordance with the total number of issued and outstanding common shares of Cyntec on the share swap effective date, the number of Cyntec's common shares already owned by the Company, the provisions of the Share Swap Agreement and the

number of new shares to be issued by the Company under the share swap set forth in the filing with the Securities and Futures Bureau of the Financial Supervisory Commission.

- (3) Rights and obligations of new shares to be issued under the proposed share swap shall be the same as other issued shares of the Company
- (4) Unless otherwise specified in the Share Swap Agreement, the chairman of the Company is authorized to proceed with all matters relating to the new share issuance for the proposed share swap with full discretionary power.
- (5) Respectfully proposed for discussion and resolution.

Summary of Shareholders' Remarks:

Remarks From Shareholder No. 179928: Inquired about the effectiveness of the share swap agreement.

Remarks From Shareholder No. 211307: Inquired about the attorney's legal opinion and the supervisor's opinion.

The Chairman responded to, and also appointed relevant personnel to further respond to, remarks made by the above shareholders.

Resolution: No objection was raised by any shareholder present at the meeting after solicitation by the Chairman and the resolution was passed.

**II. Provisional Motions: None**

**III. Meeting Adjourned**

Chairman: Bruce C. H. Cheng

Secretary: Ms. Jill Lee

Attachment

## Share Swap Agreement

(Translation)

Delta Electronics, Inc. ("Delta")

AND

Cyntec Co., Ltd. ("Cyntec")

**WHEREAS**, to pool resources to expand operation scale, lower management costs, enhance operating efficiency and strengthening competitiveness on the global market, Delta and Cyntec, in accordance with the Enterprise Merger Act and related regulations, agree for Cyntec to be acquired by Delta to become its wholly owned subsidiary through share swap (the "Share Swap").

**NOW, THEREFORE**, the Parties hereby enter into the Share Swap Agreement (the "Agreement") on the terms and conditions as follows:

### Article 1 Share Swap

Delta will issue new shares for share swap with Cyntec. After the Share Swap is completed, Cyntec will become a wholly owned subsidiary of Delta. Shareholders of Cyntec will receive shares in Delta as calculated per the Share Swap Ratio (defined under Article 3 of this Agreement).

### Article 2 Capital Structure of Delta and Cyntec

#### (1) Delta

- a. As of the date of execution of this Agreement, the authorized capital of Delta is NT\$ 27,000,000,000, divided into 2,700,000,000 common shares with the par value at NT\$10 each, which may be issued in installments and among which 100,000,000 shares will be reserved for Delta to issue stock option certificates, preferred shares with warrants, and corporate bond with warrants; the total issued shares are 2,253,523,956 shares, and the paid-in capital is NT\$ 22,535,239,560.
- b. As of the date of execution of this Agreement, the totals amount of issued and outstanding employee stock option certificates is 57,691,000 units, and each

unit entitles the holder to acquire 1 share.

- c. As of the date of execution of this Agreement, Delta has not purchased back any treasury stock.

(2) Cyntec

- a. As of the date of execution of this Agreement, the authorized capital of Cyntec is NT\$ 3,000,000,000, divided into 300,000,000 common shares with the par value at NT\$10 each, which may be issued in installments and among which 25,000,000 shares will be reserved for Cyntec to issue stock option certificates, preferred shares with warrants, and corporate bond with warrants; the total issued shares are 200,382,760 shares, and the paid-in capital is NT\$ 2,003,827,600. Delta owns 71,415,575 shares in Cyntec.
- b. As of the date of execution of this Agreement, the totals amount of issued and outstanding employee stock option certificates is 8,995,000 units, and each unit entitles the holder to acquire 1 share.
- c. As of the date of execution of this Agreement, Cyntec has not purchased back any treasury stock.

(3) In this Share Swap, the number of shares of Cyntec to be transferred to Delta shall be based on the issued shares of Cyntec as of the Share Swap Effective Date (as defined in Article 5) less the number of shares already held by Delta ("Shares from Cyntec Shareholders"), meaning Cyntec's total issued shares as of the date of this Agreement, plus new shares issued by Cyntec during the period from signing this Agreement to the Share Swap Effective Date for stock options exercised by employees, distribution of stock dividends or employee stock bonus, then minus the number of shares already held by Delta.

(4) After the Share Swap Effective Date, employee stock option certificates already issued by Cyntec shall be exercisable for shares in Delta, subject to adjustment to exercise price and volume per Cyntec's Rules for Issuing Employee Stock Option Certificates and the Share Swap Ratio under this Agreement; subsequently, the implementation of the said employee stock option certificates shall be handled by Delta in accordance with applicable laws and regulations and the instruction of competent authorities.

### Article 3 Share Swap Ratio and its Adjustment

(1) The share swap ratio ("Share Swap Ratio") shall be 1.07 common shares of Cyntec for 1 common share of Delta. The Share Swap Ratio was based on respective financial statements of Delta and Cyntec as of 30 September 2009, with

reference to their respective earnings per share, market value per share, net worth per share, company prospect, etc. and opinions from independent experts consulted by Delta and Cyntec. Unless otherwise provided under this Agreement, other written agreements by the Parties, laws of the ROC or as requested by the competent authorities, neither Party may unilaterally change or adjust the Share Swap Ratio.

(2) After the date of execution of this Agreement and prior to the Share Swap Effective Date (as defined in Article 5), upon occurrence of any of the following events, the authorized representatives of the Parties shall reach agreement to adjust the Share Swap Ratio as soon as possible without convening shareholders meetings for further resolution:

- a. Distribution of stock dividends or cash dividend, employee bonus shares, employee cash bonus and remuneration for directors and supervisors;
- b. Capital increase, capital decrease, or issuance of convertible corporate bonds, issuance of corporate bonds with warrant, preferred shares with warrants, share subscription warrants and other equity securities;
- c. Acts that may materially affect financial conditions or business of the company such as disposal of material assets;
- d. Disaster or significant change in technology that may materially affect shareholder rights or securities prices;
- e. Buyback or transfer of treasury stock in accordance with applicable laws;
- f. Necessary adjustment of the Share Swap Ratio per instruction of the competent authorities or obtaining regulatory approvals for the completion of Share Swap;
- g. Change in participating entities, or the number thereof, of the Share Swap; or
- h. Other material events (including but not limited to breach of Representations and Warranties under Article 7) making it necessary to adjust the Share Swap Ratio.

#### Article 4 Issuance of New Shares

(1) In regard to any fraction of Delta's shares as a result of the Share Swap Ratio, shareholders may combine their fractional shares and distribute to one shareholder on their behalf, or Delta may distribute such fractional share in the form of cash based on its par value on a pro-rata basis (round up to nearest NT\$) and authorize Delta's chairman of the board of directors to contact specific

persons to subscribe such fractional shares based on par value. The boards of the Parties are authorized with full power to process necessary change to the handling of fractional shares provided hereunder as may be required by laws and regulations or for processing purpose.

- (2) For the Share Swap, Delta plans to issue 120,530,079 common shares to increase capital, provided total number of new shares to be issued by Delta. Nevertheless, the Share Swap shall be based on the number of actually issued common shares of Cyntec as of the Share Swap Effective Date less the number of Cyntec's common shares held by Delta at the same time, calculated per the Share Swap Ratio under Paragraphs (1) and (2) of Article 3.
- (3) The rights and obligations under the new shares to be issued by Delta for the Share Swap shall be the same as the common shares already issued by Delta.

#### Article 5 Share Swap Effective Date

The share swap effective date ("Share Swap Effective Date") is tentatively set on 31 March 2010. Necessary adjustment to the Share Swap Effective Date due to actual circumstances shall be jointly decided by the boards of directors of the Parties under authorization of respective shareholders meetings of the Parties.

#### Article 6 Delisting of Cyntec

After completion of the Share Swap, Cyntec's shares shall be delisted per applicable regulations. Where permitted by the laws and regulations or the practice of the Securities and Futures Bureau of the Financial Supervisory Commission under the Executive Yuan and the Taiwan Stock Exchange, Cyntec's shares will be delisted from the stock exchange on the Share Swap Effective Date and Cyntec shall go private pursuant to the applicable regulations.

#### Article 7 Representations and Warranties

- (1) Delta represents and warrants the following to be true and accurate from the execution date of this Agreement until the Share Swap Effective Date:
  - a. Due incorporation and existence: Delta is duly incorporated and existing under the law of the Republic of China and has obtained all necessary licenses, approvals, permits and other certificates to engage in registered business items recorded on its Certificate of Incorporation.
  - b. Delta has total capital amount and total paid-in capital amount as stated under

Article 2. (1).

- c. Board resolution: The Share Swap has been approved by resolution of Delta's board meeting.
- d. Legality of this Agreement: the execution and performance of this Agreement has not violated, and does not and will not violate any (1) current laws and regulations of the Republic of China, (2) judgments, orders or decisions by court or competent authorities, (3) the Articles of Incorporation of Delta, or (4) contract, agreement, representation, covenant, guarantee, undertaking, arrangement or other obligation legally binding on Delta.
- e. Financial statements and financial information: the financial statements provided by Delta to Cyntec were prepared in accordance with the ROC Generally Accepted Accounting Principles. The information contained in the aforesaid financial statements and other financial documents are all accurate and true, and do not have any false, concealing or misleading statement. Since 30 September 2009, there has been no material adverse change, as reckoned by the Parties, in Delta's financial conditions compared to those reflected by the financial statements as of 30 September 2009.
- f. Filing and payment of taxes: Delta has filed and paid all of the taxes within the periods prescribed by the law, and does not have any delay, omission or evasion of any taxes or any circumstances which are in violation of the tax laws and regulations, administrative orders or instructions issued by the authorities concerned to the extent that such violation may have material adverse effect on Delta's business or financial conditions.
- g. Litigation and non-litigation matters: to date, Delta and its directors and managers have had no material litigious or non-litigious matters that may result in dissolution of Delta, or organizational change thereof, or change in capital, business plan, financial conditions, suspension of operation or any material adverse effect on the business or financial conditions of Delta.
- h. Assets and liabilities: all the assets and liabilities of Delta have been specified in their financial statements provided to Cyntec, and Part A has legitimate ownership over said assets. Except for those as specified in the aforesaid financial statements, the usage, collection of proceeds from and disposal of the assets are not subject to any limitation or restriction, excluding the limitation or restriction which does not have any material adverse effect on the business or financial conditions of Delta.
- i. Contingent liability: unless disclosed in the financial statements provided by

Delta to Cyntec, Delta has no material contingent liability that may have material adverse effect on the business or financial conditions of Delta.

- j. Contracts and undertaking: all the material contracts, agreements, representations, warranties, guarantees or other obligations (regardless of the form thereof) executed, agreed or covenanted by Delta have been provided or notified to Cyntec which contain no misrepresentation, concealment or inaccuracy. Delta has not entered into any contract or other binding document, or reached any oral or written agreement with any third party to (1) sell all or a substantial part of Delta's business or assets, (2) enable another party to merge with Delta or acquire over 50% shares of Delta, or (3) become a subsidiary of another party through share swap.
  - k. Environmental event: where Delta's operation requires application for pollution facilities permit or for pollutant discharge permit, or requires pollution control fees or environmental protection personnel under relevant environmental protection laws and regulations, Delta has complied accordingly and is not involved in any environmental pollution dispute and has not been punished by environmental protection regulator for non-compliance.
  - l. Labor dispute: to date Delta has no material breach of relevant labor laws and regulations resulting in its being punished by the labor regulator and such breach may have any material adverse effect on the business or financial conditions of Delta.
  - m. Others: to date Delta has not been involved in any other material misrepresentation, violation of laws and regulations, loss of credibility or other significant circumstances that may affect its business operation.
- (2) Cyntec represents and warrants the following to be true and accurate from the execution date of this Agreement until the Share Swap Effective Date
- a. Due incorporation and existence: Cyntec is duly incorporated and existing under the law of the Republic of China and has obtained all necessary licenses, approvals, permits and other certificates to engage in registered business items recorded on its Certificate of Incorporation.
  - b. Cyntec has total capital amount and total paid-in capital amount as stated under Article 2. (2).
  - c. Board resolution: The Share Swap has been approved by resolution of Cyntec's board meeting.
  - d. Legality of this Agreement: the execution and performance of this Agreement has not violated, and does not and will not violate any (1) current laws and

regulations of the Republic of China, (2) judgments, orders or decisions by court or competent authorities, (3) the Articles of Incorporation or resolutions in the shareholders meeting of Cyntec, or (4) contract, agreement, representation, covenant, guarantee, undertaking, arrangement or other obligation legally binding on Cyntec.

- e. Shares of Cyntec for the Share Swap have been fully paid.
- f. Financial statements and financial information: the financial statements provided by Cyntec to Delta were prepared in accordance with the ROC Generally Accepted Accounting Principles. The information contained in the aforesaid financial statements and other financial documents are all accurate and true, and do not have any false, concealing or misleading statement. Since 30 September 2009, there has been no material adverse change, as reckoned by the Parties, in Cyntec's financial conditions compared to those reflected by the financial statements as of 30 September 2009.
- g. Filing and payment of taxes: Cyntec has filed and paid all of the taxes within the periods prescribed by the law, and does not have any delay, omission or evasion of any taxes or any circumstances which are in violation of the tax laws and regulations, administrative orders or instructions issued by the authorities concerned to the extent that such violation may have material adverse effect on Cyntec's business or financial conditions.
- h. Litigation and non-litigation matters: on the execution date of this Agreement, Cyntec and its directors and managers have had no material litigious or non-litigious matters that may result in dissolution of Cyntec, or organizational change thereof, or change in capital, business plan, financial conditions, suspension of operation or any material adverse effect on the business or financial conditions of Cyntec.
- i. Assets and liabilities: all the assets and liabilities of Cyntec have been specified in their financial statements provided to Delta, and Part B has legitimate ownership over said assets. Except for those as specified in the aforesaid financial statements, the usage, collection of proceeds from and disposal of the assets are not subject to any limitation or restriction, excluding the limitation or restriction which does not have any material adverse effect on the business, or financial conditions of Cyntec.
- j. Contingent liability: unless disclosed in the financial statements provided by Cyntec to Delta, Cyntec has no material contingent liability that may have material adverse effect on the business or financial conditions of Cyntec.

- k. Contracts and undertaking: all the material contracts, agreements, representations, warranties, guarantees or other obligations (regardless of the form thereof) executed, agreed or covenanted by Cyntec have been provided or notified to Delta which contain no misrepresentation, concealment or inaccuracy. Cyntec has not entered into any contract or other binding document, or reached any oral or written agreement with any third party to (1) sell all or a substantial part of Cyntec's business or assets, (2) enable another party to merge with Cyntec or acquire over 50% shares of Cyntec, or (3) become a subsidiary of another party through share swap.
- l. Environmental event: where Cyntec's operation requires application for pollution facilities permit or for pollutant discharge permit, or requires pollution control fees or environmental protection personnel under relevant environmental protection laws and regulations, Cyntec has complied accordingly and is not involved in any environmental pollution dispute and has not been punished by environmental protection regulator for non-compliance.
- m. Labor dispute: to date Cyntec has no material breach of relevant labor laws and regulations resulting in its being punished by the labor regulator and such breach may have any material adverse effect on the business or financial conditions of Cyntec.
- n. Others: to date Cyntec has not been involved in any other material misrepresentation, violation of laws and regulations, loss of credibility or other significant circumstances that may affect its business operation.

## Article 8 Covenants

The Parties agree that during the period from the execution of this Agreement to the Share Swap Effective Date, the Parties shall ensure that they will operate their business in the ordinary course of business and exercise the due care of a good administrator respectively and, without prior written consent from the other Party, neither Party may engage in any of the following:

- a. Distribution of stock dividends or cash dividend, employee bonus shares, employee cash bonus and remuneration for directors and supervisors, excluding capitalization of earnings and capital reserves as approved by shareholders meetings of Delta or Cyntec.
- b. Capital increase by cash injection, or issue of convertible corporate bonds, corporate bonds with warrant, preferred shares with warrants, share subscription warrants and other equity securities, or engagement in derivatives transactions

linked to the foregoing securities.

- c. Execution of any contracts with other third parties regarding (i) the merger, share swap, asset transfer, mandate of management, or joint venture; (ii) the execution, amendment, termination of lease of all business operations or the mandate of management or regular joint operation with other parties; (iii) the transfer of all or substantial part of its business or assets to the third parties; (iv) acceptance of all or substantial part of the business or assets of the third parties; and (v) any contract, agreement, undertaking, letter of intent or memorandum with the third parties which has similar effects as sub-paragraphs (i) to (iv) above.
- d. Acts that may materially affect financial conditions or business of the company such as disposal of material assets.
- e. Except for the buyback of shares from dissenting shareholders, any buyback of its issued shares or equity-linked securities directly or indirectly by itself or any other third parties, capital decrease, dissolution, liquidation, or petition for reorganization, settlement or bankruptcy.
- f. Entering into or making any contracts or undertakings which may materially affect its rights and interest, except for those arising from ordinary course of business.
- g. Change in participating entities, or the number thereof, of the Share Swap

## Article 9 Conditions Precedent to the Share Swap

(1) Conditions precedent to the Share Swap are as follows:

- a. Both Parties have obtained all necessary consents and approvals in their respective shareholders meetings to effectuate the Share Swap and this Agreement.
- b. All necessary approvals, consents or permissions from relevant domestic and foreign competent authorities to effectuate the Share Swap have been obtained.
- c. Representations, warranties and undertakings of both Parties hereunder remain effective and true and accurate on the Share Swap Effective Date.
- d. Both Parties have performed their respective obligations hereof and do not breach the representations, warranties or undertakings hereunder, unless an adjustment to the Share Swap Ratio has been made by the Parties pursuant to Article 3.(2) for the relevant breach of representations, warranties or undertakings.

(2) This Agreement shall be terminated automatically if any of the conditions

precedent set forth in this Article 9 is not fulfilled within one year from the execution date of this Agreement, unless the Parties have agreed in writing to extend the term of this Agreement or to waive such condition(s) precedent.

#### Article 10 Shares from Dissenting Shareholders

- (1) The Parties agree that if any of the shareholders of either Party objects the Share Swap or this Agreement, such Party shall buy back the shares held by the dissenting shareholders in accordance with relevant laws and regulations, and unless otherwise determined by the court, the purchase price for the shares of dissenting shareholders shall not be higher than the closing price as of the date of shareholders meeting of such Party.
- (2) The shares purchased in accordance with the preceding Paragraph shall be cancelled on the Share Swap Effective Date, and the number of new shares to be issued by Delta for the Share Swap and its paid-in capital after the completion of the Share Swap shall be changed accordingly.

#### Article 11 Directors and Supervisors of Cyntec

Other than those appointed by Delta, the current directors and supervisors of Cyntec shall automatically be discharged on the Share Swap Effective Date in accordance with Articles 197 and 227 of the Company Act of the ROC. Cyntec shall also procure its directors who do not hold shares in Cyntec to resign on the Share Swap Effective Date and be replaced by persons appointed by Delta in accordance with applicable law.

#### Article 12 Share of Taxes and Expenses

Unless otherwise stipulated in this Agreement, Delta and Cyntec shall each be responsible for its own taxes and expenses (including but not limited to fees payable to lawyers, accountants, securities underwriters and other experts, regardless of whether the Share Swap is invalidated or cancelled due to failure to obtain relevant regulatory approvals or other causes) arising from negotiations, execution or performance of this Agreement.

#### Article 13 Effectiveness and Performance of this Agreement

- (1) This Agreement shall become binding on both Parties upon approval by board meeting of each Party and execution by authorized representatives of the Parties

respectively.

- (2) This Agreement shall be approved by shareholders meetings of both Parties and the shareholders meeting of each Party shall authorize its authorized representative(s) to make necessary adjustments in accordance with applicable laws and regulations or this Agreement, including but not limited to the adjustment of the Share Swap Ratio and the Share Swap Effective Date.

#### Article 14 Cancellation and Defaults

- (1) Prior to the Share Swap Effective Date, upon the occurrence of any of the following events, the non-defaulting Party may notify the other Party in writing to cancel this Agreement:
  - a. cancellation by prior written agreement of the Parties.
  - b. Where a Party fails to perform or breaches any representations, warranties, undertakings or material terms hereunder, and further fails to rectify such default within 15 days upon written notice by the non-defaulting Party. A Party shall be deemed in violation of a material term hereunder if it without a justifiable reason refuses or delays cooperation in connection with the application process for regulatory approvals, permits or filings required for the Share Swap.
  - c. The conditions precedent to the Share Swap set forth in Article 9 are not fulfilled, and such conditions are not fulfilled or waived in accordance with Article 9 prior to the Share Swap Effective Date.
- (2) In case of cancellation of this Agreement under sub-paragraph b. above, the defaulting Party shall compensate the non-defaulting Party for any taxes, expenses, damages and losses arising therefrom, including but not limited to fees of lawyers, accountants, securities underwriters and so forth.
- (3) Upon cancellation of this Agreement, the Parties shall immediately take necessary actions to stop the Share Swap, and either Party may request the other Party to, within 7 days upon cancellation, return or destroy documents, materials, files, objects, plans, trade secrets and other information obtained in accordance with this Agreement.

#### Article 15 Miscellaneous

- (1) This Agreement shall be governed and construed in accordance with the law of the Republic of China. Upon any dispute arising from interpretation or performance

of this Agreement, the Parties agree to first negotiate in amicable ways to resolve the dispute; in case of failure to resolve the dispute and litigation follows, the Taipei District Court shall be the court of first instance.

- (2) If any term of this Agreement is invalid as a result of the conflict with applicable laws and regulations, the rest of this Agreement shall remain effective. The ineffective terms of this Agreement as a result of the conflict with applicable laws and regulations shall be amended by the authorized representatives of the Parties to that effect permitted by law. In case of failure to reach an agreement for amendment, the matter shall be handled in accordance with applicable laws and regulations. Regarding matters not provided herein or any change to the terms hereunder that is necessary due to instruction of relevant competent authorities or changes in objective and subjective circumstances, the authorized representatives of the Parties shall negotiate to reach an agreement as to how to handle the matter, and in case of failure to reach such agreement, the matter shall be handled in accordance with the instruction of the relevant competent authorities.
- (3) Unless agreed in writing by the Parties, no amendment may be made to this Agreement.
- (4) Any notice under this Agreement shall be effective after being provided to the other Party by registered mail or personal delivery. Either Party shall immediately notify the other in writing of any change in its address, or such change shall not be effective against the other party.
- (5) The headings of this Agreement are for the purpose of convenience and reference only and shall not affect the interpretation of this Agreement.
- (6) Without obtaining prior written consent of the other Party, neither Party shall transfer any rights or obligations hereunder to other third parties.
- (7) Neither of the Parties that is prevented from or delays in performing the obligations under this Agreement due to the following is required to assume any liability toward the other Party: court judgment or order, order or official action of the relevant competent authorities, war, hostility, blockade, riot, revolution, strike, lockout, epidemic, fire, typhoon, tsunami, flood or other force majeure. Notwithstanding the above, either Party shall notify the other Party of the occurrence of an event of force majeure within three days of the notifying Party's becoming aware of such occurrence. The above provision does not exempt either Party from continuing to perform its obligations under this Agreement after the event of force majeure has ceased to exist. In case the event of force majeure lasts beyond 3 months, either Party may cancel this Agreement by a written notice to the other party.

- (8) Unless otherwise provided under applicable laws and regulations or this Agreement, the Parties agree to keep strictly confidential the documents, materials, files, objects, plans, trade secrets and other tangible and intangible information conveyed by or obtained from the other Party for purpose of the Share Swap prior to the Share Swap Effective Date. The Parties shall be subject to the aforesaid confidentiality obligation after this Agreement is cancelled, revoked or otherwise ceases to exist.
- (9) The volume of treasury stocks that may be buy back by the Parties after the record date for calculating the Share Swap Ratio and the method to handle such treasury stocks shall be determined by the Parties in accordance with Article 8, applicable laws and regulations and the legal resolutions of the Parties.
- (10) After signing this Agreement and prior to the Share Swap Effective Date, in case of any increase of entities of the Share Swap, all participating companies shall restart the legal procedures which have been previously completed.
- (11) Matters not provided herein may be separately agreed by the Parties in writing in line with the principle of this Agreement.
- (12) This Agreement is made with duplicate originals and several copies, for each Party to hold one original as evidence.

The Parties:

Delta Electronics Inc.

Cyntec Co., Ltd.

Representative: Bruce CH Cheng

Representative: Tsang-Shen Cheng

Address: 186 Ruey Kuang Road, Neihu,  
Taipei

Address: No. 2, Yanfa 2nd Road,  
Hsin-Chu Science Industrial Park

Uniform No.:34051920

Uniform No.:22099836

Date: December18, 2009

**Opinions of Independent Expert on Reasonableness of Share Swap Ratio for  
the Share Swap Between Delta Electronics Inc. and Cyntec Co., Ltd.**

(Translation)

- Delta Electronics Ltd. (hereinafter "Delta Electronics") is the world-wide leading vendor of power supply unit. The group operates in numerous areas including monitors, solar energy application, industrial automation and internet communication. Cyntec Co., Ltd. (hereinafter "Cyntec") is a manufacturer of professional passive components and other electronic components. Currently, 35.6% of Cyntec's share capital is owned by Delta Electronics. For Delta Electronics and Cyntec's pooling resources to expand operation scale, to lower management cost with a view to enhancing operating efficiency and to strengthen the competitiveness on global market, Delta Electronics intends to purchase all issued and outstanding shares of Cyntec, except for those already owned by Delta Electronics, to make Cyntec a wholly-owned subsidiary of Delta Electronics. Evaluation of the reasonableness of the share swap ratio for this share swap is as follows.
- Summary of respective financial conditions of Delta Electronics and Cyntec as of September 30, 2009 are as follows:

Unit: Thousand New Taiwan dollar

Unit of Net Worth Per Share and Earnings Per Share is New Taiwan dollar.

Account \ Company	Delta Electronics	Cyntec
Total Assets	128,543,323	6,238,417
Total Liabilities	57,207,987	1,919,198
Parent Company's Shareholders' Equity	60,313,645	4,319,219
Paid-In Capital	22,535,240	2,003,778
Gross Revenue	89,134,337	3,652,205
After-Tax Net Profit	8,766,192	881,793
Net Worth Per Share	26.76	21.56
Earnings Per Share	3.92	4.44

Resources: financial statements of Delta Electronics and Cyntec as of September

30, 2009.

3. For share price valuation, the valuation models include the Discounted Cash Flow Model (which determines the company's value by discounting to present value, in accordance with selected discount rate, cash flow generated by future operations of the target company) and the Financial Analysis Model (which analyzes the value by conducting financial analysis on price to earnings ratio, net worth ratio and other financial ratios of the target company), etc. Therefore, there are many models to calculate the share swap ratio. Among all, the Discounted Cash Flow Model is an important method used by academia, however, in practice, because the Discounted Cash Flow Model needs to use the anticipated amount of both parties' future cash flow, which involves more assumption, thus it has relatively higher uncertainty. Therefore, generally, share swap ratio is jointly determined by both parties in the strategic alliance pursuant to the range of share swap ratio calculated on the basis of mutually acceptable valuation basis, with reference to other critical factors. Thus, the two parities in this case reached an agreement to jointly determine the share swap ratio based on both companies' market share price, net worth per share and earnings per share, with reference to each company's current operation conditions, future prospect and other critical factors.
4. The possible range of share swap ratio calculated by us based on the valuation basis preliminarily agreed by Delta Electronics and Cyntec is set forth below:

(1) Net Worth Ratio Model

Company	Net Worth Per Share, as of September 30, 2009 (NT\$)(Note1)	Adjusted Net Worth Per Share, as of September 30, 2009 (NT\$)(Note 2)	Reference Share Swap Ratio
Delta Electronics	26.76	28.17	1
Cyntec	21.56	22.26	1.27

Sources : Financial statements of Delta Electronics and Cyntec as of September 30, 2009.

Note 1 : As of September 30, 2009, both companies have no treasury shares and have no unconverted convertible corporate bonds.

Note 2. Net Worth Per Share is adjusted in accordance with the following factors:

- (1) Considering the impact arising from the exercise of exercisable employee stock option issued by Delta Electronics as of September 30, 2009, totaling 57,833,000 shares.

- (2) Considering the impact arising from the exercise of exercisable employee stock option issued by Cyntec as of September 30, 2009, totaling 9,000,000 shares.

(2) Market Price Ratio Model

Average closing prices of shares of Delta Electronics and Cyntec during 10, 20 and 30 business days prior to October 29, 2009 (inclusive) and their reference share swap ratios are as follows:

	Delta Electronics	Cyntec	Reference Share Swap Ratio
Average closing price during 10 business days prior to October 29, 2009 (inclusive) (Note)	93.69	73.70	1.27
Average closing price during 20 business days prior to October 29, 2009 (inclusive) (Note)	92.73	72.24	1.28
Average closing price during 30 business days prior to October 29, 2009 (inclusive) (Note)	92.23	71.81	1.28
Range of Reference Share Swap Ratio	1.27 ~ 1.28		

Sources: Taiwan Economic Journal Database and data compiled by the independent expert.

Note: After considering the effect of ex-right/ex-dividend in year 2008.

(3) Earnings Per Share Model

	Delta Electronics	Cyntec
Most Recent Four Quarters (2008 Q4~2009 Q3)EPS (Note)	4.55	4.60
Reference Share Swap Ratio	0.99	

Sources : Financial statements of Delta Electronics and Cyntec for the periods of the fourth quarter of 2008 to the third quarter of 2009.

Note : The EPS in the most recent four quarters equals to the total after-tax net profit in such four quarters divided by the adjusted number of common shares as of September 30, 2009. Adjusted number of common share as of September 30, 2009 is calculated in accordance with the following factors:

- (1) Considering the impact on the number of common shares arising from the exercise of exercisable employee stock option issued by Delta Electronics as of September 30, 2009, totaling 57,833,000 shares.
- (2) Considering the impact on the number of common shares arising from the exercise of exercisable employee stock option issued by Cyntec as of September 30, 2009, totaling 9,000,000 shares.
- (3) Considering the impact on the number of common shares by the capital increase made by both parties from capitalization of their respective profits and capital reserve in year 2008.

## 5. Summary of Range of Share Swap Ratio

### (1) Preliminary Summary of Theoretical Price

Valuation Model	Result of Calculation (NT Dollar / Per Share)		Reference Share Swap Ratio (Range)
	Delta Electronics	Cyntec	Delta Electronics : Cyntec
Net Worth Model	28.17	22.26	1:1.27
Market Price Model	92.23 ~ 93.69	71.81 ~ 73.70	1:1.27 ~ 1:1.28
Earnings Per Share Model	4.55	4.60	1:0.99

### (2) Non-Quantifiable Factors For Adjustment

In addition to the aforesaid models for assessment of range of share swap ratio between Delta Electronics and Cyntec, other factors including both companies' current operating condition, future prospect, synergy of cooperation, transfer of control of Cyntec and other non-quantifiable factors are generally considered for the adjustment of range of share swap ratio between Delta Electronics and Cyntec.

Appropriate premium shall be given after considering such factors. The share swap ratio between Delta Electronics and Cytotec generally adjusted by aforesaid non-quantifiable factors is set forth below:

Valuation Model	Result of Calculation (NT Dollar / Per Share)		Reference Share Swap Ratio (Range) (Before the Adjustment of Non-Quantifiable Factors)	Reference Share Swap Ratio (Range) (After the Adjustment of Non-Quantifiable Factors)
	Delta Electronics	Cytotec	Delta Electronics: Cytotec	Delta Electronics: Cytotec
Net Worth Model	28.17	22.26	1:1.27	1:1.15
Market Price Model	92.23 ~ 93.69	71.81 ~ 73.70	1:1.27 ~ 1: 1.28	1:1.15 ~ 1:1.16
Earnings Per Share Model	4.55	4.60	1: 0.99	1:0.90

6. After analyzing the market share price, net worth per share and earnings per share based on quantifiable figures and objective market information of Delta Electronics and Cytotec, and further understanding both companies' current operating condition and future prospect and considering the non-quantifiable factors for adjustment, the appraiser recommends that the reasonable range of share swap ratio between Delta Electronics and Cytotec's shall be Delta Electronics: Cytotec = 1:0.90 ~ 1.16. The appraiser, after evaluation, considers that the proposed share swap ratio of this case, i.e., 1:1.07, which is within the aforesaid range, is reasonable.

Appraiser: Tsung-Li Li

October 29, 2009

## Statement of Independence of Financial Expert

(Translation)

I was mandated to issue opinions on the reasonableness of the share swap ratio under the proposal share swap transaction between Delta Electronics and Cytotec.

I hereby represent, for the performance of the aforesaid work, that none of the following circumstances has occurred to me:

1. I or my spouse is currently employed by the issuer or the underwriter for a regular job and receives fixed remuneration;
2. I or my spouse has ever been the employee of the issuer or the underwriter within two years;
3. The company by which I or my spouse is employed and the issuer or the underwriter is a related party to each other;
4. the responsible person or officer of the issuer or the underwriter is my spouse or my relative within the second degree of kinship/relationship;
5. I or my spouse has investment or profit-sharing relationship with the issuer or the underwriter;
6. I am currently the director or supervisor of Taiwan Securities Exchange Corporation or the aforementioned persons are my spouse or my relatives within the second degree of kinship/relationship.
7. The company by which I or my spouse is employed has business relationship with the issuer.

For the share swap transaction between Delta Electronics and Cytotec, I issue the expert evaluation opinions with objectivity and independence.

Appraiser: Tsung-Li Li

October 29, 2009

## Resume of Independent Expert

Name: Tsung-Li Li

Date of Birth: March 23, 1952

Home Town: Taipei City

ID Number: A10178\*\*\*\*

### Education:

National Taiwan University, Department of Commerce, Division of International Trade

National Taiwan University School of Commerce

Drexel University, USA, MBA

University of Pennsylvania, Wharton School, PhD program

### Experience:

Executive Director, CPA Association, Republic of China, 1992 – 1995

Chairman, Professional Education Committee, CPA Association, Republic of China,  
1992 – 1995

Vice Chairman, Business Assessment Committee, CPA Association, Republic of  
China, 1992 – 2000

### Current Position:

Chairman, Cheng-Yeh United Accounting Firm, since 1983