



Delta Electronics, Inc.

**2012 Annual General Shareholders' Meeting
Meeting Agenda
(Translation)**

Date of the Meeting: June 19, 2012 at 10:00 a.m.
Place of the Meeting: Taoyuan Chuto Plaza Hotel (No. 398 Taoying Rd., Taoyuan City, Taoyuan County)

Meeting Agenda for the 2012 Annual General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2011 Financial Statements, 2011 Consolidated Financial Statements and 2012 Annual General Shareholders' Meeting Agenda are available on the "Market Observation Post System" website; please visit <http://newmops.twse.com.tw/> for details.

Procedures of Delta Electronics, Inc. 2012 Annual General Shareholders' Meeting

1. Call Meeting to order
2. Chairman takes podium
3. All stand
4. Singing of national anthem
5. Three respectful bows to the national flag and image of Dr. Sun Yat-Sen
6. Chairman's address
7. Report items
8. Acknowledgement, discussion and election items
Voting and Resolution for each of Acknowledgement, Discussion and Election Proposals.
9. Extemporaneous motions
10. Meeting adjourned

I. REPORT ITEMS

1. 2011 Operation Results
See Attachment 1: Business Report (pages 79-82)
2. 2011 Financial Results
 - (1) PricewaterhouseCoopers CPA Audit Report
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 - (6) PricewaterhouseCoopers CPA Audit Report (Consolidated Financial Statements)
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 - (7) Consolidated Balance Sheet as of December 31, 2011
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 - (9) Consolidated Statement of Changes in Shareholders' Equity (January 1, 2011 ~ December 31, 2011)
See Attachment 3: Consolidated Statement of Changes in Shareholders' Equity (page 94-95)
 - (10) Consolidated Cash Flow Statement (January 1, 2011 ~ December 31, 2011)

See Attachment 3: Consolidated Cash Flow Statement (pages 96-97)

3. Supervisors' Review Opinions on 2011 Financial Results

See Attachment 4: Supervisors' Review Opinions on 2011 Financial Results (page 98)

II. ACKNOWLEDGEMENT, DISCUSSION AND ELECTION ITEMS

1. Acknowledge the 2011 Financial Results (Proposed by the Board of Directors)

Explanation: (1) This Company's 2011 Financial Results including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to pages 79-97) have been reviewed by the Company's Supervisors. The Company's Supervisors have found no discrepancies after a thorough review and have made a written review report for records.

(2) Please acknowledge.

2. Acknowledge the 2011 Earnings Distribution (Proposed by the Board of Directors)

- Explanation: (1) With regard to earnings in 2011, 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 20, 2012.
- (2) NT\$8,417,359,402 will be distributed as shareholders' cash dividends for 2011. After approval by the annual general shareholders' meeting, the Board of Directors of the Company would be authorized to set a record date of dividends distribution to shareholders of record for shares held on the record date. Based on the number of the issued shares of the Company entitled to receiving distribution as of March 12, 2012 (i.e., 2,404,959,829 shares), each one thousand shares shall receive a cash dividend of NT\$3,500. If the number of outstanding shares of the Company changes due to exercise of employee stock options and consequently leads to a change in the dividend distribution ratio approved by the general meeting, the Board of Directors of the Company is authorized to adjust the ratio based on the number of outstanding shares.
- (3) Please acknowledge.

Delta Electronics, Inc. 2011 Earnings Distribution Table

Item	Explanation	Amount (in NT\$)
Undistributed earnings of previous year		2,054,238,580
Add: Revert of fractional cash dividend of previous year		31,288
Earnings in 2011		
Pre-tax earnings in 2011		11,575,953,430
Income tax expense		584,922,308
After-tax earnings in 2011 [Note 1]		10,991,031,122
Subtract: setting aside 10% legal reserve		1,099,103,112
Add: reversal of special reserve set aside in 2010		3,167,470,238
Earnings available for distribution by the end of 2011 [Note 2]		15,113,668,116

Distribution items:

Shareholders bonuses--cash [Note 3]	NT\$3.5 per share	8,417,359,402
Undistributed earnings by the end of 2011		6,696,308,714

Note 1: Allocated employee bonuses--cash: NT\$1,536,340,278.

Allocated directors' and supervisors' compensation--NT\$16,700,000.

Note 2: Principle of earnings distribution in the Company's 2011 Earnings Distribution Table:
Distribution of 2011 distributable earnings first.

Note 3: On the basis of the number of outstanding common shares of the Company as of March 12, 2012 (i.e., 2,404,959,829 shares).

Note 4: Distribution of cash dividends will be calculated to New Taiwan Dollar. Fractional amount less than one dollar will be set aside as undistributed earnings.

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

Explanation:(1) The Company plans to revise certain provisions in the Articles of Incorporation in conformity with the Company Law and other regulations and to establish the Audit Committee and to better meet the Company's business needs. Please see the comparison table of the Company's Articles of Incorporation before and after revision.

(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</p> <p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. <u>A101020 Food Crops;</u> 2. <u>A102080 Horticulture;</u> 3. <u>A199990 Other Agriculture;</u> 4. C801010 Basic chemical industry business; 5. C801990 Other chemical material manufacturing business; 6. C802120 Industrial Catalyst Manufacturing; 7. <u>CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified;</u> 8. <u>CA04010 Metal Surface Treating;</u> 9. CB01010 Machinery equipment manufacturing business; 10. CB01071 Frozen and Air- 	<p>Article 2</p> <p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. C801010 Basic chemical industry business; 2. C801990 Other chemical material manufacturing business; 3. C802120 Industrial Catalyst Manufacturing; 4. CB01010 Machinery equipment manufacturing business; 5. CB01071 Frozen and Air-conditioning manufacturing business; 6. CB01990 Other machinery manufacturing business; 7. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business; 	<p>Amendments to the business items have been drafted to better meet the Company's business needs: add subparagraphs 1-3, 7, 8, 38, 46, 47, 57, 58, and 72 and re-number the original subparagraph to conform to the Codes of Business Items promulgated by the MOEA.</p>

<p>conditioning manufacturing business;</p> <p>11. CB01990 Other machinery 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>8. CC01030 Electric appliance and audiovisual electric products manufacturing business;</p> <p>9. CC01040 Lighting equipment manufacturing business;</p> <p>10. CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p>11. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>12. CC01080 Electronic parts and components manufacturing business;</p> <p>13. CC01090 Batteries manufacturing business;</p> <p>14. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>15. CC01110 Computers and its peripheral equipment manufacturing business;</p> <p>16. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>17. CD01010 Ship and parts manufacturing business;</p> <p>18. CD01020 Tramway Cars manufacturing business;</p> <p>19. CD01030 Automobiles and</p>	
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<p>21. CC01990 Other electrical and electronic machinery and materials manufacturing business;</p> <p>22. CD01010 Ship and parts manufacturing business;</p> <p>23. CD01020 Tramway Cars manufacturing business;</p> <p>24. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>25. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>26. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>27. CD01060 Aircraft and parts manufacturing business;</p> <p>28. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>29. CE01010 General equipment and instruments manufacturing business;</p> <p>30. CE01021 measuring instruments manufacturing business;</p> <p>31. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>32. CE01040 Clocks and Watches manufacturing business;</p> <p>33. CE01990 Other photographic and optical equipment</p>	<p>auto-parts manufacturing business;</p> <p>20. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>21. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>22. CD01060 Aircraft and parts manufacturing business;</p> <p>23. CD01990 Other transportation equipment and parts manufacturing business;</p> <p>24. CE01010 General equipment and instruments manufacturing business;</p> <p>25. CE01021 measuring instruments manufacturing business;</p> <p>26. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>27. CE01040 Clocks and Watches manufacturing business;</p> <p>28. CE01990 Other photographic and optical equipment manufacturing business;</p> <p>29. CF01011 Medical appliances and equipment business;</p> <p>30. E599010 Pipe lines construction business;</p> <p>31. E601010 Electric appliance installation business;</p> <p>32. E601020 Electric appliance construction business;</p>	
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<p>manufacturing business;</p> <p>34. CF01011 Medical appliances and equipment business;</p> <p>35. E599010 Pipe lines construction business;</p> <p>36. E601010 Electric appliance installation business;</p> <p>37. E601020 Electric appliance construction business;</p> <p>38. <u>E602011 Frozen and Air-conditioning Engineering;</u></p> <p>39. E603040 Fire fighting equipments installation business;</p> <p>40. E603050 Automation control equipment manufacturing business;</p> <p>41. E603090 Illumination equipments installation business;</p> <p>42. E604010 Machinery installation business;</p> <p>43. E605010 Computer equipment installation business;</p> <p>44. E7010030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>45. EZ05010 Apparatus installation and construction business;</p> <p>46. <u>EZ14010 Sports Ground Equipments Construction;</u></p>	<p>33. E603040 Fire fighting equipments installation business;</p> <p>34. E603050 Automation control equipment manufacturing business;</p> <p>35. E603090 Illumination equipments installation business;</p> <p>36. E604010 Machinery installation business;</p> <p>37. E605010 Computer equipment installation business;</p> <p>38. E7010030 Restricted telecommunication radio frequency equipment and materials installation business;</p> <p>39. EZ05010 Apparatus installation and construction business;</p> <p>40. F106040 Water containers wholesale business;</p> <p>41. F108031 Drugs and medical goods wholesale business;</p> <p>42. F113010 Machinery wholesale business;</p> <p>43. F113020 Electrical appliances wholesale business;</p> <p>44. F113050 Computer and office appliances and equipment wholesale business;</p> <p>45. F113070 Telecommunication</p>	
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<p>47. <u>F101081 Wholesale of Seedling;</u></p> <p>48. F106040 Water containers wholesale business;</p> <p>49. F108031 Drugs and medical goods wholesale business;</p> <p>50. F113010 Machinery wholesale business;</p> <p>51. F113020 Electrical appliances wholesale business;</p> <p>52. F113050 Computer and office appliances and equipment wholesale business;</p> <p>53. F113070 Telecommunication equipment wholesale business;</p> <p>54. F118010 Computer software wholesale business;</p> <p>55. F119010 Electronic components and materials wholesale business;</p> <p>56. F199990 Other wholesale business;</p> <p>57. <u>F201010 Retail Sale of Agricultural Products;</u></p> <p>58. <u>F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products;</u></p> <p>59. F208031 Medical equipment retail business;</p> <p>60. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>61. F213010 Electrical appliances retail business;</p>	<p>equipment wholesale business;</p> <p>46. F118010 Computer software wholesale business;</p> <p>47. F119010 Electronic components and materials wholesale business;</p> <p>48. F199990 Other wholesale business;</p> <p>49. F208031 Medical equipment retail business;</p> <p>50. F209060 Education, musical instruments and entertainment articles retail business;</p> <p>51. F213010 Electrical appliances retail business;</p> <p>52. F213030 Computer and office appliances and equipment retail business;</p> <p>53. F213060 Telecommunication equipment retail business;</p> <p>54. F218010 Computer software retail business;</p> <p>55. F219010 Electronic components and materials retail business;</p> <p>56. F399040 Non-store retail business;</p> <p>57. F401010 International trade business;</p> <p>58. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p>59. F401181 Measuring</p>	
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<p>62. F213030 Computer and office appliances and equipment retail business;</p> <p>63. F213060 Telecommunication equipment retail business;</p> <p>64. F218010 Computer software retail business;</p> <p>65. F219010 Electronic components and materials retail business;</p> <p>66. F399040 Non-store retail business;</p> <p>67. F401010 International trade business;</p> <p>68. F401021 Restricted telecommunication radio frequency equipment and materials import business;</p> <p>69. F401181 Measuring instrument importing business;</p> <p>70. F601010 Intellectual property business;</p> <p>71. G801010 Warehousing and storage business;</p> <p>72. <u>I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy;</u></p> <p>73. I103060 Management consulting services business;</p> <p>74. I301010 Software design and service business;</p> <p>75. I301020 Data processing services business;</p> <p>76. I301030 Digital information</p>	<p>instrument importing business;</p> <p>60. F601010 Intellectual property business;</p> <p>61. G801010 Warehousing and storage business;</p> <p>62. I103060 Management consulting services business;</p> <p>63. I301010 Software design and service business;</p> <p>64. I301020 Data processing services business;</p> <p>65. I301030 Digital information supply services business;</p> <p>66. I401010 General advertising service business;</p> <p>67. I501010 Product external appearance designing business;</p> <p>68. I599990 Other design business;</p> <p>69. IG02010 Research development service business;</p> <p>70. IG03010 Energy technical services business;</p> <p>71. IZ03010 Newspaper clipping business;</p> <p>72. IZ04010 Translation business;</p> <p>73. IZ10010 Typesetting business;</p> <p>74. IZ13010 Network authentication service business;</p> <p>75. IZ99990 Other industry and commerce services not</p>	
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<p>supply services business;</p> <p>77. I401010 General advertising service business;</p> <p>78. I501010 Product external appearance designing business;</p> <p>79. I599990 Other design business;</p> <p>80. IG02010 Research development service business;</p> <p>81. IG03010 Energy technical services business;</p> <p>82. IZ03010 Newspaper clipping business;</p> <p>83. IZ04010 Translation business;</p> <p>84. IZ10010 Typesetting business;</p> <p>85. IZ13010 Network authentication service business;</p> <p>86. IZ99990 Other industry and commerce services not elsewhere classified;</p> <p>87. J303010 Magazines (journals) publishing business;</p> <p>88. J304010 Books publishing business;</p> <p>89. J305010 Audio publishing business;</p> <p>90. J399010 Software publishing business;</p> <p>91. J399990 Other publishing business;</p> <p>92. JE01010 Rental and leasing business;</p>	<p>elsewhere classified;</p> <p>76. J303010 Magazines (journals) publishing business;</p> <p>77. J304010 Books publishing business;</p> <p>78. J305010 Audio publishing business;</p> <p>79. J399010 Software publishing business;</p> <p>80. J399990 Other publishing business;</p> <p>81. JE01010 Rental and leasing business;</p> <p>82. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
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<p>93. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>		
<p><u>Article 13-1</u> <u>Where the Company convenes the shareholders' meeting, the shareholders could exercise their voting right in writing or by way of electronic transmission. A shareholder who exercise his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by a shareholder shall be handled according to Article 177-2 of the Company Law.</u></p>		<p>Addition is made to conform to the Company Law and to list writing and electronic transmission as the ways through which shareholders could exercise the voting right.</p>
<p>Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in -book of attending shareholders and proxy</p>	<p>Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in -book of attending shareholders and proxy</p>	<p>Amendment is made to conform to the Company Law and to meet the Company's business needs.</p>

<p>forms shall be kept in the Company. The distribution of meeting minutes may be effected by means of a public announcement.</p> <p>The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.</p>	<p>forms shall be kept in the Company. <u>For each registered shareholder whose shareholding is less than one thousand shares,</u> the distribution of meeting minutes may be effected by means of a public announcement.</p> <p>The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.</p>	
<p>Section IV – Directors</p>	<p>Section IV – Directors <u>and Supervisors</u></p>	<p>The Audit Committee is established to replace supervisors.</p>
<p>Article 18</p> <p>The Company shall have at least five but no more than <u>thirteen</u> directors to be elected at the shareholders’ meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors shall be three years. All of the directors are eligible for re-election.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (<u>including independent directors</u>) shall be elected from</p>	<p>Article 18</p> <p>The Company shall have at least five but no more than <u>eleven</u> directors <u>and two or three supervisors</u> to be elected at the shareholders’ meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors <u>and supervisors</u> shall be three years. All of the directors and supervisors are eligible for re-election.</p> <p>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total</p>	<p>Amendment is made to conform to the Company Law and to meet the Company's business needs and accommodate the establishment of the Audit Committee of the Company.</p>

<p>among the nominees listed in the roster of director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.</p> <p>The aggregate number of the registered shares held by all directors shall be subject to the regulations, if any stipulated by the competent securities authority.</p> <p>Remuneration for directors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries.</p> <p>The Company may purchase liability insurance for its directors.</p>	<p>number of the directors. The <u>independent</u> directors shall be elected from among the nominees listed in the roster of <u>independent</u> director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.</p> <p>The aggregate number of the registered shares held by all directors <u>and supervisors</u> shall be subject to the regulations, if any stipulated by the competent securities authority.</p> <p>Remuneration for directors (<u>including independent directors</u>) <u>and supervisors</u> of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries.</p> <p>The Company may purchase liability insurance for its directors <u>and supervisors</u>.</p>	
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<p>Article 18-1 <u>Deleted.</u></p>	<p>Article 18-1 <u>The Company may establish an audit committee according to the Securities and Exchange Act. Upon the establishment of the audit committee, supervisors shall be discharged and relevant articles relating to supervisors hereof shall cease to be effective.</u></p>	<p>The Audit Committee is established to replace supervisors.</p>
<p>Article 20 <u>Deleted.</u></p>	<p>Article 20 <u>If the re-election of directors and supervisors is not held before the current term of office expires, the incumbent directors and supervisors shall hold office until their successors have been elected and have assumed their office.</u></p>	<p>Amendment is made to conform to the Company Law and relevant regulations</p>
<p>Article 24 Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>	<p>Article 24 Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director <u>and supervisor</u> within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>	<p>The Audit Committee is established to replace supervisors.</p>

<p>The production and distribution of the meeting minutes may be made in the electronic form.</p>	<p>The production and distribution of the meeting minutes may be made in the electronic form.</p>	
<p>Article 25 <u>Deleted.</u></p>	<p>Article 25 <u>The supervisors, in addition to independently exercising their supervising powers according to applicable laws, may attend meetings of the Board of Directors to voice their opinions (but shall not be entitled to participate in voting).</u></p>	<p>The Audit Committee is established to replace supervisors.</p>
<p>Article 29 The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the <u>Audit Committee</u> for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the <u>Audit Committee</u>, shall be submitted to the general shareholders' meeting for acceptance:</p> <ol style="list-style-type: none"> 1. Business Report; 2. Financial Statements; and 3. Proposal concerning allocation of earnings or making up losses. 	<p>Article 29 The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the <u>supervisors</u> for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the <u>supervisors</u>, shall be submitted to the general shareholders' meeting for acceptance:</p> <ol style="list-style-type: none"> 1. Business Report; 2. Financial Statements; and 3. Proposal concerning allocation of earnings or making up losses. 	<p>The Audit Committee is established to replace supervisors.</p>

<p>Article 30 The Company shall allocate the earnings for each fiscal year in the following order:</p> <ol style="list-style-type: none"> 1. Paying tax; 2. Making up losses for preceding years; 3. Setting aside a legal reserve at 10% of the earnings <u>unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company</u>; 4. <u>Setting aside or reversing a special reserve according to relevant regulations</u> when necessary; 5. The balance after the abovementioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution of the shareholders' meeting in the following order for that fiscal year: <ol style="list-style-type: none"> (1) no more than 1% as the remuneration for directors; (2) at least 3% as the employee bonuses; when bonuses are distributed in the form of stock, persons eligible for such 	<p>Article 30 The Company shall allocate the earnings for each fiscal year in the following order:</p> <ol style="list-style-type: none"> 1. Paying tax; 2. Making up losses for preceding years; 3. Setting aside a legal reserve at 10% of the earnings; 4. Setting aside a special reserve when necessary; 5. The balance after the abovementioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution of the shareholders' meeting in the following order for that fiscal year: <ol style="list-style-type: none"> (1) no more than 1% as the remuneration for directors <u>and supervisors</u>; (2) at least 3% as the employee bonuses; when bonuses are distributed in the form of stock, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications. The Board of Directors, or persons 	<p>Amendment is made to conform to relevant regulations and establishment of the Audit Committee.</p>
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<p>distribution shall include employees of the Company's subsidiaries who meet certain qualifications. The Board of Directors, or persons authorized by the Board of Directors, shall stipulate relevant regulations for distribution of employee bonuses; and</p> <p>(3) the shareholders' dividends: the balance after deducting the receding two items thereof shall then be allocated as dividends to the shareholders.</p>	<p>authorized by the Board of Directors, shall stipulate relevant regulations for distribution of employee bonuses; and</p> <p>(3) the shareholders' dividends: the balance after deducting the receding two items thereof shall then be allocated as dividends to the shareholders.</p>	
<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through 44th revision dates have been omitted for simplicity) The 45th amendment is made on June 19, 2012.</p>	<p>Article 33 These Articles of Incorporation were enacted on July 28, 1975. (the 1st through 43rd revision dates have been omitted for simplicity) The 44th amendment is made on June 24, 2011.</p>	<p>Addition of the 45th revision date.</p>

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

Explanation:(1) In order to conform to the Company Law and relevant regulations and to meet the Company's business needs and accommodate the establishment of the Audit Committee, it is proposed to amend the Rules and Procedures of Shareholders' Meeting. The details please see the comparison table of the Rules and Procedures of Shareholders' Meeting before and after revision.

(2) The proposed amendments are submitted for discussion.

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

Article after revision	Article before revision	Explanation
<p>Article 3 The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise. <u>The Company shall prepare the electronic files of the notification of the shareholders' meeting, the proxy instrument, agenda and materials relating to proposals for acknowledgment and discussion and election or discharge of directors, and upload the same to the Market Observation Post System Website 30 days in advance of an annual general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall also prepare the electronic files of the shareholders' meeting agenda and supplemental materials and upload the same to the Market Observation Post System Website 21 days in advance of an annual</u></p>	<p>Article 3 The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.</p> <p><u>All shareholders shall be notified of a general shareholders' meeting at least 30 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 30 days in advance of the meeting.</u></p> <p><u>All shareholders shall be notified of a special shareholders' meeting at least 15 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 15 days in advance of the</u></p>	<p>Amendment is made to conform to the Company Law and relevant regulations and accommodate the establishment of the Audit Committee.</p>

<p><u>general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall make the shareholders' meeting agenda and supplemental materials available for shareholders to review at any time 15 days in advance of the shareholders' meeting and these documents shall be displayed at the Company and its stock affairs agency and shall be distributed at the shareholders' meeting.</u></p> <p>Notification and announcements shall state the reasons for the meeting. <u>The notification may be given by means of electronic transmission after obtaining prior consent from the recipient(s) thereof.</u></p> <p>The election or discharge of directors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law, or Article 26-1 or Article 43-6 of the Securities and Exchange Law shall be listed among the reasons for the meeting, and may not be proposed as provisional motions.</p>	<p><u>meeting.</u></p> <p>Notification and announcements shall state the reasons for the meeting.</p> <p>The election or discharge of directors <u>and supervisors</u>, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law, or Article 26-1 or Article 43-6 of the Securities and Exchange Law shall be listed among the reasons for the meeting, and may not be proposed as provisional motions.</p>	
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<p>Article 4 Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended. Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy. Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply. <u>After the proxy form is served to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his voting right in writing or by way of electronic transmission, such shareholder shall file a written notice of proxy rescission with the Company 2 days in advance of the shareholders' meeting. In the event the shareholder fails to rescind the proxy prior to the aforesaid time limit, the voting right exercised by the authorized proxy at the meeting shall prevail.</u></p>	<p>Article 4 Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended. Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy. Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply.</p>	<p>Amendment is made to conform to the Company Law and relevant regulations.</p>
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<p><u>Article 4-1</u> <u>A shareholder could exercise his voting right in writing or by way of electronic transmission at the shareholders' meeting convened by the Company. A shareholder who exercised his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting.</u></p>		<p>Addition is made to conform to the Company Law and relevant regulations.</p>
<p><u>Article 4-2</u> <u>If a shareholder exercises his voting right in writing or by way of electronic transmission, his declaration of intention shall be served to the Company 2 days in advance of the shareholders' meeting; if two or more declarations of the same intention are served to the Company, the declaration of such intention firstly received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.</u></p> <p><u>After a shareholder exercises his voting right in writing or by way of electronic transmission, in case the shareholder decides to attend the shareholders' meeting in person, such shareholder shall, 2</u></p>		<p>Addition is made to conform to the Company Law and relevant regulations.</p>

<p><u>days in advance of the shareholders' meeting, revoke his declaration of intention by the same method which the shareholder had previously used to exercise his voting right. In the event the shareholder fails to revoke such declaration prior to the aforesaid time limit, the voting right exercised in writing or by way of electronic transmission shall prevail.</u></p> <p><u>If a shareholder exercises his voting right in writing or by way of electronic transmission and appoint a proxy to attend a shareholders' meeting on his behalf by issuing a proxy form, the voting right exercised by the proxy shall prevail.</u></p>		
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<p>Article 6 The Company shall provide a sign-in book allowing attending shareholders or their appointed proxies (hereafter referred to as "shareholders") to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (<u>including independent directors</u>) is to be held.</p> <p>Shareholders shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.</p>	<p>Article 6 The Company shall provide a sign-in book allowing attending shareholders or their appointed proxies (hereafter referred to as "shareholders") to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors <u>and supervisors</u> is to be held.</p> <p>Shareholders shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.</p>	<p>The Audit Committee is established to replace supervisors.</p>
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<p>Article 13 Each shareholder is entitled to one vote for each share held. The above provision shall not apply to those persons whose voting rights are restricted or who have no voting right. <u>According to Article 197-1 of the Company Law, if the number of shares pledged by a director at any time exceeds half of the total shares held by such director at the time of his appointment, such pledged shares exceeding half of the total shares held by such director at the time of his appointment, up to half of the total number of shares held by the director at the time of his appointment, shall not carry any voting right and such above-threshold shares shall not be counted in determining the number of votes of the shareholders present at a general meeting.</u></p> <p>Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.</p> <p>An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by</p>	<p>Article 13 Each shareholder is entitled to one vote for each share held. The above provision shall not apply to those persons whose voting rights are restricted or who have no voting rights.</p> <p>Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.</p> <p>An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by</p>	<p>Amendment is made to conform to the Company Law and relevant regulations.</p>
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<p>casting ballots in accordance with the foregoing paragraph.</p> <p>If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.</p> <p>The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.</p> <p>The ballots shall be publicly counted at the meeting venue and the result of voting shall be announced at the meeting and placed on record.</p>	<p>casting ballots in accordance with the foregoing paragraph.</p> <p>If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.</p> <p>The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.</p> <p>The ballots shall be publicly counted at the meeting venue and the result of voting shall be announced at the meeting and placed on record.</p>	
<p>Article 14 If the election of directors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results must be announced at the meeting.</p> <p>The ballots cast in the election in the foregoing paragraph must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in</p>	<p>Article 14 If the election of directors <u>and supervisors</u> is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director <u>and Supervisor</u> Election Regulations, and the results must be announced at the meeting.</p> <p>The ballots cast in the election in the foregoing paragraph must be given proper safekeeping and kept for at least one year. If a</p>	<p>The Audit Committee is established to replace supervisors.</p>

<p>accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.</p>	<p>shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.</p>	
<p>Article 15 Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.</p> <p>With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed in the form of an announcement on the Market Observation Post System Website.</p> <p>The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.</p> <p>"There is no objection from any shareholders after solicitation by the chairman and the resolution is passed" shall be recorded in the minutes if no objection is voiced</p>	<p>Article 15 Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.</p> <p>With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed to <u>those shareholders who each hold less than 1,000 registered and outstanding shares</u> in the form of an announcement on the Market Observation Post System Website.</p> <p>The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.</p> <p>"There is no objection from any shareholders after solicitation by the chairman and the resolution is passed" shall be recorded in the minutes if no objection is voiced</p>	<p>Amendment is made to conform to the Company Law and relevant regulations.</p>

<p>after solicitation by the chairman before an agenda item is put to a vote. If there are any objections, however, and the agenda item is put to a vote, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.</p>	<p>after solicitation by the chairman before an agenda item is put to a vote. If there are any objections, however, and the agenda item is put to a vote, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.</p>	
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5. Discussion of the Amendments to Director and Supervisor Election Regulations (Proposed by the Board of Directors)

Explanation:(1) In order to conform to the Company Law and relevant regulations and accommodate the establishment of the Audit Committee, it is proposed to amend relevant provisions in the Regulations and change the name of the Regulations from "Director and Supervisor Election Regulations" to "Director Election Regulations". The details please see the comparison table of the Director Election Regulations before and after revision.

(2) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of Director Election Regulations

Article after revision	Article before revision	Explanation
<p>Article 1 These Regulations have been stipulated in accordance with the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies" in achieving fair, neutral, and open election of directors.</p>	<p>Article 1 These Regulations have been stipulated in accordance with the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies" in achieving fair, neutral, and open election of directors <u>and supervisors.</u></p>	<p>The Audit Committee is established to replace supervisors.</p>
<p>Article 2 Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors (<u>including independent directors</u>) shall be conducted in accordance with these Regulations.</p>	<p>Article 2 Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors <u>and supervisors</u> shall be conducted in accordance with these Regulations.</p> <p><u>The Company may elect independent directors according to the Securities and Exchange Act and establish an audit committee of which all independent directors shall be</u></p>	<p>The Audit Committee is established to replace supervisors.</p>

	<p><u>members. Supervisors will not be elected if the audit committee is established and comprised of all independent directors.</u></p>	
<p>Article 3 When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.</p> <p>The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors.</p>	<p>Article 3 When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability.</p> <p>The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors.</p> <p><u>When selecting supervisors of the Company, it should take into consideration whether the candidates possess trustworthiness, fair judgment, professional knowledge, plentiful experience, and the ability to read financial statements.</u></p> <p><u>Except for the above requirement,</u></p>	<p>The Audit Committee is established to replace supervisors.</p>

	<p><u>at least one of the supervisors of the Company shall have expertise about accounting or finance.</u></p> <p><u>There shall be at least one supervisor having no spousal relationship or family relationship within the second degree of kinship with any other supervisor or director.</u></p> <p><u>A supervisor shall not be concurrently a director, a manager or other employee of the Company, and better be domiciled in Taiwan to exercise its oversight function in a timely manner.</u></p>	
<p>Article 4 The qualifications of the Company's independent directors must comply with the competent authority's determination standards; the election of the independent directors shall be subject to the regulations prescribed by the competent authority.</p> <p>The directors (<u>including independent directors</u>) shall be elected pursuant to the candidates nomination system in Article 192-1 of the Company Law.</p>	<p>Article 4 The qualifications of the Company's independent directors must comply with the competent authority's determination standards; the election of the independent directors shall be subject to the regulations prescribed by the competent authority.</p> <p>The <u>independent</u> directors shall be elected pursuant to the candidates nomination system in Article 192-1 of the Company Law.</p>	<p>Amendment is made to conform to the Company Law and relevant regulations and to meet the Company's business needs.</p>
<p>Article 5 The Company's directors shall be elected by means of the single open cumulative ballot method.</p>	<p>Article 5 The Company's directors <u>and supervisors</u> shall be elected by means of the single open</p>	<p>The Audit Committee is established to replace supervisors.</p>

<p>According to relevant laws, each share is entitled to votes equal to the number of directors to be elected, and the number of votes may be used together to elect one person or spread out over several persons. The Board of Directors shall prepare ballots equal to the number of directors to be elected. In addition to affixing the Company's seal on the ballots, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders.</p>	<p>cumulative ballot method. According to relevant laws, each share is entitled to votes equal to the number of directors <u>and supervisors</u> to be elected, and the number of votes may be used together to elect one person or spread out over several persons. The Board of Directors shall prepare ballots equal to the number of directors <u>and supervisors</u> to be elected. In addition to affixing the Company's seal on the ballots, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders.</p>	
<p>Article 6 Candidates for election of the Company's directors shall be elected, with independent directors, non-independent directors elected at the same time but in separately calculated numbers, in sequence starting from those who have received the highest number of votes until the <u>required</u> number of persons specified in the Company's Articles of Incorporation <u>and proposed by the Board of Directors</u> are elected. If two or more persons receive the same number of votes, and resulting in the total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those</p>	<p>Article 6 <u>The Company's Board of Directors or any shareholder may submit a list of candidates for the election of non-independent directors and supervisors. Such lists shall serve as references for the election of non-independent directors and supervisors.</u></p> <p><u>When the Board of Directors submits a list of candidates, it may also provide the candidates' academic background, career experiences, shareholdings, name of government or legal entity represented, and status of independence, etc. for the reference of shareholders.</u></p> <p>Candidates for election of the</p>	<p>Amendment is made to conform to the Company Law and relevant regulations.</p>

<p>persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes with others is not present at the meeting, the chairman shall draw a straw on that absent person's behalf.</p>	<p>Company's directors <u>and</u> <u>supervisors</u> shall be elected, with independent directors, non-independent directors <u>and</u> <u>supervisors</u> elected at the same time but in separately calculated numbers, in sequence starting from those who have received the highest number of votes until the number of persons specified in the Company's Articles of Incorporation is elected. If two or more persons receive the same number of votes, and resulting in the total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes with others is not present at the meeting, the chairman shall draw a straw on that absent person's behalf.</p>	
<p>Article 11 The ballot box shall be opened in front of the meeting after the completion of voting. The chairman shall announce the names of the elected directors in front of the meeting, or the chairman may appoint a master of ceremonies to do so.</p>	<p>Article 11 The ballot box shall be opened in front of the meeting after the completion of voting. The chairman shall announce the names of the elected directors <u>and</u> <u>supervisors</u> in front of the meeting, or the chairman may appoint a master of ceremonies to do so.</p>	<p>The Audit Committee is established to replace supervisors.</p>
<p>Article 12 The Company's Board of Directors shall issue election</p>	<p>Article 12 The Company's Board of Directors shall issue election</p>	<p>The Audit Committee is established to replace supervisors.</p>

notification to each elected director.	notification to each elected director <u>and supervisor.</u>	
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6. **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 amendment to "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission of Executive Yuan and to meet the Company's business needs and accommodate the establishment of the Audit Committee, it is proposed to amend the Operating Procedures of Acquisition or Disposal of Assets. The details please see the comparison table of the Operating Procedures of Acquisition or Disposal of Assets before and after revision.

(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 2: Promulgation and Amendment of the Operating Procedures The Operating Procedures of Acquisition or Disposal of Assets of the Company shall <u>be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors and be further submitted to the shareholders' meeting for approval.</u> The same procedure shall apply to any amendment to the Operating Procedures.</p> <p><u>If the Operating Procedures have not been approved by one-half or more of all Audit Committee members, the Operating Procedures may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee</u></p>	<p>Article 2: Promulgation and Amendment of the Operating Procedures <u>After approval by the Board of Directors,</u> the Operating Procedures shall be submitted to <u>each Supervisor and</u> for approval by the shareholders' meeting before implementation. The same procedure shall apply to any amendment to the Operating Procedures. <u>If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting.</u></p> <p>When the Operating Procedures are submitted for discussion in the meeting of Board of</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p><u>shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p><u>"All Audit Committee members" and "all directors" in the preceding paragraph referred to in these Operating Procedures shall mean the actual number of persons currently holding those positions.</u></p> <p>When the Operating Procedures 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>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>Article 9: If any acquisition or disposal of assets should be approved by <u>the Audit Committee</u>, the Board of Directors, or the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the transaction according to the</p>	<p>Article 9: If any acquisition or disposal of assets should be approved by the Board of Directors <u>or recognized by the Supervisor</u>, or approved by the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>Company's internal operating procedures in advance, and then <u>approved by one-half or more of all Audit Committee members</u> and submit it for approval by the Board of Directors, or approval by the shareholders' meeting.</p> <p>When the Operating Procedures 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>transaction according to the Company's internal operating procedures in advance and then submit it for approval by the Board of Directors, <u>recognition by the Supervisor</u>, or approval by the shareholders' meeting.</p> <p><u>In terms of any acquisition or disposal of assets which should be approved by the Board of Directors, if any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor.</u></p> <p>When the Operating Procedures 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>Article 10: When acquiring or disposing of securities, the Company shall, <u>prior to the date of occurrence of the event</u>, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price.</p>	<p>Article 10: When acquiring or disposing of securities, the Company shall 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</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p>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. <u>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.</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>capital or NT\$300 million or more, the Company shall appoint an accountant to render an opinion on the reasonableness of the transaction price. 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 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 other fixed assets, 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 acquiring machinery and equipment for operating use, the Company shall, <u>prior to the date of occurrence of the event,</u> obtain an appraisal report from a professional appraiser and shall</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 other fixed assets, 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 acquiring machinery and equipment for operating use, the Company shall obtain an appraisal report <u>in advance</u> from a professional appraiser and shall further comply with the following</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p>further comply with the following provisions:</p> <p>1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall apply for any future changes to the terms and conditions of such transaction.</p> <p>2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers</p> <p>3. If the professional appraiser's appraisal results revealed any of the following circumstances, <u>unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount</u>, the Company shall appoint an accountant to conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price:</p>	<p>provisions:</p> <p>1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall apply for any future changes to the terms and conditions of such transaction.</p> <p>2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers</p> <p>3. If the professional appraiser's appraisal results revealed any of the following circumstances, the Company shall appoint an accountant to conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price:</p>	
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<p>(1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>4. The period from the date of the appraisal report <u>issued by a professional appraiser</u> to the execution date of the relevant sale and purchase agreement should be no more than three months. However, where the publicly announced current land value for the same period is used and not more than six months have elapsed from the original appraisal report, an opinion may still be issued by the same professional appraiser.</p> <p>5. Not Amended.</p>	<p>(1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>4. <u>Where an appraisal is conducted prior to the execution date of the relevant sale and purchase agreement</u>, the period from the date of the appraisal report to the execution date of the relevant sale and purchase agreement should be no more than three months. However, where the publicly announced current land value for the same period is used and not more than six months have elapsed from the original appraisal report, an opinion may still be issued by the same professional appraiser.</p> <p>5. Omitted.</p>	
<p>Article 12: Procedures governing <u>transactions</u> with a related party are as follows:</p> <p>1. When the Company <u>acquires or disposes of assets</u> from or to a related party, in addition to complying with the requirements set forth in <u>Article 10</u>, Article 11 and <u>Article 13</u> and following</p>	<p>Article 12: Procedures governing acquisition of real property <u>from a related party</u> are as follows:</p> <p>1. When the Company <u>acquires real property</u> from a related party <u>through purchase or swap</u>, in addition to compliance with the requirements set forth in Article 11, the Company shall follow</p>	<p>To accommodate the establishment of the Audit Committee and the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies, it</p>

<p>required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, <u>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.</u></p> <p><u>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 13-1 hereof.</u> 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: <u>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</u></p>	<p>required procedures and obtain required approvals, and assess the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions. 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: The Company may acquire real property from a related party only after submitting the following information to the Board of Directors for approval <u>and to the Supervisors for recognition:</u></p>	<p>is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>
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<p>_____ only after submitting the following information to the <u>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:</u></p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) <u>With respect to the acquisition of real property from a related party</u>, 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) <u>An appraisal report from a</u></p>	<p>(1) The purpose, necessity and estimated benefits of the acquisition of <u>the real property</u>.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) Information regarding appraisal of the reasonableness of the proposed 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>	
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<p><u>professional appraiser or an accountant's opinion obtained in accordance with this Article.</u> <u>(7) Restrictive covenants and other important terms in connection with the transaction.</u></p> <p><u>The calculation of the transaction amount referred to in the preceding paragraph 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.</u></p> <p><u>With respect to the acquisition or disposal of machinery and equipment for business use between the Company and its parent company or subsidiaries, the Board of Directors may authorize the Chairman to decide such matters when the transaction is within a certain amount and subsequently submit the aforesaid decision to the next meeting of the Board of Directors for ratification.</u></p> <p>When the items listed in subparagraph 2 of this Article 12 are submitted for discussion in the meeting of Board of</p>	<p><u>(6) Restrictive covenants and other important terms in connection with the transaction.</u></p> <p>When the items listed in subparagraph 2 of this Article 12 are submitted for discussion in the meeting of Board of</p>	
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<p>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: (1) through (4): Not Amended.</p> <p>(5) When the Company acquires real property from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2), subparagraph 3 of this Article 12 are both lower than the transaction price, the Company shall comply with the following provisions. In addition, if the Company and any public company that invests in the Company using the equity method have allocated a special reserve in accordance with the following provisions, the Company and the public company may not utilize such special reserve until it has recognized loss due to price decline for such real property, or such property has been disposed of, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith</p>	<p>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: (1) through (4): omitted.</p> <p>(5) When the Company acquires real property from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2), subparagraph 3 of this Article 12 are both lower than the transaction price, the Company shall comply with the following provisions. In addition, if the Company and any public company that invests in the Company using the equity method have allocated a special reserve in accordance with the following provisions, the Company and the public company may not utilize such special reserve until it has recognized loss due to price decline for such real property, or such property has been disposed of, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith</p>	
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<p>from the Competent Authority shall have been obtained.</p> <p>a. Not Amended.</p> <p>b. <u>The Audit Committee</u> of the Company shall comply with Article 218 of the Company Law.</p> <p>c. Not Amended.</p> <p>(6) and (7): Not Amended.</p>	<p>from the Competent Authority shall have been obtained.</p> <p>a. Omitted.</p> <p>b. <u>Supervisors of the Company</u> shall comply with Article 218 of the Company Law.</p> <p>c. Omitted.</p> <p>(6) and (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:</p> <p>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, <u>prior to the date of occurrence of the event</u>, 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 accordingly.</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:</p> <p>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 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 accordingly.</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>
<p><u>Article 13-1:</u> <u>The calculation of the transaction amount referred to in Articles 10, 11 and 13 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</u></p>		<p>Addition is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p><u>occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant's opinion is obtained in accordance with these Operating Procedures need not be counted toward the transaction amount.</u></p>		
<p>Article 15: Procedures governing derivatives trading activities are as follows:</p> <ol style="list-style-type: none"> 1. Not Amended. 2. Operating procedures: <ul style="list-style-type: none"> (1) Authorized limit (including hedging trades and special purpose trades): In accordance with the Company's growth of sales, change of risk positions, and designated purpose, the authorized limits of the Company are set as follows. Any amendment to the authorized limit shall be <u>handled in accordance with these Operating Procedures.</u> (Below Not Amended) 3. Not Amended. 4. Internal control system: <ul style="list-style-type: none"> (1), (2) and (3): Not Amended. (4) Oversight principles for derivative trading by the Board of Directors: <ul style="list-style-type: none"> a. The Board of Directors shall appoint senior management officers to regularly monitor and 	<p>Article 15: Procedures governing derivatives trading activities are as follows:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Operating procedures: <ul style="list-style-type: none"> (1) Authorized limit (including hedging trades and special purpose trades): In accordance with the Company's growth of sales, change of risk positions, and designated purpose, the authorized limits of the Company are set as follows. Any amendment to the authorized limit <u>shall be approved by the Board of Directors before implementation.</u> (Omitted Below) 3. Omitted. 4. Internal control system: <ul style="list-style-type: none"> (1), (2) and (3): Omitted. (4) Oversight principles for derivative trading by the Board of Directors: <ul style="list-style-type: none"> a. The Board of Directors shall appoint senior management officers to regularly monitor and 	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>control the derivatives trading risk. The guidelines for monitoring and control are as follows:</p> <p>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.</p> <p>ii. Monitoring trading activities and 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., c. and d.: Not Amended.</p> <p>5. Internal audit system: (1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify <u>the Audit Committee of the Company</u> in writing if any material violation is found. (2) The Company's internal</p>	<p>control the derivatives trading risk. The guidelines for monitoring and control are as follows:</p> <p>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.</p> <p>ii. Monitoring trading activities and 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. <u>If the Company has independent directors, at least one independent director should be present at the meeting and express his opinion.</u></p> <p>b., c. and d.: Omitted.</p> <p>5. Internal audit system: (1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify <u>the Supervisors of Company</u> in writing if any material violation is found. (2) The Company's internal</p>	
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<p>auditor shall file the audit report together with the annual internal audit review report for the preceding year with the Competent Authority by the end of February each year. The Company's internal auditor shall also report any improvements of irregularities during the preceding year to the Competent Authority by the end of May each year.</p>	<p>auditor shall file the audit report together with the annual internal audit review report for the preceding year with the Competent Authority by the end of February each year. The Company's internal auditor shall also report any improvements of irregularities during the preceding year to the Competent Authority by the end of May each year.</p>	
<p>Article 16: Procedures governing mergers or consolidations, splits, acquisitions, or assignment of shares are as follows:</p> <ol style="list-style-type: none"> 1. Not Amended. 2. Other matters to be noted: <ul style="list-style-type: none"> (1) Date of shareholders' meeting or meeting of the Board of Directors: Companies participating in a merger or consolidation, split, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters relevant to the merger or consolidation, split, or acquisition, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance. Companies participating in an assignment of shares shall convene their board meetings on the same day, unless otherwise provided by applicable laws or there are extraordinary 	<p>Article 16: Procedures governing mergers or consolidations, splits, acquisitions, or assignment of shares are as follows:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Other matters to be noted: <ul style="list-style-type: none"> (1) Date of shareholders' meeting or meeting of the Board of Directors: Companies participating in a merger or consolidation, split, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters relevant to the merger or consolidation, split, or acquisition, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance. Companies participating in an assignment of shares shall convene their board meetings on the same day, unless otherwise provided by applicable laws or there are extraordinary 	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p>conditions which should be reported to and approved by the Competent Authority in advance. When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>a. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved prior to disclosure of the information in the planning or implementation of any merger or consolidation, split, acquisition, or assignment of another company's shares.</p> <p>b. Dates of material events: including those for signing of any letter of intent or memorandum of understanding, engaging of a financial or legal advisor, execution of a contract, and convening of a board of directors meeting.</p> <p>c. Important documents and minutes: including merger or consolidation, split, acquisition, or plan of assignment of share, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger or consolidation, split, acquisition,</p>	<p>conditions which should be reported to and approved by the Competent Authority in advance. When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>a. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved prior to disclosure of the information in the planning or implementation of any merger or consolidation, split, acquisition, or assignment of another company's shares.</p> <p>b. Dates of material events: including those for signing of any letter of intent or memorandum of understanding, engaging of a financial or legal advisor, execution of a contract, and convening of a board of directors meeting.</p> <p>c. Important documents and minutes: including merger or consolidation, split, acquisition, or plan of assignment of share, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger or consolidation, split, acquisition,</p>	
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<p>or assignment of another company's shares, the Company shall, within two days <u>commencing from the date of</u> passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.</p> <p>(2) through (6): Not Amended.</p>	<p>or assignment of another company's shares, the Company shall, within two days of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.</p> <p>(2) through (6): Omitted.</p>	
<p>Article 17: Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <p>1. Acquisition <u>or disposal</u> of real property from or to a related party, <u>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></p> <p><u>2.</u> Merger or consolidation, split, acquisition, or assignment of shares.</p> <p><u>3.</u> Any losses from derivatives trading which reaches the limits</p>	<p>Article 17: Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <p>1. Acquisition of real property from a related party.</p> <p><u>2. Investment in the Mainland China area.</u></p> <p>3. Merger or consolidation, split, acquisition, or assignment of</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p>on aggregate losses or losses for individual contracts as set out in the operating procedures promulgated by the Company.</p> <p><u>4.</u> Other asset transactions other than those referred to in the preceding <u>three</u> subparagraphs, disposal of receivables by a financial institution, <u>or investment in the Mainland China area</u>, and the transaction amount of which reaches 20% of the <u>Company's</u> paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances: :</p> <p>(1) Trading of government bonds.</p> <p>(2) Where the company is an investment company, the securities trading in foreign 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</p>	<p>shares.</p> <p>4. 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.</p> <p>5. Other asset transactions other than those referred to in the preceding <u>four</u> subparagraphs, <u>or</u> disposal of receivables by a financial institution, 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:</p> <p>(1) Trading of government bonds.</p> <p>(2) Where the company is an investment company, the securities trading in foreign 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>	
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<p>self-owned <u>or leased</u> 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><u>5.</u> The transaction amount referred to in the foregoing <u>four</u> 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 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</p>	<p>(5) Acquisition or disposal of real property under arrangement of commissioned construction on self-owned 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>6. The transaction amount referred to in the foregoing <u>five</u> 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 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</p>	
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<p>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>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>Article 18: Deadline for public announcement and reporting: When acquiring or disposing of assets, if such acquisition or disposal is one of the items that should be publicly announced and reported, and the transaction amount reaches the requirements for public announcement and reporting, the Company shall make the public announcement and reporting on the website designated by the Competent Authority in the format prescribed by the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority within two days <u>commencing from the date of occurrence of the event.</u></p>	<p>Article 18: Deadline for public announcement and reporting: When acquiring or disposing of assets, if such acquisition or disposal is one of the items that should be publicly announced and reported, and the transaction amount reaches the requirements for public announcement and reporting, the Company shall make the public announcement and reporting on the website designated by the Competent Authority in the format prescribed by the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority within two days of the date of occurrence.</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>
<p>Article 19: Procedures governing public announcement and reporting are as follows: 1. through 4: Not Amended.</p> <p>5. After the Company has publicly announced and reported a transaction in accordance with</p>	<p>Article 19: Procedures governing public announcement and reporting are as follows: 1. through 4.: Not Amended.</p> <p>5. After the Company has publicly announced and reported a transaction in accordance with</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>

<p>applicable regulations, in case any of the following event occurs, it shall report relevant information on the website designated by the Competent Authority within two days <u>commencing from</u> the date of occurrence <u>of the event</u>:</p> <p>(1) Any amendment, termination or discharge of the contracts originally executed in the transaction.</p> <p>(2) The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled completion date set forth in the relevant contract.</p> <p><u>(3) Change in publicly announced and reported information.</u></p>	<p>applicable regulations, in case any of the following event occurs, it shall report relevant information on the website designated by the Competent Authority within two days of the date of occurrence:</p> <p>(1) Any amendment, termination or discharge of the contracts originally executed in the transaction.</p> <p>(2) The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled completion date set forth in the relevant contract.</p>	
<p>Article 20: The Subsidiaries shall comply with the following provisions:</p> <p>1. The Subsidiaries shall promulgate its own "Operating Procedures of the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders' meeting. The same procedure shall apply in the event of any amendment to the</p>	<p>Article 20: The Subsidiaries shall comply with the following provisions:</p> <p>1. The Subsidiaries shall promulgate its own "Operating Procedures of the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," and shall submit the said operating procedures for approval by the board of directors first and then by the shareholders' meeting. The same procedure shall apply in the event of any amendment to the</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>said operating procedures. <u>If a Subsidiary has established an audit committee, the aforesaid promulgation shall be subject to the consent of one-half or more of all its audit committee members and be submitted to its board of directors for approval first and then by its shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating procedures.</u></p> <p>2. and 3.: Not Amended.</p> <p>4. With regard to requirement of public announcement and reporting for subsidiaries, the provisions regarding "exceeding 20% of the <u>Company's paid-in capital</u>" or 10% of the total assets shall refer to the parent company's paid-in capital <u>or total assets.</u></p>	<p>said operating procedures.</p> <p>2. and 3.: omitted.</p> <p>4. With regard to requirement of public announcement and reporting for subsidiaries, the provisions regarding "exceeding 20% of the company's paid-in capital" shall refer to the parent company's paid-in capital.</p>	
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7. Discussion of the Amendments to Operating Procedures of Fund Lending (Proposed by the Board of Directors)

Explanation:(1) In order to meet the Company's business needs and accommodate the establishment of the Audit Committee, it is proposed to amend "Operating Procedures of Fund Lending". The details please see the comparison table of the Operating Procedures of Fund Lending before and after revision.

(2) The proposed amendments are submitted for discussion.

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

Article after revision	Article before revision	Explanation
<p>Article 3: Total Amount of Funds Lending and Limit for Each Recipient</p> <p>1. Not Amended.</p> <p>2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to recipients shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements; when providing short-term financing to other companies or enterprises, the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or</p>	<p>Article 3: Total Amount of Funds Lending and Limit for Each Recipient</p> <p>1. Omitted.</p> <p>2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to a <u>single</u> recipient shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year <u>and shall not exceed 10 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements</u>, and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements; when providing short-term financing to other companies or enterprises, the short-term financing amount to a <u>single recipient shall not</u></p>	<p>Amendment is made to conform to "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies."</p>

<p>enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.</p>	<p>exceed 10 percent of the <u>Subsidiary's net worth as stated in the Subsidiary's latest financial statements</u>, and the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.</p>	
<p>Article 5: Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company's division in charge shall review and submit the proposal for the Chairman of the Board's approval, and shall <u>be approved by one-half or more of all Audit Committee members</u> and then for discussion and consent by the Board of Directors. <u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the</u></p>	<p>Article 5: Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company's division in charge shall review and submit the proposal for the Chairman of the Board's approval and then for discussion and consent by the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The Company shall take into full</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p><u>resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p>The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The Company shall take into full consideration of each independent director's opinion in the discussion by the Board of Directors, and shall record each independent director's explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.</p> <p>(2) Not Amended.</p> <p>(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify <u>the Audit Committee</u> of the Company in writing.</p> <p>(4) Not Amended.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of</p>	<p>consideration of each independent director's opinion in the discussion by the Board of Directors, and shall record each independent director's explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.</p> <p>(2) Omitted.</p> <p>(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify <u>the Supervisors</u> of the Company in writing.</p> <p>(4) Omitted.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of</p>	
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<p>funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to <u>the Audit Committee</u> of the Company and rectify as scheduled under the corrective plans.</p> <p>2. Not Amended.</p>	<p>funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to <u>the Supervisors</u> of the Company and rectify as scheduled under the corrective plans.</p> <p>2. Omitted.</p>	
<p>Article 7: Additional Guidelines of Lending Funds to Others</p> <p>1. Not Amended.</p> <p>2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify <u>the Audit Committee</u> of the Company in writing.</p> <p>3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a</p>	<p>Article 7: Additional Guidelines of Lending Funds to Others</p> <p>1. Omitted.</p> <p>2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify <u>the Supervisors</u> of the Company in writing.</p> <p>3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>corrective plan to <u>the Audit Committee</u> of the Company and rectify as scheduled under the corrective plans.</p>	<p>specified period and submit a corrective plan to <u>the Supervisors</u> of the Company and rectify as scheduled under the corrective plans.</p>	
<p>Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries</p> <p>1. Not Amended.</p> <p>2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and <u>the Audit Committee</u>.</p> <p>3. Not Amended.</p>	<p>Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries</p> <p>1. Omitted.</p> <p>2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and <u>Supervisors</u>.</p> <p>3. Omitted.</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>
<p>Article 11: Other Matters After approval by <u>one-half or</u></p>	<p>Article 11: Other Matters After approval by <u>the Board of</u></p>	<p>To accommodate the establishment of the Audit Committee, it</p>

<p><u>more of all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation.</u> If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.</p> <p>When the Operating Procedures 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 and shall record each independent director's explicit opinion for assent or dissent and</p>	<p><u>Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation.</u> If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to <u>each Supervisor</u> and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.</p> <p>When the Operating Procedures 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 and shall record each independent director's explicit opinion for assent or dissent and</p>	<p>is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>
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reasons for dissent in the meeting minutes of the Board of Directors.	reasons for dissent in the meeting minutes of the Board of Directors.	
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8. Discussion of the Amendments to Operating Procedures of Endorsement and Guarantee (Proposed by the Board of Directors)

Explanation:(1) In order to meet the Company's business needs and accommodate the establishment of the Audit Committee, it is proposed to amend "Operating Procedures of Endorsement and Guarantee". The details please see the comparison table of the Operating Procedures of Endorsement and Guarantee before and after revision.
 (2) The proposed amendments are submitted for discussion.

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

Article after revision	Article before revision	Explanation
<p>V. Procedures for Making Endorsement and Guarantee</p> <p>1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval <u>and for approval by one-half or more of all Audit Committee</u></p>	<p>V. Procedures for Making Endorsement and Guarantee</p> <p>1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and then for discussion and consent by the Board of</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p><u>members and then for discussion and consent by the Board of Directors. <u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</u></u></p> <p>If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.</p> <p>The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p> <p>2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. The Finance Division shall apply for stamping by the Company seal in accordance with applicable</p>	<p>Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.</p> <p>The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p> <p>2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. <u>After an endorsement or guarantee has been approved by the Board of Directors or the</u></p>	
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<p>internal rules of the Company, and shall also record the entity for which the endorsement or guarantee is made, amount, <u>date of approval by the Audit Committee</u>, date of approval by the Board of Directors, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.</p> <p>3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify <u>the Audit Committee</u> in writing.</p> <p>4. Not Amended.</p> <p>5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating</p>	<p><u>Chairman of the Board</u>, the Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall also record the entity for which the endorsement or guarantee is made, amount, date of approval by the Board of Directors <u>or the Chairman</u>, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.</p> <p>3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify <u>the Supervisors</u> of the Company in writing.</p> <p>4. Omitted.</p> <p>5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes</p>	
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<p>Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to <u>the Audit Committee</u> and rectify as scheduled under the corrective plans.</p> <p>6. Not Amended.</p>	<p>of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to <u>the Supervisors</u> of the Company and rectify as scheduled under the corrective plans.</p> <p>6. Omitted.</p>	
<p>VII. Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries</p> <p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following</p>	<p>VII. Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries</p> <p>1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and <u>the Audit Committee</u>.</p> <p>2. Not Amended.</p>	<p>month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors <u>and Supervisors</u>.</p> <p>2.Omitted.</p>	
<p>VIII. Decision-making and Authorization</p> <p>Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article V of the Operating Procedures.</p> <p>The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each</p>	<p>VIII. Decision-making and Authorization</p> <p>Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article V of the Operating Procedures <u>and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.</u></p> <p>The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	<p>independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	
<p><u>XIII. Other Matters</u> After approval by <u>one-half or more of all Audit Committee members, and then for discussion and consent by the Board of Directors</u>, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. <u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation.</u> If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to the shareholders' meeting for discussion. The same procedure shall apply to any amendment to the Operating Procedures.</p> <p>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors</p>	<p><u>XIII. Other Matters</u> After approval by <u>the Board of Directors</u>, the Operating Procedures shall be submitted to <u>each Supervisor</u> and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to <u>each Supervisor</u> and for discussion by the shareholders' meeting. The same procedure shall apply to any amendment to the Operating Procedures.</p> <p>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors</p>	<p>To accommodate the establishment of the Audit Committee, it is proposed to revise relevant provisions in accordance with Article 14-5 of the Securities and Exchange Act.</p>

<p>shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	<p>shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	
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Voting and Resolution for Each of Acknowledgement and Discussion Proposals (Items 1 through 8).

9. Re-election of Directors (Proposed by the Board of Directors)

Explanation:(1) The fifteenth term of the office of the directors and supervisors will expire on June 9, 2012. According to Article 195 and Article 217 of the Company Law, if the re-election of directors and supervisors is not held before the expiration of the term of office of current directors and supervisors, the incumbent directors and supervisors shall hold office until the time new directors and supervisors have been elected and assumed their office.

(2)The Company has established the Audit Committee in accordance with the Securities and Exchange Act and no longer has supervisors. The Audit Committee is composed of all independent directors. According to Article 18 of the Articles of Incorporation after amendment, the directors (including independent directors) of the sixteenth term will be elected in this annual general shareholders' meeting. Thirteen directors (including three independent directors) will be elected at this shareholders' meeting. The term of the new directors will start from June 19, 2012 and will expire on June 18, 2015. The directors will assume office immediately after the shareholders meeting.

(3) The Company adopted the candidates nomination system for electing the independent directors. The list of candidates has been approved by the Board of Directors of the Company on April 30, 2012. The relevant information is as follows:

Candidates for Independent Directors	Educational Background	Experience	Number of Shares Held
Yung-Chin Chen	Department of Accounting of Soochow University, M.A.	CPA of PwC Taiwan	0
Tsong-Ping Perng	Department of Materials Science and Engineering of University of Illinois at Urbana-	- Chairman of Department of Materials Science and Engineering of National Tsing Hua University - Dean of Office of	0

	Champaign, Ph.D.	Academic Affairs of National Tsing Hua University - Chairman of Materials Research Society Taiwan - Principal of Yuan Ze University	
Tai-Sheng Chao, also known as George Chao	Department of Banking and Insurance, Tamkang University, B.A.	Chairman of 3M Taiwan Limited	0

(4) Please vote.

Voting for Election Proposal

Election Result:

10. 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 directors elected at this shareholders meeting may concurrently perform work for other companies and thus be subject to Article 209 of the Company Law. To meet the actual needs of the Company, without prejudice to the interests of the Company, the additional positions those directors serve and the work they perform for competitors will be explained and submitted to the shareholders' meeting for resolution to remove the non-competition restrictions from the date that directors assume the office. For details please refer to the summary disclosed after election at the shareholders' meeting.

Voting and Resolution for the Proposal for Releasing Directors from Non-Competition Restrictions.

III. EXTEMPORARY MOTIONS

Meeting adjourned.

Dear Shareholders:

Delta Electronics continues to maintain a steady course as we pursue our long held corporate mission “To provide innovative, clean and energy-efficient solutions for a better tomorrow”. In 2011, Delta’s growth targets for revenues and profits were affected by the spreading European debt crisis and resulting drop in global market demand, as well as by the slower than expected development of the solar energy industry. Delta Electronics’ consolidated sales revenues in 2011 were NT\$172.1 billion, which was relatively flat compared to the previous year; gross profit was NT\$32.8 billion, or 19.1% of revenues, a decrease of 10% from the previous year; net operating profit was NT\$10.3 billion, or 6% of revenues, a decrease of 40% from the previous year. Net income after tax was NT\$11 billion, or 6.4% of revenues, a decrease of 30% from the previous year. In 2011 earnings per share (EPS) was NT\$4.58.

Although we did not reach our financial goals last year, the good news is that through the efforts of all our employees, Delta consolidated our global leadership in power supplies, components, power management, displays, and more. Our many years of planning and effort are beginning to achieve outstanding results that will provide an important foundation for our long-term development. Delta not only continues to be a leading Original Design and Manufacturing (ODM) enterprise, we are also working hard to become a total solutions provider, integrating all of Delta’s related technologies and products, and matching software with hardware to create energy-saving and convenient “smart green life” applications. We are also beginning to take the next step, which is to increase Delta’s brand value. An overview of our major businesses and developments follows.

Delta maintains its position as the world’s number one provider of switching power supplies, which we have held since 2002. We continue our long term development and accumulation of innovative power electronics’ technology and applying it to new fields to create even greater added value. Delta has been the world’s number one supplier of brushless DC fans for many years, which find broad application in fields such as information technology, industry, automotive, and consumer electronics. Our thermal technologies provide customers with system-level heat dissipation solutions, improving energy efficiency and energy recycling. Over the past few years Delta has expanded into products such as smart ventilating fans, air-to-air heat exchangers, and small wind turbines that use green technology to save energy and reduce carbon emissions as well as improve our daily lives. Cynotec, a Delta subsidiary, is focused on developing integrated miniaturized components and modules and has become a leader in speed and technology, earning customer trust. With the growth of trends such as handheld devices and cloud computing, Delta’s server power supplies and miniaturized components will do particularly well over the next several years.



In Energy Management, Delta's broad range of products and services include industrial automation, telecommunication power supplies and uninterrupted power supplies, electric vehicle power trains and charging systems, and renewable energy products such as large-scale wind power inverters, solar inverters, and solar cells and modules. In industrial automation, Delta offers a complete line of advanced products in the areas of drive, motion, and control. Over the years Delta has penetrated China's industrial automation market by establishing channels and branding products. Delta's dealers provide high quality customized products and services, helping customers improve equipment capabilities and quality, while reducing energy consumption and dependence on labor. In the China market Delta has become a leading brand, on par with the world's best known names. Last year, Delta was honored as the "Most Influential Company in the China Industrial Automation Industry over the Past 15 Years". With China's labor shortages, rising labor costs, and strategy to save energy and reduce carbon emissions, it is plain to see the great potential Delta has for growth in this market.

Delta's telecom power supplies offer the highest efficiency in the industry, and integrated with a renewable energy source provide a green telecom power supply. Going a step further last year, Delta promoted a simple low cost design for improved competitiveness in the emerging markets. Combining an uninterruptible power system with Delta's outstanding hardware and software system capabilities, real-time monitoring, and power management guarantees that critical infrastructure and equipment remains operational and is not affected by the quality of utility power, which is crucial for both developed countries and emerging markets. Last year Delta's achievements in the development of electric vehicles (EV) included the delivery of around 200 EV power trains to two car factories. At a seminar on electric vehicles in Beijing, Delta's solutions were generally acknowledged as the best. At the end of last year, Delta and the government-sponsored Automotive Research & Testing Center (ARTC) cooperated in developing EV charging hardware and software infrastructure such as DC charging equipment, charging station monitors, and charging network management. Delta's cooperation with ARTC succeeded in establishing the first EV charging station in Taiwan to meet the testing specifications for EV certification of several countries, as well as featuring a conversion efficiency of close to 95%. At the beginning of 2012, Delta received research project funding from the U.S. Department of Energy (DOE) to develop smart-grid enabled residential EV chargers. Delta has R&D and integration capabilities which not only are recognized both domestically and internationally but also deliver industry leading solutions.

In 2011 demand in the solar energy market fell due to a decrease in government subsidies caused by the economic downturn. The result was oversupply and a large drop in prices with most of the industry suffering losses. Delta's solar energy related businesses were no exception and our profits were negatively affected. Despite this, the fall in market prices bodes well for the industry in the long run, and will help to bring about the wider adoption of solar energy. We believe that solar energy will continue to advance in the future, but due to short term market fluctuations we actively seek to reduce our costs. In addition to using more cost



competitive materials, we will carefully evaluate future development trends for solar energy technology. We expect renewable energy, with its accelerating improvement in conversion efficiencies while becoming cheaper and cleaner, to eventually replace highly polluting fossil fuels.

For our “smart green life” business, Delta is currently focusing on network communications and displays, though for the future we expect LED lighting and cloud computing to gradually make a larger contribution. Our subsidiary Delta Networks has maintained steady growth for many years serving both the high-end enterprise equipment market and the SOHO market. In light of the diversity and breadth of cloud applications and ever increasing telecom market demand, Delta Networks is set to become an important engine for Delta’s future growth. Delta displays not only continue to lead in high-end visual systems for theatres, large meeting rooms, and large outdoor LED screens, but are also reaching the public as art installations integrated into systems using software technology. Last year Taiwan’s National Palace Museum used over 50 of Delta’s high-end projectors to present the “Dwelling in the Fuchun Mountains” Chinese classic art exhibition in high definition to wide acclaim. Delta’s high definition projectors illuminated a literary master’s epic “The Peony Pavilion (Youth Edition)” with 30,000 lumens at Beijing’s National Grand Theatre, winning enthusiastic applause at every performance. On the observation deck of the world’s tallest green building, Taipei 101, Delta installed the industry’s first interactive guide system to use two 46-inch touch panels. The system provides sightseers with information that describes the 360-degree view from the building. Delta is using leading technology to bring new life to the arts and humanities, and expressing the essence of a “smart green life”.

The LED lighting business is a major focus of Delta. At the end of 2011, we won the project to replace traditional streetlights with LED street lighting for the Penghu Island pilot case for establishing the first and role-model low-carbon society in Taiwan. We completed the project in February 2012. The LED streetlights will not only decrease energy usage by 50%, but will also shine for an estimated 50,000 hours while reducing maintenance and management costs. Although the LED market is just in its initial stages, we believe LED lighting with its special features such as energy-saving, long product life, lack of mercury, and high color rendering will quickly replace traditional lighting in the future, providing a great benefit to the environment. The rise of cloud computing is another substantial business opportunity. It directly benefits Delta products such as server power supplies, thermal cooling systems, and networking devices. Delta has established a special business unit to integrate data center equipment and capabilities, and has also invested in developing cloud application software and services. Our aim is to speed the arrival of the future “smart green life”.

Saving energy and reducing carbon emissions is essential for mankind’s sustainable development; it is also Delta’s promise. Delta’s long held business principles are to invest in R&D, develop talent, advance our innovation capabilities, and penetrate markets to gain a thorough understanding of our customers as we build brand value. Last year Delta was named as one of the Top 20 Taiwanese Innovative Companies of 2011 by

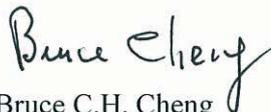


Taiwan's Industrial Development Bureau, Ministry of Economic Affairs (MOEA). Delta was also listed for the first time as one of Taiwan's top 20 brands for the 2011 Taiwan Global Brand Value Survey. Delta opened its new Shanghai Operations Center and R&D Building last year to strengthen and integrate R&D and marketing capabilities, to enhance sensitivity and response to the China market, and to directly support brand building. At the same time, Delta also opened its new Taoyuan Plant 3 and R&D Center in Taiwan, to become a base for industrial automation and electric vehicle systems research and development. The construction of Taoyuan Plant 3 integrated Delta's solar power systems, LEDs, water resource management, building automation, and other technologies. In one year we estimate the building will realize 30%~50% in energy savings, 75% in water savings, and reduce more than 1,000 tonnes of CO₂; the building is also a live demonstration of Delta's integrated solution capabilities.

Delta is making great efforts on behalf of customers and the community. In 2011 we received many business awards from customers such as ASUS, Pegatron, Sony, and Netgear. In 2010 Delta's management team was honored with the Ernst & Young "Entrepreneur of the Year Award". Last year Institutional Investor magazine presented Delta with three major awards: Best CEO, Best Investor Relations, and Best IR Professionals in the Technology/Hardware sector. Delta continues to win acclaim for our corporate social responsibility efforts. Last year we received Commonwealth Magazine's award for "Most Admired Company" in the electronics industry for the 10th year in a row, as well as the magazine's "Corporate Citizenship Award" for the 5th year in a row. Delta also won Global Views Magazine's "2011 CSR Champion Award". Delta was rated A+ for the 4th time by the Securities and Futures Institute's Information Transparency and Disclosure Ranking. We were also listed for the first time in the "World index" and "Asian index" of the Dow Jones Sustainability Index in 2011/2012. While Delta has become a shining example for corporate governance in Taiwan, we continue striving to make Delta Electronics a highly regarded enterprise internationally.

Once again, I thank all of my Delta colleagues for your dedication and contributions. I also wish to express my gratitude to our customers, suppliers, shareholders and the community for the support you have given Delta. Last year we did not achieve ideal results, but we will conduct a thorough assessment, and prepare and strictly implement our future growth strategy. We will establish a firm foundation for Delta's continued growth and strive to fulfill the expectations of society and all of our stakeholders.

Sincerely,


Bruce C.H. Cheng
Founder and Chairman


Yancey Hai
Vice Chairman and CEO


Roger Chiu
CFO

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing the Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the non-consolidated balance sheets of Delta Electronics, Inc. as of December 31, 2011 and 2010, and the related non-consolidated statements of income, of changes in stockholders' equity, and of cash flows for the years then ended appearing on the Market Observation Post System as provided by Taiwan Stock Exchange Corporation. In our report dated March 20, 2012, in which we indicated that the financial statements and the related information of certain investees accounted for under the equity method were audited by other auditors, we expressed a modified unqualified opinion on those non-consolidated financial statements.

The condensed non-consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

PricewaterhouseCoopers, Taiwan
March 20, 2012

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

ASSETS	Notes	2011	2010
Current Assets			
Cash and cash equivalents	4(1)	\$ 8,437,582	\$ 1,116,442
Available-for-sale financial assets - current	4(5)	524,013	524,669
Financial assets carried at cost - current	4(6)	37,092	31,248
Notes receivable, net		121,034	80,498
Accounts receivable, net	4(3)	3,989,817	4,866,919
Accounts receivable, - related parties	5	1,197,372	890,784
Other receivables		103,629	86,592
Other receivables - related parties	5	471,882	633,044
Other financial assets - current	6	44,163	43,943
Inventories	4(4)	937,228	664,347
Deferred income tax assets - current	4(19)	56,655	65,519
Other current assets		662,155	474,614
Total current assets		<u>16,582,622</u>	<u>9,478,619</u>
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	1,580,000	1,580,000
Available-for-sale financial assets - non-current	4(5)	22,198	921,072
Financial assets carried at cost - non-current	4(6)	3,299,410	628,987
Long-term equity investments accounted for under the equity method	4(7)	90,836,694	85,539,282
Cash surrender value of life insurance		112,700	103,691
Total funds and investments		<u>95,851,002</u>	<u>88,773,032</u>
Property, Plant and Equipment, Net			
Cost			
Land		1,100,055	1,132,728
Buildings		2,331,617	2,378,437
Machinery and equipment		999,542	901,829
Molding equipment		347,102	300,309
Computer and communication equipment		296,979	235,253
Testing equipment		1,685,548	1,592,035
Transportation equipment		26,924	19,944
Office equipment		186,078	175,407
Leasehold improvements		53,638	23,151
Revaluation increments		620,497	500,545
Cost and revaluation increments		<u>7,647,980</u>	<u>7,259,638</u>
Less: Accumulated depreciation		(3,438,351)	(3,164,515)
Construction in progress and prepayments for equipment		2,123,454	517,830
Total property, plant and equipment, net	4(8)	<u>6,333,083</u>	<u>4,612,953</u>
Intangible Assets			
Patents		23,170	30,446
Deferred pension costs		8,232	12,347
Total intangible assets		<u>31,402</u>	<u>42,793</u>
Other Assets			
Assets leased to others	4(9)	765,157	676,772
Idle assets	4(10)	-	-
Refundable deposits		6,663	4,816
Deferred expenses		185,055	135,069
Other assets - other		33,583	21,545
Total other assets		<u>990,458</u>	<u>838,202</u>
TOTAL ASSETS		<u>\$ 119,788,567</u>	<u>\$ 103,745,599</u>

(Continued)

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

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2011	2010
Current Liabilities			
Short-term loans	4(11)	\$ -	\$ 115,000
Accounts payable		650,072	880,890
Accounts payable - related parties	5	6,157,405	5,597,759
Income tax payable	4(19)	892,266	1,017,766
Accrued expenses		4,430,746	4,764,443
Other payables - related parties	5	233,988	200,959
Other payables		198,586	317,119
Receipts in advance		219,388	294,903
Other current liabilities		1,177,032	615,585
Total current liabilities		<u>13,959,483</u>	<u>13,804,424</u>
Long-term Liability			
Long-term loans	4(12)	22,272,000	8,219,000
Reserve			
Land value incremental reserve	4(9)	119,864	95,279
Other Liabilities			
Accrued pension liabilities	4(13)	1,370,529	1,046,384
Guarantee deposits received	5	4,740	4,740
Deferred income tax liabilities - non-current	4(19)	4,240,595	4,744,228
Other liabilities - other		578	82
Total other liabilities		<u>5,616,442</u>	<u>5,795,434</u>
Total liabilities		<u>41,967,789</u>	<u>27,914,137</u>
Stockholders' Equity			
Capital			
Common stock	4(14)	24,033,974	23,947,984
Capital Reserves			
	4(15)		
Paid-in capital in excess of par value of common stock		13,242,489	12,634,267
Capital reserve from conversion of convertible bonds		10,253,416	10,253,416
Capital reserve - other		3,013,550	3,396,912
Retained Earnings			
Legal reserve	4(16)	11,064,579	9,489,158
Special reserve		4,796,006	-
Undistributed earnings	4(17)	13,045,300	20,905,730
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(1,716,140)	(5,862,383)
Unrecognized pension cost		(263,401)	(112,627)
Unrealized gain or loss on financial instruments		(176,551)	746,818
Asset revaluations	4(8)	527,556	432,187
Total stockholders' equity		<u>77,820,778</u>	<u>75,831,462</u>
Commitments and Contingent Liabilities			
	7		
Subsequent Events			
	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 119,788,567</u>	<u>\$ 103,745,599</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

	Notes	2011		2010	
Operating Revenues	5				
Sales		\$ 25,800,466		\$ 27,878,638	
Sales returns		(13,467)		(2,827)	
Sales discounts		(3,282)		(30,450)	
Net Sales		<u>25,783,717</u>		<u>27,845,361</u>	
Service income	5	<u>6,917,765</u>		<u>6,206,285</u>	
Net Operating Revenues		<u>32,701,482</u>		<u>34,051,646</u>	
Operating Costs	4(21) and 5				
Cost of goods sold	4(4)	(23,266,764)		(24,947,778)	
Service costs		(5,740,112)		(5,241,862)	
Net Operating Costs		<u>(29,006,876)</u>		<u>(30,189,640)</u>	
Gross profit		<u>3,694,606</u>		<u>3,862,006</u>	
Unrealized gain from intercompany transactions		(578)		(82)	
Realized gain on inter-affiliate accounts		82		-	
Gross profit, net		<u>3,694,110</u>		<u>3,861,924</u>	
Operating Expenses	4(21)				
Sales and marketing expenses		(333,807)		(412,877)	
General and administrative expenses		(1,493,559)		(1,447,537)	
Research and development expenses		(129,192)		(273,643)	
Total Operating Expenses		<u>(1,956,558)</u>		<u>(2,134,057)</u>	
Operating income		<u>1,737,552</u>		<u>1,727,867</u>	
Non-operating Income and Gains					
Interest income		19,103		16,865	
Investment income accounted for under the equity method	4(7)	9,214,651		13,823,467	
Dividend income		69,535		54,284	
Gain on disposal of property, plant and equipment		4,923		7,416	
Gain on disposal of investments		180,517		306,839	
Foreign exchange gain, net		23,933		-	
Rental income	5	44,557		41,782	
Other non-operating income		369,125		471,944	
Total Non-operating Income and Gains		<u>9,926,344</u>		<u>14,722,597</u>	
Non-operating Expenses and Losses					
Interest expense		(71,922)		(50,452)	
Foreign exchange loss, net		-		(17,046)	
Other non-operating losses		(16,021)		(20,614)	
Total Non-operating Expenses and Losses		<u>(87,943)</u>		<u>(88,112)</u>	
Income from continuing operations before income tax		<u>11,575,953</u>		<u>16,362,352</u>	
Income tax expense	4(19)	(584,922)		(589,315)	
Income from continuing operations		<u>10,991,031</u>		<u>15,773,037</u>	
Loss from discontinued operations		-		(18,830)	
(Net of income tax expense of \$39,435)					
Net income		<u>\$ 10,991,031</u>		<u>\$ 15,754,207</u>	
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Earnings per share (In Dollars)	4(20)				
Basic earnings per share					
Net income from continuing operations		\$ 4.82	\$ 4.58	\$ 6.94	\$ 6.70
Net gain (loss) from discontinued operations		-	-	0.01	(0.01)
Net income		<u>\$ 4.82</u>	<u>\$ 4.58</u>	<u>\$ 6.95</u>	<u>\$ 6.69</u>
Diluted earnings per share					
Net income from continuing operations		\$ 4.73	\$ 4.49	\$ 6.84	\$ 6.59
Net gain (loss) from discontinued operations		-	-	0.01	(0.01)
Net income		<u>\$ 4.73</u>	<u>\$ 4.49</u>	<u>\$ 6.85</u>	<u>\$ 6.58</u>

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

See report of independent accountants dated March 20, 2012.

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

	Retained Earnings				Undistributed earnings	Cumulative translation adjustments	Unrecognized pension cost	Unrealized gains or losses on financial instruments	Asset revaluations	Total
	Common stock	Capital reserves	Legal reserve	Special reserve						
2010										
Balance at January 1, 2010	\$ 22,573,091	\$ 15,072,365	\$ 8,323,411	\$ -	\$ 16,330,025	\$ 108,570	(\$ 139,691)	\$ 626,148	\$ 407,170	\$ 63,301,089
Issuance of new stocks for the merger	1,231,927	9,978,608	-	-	-	-	-	-	-	11,210,535
Employees' stock options assumed from subsidiary due to the merger and subsequent compensation cost amortization	-	293,414	-	-	-	-	-	-	-	293,414
Employees' stock options	142,966	932,800	-	-	-	-	-	-	-	1,075,766
Distribution of 2009 earnings (Note a):										
Legal reserve	-	-	1,165,747	-	(1,165,747)	-	-	-	-	-
Cash dividends	-	-	-	-	(10,012,755)	-	-	-	-	(10,012,755)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	7,408	-	-	-	-	-	-	-	7,408
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	25,017	25,017
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(44,509)	-	(44,509)
Unrealized gain on cash flow hedge	-	-	-	-	-	-	-	6,980	-	6,980
Unrecognized pension cost	-	-	-	-	-	-	27,064	-	-	27,064
Changes in cumulative translation adjustments	-	-	-	-	-	(5,876,333)	-	-	-	(5,876,333)
Change in stockholders' equity of investee companies accounted for under the equity method	-	-	-	-	-	(94,620)	-	158,199	-	63,579
Net income for the year	-	-	-	-	15,754,207	-	-	-	-	15,754,207
Balance at December 31, 2010	<u>\$ 23,947,984</u>	<u>\$ 26,284,595</u>	<u>\$ 9,489,158</u>	<u>\$ -</u>	<u>\$ 20,905,730</u>	<u>(\$ 5,862,383)</u>	<u>(\$ 112,627)</u>	<u>\$ 746,818</u>	<u>\$ 432,187</u>	<u>\$ 75,831,462</u>
2011										
Balance at January 1, 2011	\$ 23,947,984	\$ 26,284,595	\$ 9,489,158	\$ -	\$ 20,905,730	(\$ 5,862,383)	(\$ 112,627)	\$ 746,818	\$ 432,187	\$ 75,831,462
Compensation cost amortization of employees' stock options assumed from subsidiary due to the merger	-	30,154	-	-	-	-	-	-	-	30,154
Employees' stock options	85,990	511,042	-	-	-	-	-	-	-	597,032
Distribution of 2010 earnings (Note b):										
Legal reserve	-	-	1,575,421	-	(1,575,421)	-	-	-	-	-
Special reserve	-	-	-	4,796,006	(4,796,006)	-	-	-	-	-
Cash dividends	-	-	-	-	(12,480,034)	-	-	-	-	(12,480,034)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(316,336)	-	-	-	-	-	-	-	(316,336)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	95,369	95,369
Unrecognized pension cost	-	-	-	-	-	-	(150,774)	-	-	(150,774)
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(716,811)	-	(716,811)
Changes in cumulative translation adjustments	-	-	-	-	-	2,541,927	-	-	-	2,541,927
Change in stockholders' equity of investee companies accounted for under the equity method	-	-	-	-	-	1,604,316	-	(206,558)	-	1,397,758
Net income for the year	-	-	-	-	10,991,031	-	-	-	-	10,991,031
Balance at December 31, 2011	<u>\$ 24,033,974</u>	<u>\$ 26,509,455</u>	<u>\$ 11,064,579</u>	<u>\$ 4,796,006</u>	<u>\$ 13,045,300</u>	<u>(\$ 1,716,140)</u>	<u>(\$ 263,401)</u>	<u>(\$ 176,551)</u>	<u>\$ 527,556</u>	<u>\$ 77,820,778</u>

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

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

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

	2011	2010
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 10,991,031	\$ 15,754,207
Adjustments to reconcile net income to net cash provided by operating activities		
Reversal of allowance for doubtful accounts	(3,530)	(11,429)
Provision for inventory obsolescence and market price decline	33,145	30,177
Gain on disposal of investments	(180,517)	(306,839)
Change in foreign exchange of investments in bonds without active markets	-	38,745
Investment income recognized under equity method	(9,214,651)	(13,823,467)
Cash dividends received from investee companies accounted for under the equity method	8,322,573	7,948,489
Unrealized gain from intercompany transactions	578	82
Realized gain from intercompany transactions	(82)	-
Depreciation (including assets leased to others)	406,242	294,125
Amortization	255,975	175,372
(Gain) loss on disposal of property, plant and equipment, net	(4,923)	11,566
Reversal of impairment loss on non-financial assets	-	(37,339)
Amortization of long-term deferred income	-	(58,165)
Changes in assets and liabilities		
Notes receivable	(40,536)	(7,387)
Accounts receivable	932,789	(20,373)
Accounts receivable - related parties	(263,694)	(84,314)
Other receivables	(17,029)	111,315
Other receivables - related parties	179,669	333,916
Inventories	(306,026)	(225,381)
Deferred tax assets	8,864	(34,244)
Other current assets	(187,376)	(190,461)
Other assets - other	(12,038)	(6,805)
Accounts payable	(233,345)	322,011
Accounts payable - related parties	467,621	(1,231,847)
Income tax payable	(125,500)	798,825
Accrued expenses	(339,455)	864,911
Other payables - related parties	33,029	(1,023,647)
Other payables	(132,662)	90,436
Receipts in advance	(75,515)	15,709
Other current liabilities	561,262	245,445
Accrued pension liabilities	123,537	91,757
Deferred tax liabilities	(461,068)	(356,051)
Net cash provided by operating activities	10,718,368	9,709,339

(Continued)

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

	2011	2010
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	\$ -	(\$ 720,000)
Increase in other financial assets - current	(220)	(13,707)
Proceeds from disposal of available-for-sale financial assets	290,437	320,054
Increase in available-for-sale financial assets	-	(155,300)
Increase in financial assets carried at cost	(2,710,152)	(50,979)
Proceeds from disposal of financial assets carried at cost	105,886	40,806
Proceeds from capital reduction of financial assets carried at cost	750	2,975
Proceeds from disposal of investments in bonds without active markets	-	1,080,730
Proceed from disposal of investments accounted for under the equity method	176	-
Increase in long-term equity investments accounted for under the equity method	(808,315)	(768,866)
Increase in cash surrender value of life insurance	(9,009)	(11,839)
Acquisition of property, plant and equipment	(2,112,169)	(1,097,785)
Proceeds from disposal of property, plant and equipment	23,140	32,818
(Increase) decrease in refundable deposits	(1,647)	1,775
Increase in deferred expenses	(298,536)	(189,634)
Cash inflows from simple merger	67,433	-
Net cash used in investing activities	(5,452,226)	(1,528,952)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term loans	(115,000)	(5,364,920)
Increase in long-term loans	14,053,000	5,809,000
Decrease in guarantee deposits received	-	(1,172)
Payment of cash dividends and employees' cash bonus	(12,480,034)	(10,012,755)
Employees' stock option	597,032	1,075,766
Net cash provided by (used in) financing activities	2,054,998	(8,494,081)
Increase (decrease) in cash and cash equivalents	7,321,140	(313,694)
Cash and cash equivalents at beginning of year	1,116,442	1,430,136
Cash and cash equivalents at end of year	\$ 8,437,582	\$ 1,116,442
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	\$ 55,087	\$ 50,037
Cash paid during the year for income tax	\$ 1,162,627	\$ 220,219
<u>NON-CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES</u>		
Issuance of new stocks for the merger	\$ -	\$ 11,448,584
<u>FAIR VALUE OF ASSETS AND LIABILITIES OF THE SUBSIDIARY FROM SIMPLE MERGER WERE AS FOLLOWS:</u>		
Cash and cash equivalents	\$ 67,433	\$ -
Other current assets	113,731	-
Funds and investments	170,782	-
Property, plant, and equipment	850	-
Other assets	350	-
Other current liabilities	(114,624)	-
	238,522	-
Investment cost before merger	(220,647)	-
Cash paid in total	\$ 17,875	\$ -

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 20, 2012.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To Delta Electronics, Inc.

We have audited, in accordance with the “Rules Governing the Examination of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China, the consolidated balance sheets of Delta Electronics, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, of changes in stockholders' equity, and of cash flows for the years then ended appearing on the Market Observation Post System as provided by Taiwan Stock Exchange Corporation. In our report dated March 20, 2012, in which we indicated that the financial statements and the related information of certain subsidiaries and investees accounted for under the equity method were audited by other independent accountants, we expressed a modified unqualified opinion on those consolidated financial statements.

In our opinion, the condensed consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

PricewaterhouseCoopers, Taiwan
March 20, 2012

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

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

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

ASSETS	Notes	2011	2010
Current Assets			
Cash and cash equivalents	4(1)	\$ 67,695,906	\$ 60,459,996
Financial assets at fair value through profit or loss - current	4(2)	2,342	10,550
Available-for-sale financial assets - current	4(5)	524,013	524,669
Derivative financial assets for hedging - current	10(9)	115,111	381,799
Financial assets carried at cost - current	4(6)	86,180	31,248
Notes receivable, net		1,330,220	328,038
Accounts receivable, net	4(3)	34,708,687	29,560,272
Accounts receivable - related parties	5	816,456	3,815,671
Other receivables		2,082,657	1,265,926
Other financial assets - current	6	143,061	50,902
Inventories	4(4)	19,126,113	14,788,981
Prepayments		2,384,204	1,499,852
Deferred income tax assets - current	4(22)	597,914	89,028
Other current assets		394,718	435,834
Total current assets		<u>130,007,582</u>	<u>113,242,766</u>
Funds and Investments			
Financial assets at fair value through profit or loss - non-current	4(2)	1,820,525	1,830,000
Available-for-sale financial assets - non-current	4(5)	125,859	925,606
Financial assets carried at cost - non-current	4(6)	4,157,228	1,457,614
Long-term equity investments accounted for under the equity method	4(7)	5,911,784	6,327,356
Cash surrender value of life insurance		112,700	103,691
Other financial assets - non-current	6	1,548	1,544
Total funds and investments		<u>12,129,644</u>	<u>10,645,811</u>
Property, Plant and Equipment, Net			
Cost	4(8) and 6		
Land		1,779,860	1,693,056
Buildings		20,101,112	15,361,626
Machinery and equipment		23,195,634	17,294,829
Molding equipment		2,168,664	1,902,689
Computer and communication equipment		1,577,409	1,162,192
Testing equipment		8,903,472	7,193,773
Transportation equipment		237,344	167,061
Office equipment		1,851,522	1,642,202
Leasehold improvements		190,800	49,118
Other equipment		34,516	21
Revaluation increments		620,497	500,545
Cost and revaluation increments		<u>60,660,830</u>	<u>46,967,112</u>
Less: Accumulated depreciation		(30,318,850)	(23,360,580)
Accumulated impairment loss		(23,486)	(21,664)
Construction in progress and prepayments for equipment		6,599,291	3,315,949
Total property, plant and equipment, net		<u>36,917,785</u>	<u>26,900,817</u>
Intangible assets			
Patents		628,035	833,134
Goodwill	10(10)	6,898,970	5,158,672
Deferred pension costs		9,299	12,347
Other intangible assets	4(9)	4,560,628	3,025,410
Total intangible assets		<u>12,096,932</u>	<u>9,029,563</u>
Other Assets			
Assets leased to others	4(10)	205,337	14,283
Idle assets	4(11)	-	-
Refundable deposits		103,306	101,901
Deferred expenses	6	845,367	426,132
Other assets - other		888,026	1,377,201
Total other assets		<u>2,042,036</u>	<u>1,919,517</u>
TOTAL ASSETS		<u>\$ 193,193,979</u>	<u>\$ 161,738,474</u>

(Continued)

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

LIABILITIES AND STOCKHOLDERS' EQUITY	Notes	2011	2010
Current Liabilities			
Short-term loans	4(13)	\$ 17,599,492	\$ 9,877,658
Financial liabilities at fair value through profit or loss - current	4(14)	4,257	806
Derivative financial liabilities for hedging - current	10(9)	46,873	137,154
Accounts payable		30,271,738	29,266,371
Accounts payable - related parties	5	118,374	318,192
Income tax payable	4(22)	2,092,919	1,805,572
Accrued expenses		10,890,581	9,769,943
Other payables		3,361,305	4,746,229
Receipts in advance		1,051,540	735,163
Long-term liabilities - current portion	4(15)	857,832	110,656
Other current liabilities		2,457,898	1,467,204
Total current liabilities		<u>68,752,809</u>	<u>58,234,948</u>
Long-term Liability			
Long-term loans	4(15)	<u>24,862,247</u>	<u>9,540,184</u>
Reserve			
Land value incremental reserve	4(8)	<u>119,864</u>	<u>95,279</u>
Other Liabilities			
Accrued pension liabilities	4(16)	2,617,949	2,130,082
Guarantee deposits received		77,332	52,920
Deferred income tax liabilities - non-current	4(22)	3,867,305	4,069,491
Other liabilities - other		410,804	223,577
Total other liabilities		<u>6,973,390</u>	<u>6,476,070</u>
Total liabilities		<u>100,708,310</u>	<u>74,346,481</u>
Stockholders' Equity			
Capital			
Common stock	4(17)	24,033,974	23,947,984
Capital Reserves			
Paid-in capital in excess of par value of common stock	4(18)	13,242,489	12,634,267
Capital reserve from conversion of convertible bonds		10,253,416	10,253,416
Capital reserve - other		3,013,550	3,396,912
Retained Earnings			
Legal reserve	4(19)	11,064,579	9,489,158
Special reserve		4,796,006	-
Undistributed earnings	4(20)	13,045,300	20,905,730
Other Adjustments to Stockholders' Equity			
Cumulative translation adjustments		(1,716,140)	(5,862,383)
Unrecognized pension cost		(263,401)	(112,627)
Unrealized gain or loss on financial instruments		(176,551)	746,818
Asset revaluations	4(8)	527,556	432,187
Stockholders' Equity		<u>77,820,778</u>	<u>75,831,462</u>
Minority interest		14,664,891	11,560,531
Total stockholders' equity		<u>92,485,669</u>	<u>87,391,993</u>
Commitments and Contingent Liabilities	7		
Subsequent Events	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 193,193,979</u>	<u>\$ 161,738,474</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

	Notes	2011		2010	
Operating Revenues	5				
Sales		\$ 171,909,198		\$ 171,795,811	
Sales returns		(1,051,542)		(810,183)	
Sales discounts		(371,153)		(455,332)	
Net Sales		<u>170,486,503</u>		<u>170,530,296</u>	
Service income		1,569,808		772,157	
Net Operating Revenues		<u>172,056,311</u>		<u>171,302,453</u>	
Operating Costs	4(24) and 5				
Cost of goods sold	4(4)	(138,299,882)		(134,381,239)	
Service costs		(974,085)		(317,658)	
Net Operating Costs		<u>(139,273,967)</u>		<u>(134,698,897)</u>	
Gross profit		<u>32,782,344</u>		<u>36,603,556</u>	
Operating Expenses	4(24)				
Sales and marketing expenses		(7,495,913)		(5,932,940)	
General and administrative expenses		(4,982,148)		(4,500,868)	
Research and development expenses		(9,986,037)		(8,900,631)	
Total Operating Expenses		<u>(22,464,098)</u>		<u>(19,334,439)</u>	
Operating income		<u>10,318,246</u>		<u>17,269,117</u>	
Non-operating Income and Gains					
Interest income		906,067		567,651	
Investment income accounted for under the equity method	4(7)	507,550		871,212	
Dividend income		75,673		110,893	
Gain on disposal of property, plant and equipment		-		18,982	
Gain on disposal of investments		270,860		101,476	
Foreign exchange gain, net		1,397,819		684,806	
Rental income		30,892		31,634	
Gain on valuation of financial assets	4(2)	-		48,636	
Other non-operating income		1,794,318		1,544,468	
Total Non-operating Income and Gains		<u>4,983,179</u>		<u>3,979,758</u>	
Non-operating Expenses and Losses					
Interest expense		(397,696)		(218,777)	
Loss on disposal of property, plant and equipment		(11,094)		-	
Impairment loss	4(12)	-		(294,729)	
Loss on valuation of financial assets		(9,273)		-	
Loss on valuation of financial liabilities	4(14)	(8,344)		(806)	
Other non-operating losses		(290,028)		(588,573)	
Total Non-operating Expenses and Losses		<u>(716,435)</u>		<u>(1,102,885)</u>	
Income from continuing operations before income tax		<u>14,584,990</u>		<u>20,145,990</u>	
Income tax expense	4(22)	(2,825,962)		(2,271,228)	
Income from continuing operations		<u>11,759,028</u>		<u>17,874,762</u>	
Gain from discontinued operations (Net of income tax expense of \$48,299)	10(11)	-		7,763	
Extraordinary gain (Net of income tax expense of \$0)	10(12)	<u>205,629</u>		<u>-</u>	
Consolidated net income		<u>\$ 11,964,657</u>		<u>\$ 17,882,525</u>	
Attributable to:					
Equity holders of the Company		\$ 10,991,031		\$ 15,754,207	
Minority interest		973,626		2,128,318	
		<u>\$ 11,964,657</u>		<u>\$ 17,882,525</u>	
Earnings Per Share (in Dollars)	4(23)	Before Tax	After Tax	Before Tax	After Tax
Basic Earnings Per Share					
Net income from continuing operations		\$ 6.07	\$ 4.90	\$ 8.55	\$ 7.59
Gain from discontinued operations		-	-	0.02	-
Extraordinary gain		0.09	0.09	-	-
Minority interest income		(0.41)	(0.41)	(0.90)	(0.90)
Net income		<u>\$ 5.75</u>	<u>\$ 4.58</u>	<u>\$ 7.67</u>	<u>\$ 6.69</u>
Diluted Earnings Per Share					
Net income from continuing operations		\$ 5.96	\$ 4.81	\$ 8.42	\$ 7.47
Gain from discontinued operations		-	-	0.02	-
Extraordinary gain		0.08	0.08	-	-
Minority interest income		(0.40)	(0.40)	(0.89)	(0.89)
Net income		<u>\$ 5.64</u>	<u>\$ 4.49</u>	<u>\$ 7.55</u>	<u>\$ 6.58</u>

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

See report of independent accountants dated March 20, 2012.

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

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

(Continued)

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

	Retained Earnings						Unrecognized pension cost	Unrealized gain or loss on financial instruments	Asset revaluations	Minority interest	Total
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Cumulative translation adjustments					
<u>2011</u>											
Balance at January 1, 2011	\$ 23,947,984	\$ 26,284,595	\$ 9,489,158	\$ -	\$ 20,905,730	(\$ 5,862,383)	(\$ 112,627)	\$ 746,818	\$ 432,187	\$ 11,560,531	\$ 87,391,993
Compensation cost amortization of employees' stock options assumed from subsidiary due to the merger	-	30,154	-	-	-	-	-	-	-	-	30,154
Employees' stock options	85,990	511,042	-	-	-	-	-	-	-	-	597,032
Distribution of 2010 earnings (Note b):											
Legal reserve	-	-	1,575,421	-	(1,575,421)	-	-	-	-	-	-
Special reserve	-	-	-	4,796,006	(4,796,006)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,480,034)	-	-	-	-	-	(12,480,034)
Change in ownership percentage of long-term equity investments accounted for under equity method	-	(316,336)	-	-	-	-	-	-	-	-	(316,336)
Adjustment for land value appraisal increments	-	-	-	-	-	-	-	-	95,369	-	95,369
Unrecognized pension cost	-	-	-	-	-	-	(150,774)	-	-	-	(150,774)
Unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	(716,811)	-	-	(716,811)
Changes in cumulative translation adjustments	-	-	-	-	-	2,541,927	-	-	-	-	2,541,927
Change in stockholders' equity for investee companies accounted for under the equity method	-	-	-	-	-	1,604,316	-	(206,558)	-	-	1,397,758
Changes in minority interest	-	-	-	-	-	-	-	-	-	2,130,734	2,130,734
Consolidated net income for the year	-	-	-	-	10,991,031	-	-	-	-	973,626	11,964,657
Balance at December 31, 2011	<u>\$ 24,033,974</u>	<u>\$ 26,509,455</u>	<u>\$ 11,064,579</u>	<u>\$ 4,796,006</u>	<u>\$ 13,045,300</u>	<u>(\$ 1,716,140)</u>	<u>(\$ 263,401)</u>	<u>(\$ 176,551)</u>	<u>\$ 527,556</u>	<u>\$ 14,664,891</u>	<u>\$ 92,485,669</u>

Note a: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$2,156,670 had been deducted from the Consolidated Statement of Income in 2009.
Note b: Directors' and supervisors' remuneration amounting to \$16,700 and employees' bonus amounting to \$2,914,390 had been deducted from the Consolidated Statement of Income in 2010.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

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

	2011	2010
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated net income	\$ 11,964,657	\$ 17,882,525
Adjustments to reconcile net income to net cash provided by operating activities		
Extraordinary gain	205,629	-
Changes in unrealized valuation of financial assets	65,170	39,318
Changes in unrealized valuation of financial liabilities	7,538	(3,118)
Provision for (reversal of allowance for) doubtful accounts	97,466	(2,443)
Provision for inventory obsolescence and market price decline	678,673	362,483
Loss on purchase commitment	202,043	678,166
Gain on disposal of investments	(270,860)	(101,476)
Impairment loss on financial assets	-	319,330
Change in foreign exchange of investments in bonds without active markets	-	38,745
Investment income recognized under equity method	(507,550)	(871,212)
Cash dividends received from investee companies accounted for under the equity method	598,969	386,110
Depreciation (including assets leased to others)	5,450,880	4,675,012
Amortization	1,060,370	715,880
Loss on disposal of property, plant and equipment, net	11,094	9,218
Reversal of impairment loss on non-financial assets	-	(81,666)
Amortization of long-term deferred income	-	(58,165)
Changes in assets and liabilities		
Notes receivable	331,663	(222,700)
Accounts receivable	(640,091)	(1,885,470)
Accounts receivable - related parties	3,229,681	(1,304,260)
Other receivables	(811,394)	51,509
Inventories	(2,660,567)	(4,747,677)
Prepayments	(778,021)	(219,922)
Deferred tax assets	(250,567)	(89,028)
Other current assets	49,265	(212,915)
Other assets - other	517,581	(83,307)
Accounts payable	(974,733)	3,227,847
Accounts payable - related parties	(2,265,514)	41,370
Income tax payable	261,026	1,103,150
Accrued expenses	(26,528)	2,106,504
Other payables	979,644	287,113
Receipts in advance	314,451	(62,272)
Other current liabilities	787,122	215,466
Accrued pension liabilities	487,867	136,176
Deferred tax liabilities	(228,661)	(331,188)
Other liabilities - other	186,312	7,491
Net cash provided by operating activities	18,072,615	22,006,594

(Continued)

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

	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	\$ -	(\$ 970,000)
Decrease (increase) in other financial assets - current	1,302,640	(2,881)
Increase in available-for-sale financial assets	(147,000)	(152,340)
Proceeds from disposal of available-for-sale financial assets	290,437	400,945
Increase in financial assets carried at cost	(3,030,367)	(328,300)
Proceeds from disposal of financial assets carried at cost	168,854	40,804
Proceeds from capital reduction of financial assets carried at cost	750	2,975
Proceeds from disposal of investments in bonds without active markets	-	1,080,730
Increase in long-term equity investments accounted for under the equity method	(90,825)	-
Proceeds from disposal of investments in long-term equity investment accounted for under the equity method	403,785	-
Acquisition price of subsidiary	(6,098,012)	(55,000)
Increase in cash surrender value of life insurance	(9,009)	(11,839)
Acquisition of property, plant and equipment	(14,130,018)	(8,859,751)
Proceeds from disposal of property, plant and equipment	839,954	417,334
Increase in other intangible assets	-	(32,564)
Decrease (increase) in refundable deposits	43,452	(35,059)
Increase in deferred expenses	(949,273)	(482,869)
Increase in other assets - other	116	(4,249)
Purchase of minority interest	(485,678)	(10,464)
Net cash used in investing activities	(21,890,194)	(9,002,528)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	5,179,329	(2,307,415)
Increase in long-term loans	16,069,239	6,676,869
Increase (decrease) in guarantee deposits received	18,802	(1,501)
Employees' stock options	597,032	1,075,766
Payment of cash dividends	(12,480,034)	(10,012,755)
Cash dividends declared to minority interests	(2,308,729)	-
Increase in subsidiaries' capital from minority shareholders	1,121	-
Net cash provided by (used in) financing activities	7,076,760	(4,569,036)
Effect due to change in exchange rates	2,446,694	(5,312,004)
Effect due to change in consolidated subsidiaries	1,530,035	(162,380)
Increase in cash and cash equivalents	7,235,910	2,960,646
Cash and cash equivalents at beginning of year	60,459,996	57,499,350
Cash and cash equivalents at end of year	\$ 67,695,906	\$ 60,459,996
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 372,113	\$ 205,301
Cash paid during the year for income tax	\$ 2,892,648	\$ 1,324,945
NON-CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends declared but not yet paid to minority interest	\$ 58,401	\$ 1,885,159
FAIR VALUE OF ASSETS AND LIABILITIES OF THE ACQUIRED SUBSIDIARY WERE AS FOLLOWS:		
Cash and cash equivalents	\$ 1,530,035	\$ 436,045
Other current assets	10,301,783	2,988,575
Funds and investments	324,950	100,935
Property, plant and equipment	781,091	3,448,393
Goodwill	1,740,298	5,151,385
Other intangible assets	1,777,023	3,254,760
Other assets	75,489	66,841
Other current liabilities	(7,843,879)	(2,085,393)
Other liabilities	(62,623)	(53,865)
Investment cost before merger	(368,726)	(1,804,092)
Minority interest	(2,157,429)	-
	\$ 6,098,012	\$ 11,503,584
Cost of issuing new common stock to acquired subsidiary	\$ -	\$ 11,448,584
Acquisition price of subsidiary	6,098,012	55,000
	\$ 6,098,012	\$ 11,503,584

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2012.

2011 Supervisors' Report

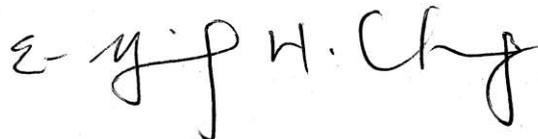
The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2011 Business Report, financial statements, consolidated financial statements and proposal for distribution of earnings of the Company. The above Business Report, financial statements, consolidated financial statements, and earnings distribution proposal have been examined and determined to be correct and accurate by the undersigned. In accordance with Article 219 of the Company Law, we hereby submit this report.

To the 2012 General Shareholders' Meeting of Delta Electronics, Inc.

Supervisor Chung-Hsing Huang



Supervisor E-Ying Hsieh



Mar 20, 2012

**ARTICLES OF INCORPORATION OF DELTA ELECTRONICS, INC.
(Translation)**

Section I - General Provisions

Article 1

The Company is incorporated as a company limited by shares under the Company Law of the Republic of China, and its name is "Delta Electronics, Inc."

Article 2

The Company is engaged in the following businesses:

1. C801010 Basic chemical industry business;
2. C801990 Other chemical material manufacturing business;
3. C802120 Industrial Catalyst Manufacturing;
4. CB01010 Machinery equipment manufacturing business;
5. CB01071 Frozen and Air-conditioning manufacturing business;
6. CB01990 Other machinery manufacturing business;
7. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;
8. CC01030 Electric appliance and audiovisual electric products manufacturing business;
9. CC01040 Lighting equipment manufacturing business;
10. CC01060 Wire communication equipment and apparatus manufacturing business;
11. CC01070 Wireless communication devices and equipment manufacturing;
12. CC01080 Electronic parts and components manufacturing business
13. CC01990 Other electrical and electronic machinery and materials manufacturing business;
14. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
15. CC01110 Computers and its peripheral equipment;
16. CC01990 Other electrical and electronic machinery and materials manufacturing business;
17. CD01010 Ship and parts manufacturing business;
18. CD01020 Tramway Cars manufacturing business;
19. CD01030 Automobiles and auto-parts manufacturing business;

20. CD01040 Motorcycles and motorcycle parts manufacturing business;
21. CD01050 Bicycles and bicycle parts manufacturing business;
22. CD01060 Aircraft and parts manufacturing business;
23. CD01990 Other transportation equipment and parts manufacturing business;
24. CE01010 General equipment and instruments manufacturing business;
25. CE01021 Measuring instruments manufacturing business;
26. CE01030 Photographic and Optical Equipment Manufacturing business;
27. CE01040 Clocks and Watches manufacturing business;
28. CE01990 Other photographic and optical equipment manufacturing business;
29. CF01011 Medical appliances and equipment business;
30. E599010 Pipe lines construction business;
31. E601010 Electric appliance installation business;
32. E601020 Electric appliance construction business;
33. E603040 Fire fighting equipments installation business;
34. E603050 Automation control equipment manufacturing business;
35. E603090 Illumination equipments installation business;
36. E604010 Machinery installation business;
37. E605010 Computer equipment installation business;
38. E701030 Restricted telecommunication radio frequency equipment and materials installation business;
39. EZ05010 Apparatus installation and construction business;
40. F106040 Water containers wholesale business;
41. F108031 Drugs and medical goods wholesale business;
42. F113010 Machinery wholesale business
43. F113020 Electrical appliances wholesale business;
44. F113050 Computer and office appliances and equipment wholesale business;
45. F113070 Telecommunication equipment wholesale business;
46. .F108031 Computer software wholesale business;
47. F119010 Electronic components and materials wholesale business;
48. F199990 Other wholesale business;
49. F208031 Medical equipment retail business;
50. F209060 Education, musical instruments and entertainment articles retail business;
51. F213010 Electrical appliances retail business;
52. F213030 Computer and Office appliances and equipment retail business;
53. F213060 Telecommunication equipment retail business;
54. F218010 Computer software retail business;
55. F219010 Electronic components and materials retail business;

56. F399040 Non-store retail business;
57. F401010 International trade business;
58. F401021 Restricted telecommunication radio frequency equipment and materials import business;
59. F401181 Measuring instrument importing business;
60. F601010 Intellectual property business;
61. G801010 Warehousing and storage business;
62. I103060 Management consulting services business;
63. I301010 Software design and service business;
64. I301020 Digital information supply services business;
65. I301030 Digital information services business;
66. I401010 General advertising service business;
67. I501010 Product external appearance designing business;
68. I599990 Other design business;
69. IG02010 Research development service business;
70. IG03010 Energy technical services business;
71. IZ03010 Newspaper clipping business;
72. IZ04010 Translation business;
73. IZ10010 Typesetting business;
74. IZ13010 Network authentication service business;
75. IZ99990 Other industry and commerce services not elsewhere classified;
76. J303010 Magazines (journals) publishing business;
77. J304010 Books publishing business;
78. J305010 Audio publishing business;
79. J399010 Software publishing business;
80. J399990 Other publishing business;
81. JE01010 Rental and leasing business;
82. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.

Article 3

The Company shall have its head office in Taoyuan County, Taiwan, and may set up branch offices at various locations that the Board of Directors may deem necessary by resolution.

Article 4

The method to make public announcements of the Company shall be subject to Article 28 of the Company Law and regulations stipulated by the competent securities administration authority.

Article 4-1

When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the "Operational Procedures for Providing Endorsement and Guarantee" of the Company.

Section II - Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of NT\$29,000,000,000, divided into 2,900,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 5-1

The aggregate amount of the Company's investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.

Article 5-2

Deleted

Article 6

The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with the securities centralized depository institution.

Article 6-1

Deleted

Article 7

Unless otherwise provided for in applicable laws, regulations and rulings stipulated by the competent securities authority, the Company shall handle its stock affairs for shareholders in accordance with the Company Law and the Regulations Governing Handling of Stock Affairs by Public Companies.

Article 8

Deleted

Article 9

Deleted

Article 10

Deleted

Article 11

Registration for stock transfer shall be suspended for sixty days before any general shareholders' meeting, thirty days before any special shareholders' meeting, and five days before a record date on which dividends, bonuses or any other interests are scheduled for distribution by the Company.

Section III - Stockholders' Meeting

Article 12

Shareholders' meetings shall be of two types: general meetings and special meetings. General shareholders' meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened according to laws when necessary.

Article 13

In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

Article 14

A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case of his absence, the Chairman of the Board of Directors shall designate one director to act on his/her behalf. In the absence of such designation, the directors shall elect one from among themselves as the chairman of the meeting.

Article 15

A shareholder shall be entitled to one vote for each share held by him/her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.

Article 16

Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 17

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in book of attending

shareholders and proxy forms shall be kept in the Company. For each registered shareholder whose shareholding is less than one thousand shares, the distribution of meeting minutes may be effected by means of a public announcement.

The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.

Section IV - Directors and Supervisors

Article 18

The Company shall have at least five but no more than eleven directors and two or three supervisors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors and supervisors shall be three years. All of the directors and supervisors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The independent directors shall be elected from among the nominees listed in the roster of independent director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.

The aggregate number of the registered shares held by all directors and supervisors shall be subject to the regulations, if any stipulated by the competent securities authority.

Remuneration for directors (including independent directors) and supervisors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries.

The Company may purchase liability insurance for its directors and supervisors.

Article 18-1

The Company may establish an audit committee according to the Securities and Exchange Act. Upon the establishment of the audit committee, supervisors shall be discharged and relevant articles relating to supervisors hereof shall cease to be effective.

Article 19

When one-third of the directors have vacated their offices, a shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor.

Article 20

If the re-election of directors and supervisors is not held before the current term of office expires, the incumbent directors and supervisors shall hold office until their successors have been elected and have assumed their office.

Article 21

The Board of Directors shall be formed by directors. The directors shall elect from among themselves the Chairman of the Board of Directors by a majority of votes cast by the directors present at the meeting attended by at least two-thirds of the directors, and such method may apply to the election of Vice Chairman. The Chairman and Vice Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and the resolutions adopted by the Board of Directors.

Article 21-1

The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 22

Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Law. In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

Article 22-1

The notice of meeting of Board of Directors shall be made in accordance with Article 204 of the Company Act, and may be made in writing, or by email, facsimile, etc.

Article 23

Unless otherwise provided in the Company Law, a meeting of the Board of Directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend a meeting of Board of Directors, he shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. The power of attorney shall specify the scope and limitation of authority or powers in respect to the business to be transacted at the meeting. The proxy may accept the appointment of one director only. If a meeting of the Board of Directors is held by way of a videoconference, the director who attends the meeting in such manner shall be deemed as present in person.

Article 24

Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director and supervisor within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The production and distribution of the meeting minutes may be made in the electronic form.

Article 25

The supervisors, in addition to independently exercising their supervising powers according to applicable laws, may attend meetings of the Board of Directors to voice their opinions.

Section V - Officers and Staffers

Article 26

The Company may appoint officers. The appointment and discharge of the officers shall be approved by a majority in a meeting of the Board of Directors attended by a majority of the directors.

Article 27

Deleted

Article 28

Deleted

Section VI - Finalization of Accounts

Article 29

The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the supervisors for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the supervisors, shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. Proposal concerning allocation of earnings or making up losses.

Article 30

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings;
4. Setting aside a special reserve when necessary;
5. The balance after the abovementioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution of the shareholders' meeting in the following order for that fiscal year:
 - (1) no more than 1% as the remuneration for directors and supervisors;
 - (2) at least 3% as the employee bonuses; when bonuses are distributed in the form of stock, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications. The Board of Directors, or persons authorized by the Board of Directors, shall stipulate relevant regulations for distribution of employee bonuses; and
 - (3) the shareholders' dividends: the balance after deducting the preceding two items thereof shall then be allocated as dividends to the shareholders.

Article 30-1

The Company is situated in a volatile environment and is at the stable growth phase of the enterprise life cycle. Furthermore, taking into account the Company's financial structure, ability to generate operating profits, and the need to expand the operating scale, the Company decides to adopt a residual dividend policy.

The proposal concerning the allocation of earnings raised by the Board of Directors shall be made where at least 50% of the distributable earnings as of that year should be allocated as the shareholders' dividends, and no less than 5% of the distributed dividends shall be in the form of cash.

Section VII - Supplementary Provisions

Article 31

The internal organizational rules and regulations of the Company shall be separately stipulated by the Board of Directors.

Article 32

In regards to all matters not provided for in these Articles of Incorporation, the Company Law and other laws and regulations shall govern.

Article 33

These Articles of Incorporation were enacted on July 28, 1975.

The first amendment was made on September 25, 1976;

The second amendment was made on January 10, 1977;

The third amendment was made on May 31, 1977;

The fourth amendment was made on May 29, 1978;

The fifth amendment was made on March 31, 1979;

The sixth amendment was made on May 28, 1979;

The seventh amendment was made on September 20, 1980;

The eighth amendment was made on September 9, 1982;

The ninth amendment was made on April 20, 1983;

The tenth amendment was made on June 25, 1984;

The eleventh amendment was made on June 10, 1985;

The twelfth amendment was made on June 20, 1985;
The thirteenth amendment was made on July 12, 1985;
The fourteenth amendment was made on April 18, 1987;
The fifteenth amendment was made on May 12, 1987;
The sixteenth amendment was made on November 17, 1987;
The seventeenth amendment was made on December 11, 1987;
The eighteenth amendment was made on March 19, 1988;
The nineteenth amendment was made on May 12, 1988;
The twentieth amendment was made on July 24, 1988;
The twenty-first amendment was made on November 25, 1988;
The twenty-second amendment was made on May 22, 1989;
The twenty-third amendment was made on May 9, 1990;
The twenty-fourth amendment was made on May 8, 1991;
The twenty-fifth amendment was made on May 8, 1992;
The twenty-sixth amendment was made on May 8, 1993;
The twenty-seventh amendment was made on May 9, 1994;
The twenty-eighth amendment was made on May 10, 1995;
The twenty-ninth amendment was made on June 6, 1996;
The thirtieth amendment was made on June 3, 1997;
The thirty-first amendment was made on May 15, 1998;
The thirty-second amendment was made on May 12, 1999;
The thirty-third amendment was made on May 18, 2000;
The thirty-fourth amendment was made on May 16, 2001;
The thirty-fifth amendment was made on May 16, 2002;
The thirty-sixth amendment was made on May 6, 2003;
The thirty-seventh amendment was made on May 18, 2004;
The thirty-eighth amendment was made on May 19, 2005;
The thirty-ninth amendment was made on May 18, 2006;
The fortieth amendment was made on June 8, 2007;

The forty-first amendment was made on June 13, 2008;

The forty-second amendment was made on June 10, 2009; and

The forty-third amendment was made on June 15, 2010.

The forty-fourth amendment was made on June 24, 2011.

Delta Electronics, Inc. Shareholders' Meeting Rules and Procedures

Passed by general shareholders' meeting on March 19, 1988

Amendment passed by general shareholders' meeting on May 15, 1998

Amendment passed by general shareholders' meeting on May 16, 2002

Amendment passed by general shareholders' meeting on May 19, 2005

Amendment passed by general shareholders' meeting on May 18, 2006

Article 1

These Rules and Procedures have been stipulated in accordance with the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in order to establish effective governance of the shareholders' meeting, implement sound supervisory functions, and strengthen managerial functions.

Article 2

Unless otherwise provided for in applicable laws and regulation or this Company's Articles of Incorporation, the Company's Shareholders' Meeting Rules and Procedures shall comply with the following articles.

Article 3

The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.

All shareholders shall be notified of a general shareholders' meeting at least 30 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 30 days in advance of the meeting.

All shareholders shall be notified of a special shareholders' meeting at least 15 days in advance. Those shareholders each holding less than 1,000 registered shares may be notified by means of an announcement on the Market Observation Post System Website 15 days in advance of the meeting. Notification and announcements shall state the reasons for the meeting.

The election or discharge of directors and supervisors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law, or Article 26-1 or

Article 43-6 of the Securities and Exchange Law shall be listed among the reasons for the meeting, and may not be proposed as provisional motions.

Article 4

Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended.

Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy.

Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply.

Article 5

Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.

Article 6

The Company shall provide a sign-in book allowing attending shareholders or their appointed proxies (hereafter referred to as "shareholders") to sign in or require attending shareholders to submit attendance cards in lieu of signing in.

The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors and supervisors is to be held.

Shareholders shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.

When the government or a legal entity is a shareholder, more than one representative may

attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding at the meeting. If the Chairman of the Board of Directors is on leave or cannot perform his duties for some reason, the Vice-Chairman shall preside at the meeting on the Chairman's behalf; if the Company does not have a vice-Chairman or the Vice-Chairman is on leave or cannot perform his duties for some reason, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman shall appoint a director to serve on his behalf. If the Chairman has not appointed a representative, the managing directors or directors shall nominate among themselves to preside over the meeting.

More than one-half of the directors should attend the shareholders' meeting if that meeting has been convened by the Board of Directors.

If the shareholders' meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman. If there is more than one such person entitled to convene the meeting, those persons shall nominate amongst themselves to be the meeting's chairman.

This Company may appoint designated legal counsel, CPA, or relevant persons to attend the shareholders' meeting.

Article 8

The proceeding of the meeting shall be audio recorded or videotaped in its entirety and these tapes shall be preserved for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Article 9

Attendance at shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders.

The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting.

If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.

If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.

Article 10

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies *mutatis mutandis* to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including provisional motions) listed in the agenda are completed. If the chairman announces the adjournment of the meeting in violation of these Rules and Procedures, other members of the Board of Directors shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending

shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and provisional motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting.

Article 11

When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any attending shareholder at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder.

In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed five minutes. The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chairman shall stop such interruption.

When a legal-entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for each agenda item.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

Article 12

Voting at a shareholders' meeting shall be based on number of shares. The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, that shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

Article 13

Each shareholder is entitled to one vote for each share held. The above provision shall not apply to those persons whose voting rights are restricted or who have no voting rights.

Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders.

An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by casting ballots in accordance with the foregoing paragraph.

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

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.

The ballots shall be publicly counted at the meeting venue and the result of voting shall be announced at the meeting and placed on record.

Article 14

If the election of directors and supervisors is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director and Supervisor Election Regulations, and the results must be announced at the meeting.

The ballots cast in the election in the foregoing paragraph must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

Article 15

Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed to those shareholders who each hold less than 1,000 registered and outstanding shares in the form of an announcement on the Market Observation Post System Website.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

"There is no objection from any shareholders after solicitation by the chairman and the resolution is passed" shall be recorded in the minutes if no objection is voiced after solicitation by the chairman before an agenda item is put to a vote. If there are any objections, however, and the agenda item is put to a vote, the number of approval votes

cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.

Article 16

The Company shall, on the day of the meeting, compile the number of shares obtained by solicitors and the number of shares represented by proxies in statistical tables in the specified format, and shall post such tables in prominent locations within the meeting place.

If any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

Article 17

Persons handling affairs of the meeting shall wear identification cards or arm badges. The chairman may order disciplinary officers or security guards to assist in keeping order in the meeting place. Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place.

If the meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman's correction, or disrupt the proceeding of the meeting and fail to desist, to leave the meeting place.

Article 18

During the meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set for the shareholders' meeting are completed, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

Article 19

These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

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

Passed by general shareholders' meeting on March 19, 1988

Amendment passed by general shareholders' meeting on May 16, 2002

Amendment passed by general shareholders' meeting on May 19, 2005

Amendment passed by general shareholders' meeting on June 13, 2008

Amendment passed by general shareholders' meeting on June 24, 2010

Article 1

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

Article 2

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

The Company may elect independent directors according to the Securities and Exchange Act and establish an audit committee of which all independent directors shall be members. Supervisors will not be elected if the audit committee is established and comprised of all independent directors.

Article 3

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

The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than

half of the total number of directors.

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

Except for the above requirement, at least one of the supervisors of the Company shall have expertise about accounting or finance.

There shall be at least one supervisor having no spousal relationship or family relationship within the second degree of kinship with any other supervisor or director.

A supervisor shall not be concurrently a director, a manager or other employee of the Company, and better be domiciled in Taiwan to exercise its oversight function in a timely manner.

Article 4

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

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

Article 5

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

Article 6

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

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

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

Article 7

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

Article 8

If a candidate is a shareholder, electors must clearly fill in the candidate's shareholder number and name in the candidate column of each ballot. If a candidate is not a shareholder, electors must clearly fill in the candidate's name and ID document number. ID document refers to the original copy of the citizens' ID card for domestic natural persons and the original copy of a passport for foreign natural persons. The ID document number shall serve as the person's ID number for the purpose of the election. However, if a candidate

is a governmental organization or legal entity, the name of the governmental organization or legal entity (or the name of the government organization and its representative or the name of the legal entity and its representative) must be clearly filled out in the candidate column of the ballot. If there are several representatives, each of the representatives' names must be filled in.

Article 9

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

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

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

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

Article 10

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

Article 11

The ballot box shall be opened in front of the meeting after the completion of

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

Article 12

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

Article 13

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

Revised Articles Passed by the 2007 General Shareholders' Meeting

Delta Electronics, Inc. (the "Company")
Operating Procedures of Acquisition or Disposal of Assets
(Translation)

June 23, 1989--passed by the Board of Directors
September 12, 1991--amendment passed by the Board of Directors
May 29, 1995--amendment passed by the Board of Directors
April 16, 1996--amendment passed by the Board of Directors
November 26, 1999--amendment passed by the Board of Directors
March 8, 2000--amendment passed by the Board of Directors
February 13, 2003--amendment passed by the Board of Directors
April 9, 2003--amendment passed by the Board of Directors
May 6, 2003--amendment passed by the general shareholders' meeting
May 18, 2004--amendment passed by the general shareholders' meeting
June 8, 2007 – amendment passed by the general shareholders' meeting

Chapter 1 General Principles

Article 1: Legal Basis

These operating procedures ("Operating Procedures") have been promulgated in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission ("Competent Authority").

Article 2: Promulgation and Amendment of the Operating Procedures

After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. The same procedure shall apply to any amendment to the Operating Procedures. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. When the Operating Procedures 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.

Article 3: Definition of Terms

1. Derivatives: refers to forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, and compound contracts comprising combinations of the foregoing products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term

leasing contracts, or long-term purchase (sales) agreements.

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 Statement of Financial Accounting Standards No. 6 published by the Accounting Research and Development Foundation of the Republic of China (the "ARDF").
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 estate or other fixed assets.
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.
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.
8. As used in the Operating Procedures, "within one year" refers to the year preceding the date of occurrence of the acquisition or disposal of assets; however, items duly announced in accordance with the Operating Procedures will be disregarded.
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.

Chapter 2 Scope of Assets and Investment Limits

Article 4: Scope of assets applicable to the Operating Procedures

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 and other fixed assets.
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.

Article 5: The total value of real property or securities purchased by the Company and its subsidiaries ("Subsidiaries") for non-operating use and limit on investment in each specific security are as follows:

1. The total value of real property purchased by the Company for non-operating use may not exceed 20% of the Company's net worth as stated in its latest financial statement.
The total value of real property purchased by a Subsidiary for non-operating use may not exceed 20% of the Subsidiary's net worth as stated in its latest financial statement; if the Subsidiary is a holding company, the total value of real property purchased by the Subsidiary for non-operating use may not exceed 20% of the Subsidiary's net worth as stated in its latest financial statement, either.
2. The total value of securities invested by the Company may not exceed 100% of the Company's net worth as stated in its latest financial statement. The total value of securities invested by a Subsidiary may not exceed 150% of the Subsidiary's net worth as stated in its latest financial statement; however, if the Subsidiary is a holding company, the total value of securities invested by the Subsidiary may not exceed 200% of the Subsidiary's net worth as stated in its financial statement.
3. The investment in a specific security by the Company may not exceed 50% of the Company's net worth as stated in its latest financial statement. The investment in a specific security by a Subsidiary may not exceed 100% of the Subsidiary's net worth as stated in its financial statement; however, if the Subsidiary is a holding company, its investment in a specific security may not exceed 150% of the Subsidiary's net worth as

stated in its financial statement.

Chapter 3 Evaluation and Operating Process

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:

1. For long-term and short-term securities: the Investment Department and the Finance Department.
2. For real property and other fixed assets: the Department which uses such assets and the Finance Department.
3. For membership certificate: the Finance Department.
4. For intangible assets: each business unit and the Finance Department.
5. For claims against financial institutions: the Finance Department.
6. For derivatives: the Finance Department.
7. For assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: the Investment Department.
8. For other important assets: the Department which uses such assets.

Article 7: When the Company should appoint a professional appraiser, accountant, lawyer, or underwriter to assist in appraisal work and obtain an expert opinion in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority, the professional appraiser and its appraisal personnel, the accountant, lawyer, or underwriter so appointed shall not be a related party to the parties in the proposed transaction.

Article 8: When the Company acquires or disposes of assets through court auction procedures, the relevant evidence documentation issued by the court may be used as substitute for the appraisal report or the accountant opinion.

Article 9: If any acquisition or disposal of assets should be approved by the Board of Directors or recognized by the Supervisor, or approved by the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or

Disposal of Assets by Public Companies" promulgated by the Competent Authority or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, 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 Board of Directors, recognition by the Supervisor, or approval by the shareholders' meeting. In terms of any acquisition or disposal of assets which should be approved by the Board of Directors, if any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor. When the Operating Procedures 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.

Chapter 4 Guidelines for the Acquisition or Disposal of Assets and Operating Procedures

Article 10: When acquiring or disposing of securities, the Company shall 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 appoint an accountant to render an opinion on the reasonableness of the transaction price.

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.

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 other fixed assets, 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 acquiring machinery and equipment for operating use, the Company shall obtain an appraisal report in advance from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall apply for any future changes to the terms and conditions of such transaction.
2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers

3. If the professional appraiser's appraisal results revealed any of the following circumstances, the Company shall appoint an accountant to conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price:
 - (1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. Where an appraisal is conducted prior to the execution date of the relevant sale and purchase agreement, the period from the date of the appraisal report to the execution date of the relevant sale and purchase agreement should be no more than three months. However, where the publicly announced current land value for the same period is used and not more than six months have elapsed from the original appraisal report, an opinion may still be issued by the same professional appraiser.
5. Items which should be included in an appraisal report are:
 - (1) Items required in accordance with Regulations on Real Estate Appraisal.
 - (2) Matters regarding the professional appraiser and its appraisal personnel:
 - a. The professional appraiser's name, amount of paid-in capital, organizational structure, and personnel composition.
 - b. The names, ages, academic records and curriculum vitae (with relevant evidences), number of years performing appraisal work and employment period, and number of appraisals conducted of the appraisal personnel.
 - c. Relationship between professional appraiser, appraisal personnel, and the client.
 - d. Declaration of no false statement or omission being contained in the appraisal report.
 - e. Date of appraisal report.
 - (3) Basic information of the subject property, which shall at least include the name and nature, location, and area of the subject property.
 - (4) Examples of transactions involving other properties that are located within the area as the subject property.
 - (5) When the appraisal type is for a specific price or specified price,

the conditions of the specific or specified price and whether said conditions are met under current circumstances, the reason for the difference between the normal prices and such specific or specified price and the reasonableness of such difference, and whether the specific price or specified price is qualified to be used as reference for the transaction price.

- (6) In terms of a joint development contract, the reasonable allocation percentage between the parties should be provided.
- (7) An estimate of land value incremental tax.
- (8) In case that appraised value of the subject property at the same appraisal date among appraisers differs and the difference is twenty percent or more, whether measures provided in Article 41 of the Real Estate Appraiser Act has been taken.
- (9) Attachments to the appraisal report shall include the appraisal details of the subject property, ownership registration information, photocopy of cadastral map, urban planning sketch, location map of the subject property, certificate of land use zoning, and photographs showing current condition of the subject property.

Article 12: Procedures governing acquisition of real property from a related party are as follows:

1. When the Company acquires real property from a related party through purchase or swap, in addition to compliance with the requirements set forth in Article 11, the Company shall follow required procedures and obtain required approvals, and assess the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions. 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.
2. Appraisal and operating procedures:
The Company may acquire real property from a related party only after submitting the following information to the Board of Directors for approval and to the Supervisors for recognition:
 - (1) The purpose, necessity and estimated benefits of the acquisition of the real property.
 - (2) The reason for choosing the related party as the transaction counterparty.
 - (3) Information regarding appraisal of the reasonableness of the proposed transaction terms in accordance with the provisions of items (1) and (4), subparagraph 3 of this Article 12.

- (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.
- (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.
- (6) Restrictive covenants and other important terms in connection with the transaction.

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.

3. Assessment of reasonableness of transaction cost:
 - (1) The Company shall use the following methods to assess the reasonableness of the transaction cost when acquiring real property from a related party:
 - a. Based upon the related party's transaction price plus necessary interest on funding and the costs payable by the buyer in accordance with applicable law. "Necessary interest on funding" refers to and is calculated by use of the weighted average interest rate on funds borrowed by the Company in the year when the Company plans to purchase the property as the basis. However, such necessary interest on funding may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - b. Based upon the total appraisal value from a financial institution if the related party has previously taken a mortgage on the property as security for a loan; provided that the actual cumulative amount lent by the financial institution shall be 70% or more of the financial institution's appraisal value for the property and the loan shall have been disbursed and outstanding for one year or more. However, this method shall not apply if the financial institution is a related party of one of the transaction counterparties.
 - (2) Where the land and the building situated thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the building may be separately appraised in

accordance with either of the methods set forth in the preceding paragraph.

- (3) When the Company acquires real property from a related party, it shall appraise the cost of the real property in accordance with the provisions of items (1) and (2), subparagraph 3 of this Article 12, and shall also engage an accountant to review the appraisal result and issue a specific opinion regarding appraisal result.
- (4) Where the Company acquires real property from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2), subparagraph 3 of this Article 12 are both lower than the transaction price, the transaction shall be handled in accordance with the provisions of Item (5), subparagraph 3 of this Article 12. However, if any of the following circumstances occur and where any objective evidence has been provided and specific opinions on reasonableness of the transaction price have been obtained from a professional appraiser and an accountant have been obtained, the preceding paragraph shall not apply:
 - a. When the related party has acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - i. The undeveloped land is appraised in accordance with the foregoing methods, and the building is appraised according to the related party's construction cost plus reasonable construction profit, and the total appraised value of the land and the building is in excess of the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - ii. Concluded transactions by unrelated parties within the preceding year involving other floors of the same target property or properties located in the neighboring area, of which the property size and transaction terms are similar to the proposed transaction after taking into consideration of reasonable price differences in floor or area prices in accordance with standard real property market practices.
 - iii. Concluded leasing transactions by unrelated

parties within the preceding year for other floors of the same target property, of which the transaction terms are similar to the proposed transaction after taking into consideration of reasonable price differences in floor according to standard real property leasing market practices.

- b. Where the Company provides evidences that the terms of the proposed acquisition of real property with the related party are similar to the terms of transactions concluded for the acquisition of property located in neighboring area of a similar size by unrelated parties within the preceding year. Concluded transactions for the acquisition of property located in neighboring area in the preceding paragraph in principle refers to property located at the same or an adjacent block of the target property and within a distance of no more than 500 meters or the publicly announced current value of the property is close to that of the target property; transaction of similar size refers to transactions concluded by unrelated parties with a land area of no less than 50% of the target property; within one year refers to one year preceding the date of occurrence of the proposed acquisition of the target property.

(5) When the Company acquires real property from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2), subparagraph 3 of this Article 12 are both lower than the transaction price, the Company shall comply with the following provisions. In addition, if the Company and any public company that invests in the Company using the equity method have allocated a special reserve in accordance with the following provisions, the Company and the public company may not utilize such special reserve until it has recognized loss due to price decline for such real property, or such property has been disposed of, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith from the Competent Authority shall have been obtained.

- a. The Company shall allocate the difference between the real property transaction price and the estimate cost as a special reserve in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distribute this reserve or use it for capitalization and issuance of new shares. If an investor that has investment in the Company by using the equity method is a public company, it shall also allocate special reserve in an

amount in proportion to its shareholding in the Company according to paragraph 1, Article 41 of the Securities and Exchange Act.

- b. Supervisors of the Company shall comply with Article 218 of the Company Law.
- c. The Company shall report matters handled under the foregoing items (1) and (2) to the shareholders' meeting and shall disclose the details of the transaction in its annual report and prospectus.

(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 reasonableness of transaction cost are not applicable:

- 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.

(7) When the Company acquires real property from a related party and there is other evidence indicating that such acquisition does not conform to conventional business practice, the Company shall act in accordance with item (5), subparagraph 3 of this Article 12.

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 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 accordingly.

Article 14: The Company shall comply with the following guidelines with regard to the acquisition or disposal of claims against financial institutions: The Company shall not engage in the acquisition or disposal of claims against financial institutions. If the Company wishes to acquire or dispose of claims against financial institutions in the future, it shall promulgate

assessment and operating procedures after obtaining approval by the Board of Director.

Article 15: Procedures governing derivatives trading activities are as follows:

1. Trading principles and strategies:

(1) Types of trades:

The scope of the Company's derivatives trading shall be limited to forward foreign exchange, options, interest rate or exchange rate swaps, outright bond purchase and sale, and repurchase transactions. Prior approval of the Board of Directors is required for trading of other types of products.

(2) Operating and hedging strategies:

The Company shall engage in derivatives trading for the purpose of mitigating risks. When selecting derivatives products, the Company shall choose from the products with a view to mitigate the risks arising from the Company's business operating. In addition, to avoid creating credit risk, the Company shall choose derivatives trading counterparties from the Company's correspondent banks to the extent possible.

(3) Delegation of powers and duties:

a. Funds management: Funds management is the pivot of the foreign exchange management system; it is necessary to acquire foreign exchange mark information, assess trends and risks, have knowledge of financial products, be familiar with relevant laws and regulations and have relevant skills in order to provide the management, sales, purchasing, accounting, and funds management departments with sufficient and up-to-date information.

b. Accounting Department: Accounting Department is responsible for the control of the Company's overall foreign exchange position and shall accurately calculate realized and future positions for the Company to set account exchange rates and lock in profit and cost, which may avert the performance of the Company's core business from being influenced by exchange rate fluctuations. Accounting Department needs to rely on the information provided by purchasing and sales departments for the prediction and creation of positions, and a high level of accuracy of such information is essential to the holding of positions.

(4) Trading limits:

a. Hedging trade limit: The Company shall use the monthly trading-type foreign exchange hedge net position as the hedging limit. Any excess of such limit shall be approved by the Board of Directors in advance.

b. Special purpose trade limit: Special purpose trading limit

shall be confined to capital expenditures, corporate bonds, and long-term investments and the actual amount of such transactions is used as the maximum hedging amount.

- c. Others: The trading limit, stop-loss limit, and authorized limit for other trades which does not belong to the two foregoing categories should be approved by the Board of Directors before execution.

(5) Performance evaluation:

- a. Performance evaluation shall be based on the exchange rate costs on the Company's books and profit/loss from derivatives trading.
- b. The Company has adopted a monthly profit/loss appraisal approach in order to accurately manage and disclose price risks of derivatives trading.

(6) Setting of loss limits:

- a. Hedging trade:
 - i. After a trading position has been established, a stop-loss spot must be set to prevent over-limit losses. The stop-loss spot shall not exceed 10% of the trading contract amount. If the loss amount exceeds 10% of the trading amount, such event shall be immediately reported to CEO and the Board of Directors for discussion of necessary counter measures.
 - ii. The loss amount for each trading contract shall not exceed 10% of the contract amount.
 - iii. After a trading position has been established, a clear stop-loss exchange rate and interest rate shall be set based on 10% of the amount shown on the trade approval sheet. The stop-loss exchange rate and interest rate shall be recorded in the trade approval sheet and prior approval for the transaction shall be obtained in accordance with the authorized limit table. Market fluctuations must be monitored constantly so long as a position is held; if the exchange rate or interest rate reached the stop-loss spot, stop loss measures must be immediately implemented.
- b. Special purpose trade:

Special purpose trade is used to hedge risks for definite purpose, and there must be specific corresponding hedge positions. In principle, a special purpose trade will not be

early terminated.

2. Operating procedures:

(1) Authorized limit (including hedging trades and special purpose trades):

In accordance with the Company's growth of sales, change of risk positions, and designated purpose, the authorized limits of the Company are set as follows. Any amendment to the authorized limit shall be approved by the Board of Directors before implementation.

	<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

To ensure that the Company's authorization cooperate with the corresponding bank's oversight, the foregoing authorized limits and operating and hedging strategies shall be reported to the relevant corresponding bank. The bank shall be notified of any amendment to the authorized limit and make corrections thereof. In addition to compliance with the existing terms between Company and the bank, the bank shall be requested to continue to control the Company's trading and positions in accordance with the foregoing authorized limit table.

(2) Execution department:

As derivatives trading is characterized by rapid fluctuations, large monetary amounts, frequent trading, and complex calculations, it is necessary to appoint well trained professionals to conduct the trading and management. Thus, all derivatives trading shall be executed by authorized funds management personnel designated by the Chief Officer of the Finance Department.

3. Accounting treatment:

Accounting treatment shall be handled in accordance with the ROC Financial and Accounting Standards and other regulations.

4. Internal control system:

(1) Risk management measures:

a. Credit risk considerations: In principle, transaction counterparties are limited to the Company's correspondent banks and those who could provide professional information.

b. Market risk considerations: The major trading market is

to trade in the OTC (over-the-counter) market via banks. The Futures market is not taken into consideration currently.

- c. Liquidity considerations: To ensure liquidity, the bank which the Company transacts with should have sufficient equipment, information, and trading capabilities, and should be able to trade in any market.
- d. Operation considerations: To avoid operation risk, the Company shall observe the authorized limit and operating procedures closely.
- e. Legal risk: To avoid legal risk, all documents to be entered into between the bank and the Company shall be reviewed by the Legal Department and the Finance Department before execution.
- f. Product risk: Internal trading officers and counterparty banks should possess extensive and correct professional knowledge in connection with the trading of financial products. It is required for the counterparty banks to fully disclose risks to the Company so as to avoid losses from incorrect use of financial products.
- g. Cashflow risk: In addition to strictly observe the limits as set forth in the authorized limit table, the trading officers shall pay close attention to the Company's foreign currency cash-flow so as to ensure that there is sufficient cash to pay for F/X settlements.

(2) Internal control:

- a. Trading personnel shall not concurrently serve as confirmation and settlement personnel.
- b. Trading personnel shall give trading vouchers or contracts to recording personnel for records.
- c. Recording personnel shall regularly check account balances with correspondent banks or request for bank statements.
- d. Recording personnel shall check whether the total amount of trades has exceeded the net position of foreign currency assets, liabilities and commitment net positions from time to time.
- e. The Funds Management Department shall assess the profit/loss status based on the final posted daily exchange rates and produce a report thereof at the end of each

month. The Funds Management Department shall submit such report to the Chief Officer of the Finance Department and the Company's senior management officers.

- f. Personnel responsible for the risk assessment, monitoring, and control shall be assigned to different departments from the personnel referred to in the foregoing subparagraphs, and shall report to the Board of Directors or senior management officers not responsible for trading or position decisions.

(3) Regular evaluation methods:

- a. The Board of Directors shall authorize senior management personnel to regularly monitor and evaluate whether derivative trades are executed in compliance with the Company's trading procedures, and determine whether the risk exposure is within the acceptable limits. Whenever a market price evaluation report contains any irregularity (such as the position held exceeding the loss limit), the aforementioned personnel shall immediately report to the Board of Directors and take necessary counter measures.
- b. Derivative trading positions held shall be evaluated at least once each week. However, hedging trades executed for the Company's business needs shall be evaluated at least twice each month. Evaluation reports shall be submitted to the Chief Officer of the Finance Department.

(4) Oversight principles for derivative trading by the Board of Directors:

- 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:
 - 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 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. If the Company has independent directors, at least

one independent director should be present at the meeting and express his opinion.

- 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.
- 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.
- 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.

5. Internal audit system:

- (1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify the Supervisors of Company in writing if any material violation is found.
- (2) The Company's internal auditor shall file the audit report together with the annual internal audit review report for the preceding year with the Competent Authority by the end of February each year. The Company's internal auditor shall also report any improvements of irregularities during the preceding year to the Competent Authority by the end of May each year.

Article 16: Procedures governing mergers or consolidations, splits, acquisitions, or assignment of shares are as follows:

1. Appraisal and operating procedures:

- (1) When the Company wishes to conduct a merger or consolidation, split, acquisition, or assignment of shares, it may engage an accountant, lawyer, and underwriter to jointly review statutory procedures and proposed timetable; the Company shall also form a project execution team to implement the transaction in accordance with statutory procedures. The Company should, prior to convening a meeting of the Board of Directors to decide on the matter, further engage an accountant, lawyer, or underwriter to

render opinions regarding the reasonableness of the share swap ratio, acquisition price, or distribution of cash or other property to shareholders, and shall submit the same to the Board of Directors for discussion and approval.

- (2) When conducting a merger or consolidation, split, or acquisition, the Company shall prepare a public report to its shareholders, specifying important contractual contents and matters relevant to the merger or consolidation, split, or acquisition prior to the shareholders' meeting. The Company shall attach such public report and the expert opinions referred to in item (1), subparagraph 1 of this Article 16 when sending the notice of shareholders' meeting for shareholders' reference in determining whether to approve the merger or consolidation, split, or acquisition. However, if the convention of shareholders' meeting to approve the merger or consolidation, split, or acquisition is exempted by applicable laws, the notification requirement for sending the notification in the preceding paragraph shall not apply. Moreover, where any one of the companies participating in a merger or consolidation, split, or acquisition fails to convene or obtain a resolution due to lack of a quorum, insufficient votes, or restrictions by applicable laws, or the proposal was vetoed by the shareholders' meeting, such company shall immediately publicly announce an explanation of the reason for such failure, follow-up measures to be taken, and the proposed date of the next shareholders' meeting.

2. Other matters to be noted:

- (1) Date of shareholders' meeting or meeting of the Board of Directors: Companies participating in a merger or consolidation, split, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters relevant to the merger or consolidation, split, or acquisition, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance. Companies participating in an assignment of shares shall convene their board meetings on the same day, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:

- a. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved prior to disclosure of the information in the planning or implementation of any merger or consolidation, split, acquisition, or assignment of another company's shares.

- b. Dates of material events: including those for signing of any letter of intent or memorandum of understanding, engaging of a financial or legal advisor, execution of a contract, and convening of a board of directors meeting.
- c. Important documents and minutes: including merger or consolidation, split, acquisition, or plan of assignment of share, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall, within two days of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

Where any of the companies participating in a merger or consolidation, split, acquisition, or assignment of another company's shares is neither listed in the securities exchange nor trading over-the-counter, the Company shall sign an agreement with such company in order to prepare a full written record of the information of basic identification data for personnel, dates of material events and important documents and minutes and retain it for five years for reference and to report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

- (2) Commitment to confidentiality obligations in advance: Each person participating in or being informed of the plan for merger or consolidation, split, acquisition, or assignment of shares shall execute a written undertaking of confidentiality and shall not disclose the contents of the plan prior to public announcement of information in connection with the plan and shall not trade, in their own names or under the name of another person, in any stock or other equity security of any company related to the plan for merger or consolidation, split, acquisition, or assignment of shares.
- (3) Principles for setting and amending share swap ratio or acquisition price: When conducting a merger or consolidation, split, acquisition, or assignment of shares, except for the following circumstances, the share swap ratio or acquisition price shall not be amended arbitrarily and the circumstances in which the share swap ratio or acquisition price could be amended should be provided in the contract for the merger or consolidation, split, acquisition, or assignment of shares:
 - a. Capital increase by cash, issuance of convertible bonds,

free distribution of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.

- b. Any disposal of material assets of the company or other action which may have a material adverse effect on the company's financial condition or business.
- c. A disaster or major technological shift or other event which may affect shareholder's equity or the share price.
- d. An adjustment results from the buy-back of treasury stock by any of the companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
- e. An increase or decrease in the number of entities or companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
- f. Other terms and conditions allowing amendments which have been provided in the relevant contract and have been publicly disclosed.

(4) Items to be provided in contract: In addition to those items required under Article 317-1 of the Company Law and Article 22 of the Business Mergers and Acquisitions Act, the contract for participation in a merger or consolidation, split, acquisition, or assignment of shares shall provide the following provisions:

- a. Remedy for breach of contract.
- b. Principles for the handling of equity securities previously issued or treasury stock previously bought back by any company that is to be dissolved in a merger or that is spun off.
- c. The amount of treasury stock that could be bought back by participating companies in accordance with applicable laws after the record date of calculation of the share swap ratio, and the handling principles thereof.
- d. Methods for handling changes in the number of participating entities or companies.
- e. Estimated schedule for execution of the plan, and anticipated completion date.
- f. Scheduled date for convention of shareholders' meeting in accordance with applicable laws in the event that execution of the plan falls behind the estimated schedule

and relevant handling procedures.

- (5) Changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares: After relevant information has been publicly announced, if any company participating in the merger or consolidation, split, acquisition, or assignment of shares intends further to carry out a merger or consolidation, split, acquisition, or assignment of shares with another company, all of the participating companies shall repeat the procedures or legal actions that had originally been completed toward the merger or consolidation, split, acquisition, or assignment of shares; except that where the number of participating companies is decreased and the participating company's shareholders' meeting has resolved and authorized the Board of Directors to amend the terms, such participating company could be exempted from convening another shareholders' meeting to resolve the matter again.
- (6) Where a company participating in a merger or consolidation, split, acquisition, or assignment of shares is not a public company, the Company shall sign an agreement with that company, and shall conduct the merger or consolidation, split, acquisition, or assignment of shares in accordance with the Board of Directors meeting convention date specified in item (1), the confidentiality obligation in item (2), and the requirements regarding changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares in item (5), subparagraph 2 of this Article 16.

Chapter 5 Disclosure of Information and Public Announcement and Reporting Procedures

Article 17: Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:

1. Acquisition of real property from a related party.
2. Investment in the Mainland China area.
3. Merger or consolidation, split, acquisition, or assignment of shares.
4. 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.
5. Other asset transactions other than those referred to in the preceding four subparagraphs, or disposal of receivables by a financial institution, 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:

- (1) Trading of government bonds.
 - (2) Where the company is an investment company, the securities trading in foreign securities exchanges or over-the-counter markets.
 - (3) Trading of bonds under repurchase/resale agreements.
 - (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.
 - (5) Acquisition or disposal of real property under arrangement of commissioned construction on self-owned 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.
6. The transaction amount referred to in the foregoing five 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:
- (1) The amount of each transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within one year.
 - (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).
 - (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).

Article 18: Deadline for public announcement and reporting:

When acquiring or disposing of assets, if such acquisition or disposal is one of the items that should be publicly announced and reported, and the transaction amount reaches the requirements for public announcement and reporting, the Company shall make the public announcement and reporting on the website designated by the Competent Authority in the format prescribed by the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority within two days of the date of occurrence.

Article 19: Procedures governing public announcement and reporting are as follows:

1. The Company shall make the public announcement and reporting of relevant information on the website designated by the Competent Authority in accordance with the preceding Article 18.
2. The Company shall post information regarding derivative trading activities of the Company and its subsidiaries that are not domestic public companies during the preceding month on the reporting website designated by the Competent Authority in the required format by the tenth day of each month.
3. If any required items publicly announced by the Company in accordance with applicable regulations contain errors or omissions and an correction thereof is necessary, the Company shall make an public announcement and report of such items in their entirety again.
4. When acquisition or disposal of assets, unless otherwise provided in other applicable laws, the Company shall keep all relevant contracts, resolution minutes, memorandum books, appraisal reports, and opinions of accountants, lawyers, or underwriters for at least five years.
5. After the Company has publicly announced and reported a transaction in accordance with applicable regulations, in case any of the following event occurs, it shall report relevant information on the website designated by the Competent Authority within two days of the date of occurrence:
 - (1) Any amendment, termination or discharge of the contracts originally executed in the transaction.
 - (2) The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled completion date set forth in the relevant contract.

Chapter 6 Supplemental Provisions

Article 20: The Subsidiaries shall comply with the following provisions:

1. The Subsidiaries shall promulgate its own "Operating Procedures of the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating procedures.
2. When a Subsidiary acquires or disposes of assets, the Subsidiary shall act in accordance with these Operating Procedures. The Audit Division of the Company shall include the operating specifics of the acquisition or disposal of assets by the Subsidiaries as one of the internal audit items and shall conduct audits regularly or randomly; and shall review the self-check

report prepared by the Subsidiaries.

3. If a Subsidiary is not a public company but its transaction amount of acquisition or disposal of assets meets the requirement of public announcement and reporting as set forth in the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall make the public announcement and reporting on behalf of the Subsidiary.
4. With regard to requirement of public announcement and reporting for subsidiaries, the provisions regarding "exceeding 20% of the company's paid-in capital" shall refer to the parent company's paid-in capital.

Article 21: Penalty provision is as follows:

If any of the Company's officers in charge of the acquisition or disposal of assets violates the Operating Procedures and such violation is verified, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

Article 22: Any matters not provided in these Operating Procedures shall be handled in accordance with applicable laws and regulations.

Delta Electronics, Inc.
Table of Authorized Limits for the Acquisition or Disposal of Assets
("Authorized Limit Table")

1. Authorized limits for single securities acquisition or disposal transaction are as follows:

Chairman of the Board of Directors	NT\$300 million or less
CEO	NT\$100 million or less
General manager	NT\$30 million or less
Chief Officer of the Investment Department	NT\$15 million or less

2. Authorized limits for cumulative daily securities acquisition or disposal transaction are as follows:

Chairman of the Board of Directors	NT\$1.5 billion or less
CEO	NT\$1 billion or less
Chief Officer of the Finance Department	NT\$500 million or less

3. Authorized limits for single real property or other fixed assets acquisition or disposal transaction are as follows:

Chairman of the Board of Directors	NT\$100 million or less
CEO	NT\$50 million or less
General Manager	NT\$30 million or less
Head of each Business Unit	NT\$5 million or less

4. Authorized limits for single membership certificate acquisition or disposal transaction are as follows:

Chairman of the Board of Directors	NT\$5 million or less
CEO	NT\$4 million or less
General Manager	NT\$3 million or less

5. Authorized limits for single intangible assets acquisition or disposal transaction are as follows:

Chairman of the Board of Directors	NT\$100 million or less
CEO	NT\$50 million or less
General Manager	NT\$30 million or less
Head of each Business Unit	NT\$5 million or less

6. Authorized limits for derivatives trading are as follows:

	<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

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.

Delta Electronics, Inc. (the "Company")
Operating Procedures of Fund Lending
(Translation)

November 6, 1995--passed by the Board of Directors
December 5, 1995--amendment passed by the Board of Directors
April 16, 1996--amendment passed by the Board of Directors
February 23, 2002--amendment passed by the Board of Directors
March 22, 2002--amendment passed by the Board of Directors
February 13, 2003--amendment passed by the Board of Directors
May 6, 2003--passed by the general shareholders' meeting
May 18, 2006-- passed by the general shareholders' meeting
June 10, 2009-- passed by the general shareholders' meeting

Article 1:

The Company shall comply with these operating procedures ("Operating Procedures") when lending funds to others. Any matters which are not provided herein shall be governed by applicable laws and regulations.

Article 2: Recipients, Reasons and Necessity of Fund Lending

1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of a related party.
2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:
 - (1) Where more than 50% of the equity shares with voting rights of the funding recipient is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.
 - (2) Where more than 50% of the Company's equity shares with voting rights are directly and indirectly owned by another company, and such company is in need of short-term financing in connection with its financial and operational demands.
 - (3) Where a related party is in need of short-term financing in connection with its material-purchasing or operational needs.
 - (4) Other circumstances where the funding recipient is in need of short-term financing, and the funding is approved by the Board of Directors of the Company.

Article 3: Total Amount of Funds Lending and Limit for Each Recipient

1. When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and shall not exceed 10 percent of the Company's net worth as stated in the Company's latest financial statements, and the total amount lent shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements; when providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 10 percent of the Company's net worth as stated in the Company's latest financial statements, and the total short-term financing amount shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements. The

aggregate amount of total funds lent to other companies or enterprises with which the Company has business relations and total short-term financing provided to other companies or enterprises shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements.

2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year and shall not exceed 10 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements; when providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 10 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, and the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements.

3. The lending of funds between the Company and the foreign Subsidiaries whose equity shares with voting rights are 100% held (directly and indirectly) by the Company may be exempt from the restrictions prescribed in the preceding two paragraphs.

Article 4: Term of Fund Lending and Calculation of Interest

The term of each individual loan or funding offered by the Company shall not exceed one year, and the interest rate for each loan or funding shall be adjusted variably according to the funding cost of the Company.

Article 5: Procedures for Fund Lending

1. Handling Procedures

(1) When lending funds or providing short-term financing to others, the Company's division in charge shall review and submit the proposal for the Chairman of the Board's approval and then for discussion and consent by the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The Company shall take into full consideration of each independent director's opinion in the discussion by the Board of Directors, and shall record each independent director's explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.

(2) The Finance Division of the Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the Board of Directors, the Finance Division shall record the details of the entity to which the lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.

(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Supervisors of the Company in writing.

(4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of

public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the Company in the Company's financial statements and shall provide relevant information to the Company's external auditing CPA.

(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Supervisors of the Company and rectify as scheduled under the corrective plans.

2. Review Procedures

(1) The company or enterprise which applies for funds shall provide its relevant financial information and specify its intended usages of funds in writing for the Company's review.

(2) After receiving the application for lending of funds, the Company's division in charge shall investigate and evaluate the necessity and reasonableness of the funding, whether there are direct or indirect business relations between the funding recipient and the Company, the recipient's financial and operational condition, the recipient's ability for repayment of indebtedness and its credit worthiness, profitability, and intended usages of funds. The extents of impact of the Company's aggregate amount of funds lent on the Company's operations, financial conditions and shareholders' equity shall also be taken into consideration, and the division in charge shall then prepare a written report based on its evaluation and submit the report to the Board of Directors for review.

(3) When lending funds or providing short-term financing to others, the Company shall require the borrower to provide guarantee notes in the same amount of funds lent and if necessary, shall require the borrower to provide personal property or real property as collaterals and to perfect the liens on the collaterals, and the Company shall evaluate quarterly whether the value of the collateral provided is comparable to the balance of the amount of funds lent and shall demand additional collaterals if necessary. With regards to the aforementioned collateral, if the borrower provides guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals, the Board of Directors may, referring to the assessment report of the division in charge, consider such guarantee and make a decision ; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

(4) Fire insurance shall be procured for each collateral except for land and securities; the insurance limits shall be in principle no less than the replacement cost of the collateral; each insurance policy shall designate the Company as the beneficiary and the title, quantity, location and insurance terms of the insured subject on the insurance policy shall be consistent with the original terms and conditions of the lending of funds made by the Company.

Article 6: The Follow-Up Control Measures of Funds Lent

After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued. If repayment cannot be made on the due date, the borrower shall apply for a deferred repayment in advance and such defer request shall be submitted to the Board of Directors for approval; otherwise the

Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.

Article 7: Additional Guidelines of Lending Funds to Others

1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.
2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the Supervisors of the Company in writing.
3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Supervisors of the Company and rectify as scheduled under the corrective plans.

Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries

1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.
2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and Supervisors.
3. If the Subsidiary is not a public company but in the event its amount of funds lent reaches any of the thresholds of public announcement and reporting as set forth in the second paragraph of Article 9, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

Article 9: Public Announcement and Reporting Procedures

1. The Finance Division shall report every month the balance of lending of funds made by the Company and its Subsidiaries in the preceding month by the fifth day of the current month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.
2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:

- (1) The balance of lending of funds lent to others by the Company and its Subsidiaries reaches 20

percent or more of the Company's net worth as stated in the Company's latest financial statements.

(2) The balance of funds lent by the Company and its Subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(3) Amount of funds newly lent by the Company or its Subsidiaries exceeds NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(4) After the public announcement and reporting has been made pursuant to any of the preceding items (1)-(3), the balance of funds lent increases by more than 2 percent of the Company's net worth as stated in the Company's latest financial statements.

3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material

Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

Article 10: Penalty Provisions

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

Article 11: Other Matters

After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.

When the Operating Procedures 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 and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

Delta Electronics, Inc. (the "Company")
Operating Procedures of Endorsement and Guarantee
(Translation)

February 8, 1988--passed by the Board of Directors
March 19, 1988--passed by the general shareholders' meeting
March 8, 1994--amendment passed by the Board of Directors
April 21, 1994--amendment passed by the Board of Directors
May 9, 1994-- passed by the general shareholders' meeting
November 6, 1995—amendment passed by the Board of Directors
December 5, 1995--amendment passed by the Board of Directors
April 16, 1996--amendment passed by the Board of Directors
June 6, 1996--passed by the general shareholders' meeting
April 2, 1997--amendment passed by the Board of Directors
June 3, 1997--passed by the general shareholders' meeting
February 13, 2003--amendment passed by the Board of Directors
May 6, 2003--passed by the general shareholders' meeting
May 18, 2006-- passed by the general shareholders' meeting
June 10, 2009-- passed by the general shareholders' meeting

I. Purpose

These operating procedures ("Operating Procedures") have been promulgated in order to specify the procedures for making endorsements and guarantees by the Company and to strengthen the internal control of the Company. Any matters which are not provided herein shall be governed by applicable laws and regulations.

II. Scope

The term "endorsements and guarantees" referred to herein includes:

1. Endorsements and guarantees in connection with financing:

- (1) Made for financing in connection with discounts on customer's check.
- (2) Endorsements or guarantees made for the financing needs of another company.
- (3) Negotiable instruments issued in favor of a non-financial institution as collaterals for the Company's financing purpose.

2. Customs duty endorsements and guarantees:

Endorsements or guarantees made for the Company itself or other companies relating to the customs duties payable by the Company or other companies.

3. Other endorsements and guarantees: Any endorsements or guarantees provided for the purposes outside the scope as mentioned in the preceding two items.

The creation of a pledge or a mortgage over the Company's personal or real property as collateral for the loans borrowed by other companies shall also be governed by the Operating Procedures.

III. Recipients of Endorsements and Guarantees

The Company may make endorsements and/or guarantees for the following companies:

1. Related parties with which the Company has business relations.
2. A company in which the Company directly and indirectly owns more than 50 % of its voting shares.
3. The company which directly and indirectly owns more than 50% of the Company's voting shares.

A company in which the Company directly and indirectly owns 100% of its voting shares may make endorsements and/or guarantees to another company in which the Company directly and indirectly owns 100% of its voting shares.

The mutual guarantees made by and between the Company and other enterprises of the same trade for the need of contracting for construction work or between joint builders in compliance with the contracts or the endorsements/ guarantees made by the shareholders for joint investment in a company in proportion to their shareholdings shall be exempt from the restrictions prescribed in the preceding two paragraphs.

The aforementioned investment refers to the investment directly made by the Company or indirectly made through a company whose voting shares are 100% owned by the Company.

The terms "related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Statement of Financial Accounting Standards No. 5, No. 6 and No. 7 published by the Accounting Research and Development Foundations of the Republic of China.

IV. Limits of Endorsements and Guarantees

The total amount of the endorsements and guarantees made by the Company shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements.

The total amount of the endorsements and guarantees made by the Company and its subsidiary as a whole shall not exceed 50 percent of the Company's net worth as stated in the Company's latest financial statements; and the total amount of endorsements and guarantees made to a single enterprise shall not exceed 30 percent of the Company's net worth as stated in the Company's latest financial statements.

In addition to the limits set forth in the preceding paragraph, the total amount of endorsements and guarantees made by the Company for a single enterprise with which the company has business relations shall be comparable to the purchase amount or sales revenue with that enterprise in the previous year or current year as of the time the endorsements and guarantees are made, whichever amount is higher.

V. Procedures for Making Endorsement and Guarantee

1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is

in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article VI of the Operating Procures for the Chairman of the Board's approval and then for discussion and consent by the Board of Directors. If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.

The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

2. The Finance Division of the Company shall set up a record book for recording matters relating to making endorsements and guarantees by the Company. After an endorsement or guarantee has been approved by the Board of Directors or the Chairman of the Board, the Finance Division shall apply for stamping by the Company seal in accordance with applicable internal rules of the Company, and shall also record the entity for which the endorsement or guarantee is made, amount, date of approval by the Board of Directors or the Chairman, endorsement or guarantee date, and matters to be carefully evaluated in accordance with Article VI of the Operating Procedures.

3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify the Supervisors of the Company in writing.

4. The Finance Division of the Company shall prepare a table listing endorsements and guarantees made or revoked each month in order to facilitate the Company's internal control, tracking, and making public announcement and reporting. The Finance Division of the Company shall also evaluate and record the contingent loss for endorsements and guarantees made according to the Statement of Financial Accounting Standards No. 9, and shall disclose information relating to endorsements and guarantees made by the Company in the Company's financial statements and shall provide relevant information to the Company's auditing CPA.

5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to the Supervisors of the Company and rectify as scheduled under the corrective plans.

6. If there are necessary business needs for the Company to exceed the limits of endorsements and guarantees set forth in the Operating Procedures and if the requirements set forth in the Operating Procedures are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss of the Company that might incur due to the excess amount of endorsements and guarantees. The Operating Procedures shall also be amended

accordingly and submitted to the shareholders' meeting for approval. If the shareholders' meeting does not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period.

The Company shall take into full consideration of each independent director's opinion when discussing the amendment in the meeting of Board of Directors and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

VI. Detailed Review Procedures

When making endorsements and guarantees, the Finance Division of the Company shall review and assess the following matters and prepare an assessment report accordingly:

1. To evaluate the necessity and reasonableness based on the understanding of the relations between the entity for which the endorsement or guarantee is to be made and the Company, the purposes and usages of the money borrowed by such entity, the connection of such entity with the Company's business or the importance of such entity's operations to the Company, together with Company's limits of endorsements and guarantees and current balance of the limits.
2. To assess potential risks that might occur by obtaining the annual report, financial statements, and other relevant information of the entity for which the endorsement or guarantee is to be made, and analyzing the operations, financial condition, and credit worthiness of such entity and the source of repayment of its debts.
3. To evaluate the risk on operations, and impact on the financial condition and shareholders' equity of the Company by analyzing the ratio of current balance of endorsements and guarantees to the net worth of the Company, the liquidity and cashflow of the Company, together with the review results under the preceding two paragraphs.
4. To determine whether it is necessary for the entity for which the endorsement or guarantee is to be made to provide collateral based on the assessment results under the preceding three paragraphs, and to evaluate each quarter whether the value of the collateral provided is comparable to the balance of the amount of endorsements and guarantees made and to demand additional collaterals if necessary.

VII. Procedures for Controlling Endorsements and Guarantees Made by Subsidiaries

1. When a subsidiary of the Company wishes to provide endorsements and guarantees to other entity, the subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Endorsement and Guarantee". The subsidiary shall also submit to the Company a written report summarizing the balance of endorsements and guarantees made, entities for which the endorsements and guarantees are made, and the term of the endorsements and guarantees made in the preceding month by the fifth day of the following month. The Audit Division of the Company shall include the operating specifics of the endorsements and guarantees made by the subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and Supervisors.
2. If a subsidiary of the Company is not a public company but its amount of endorsements and guarantees

made meets the requirement of public announcement and reporting as set forth in Article X, paragraph 2 of the Operating Procedures, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

VIII. Decision-making and Authorization

Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article V of the Operating Procedures and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.

The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

IX. Procedures for Use and Custody of Corporate Seal

1. According to applicable regulations promulgated by the competent authority in charge of securities matters, the Company shall use the corporate seal registered with the Ministry of Economics Affairs as the dedicated stamp for endorsements and guarantees. The dedicated stamp for endorsements and guarantees shall be kept under the custody of a designated custodian approved by the Board of Directors. If there is any change of the custodian, the Board of Directors shall approve such change, and the dedicated stamp shall be transferred to the custody of the successor custodian.

2. When the Company makes a guarantee for a foreign company, the Company shall have the guarantee letter signed by a person authorized by the Board of Directors.

X. Public Announcement and Reporting Procedures

1. The Finance Division shall report the balance of endorsements and guarantees made by the Company and its subsidiaries in the previous month by the fifth day of the following month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.

2. In addition to the monthly public announcement and reporting of the Company's balance of endorsements and guarantees, when the amount of endorsements and guarantees made by the Company and its subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days of the occurrence of such event:

(1) The balance of endorsements and guarantees made by the Company and its Subsidiaries reaches 50 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(2) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(3) The balance of endorsements and guarantees made by the Company and its Subsidiaries to a single enterprise reaches NT\$10 million or more and the aggregate amount of endorsements and guarantees for, long-term investment in, and balance of loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in the Company's latest financial statements.

(4) The amount of endorsements and guarantees newly made by the Company or its Subsidiaries exceeds NT\$30 million and reaches 5 percent or more of the Company's net worth as stated in the Company's latest financial statements.

3. If any of the matters to be public announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

XI. Penalty Provisions

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will be submitted for review according to the Company's working rules and will receive penalties commensurate with the severity of such violation.

XII.

In case of endorsement or guarantee provided for a subsidiary whose net worth is lower than one half of the paid-in capital, the financial unit of the Company shall, on a monthly basis, assess the financial structure of such subsidiary, and upon any major changes, shall immediately notify the Chairman and request the relevant divisions in charge to handle the matters as soon as possible.

XIII. Other Matters

After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendment to the Operating Procedures.

When the Operating Procedures 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 and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.

Delta Electronics, Inc.
Details of Major Acquisition or Disposal of Assets in 2011

Counterparty	Name of Asset	Acquisition or Disposal	Value of Acquisition or Disposal (NT\$)	Number of Shares Acquired or Disposed of (shares)	Relationship with the Company
Delta Electronics Capital Company	Common shares of Delta Electronics Capital Company	Acquisition	700,000,000	70,000,000	Subsidiary of the Company
Allied Material Technology Corp.	Common Shares of Allied Material Technology Corp.	Acquisition	2,710,151,769	271,017,597	None
Pre-Optix Co. Ltd. ¹	Common Shares of Pre-Optix Co. Ltd. (HK)	Acquisition	170,781,555	5,250,000	Subsidiary of the Company
Pre-Optix Co. Ltd. ²	Common Shares of Pre-Optix Co. Ltd.	Disposal	277,448,000	28,000,000	Subsidiary of the Company
Emering Stock Market	Common Shares of Tera Xtal Technology Corporation	Disposal	103,104,822	1,116,000	None
Stock Exchange	Common Shares of Edison Opto Corporation	Disposal	290,436,888	3,689,863	None

¹ The Company conducted short-form merger with Pre-Optix Co. Ltd. ("Pre-Optix") on March 1, 2011. Pre-Optix was dissolved after the merger. The long-term equity investment of Pre-Optix (i.e., Pre Optix Company Limited (HK)) recognized by equity method was therefore transferred to the Company.

² Acquisition or disposal of the Company's reinvestment is the situation where the accumulated amount for purchase or sale of the same securities reaches NT\$100 million or 20% of the Company's paid-in capital.

Employees' Bonuses and Directors' and Supervisors' Compensation

This Company's proposed distribution of earnings for 2011 in the form of employees' bonuses and directors' and supervisors' compensation as approved by the Board of Directors is set forth as follows:

- Proposed employee cash bonuses and directors' and supervisors' compensation:
 - (1) Employee cash bonuses: NT\$1,536,340,278.
 - (2) Directors' and supervisors' compensation: NT\$16,700,000.

- There is no difference between the estimated amount of the expense for the recognition year and the amount of the employee cash bonuses and directors' and supervisors' compensation proposed by the Board of Directors.

Attachment 13

Effect of Stock Distribution to be Resolved at This Shareholders' Meeting on Operating Performance and Earnings per Share

No Stock distribution is proposed at this shareholders' meeting, and the Company is not required to disclose 2012 financial forecasts according to relevant laws and regulations. Hence, the Company is not required to disclose yearly forecast information.

Shareholdings of All Directors and Supervisors

1. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors at Public Companies:
 - (1) The total shareholdings of all directors at the Company may not be less than 3% of the Company's total issued shares, and thus may not be less than 72,207,872 shares.
 - (2) The total shareholdings of all supervisors at the Company may not be less than 0.3% of the Company's total issued shares, and thus may not be less than 7,220,788 shares.

2. As of the book closing date of this annual general shareholders' meeting, the Company's directors and supervisors had the following shareholdings as recorded in the shareholders register:

Title	Name	Current shareholdings	
		Shares	Percentage
Chairman	Bruce CH Cheng	139,642,593	5.80%
Vice Chairman	Yancey Hai	952,302	0.03%
Director	Mark Ko	1,074,358	0.04%
Director	Raymond R Y Hsu	1,965,617	0.08%
Director	Fred Chai-Yan Lee	0	0%
Director	Ping Chen	8,604,645	0.35%
Director	Simon Chang	985,881	0.04%
Director	Albert Chang	1,023,791	0.04%
Independent director	Yi-Chiang Lo	265,120	0.01%
Shareholdings of all directors		154,514,307	6.41%
Supervisor	E-Ying Hsieh	45,697,948	1.89%
Supervisor	Chung-Hsing Huang	0	0%
Shareholdings of all supervisors		45,697,948	1.89%

Note: This Company had a total of 2,406,929,034 issued shares as of the annual general shareholders' meeting's book closing date.

Relevant Information on Proposals Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company

1. In accordance with Article 172-1 and Article 192-1 of the Company Law, the proposal accepting period of 2012 annual general shareholders' meeting is from April 5, 2012 to April 16, 2012.
2. Except for Chen Yung Chin, Tsong-Ping Perng and Chao Tai-Sheng, also known as George Chao, were nominated by the Board of Directors for candidates of the independent directors of the sixteenth term, no proposals are raised by shareholders holding 1% or more of the total number of issued shares of the Company during the above period.