



**2006 General Shareholders' Meeting
Meeting Agenda
(Translation)**

Date of the Meeting: May 18, 2006
Place of the Meeting: Taoyuan Holiday Hotel
No. 269 Dashing Rd., Taoyuan City, Taoyuan County

Meeting Agenda for the 2006 General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2005 Financial Statements, 2005 Consolidated Financial Statements and 2006 General Shareholders' Meeting Agenda are available on the "Market Observation Post System Website"; please visit

<http://newmops.tse.com.tw> for details.

I. Meeting Procedures

Procedures of Delta Electronics, Inc. 2006 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
9. Provisional motions
10. Meeting adjourned

II. Meeting Agenda

I. REPORT ITEMS

1. 2005 Business Report
See Attachment 1: Business Report (page 34)
2. 2005 Financial Report
 - (1) Price Waterhouse Coopers CPA Audit Report
See Attachment 2: Price Waterhouse Coopers CPA Audit Report (page 37)
 - (2) Balance Sheet of December 31, 2005
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 - (3) Income Statement (January 1, 2005 ~ December 31, 2005)
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 - (4) Statement of Changes in Shareholders' Equity (January 1, 2005 ~ December 31, 2005)
See Attachment 2: Statement of Changes in Shareholders' Equity (page 41)
 - (5) Cash Flow Statement (January 1, 2005 ~ December 31, 2005)
See Attachment 2: Cash Flow Statement (page 42)
 - (6) Price Waterhouse Coopers CPA Audit Report (Consolidated Financial Statements)
See Attachment 3: Price Waterhouse Coopers CPA Audit Report (page 44)
 - (7) Consolidated Balance Sheet of December 31, 2005
See Attachment 3: Consolidated Balance Sheet (page 45)
 - (8) Consolidated Income Statement (January 1, 2005 ~ December 31, 2005)
See Attachment 3: Consolidated Income Statement (page 47)
 - (9) Consolidated Statement of Changes in Shareholders' Equity (January 1, 2005 ~ December 31, 2005)
See Attachment 3: Combined Statement of Changes in Shareholders' Equity (page 48)
 - (10) Consolidated Cash Flow Statement (January 1, 2005 ~ December 31, 2005)
See Attachment 3: Consolidated Cash Flow Statement (page 49)
3. 2005 Supervisors' Report
See Attachment 4: 2005 Supervisors' Report (page 51)
4. Report on Status of Endorsement and Guarantee
The Company extended guarantee as of December 31, 2005 to the following companies:
 - a. The Company extended a guarantee in the amount of US\$10,000,000 for "Delta Products Corporation."
 - b. The Company extended a guarantee in the amount of US\$1,280,013.5 for "Delta Networks International Limited."
 - c. The Company extended a guarantee in the amount of NT\$200,000,000 for "DelSolar Co., Ltd."

Please be advised.

II. ACKNOWLEDGMENT, DISCUSSION AND ELECTION ITEMS

1. Acknowledge the 2005 Financial Reports (Proposed by the Board of Directors)

Explanation: (1) This Company's 2005 Financial Statements including the Business Report, Financial Statements and Consolidated Financial Statements (please refer to pages 34-50) have been reviewed by the Company's supervisors. The Company's Supervisors have found no discrepancies after a thorough review and have made a written review report for records.

(2) Please acknowledge.

Resolution:

2. Acknowledge the 2005 Distribution of Earnings (Proposed by the Board of Directors)

- Explanation: (1) The proposal of the Company's 2005 distribution of earnings was made in accordance with the Company Law and the Company's Articles of Incorporation, and an earnings distribution table has been prepared and attached below. This earnings distribution table was approved by the meeting of the Board of Directors held on February 23, 2006.
- (2) With regard to shareholders' dividends in 2005, the record date for cash dividends and stock distribution shall be designated after the shareholders' meeting approves the distribution proposal. Each one thousand shares shall receive a distribution of 50 shares of new stock and a cash dividend of NT\$3,000 based on the number of shares held as recorded in the shareholders' register on the record date.
- (3) Please acknowledge.

Delta Electronics, Inc.
2005 Earnings Distribution Table

Item	Explanation	(in NT\$) Amount
Undistributed earnings of previous year		1,347,595,760
Earnings in 2005		
Pre-tax earnings in 2005		7,525,364,884
Income tax credit		27,575,519
After-tax earnings in 2005		7,552,940,403
Subtract: Legal reserve		755,294,040
Add: Reverse the special reserve set aside in 2004		447,111,619
Subtract: Long-term investment shareholding change adjustment		4,727,540
Earnings available for distribution by the end of 2005 [Note]		8,587,626,202
Distribution items:		
Directors' and supervisors' compensation		16,700,000
Employee bonuses--stocks		370,014,670

Shareholders stock dividends	NT\$0.50 per share	920,211,210
Shareholders cash dividends	NT\$3.00 per share	5,521,267,236
Undistributed earnings by the end of 2005		1,759,433,086

Note: Principle of earnings distribution in the Company's 2005 Earnings Distribution Table: Distribution of 2005 distributable earnings first.

Resolution:

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

Explanation: (1) Amendments to this Company's "Rules and Procedures of Shareholders' Meeting " have been drafted in order to meet the revision of the Company Law. Please see the comparison table for Rules and Procedures of the Shareholders' Meeting before and after revision.
(2) The proposed amendments are submitted for discussion and voting.

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

Article before revision	Article after revision	Explanation
<p>Article 3 (Paragraph 1 to paragraph 3 of Article 3 are omitted for simplicity)</p> <p>Paragraph 4 of Article 3 The election 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.</p>	<p>Article 3 (Paragraph 1 to paragraph 3 of Article 3 are not revised)</p> <p>Paragraph 4 of Article 3 <u>The election or discharge</u> 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.</p>	<p>Amendments have been drafted in order to meet the revision of the Company Law.</p>

Resolution:

**4. Discussion of Amendments to Operational Procedures of Fund Lending
(Proposed by the Board of Directors)**

Explanation: (1) Amendments to this Company's "Operational Procedures of Fund Lending" have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by Financial Supervisory Commission, Executive Yuan, and the business needs of our Company. Please see the comparison table for "Operational Procedures of Fund Lending" before and after revision.
(2) The proposed amendments are submitted for discussion and voting.

Comparison Table of Articles of the Operational Procedures of Fund Lending

Article before revision	Article after revision	Explanation
<p>Article 2: Recipients, Reasons and Necessity of Fund Lending</p> <p>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 the borrowers.</p> <p>2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances: (1) Where 50% or more of the equity shares of the funding recipient is held directly or indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.</p>	<p>Article 2: Recipients, Reasons and Necessity of Fund Lending</p> <p>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 the borrowers.</p> <p>2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances: (1) <u>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.</u> (2) <u>Where more than 50% of the</u></p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the business needs of our Company.</p>

<p>(2) Where the Company's main customers or suppliers are in need of short-term financing in connection with its material-purchasing or operational needs.</p> <p>(3) 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.</p>	<p><u>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.</u></p> <p>(3) Where the Company's main customers or suppliers are in need of short-term financing in connection with its material-purchasing or operational needs.</p> <p>(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.</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. If the Company has any independent directors, it</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 Company shall take into full consideration of</p>	<p>Minor amendment on wording.</p>

<p>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>The rest of the articles have been omitted for simplicity.</p>	<p>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>The rest of the articles are not revised.</p>	
<p>Article 11 Other Matters</p> <p>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.</p> <p>If the Company has any independent directors, when the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full</p>	<p>Article 11 Other Matters</p> <p>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.</p> <p><u>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors</u>, the Board of Directors shall take into full consideration of each independent director's</p>	<p>Minor amendment on wording.</p>

<p>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>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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Resolution:

5. Discussion of Amendments to Operational Procedures of Endorsement and Guarantee (Proposed by the Board of Directors)

Explanation: (1) Amendments to this Company's "Operational Procedures of Endorsement and Guarantee" have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by Financial Supervisory Commission, Executive Yuan, and the business needs of our Company. Please see the comparison table for Operational Procedures of Endorsement and Guarantee before and after revision.
 (2) The proposed amendments are submitted for discussion and voting.

Comparison Table of Articles of the Operational Procedures of Endorsement and Guarantee

Article before revision	Article after revision	Explanation
<p>III. Recipients of Endorsements and Guarantees</p> <p>The recipients of the Company's endorsements and guarantees shall be limited to the following companies; however, where the shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholdings, such endorsements and guarantees shall not be subject to the following restrictions:</p> <p>1. Companies with which the Company has business relations.</p> <p>2. The Company's subsidiaries.</p> <p>3. The Company's parent companies.</p> <p>The rest of the articles have</p>	<p>III. Recipients of Endorsements and Guarantees</p> <p>The recipients of the Company's endorsements and guarantees shall be limited to the following companies; however, where the shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholdings, such endorsements and guarantees shall not be subject to the following restrictions:</p> <p>1. Companies with which the Company has business relations.</p> <p>2. <u>A company in which the Company directly and indirectly owns more than 50 % of its voting shares.</u></p> <p>3. <u>The company which directly and indirectly owns more than 50% of the Company's voting shares.</u></p> <p>The rest of the articles are</p>	<p>Amendments have been drafted in order to meet the revision of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the business needs of our Company.</p>

been omitted for simplicity.	not revised.	
V. Procedures for Making Endorsements and Guarantees	V. Procedures for Making Endorsements and Guarantees	Minor amendment on wording.
<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 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</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 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</p>	

<p>Board of Directors for recognition.</p> <p>If the Company has any independent directors, it 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>2-5 have been omitted for simplicity.</p> <p>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</p>	<p>Directors for recognition.</p> <p><u>The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others</u> 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>2-5 are not revised.</p> <p>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</p>	
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<p>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.</p> <p>If the Company has any independent directors, it shall take into full consideration of each independent director's opinion when discussing the amendment 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>not consent to such amendment, the Company shall prepare a corrective plan to revoke the excess amount within a specific period.</p> <p><u>The Company shall take into full consideration of each independent director's opinion</u> 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.</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 and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.</p> <p>If the Company has any independent directors, it shall</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 and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.</p> <p><u>The Company shall take into full consideration of each</u></p>	<p>Minor amendment on wording.</p>

<p>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.</p>	<p><u>independent director's opinion</u> 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.</p>	
<p>IX. Procedures for Use and Custody of Corporate Seal</p> <p>1. According to applicable regulations promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission, 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.</p> <p>2. When the Company makes a guarantee for a foreign company, the Company shall have the guarantee letter signed by</p>	<p>IX. Procedures for Use and Custody of Corporate Seal</p> <p>1. According to applicable regulations promulgated by the <u>competent authority in charge of securities matters</u>, 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.</p> <p>2. When the Company makes a guarantee for a foreign company, the Company shall have the</p>	<p>In order to reflect the change of the competent authority used in the Securities and Exchange Act, "Securities and Futures Commission of the Ministry of Finance" is changed into "competent authority in charge of securities matters".</p>

a person authorized by the Board of Directors.	guarantee letter signed by a person authorized by the Board of Directors.	
<p>XII. Other Matters</p> <p>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.</p> <p>If the Company has any independent directors, 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.</p>	<p>XII. Other Matters</p> <p>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.</p> <p><u>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.</u></p>	<p>Minor amendment on wording.</p>

Resolution:

6. Discussion of Issue of New Shares to Raise Capital (Proposed by the Board of Directors)

- Explanation: (1) This Company plans to allocate NT\$1,290,225,880 from the earnings in 2005 for the issue of new shares in order to augment the Company's operating funds and strengthen its financial structure. Of the foregoing amount, NT\$920,211,210 shall be distributed as shareholders' bonuses, and NT\$370,014,670 shall be distributed as employees' bonuses; after issuing new shares, the paid-in capital will be NT\$19,694,450,000 divided into 1,969,445,000 shares. The new stock shall be issued with a par value of NT\$10 per share. The shareholders' rights and obligations of the new shares are the same as those of existing shares.
- (2) The record date with regard to this issue of new shares shall be determined after obtaining the competent authority's approval. Shareholders registered in the shareholders register on the record date shall be entitled to 50 new shares per 1,000 existing shares in proportion to the total shareholdings registered in the shareholders register. For fractional shares, the distribution will be made in the form of cash calculated at par value. Such shares will be purchase by the Employee Welfare Committee of the Company.
- (3) This proposal is submitted for discussion and approval.

Resolution:

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

Explanation: (1) The Company plans to revise Articles 2,5,15,18 and 33 of the Articles of Incorporation in order to meet the revision of the Company Law and to better meet the Company's business needs. Please see the comparison table of articles of the Company's Articles of Incorporation before and after revision.

(2) The proposed amendments are submitted for discussion and approval.

Comparison Table of Articles of the Articles of Incorporation Before and After Revision

Article	Article before revision	Article after revision	Explanation
Article 2	<p>The Company is engaged in the following businesses:</p> <ol style="list-style-type: none"> 1. Development, design, manufacture and sale of computers, information, electrical equipment and parts and components thereof; power supply equipment, industrial, medical and automation equipment, and their parts and components; including such products as: switching power supplies, rack power systems, DC/DC converters, power line filters, color monitors and their components, high definition color TV and their components, CD-ROM drives and their components, printers and their components, multi-media color monitor systems and their components, multimedia projectors and their components, virtual image video display and their components, three-dimension display systems and their components, battery chargers, 	<p>The Company is engaged in the following businesses:</p>	<p>In conformity with revision of Article 18 of the Company Law and the Company's business needs.</p>

	<p>uninterruptible power systems, computer networks and their components, pulse transformers, delay lines, hybrid circuits, high efficiency electronic ballast, brushless DC fans, AC/DC fans, delicate motors, heat transmitting components, high frequency transformers, inductors, chip inductors, micro-telecommunication components and modules, programmable logic controllers, programmable thermo-controllers, DC brushless motors, and electric motors and motor controls and various electronic and components;</p> <p>2. General import and export trading business (except the business requiring special permit);</p> <p>3. Warehousing business;</p> <p>4. Engineering design, planning, contracting and performance of mechanical and electrical, dynamic, power supply and air-conditioning work;</p> <p>5. Design, planning, installation, maintenance of electronic surveillance system;</p> <p>6. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</p> <p>7. CC01030 Household appliances manufacturing</p>	<p>1. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;</p> <p>2. CC01030 Household appliances manufacturing</p>	
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	<p>business;</p> <p>8. CC01040 Lighting equipment manufacturing business;</p> <p>9. CC01050 Data storage and processing equipment manufacturing business;</p> <p>10. CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p>11. CC01080 Electronic parts and components manufacturing business;</p> <p>12. CC01990 Other electrical and electronic machinery and materials manufacturing business (manufacturing of parts and components of household appliances, and parts and components of lighting equipment);</p> <p>13. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>14. CB01990 Other machinery manufacturing business (mechanics components);</p> <p>15. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>16. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>17. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>18. F401030 Manufacture and export business;</p> <p>19. E605010 Computer equipment installation business;</p> <p>20. E603050 Automation control equipment manufacturing</p>	<p>business;</p> <p>3. CC01040 Lighting equipment manufacturing business;</p> <p>4. CC01050 Data storage and processing equipment manufacturing business;</p> <p>5. CC01060 Wire communication equipment and apparatus manufacturing business;</p> <p>6. CC01080 Electronic parts and components manufacturing business;</p> <p>7. CC01990 Other electrical and electronic machinery and materials manufacturing business (manufacturing of parts and components of household appliances, and parts and components of lighting equipment);</p> <p>8. CE01030 Photographic and Optical Equipment Manufacturing business;</p> <p>9. CB01990 Other machinery manufacturing business (mechanics components);</p> <p>10. CD01030 Automobiles and auto-parts manufacturing business;</p> <p>11. CD01040 Motorcycles and motorcycle parts manufacturing business;</p> <p>12. CD01050 Bicycles and bicycle parts manufacturing business;</p> <p>13. F401030 Manufacture and export business;</p> <p>14. E605010 Computer equipment installation business;</p> <p>15. E603050 Automation control equipment manufacturing</p>	
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	<p>business;</p> <p>21. I501010 Product external appearance designing business;</p> <p>22. I599990 Other design business (electronics);</p> <p>23. F219010 Electronic components and materials retail business;</p> <p>24. F119010 Electronic components and materials wholesale business;</p> <p>25. CC01090 Batteries manufacturing business;</p> <p>26. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>27. F113070 Telecommunication equipment wholesale business;</p> <p>28. F213060 Telecommunication equipment retail business;</p> <p>29. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>30. F113020 Electrical appliances wholesale business;</p> <p>31. F113050 Office appliances and equipment wholesale business;</p> <p>32. F213010 Electrical appliances retail business;</p> <p>33. F213030 Office appliances and equipment retail business;</p> <p>34. F401010 International trade business;</p> <p>35. G801010 Warehousing and storage business;</p> <p>36. E701010 Telecommunication engineering and construction business;</p>	<p>business;</p> <p>16. I501010 Product external appearance designing business;</p> <p>17. I599990 Other design business (electronics);</p> <p>18. F219010 Electronic components and materials retail business;</p> <p>19. F119010 Electronic components and materials wholesale business;</p> <p>20. CC01090 Batteries manufacturing business;</p> <p>21. CC01070 Wireless communication devices and equipment manufacturing business;</p> <p>22. F113070 Telecommunication equipment wholesale business;</p> <p>23. F213060 Telecommunication equipment retail business;</p> <p>24. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;</p> <p>25. F113020 Electrical appliances wholesale business;</p> <p>26. F113050 Office appliances and equipment wholesale business;</p> <p>27. F213010 Electrical appliances retail business;</p> <p>28. F213030 Office appliances and equipment retail business;</p> <p>29. F401010 International trade business;</p> <p>30. G801010 Warehousing and storage business;</p> <p>31. E701010 Telecommunication engineering and construction business;</p>	
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	<p>37. I301010 Software design and service business;</p> <p>38. CF01011 Medical appliances and equipment business;</p> <p>39. All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	<p>32. I301010 Software design and service business;</p> <p>33. CF01011 Medical appliances and equipment business;</p> <p>34. <u>CB01010 Machinery equipment manufacturing business;</u></p> <p>35. <u>CE01040 Clocks and Watches manufacturing business;</u></p> <p>36. <u>CC01110 Computers and its peripheral equipment manufacturing business;</u></p> <p>37. <u>CE01010 General equipment and instruments manufacturing business;</u></p> <p>38. <u>F401021 Restricted telecommunication radio frequency equipment and materials import business;</u></p> <p>39. All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.</p>	
Article 5	<p>The total capital stock of the Company shall be in the amount of NT\$20,000,000,000, divided into 2,000,000,000 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\$600,000,000 divided into 60,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.</p>	<p>The total capital stock of the Company shall be in the amount of <u>NT\$23,000,000,000, divided into 2,300,000,000 shares</u>, 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\$600,000,000 divided into 60,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.</p>	<p>In conformity with the Company's business needs.</p>

Article 15	A stockholder shall be entitled to one vote for each share held by him/her; provided, however, that any shares held by the Company according to laws shall not be entitled to any voting right.	A stockholder shall be entitled to one vote for each share held by him/her; except those <u>shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.</u>	In conformity with the revision of the Article 179 of the Company Law.
Article 18	(Paragraph 1 has been omitted for simplicity.) Paragraph 2 Remuneration for directors and supervisors shall be determined at the stockholders' meeting. (Paragraph 3 has been omitted for simplicity.)	(Paragraph 1 is not revised.) Paragraph 2 Remuneration for directors and supervisors shall be determined pursuant <u>to the extent that they participate in the Company's operations and their contribution to the Company, and the Board of Directors are authorized to set up a remuneration standard conforming to the industry standard.</u> (Paragraph 3 is not revised.)	In conformity with the Company's business needs.
Article 33	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 37 th revision dates have been omitted for simplicity) The 38 th amendment was made on May 19, 2005.	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 38 th revision dates have been omitted for simplicity) <u>The 39th amendment is made on May 18, 2006.</u>	Addition of the 39 th revision date.

Resolution:

8. Discussion of Re-election of Directors and Supervisors (Proposed by the Board of Directors)

- Explanation: (1) The current term of the office of the directors and supervisors will be expired on May 5, 2006. According to Article 195 and Article 217 of the Company Law, 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.
- (2) In order to meet Article 18 of the Company Law, the Company will elect 9 directors and 2 supervisors at the shareholders' meeting. The term of office of the newly elected directors and supervisors will start from May 18, 2006 and will expire on May 17, 2009. The directors and supervisors will assume office immediately after the shareholders meeting.
- (3) The proposals are submitted for resolution and re-election.

Resolution:

The election result:

9. Discussion of Removing the Non-Competition Restrictions on Directors (Proposed by the Board of Directors)

- Explanation: (1) According to Article 209 of the Company Law, a director who conducts a 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) If the directors elected from this shareholders meeting conduct an act subscribed in Article 209 of the Company Law, the shareholders agree to remove the non-competition restrictions after the directors assume the office, provided that such act will not detriment the Company's benefit. Please see the details disclosed at the place of the shareholders' meeting after the election.
- (3) The proposals are submitted for discussion and voting.

Resolution:

III. PROVISIONAL MOTIONS

Meeting adjourned

III. Attachments



Business Report

Dear shareholders:

2005 was an exceptional year for Delta Electronics, Inc. Not only did we achieve record breaking revenues and earnings while remaining a dominant position in the power supply industry, we also successfully launched high-demand new products such as solar cells and CCFL into the market. I am pleased to brief on these achievements as below.

The Company generated revenues of NT\$ 80.83 billion on a consolidated basis in 2005, an increase of 43% compared to 2004. Gross profit was NT\$ 16.07 billion, 31% increase from 2004; net operating profit of NT\$ 7.44 billion with 39% increase and NT\$ 7.55 billion net income after tax with an increase of 13% compared to 2004. EPS for year 2005 was NT\$ 4.26.

For power supply business, the Company continued to strengthen its dominant position in global switching power supply market. We successfully cemented our competitive advantage through new product development and strategic alliance with a major US telecom power service provider, to offer customers with full product range and excellent services. In view of potential explosive opportunity in digital display market, we constantly monitored the market trend to guide our development efforts so that Delta will be the first mover of diversified products to meet customer needs. As to component business, the Company maintained strong growth while successfully bringing a new product CCFL into mass production. Our CCFL was well accepted by the market and was certified by most major TFT players. Aggressive expansion plan for CCFL was also in execution to meet the strong demand. Networking business was another area of excellent performance. Delta Networks Inc. elevated its revenues and profits through businesses with several first-tier global networking customers and improvement in quality and manufacturing efficiency. In light of its competitiveness and market growth potential, Delta Networks is expected to maintain similar high growth rates in the next few years.

As the global leader in power management, Delta has been relentlessly contributing to improving energy efficiency and environment protection. Besides continuously increasing power conversion efficiency, Delta has been the leader to develop environmental friendly energy efficient electronics products such as electronic ballasts, mercury-free displays, AC motor drives,

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inverters for renewable energies, and fuel cell components. Furthermore, the Company established a subsidiary DelSolar to focus on the development of solar cells. Although young, DelSolar teamed up a group of highly experienced professionals with over 10 years of related experiences. As a result, the progress of DelSolar in the past year exceeded our expectation. For example, DelSolar achieved the industry's high level of conversion efficiency and first-time throughput rate in manufacturing. Given the increasing market demand for solar cells, we believe DelSolar will be an important contributor to Delta's business growth as well as to energy conservation and environmental sustainability.

Delta's commitment to environment is fully integrated into our product development as well as daily operations. For instance, we installed PV arrays and set up energy recycling systems in all major manufacturing facilities worldwide to reduce energy consumption. Waste management, material recycling and reuse are also enforced to meet the highest standard. Our "Green Factory" in Tainan, the first of its kind in Taiwan, came into operation last year. It not only declared Delta's efforts in achieving balance between industrial development and eco-system, but also contributed to our recruiting for high caliber employees with similar sense of mission. Delta is also the first electronics manufacturer in Taiwan to roll out lead-free soldering in production systems. We believe the adoption of RoHS and WEEE in mid 2006, although challenges are still to be taken, will further spearhead Delta's competitive advantage on the global stage.

The high growth of Delta is contributed by committed employees and loyal customers. After being named as "Supplier of the Year" by both Microsoft and Cisco in 2004, Delta was recognized by Siemens Communications as the Best Supplier in 2005. Aside from longer-term partnership with major customers, Delta considers employees as the most valuable asset and we have been investing heavily in employee development in all aspects. In preparation for future demand of large number of general managers with international perspectives and capabilities, we not only develop from within but also attract external talents to join. We believe with Delta's reputation, track record, and abundant opportunities in the future, Delta will always be among the first choices for international talents.

Delta is fully aware of our social responsibility and has been striving for the maximum and balanced value among our shareholders, employees, and the society as a whole. Delta published its first Corporate Social Responsibility Report in 2005 to share with the society our views and our actions in fulfilling our social responsibilities. Through this effort, we also hope to bring in profound positive impact for a better society in the future.

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With 20% compound annual growth rate, Delta increased its revenues and profits by almost five times in the past ten years. I would like to thank the Board of Directors and Supervisors, our shareholders, customers, suppliers and employees for your continued support and contribution to the success of the Company. Looking forward, we will absolutely continue to do our best to achieve our business goals and bring the Company to the next level of success.

Sincerely yours,

Bruce Cheng
Bruce CH Cheng
Chairman

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資誠會計師事務所

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Report of Independent Accountants

To Delta Electronics, Inc:

We have audited, in accordance with the "Rules Governing the Audit of Financial Statements By Certified Public Accountants" and auditing standards generally accepted in the Republic of China, the non-consolidated balance sheets of Delta Electronics, Inc. as of December 31, 2005 and 2004, and the related non-consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended as appeared in the shareholders' meeting agenda and annual report, and in our report dated February 14, 2006. In our report dated February 14, 2006, we indicated the extent of our reliance on the report of other auditors on certain investees accounted for under the equity method, and we expressed a modified unqualified opinion on those non-consolidated financial statements.

The condensed non-consolidated financial statements presented in the shareholders' meeting agenda and annual report are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

PricewaterhouseCoopers

February 14, 2006

The accompanying non-consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices 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 non-consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of the 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. For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China.

DELTA ELECTRONICS, INC.
BALANCE SHEETS
YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2005	2004
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 5,768,692	\$ 5,467,832
Notes receivable, net	107,011	34,510
Accounts receivable	14,138,459	8,883,649
Accounts receivable, net - related parties	3,717,100	2,309,627
Other receivables	330,872	188,292
Other receivables - related parties	1,901,977	6,387,673
Other financial assets - current	21,123	21,810
Inventories	2,180,897	1,373,237
Deferred income tax assets - current	305,955	18,874
Other current assets - other	48,703	77,279
Total current assets	28,520,789	24,762,783
<u>Funds and Long-term Investments</u>		
Long-term investments accounted for under the equity method	24,057,137	19,132,191
Long-term investments accounted for under the cost method	1,374,057	2,053,597
Cash surrender value of life insurance	77,699	72,431
Total funds and long-term investments	25,508,893	21,258,219
<u>Other financial assets - non-current</u>	7,227,000	5,880,225
<u>Property, Plant and Equipment, Net</u>		
Cost		
Land	796,297	801,620
Buildings	2,214,748	1,955,676
Machinery and equipment	1,080,955	713,348
Molding equipment	307,998	332,343
Computer and communication equipment	357,580	339,854
Testing equipment	1,249,314	1,076,629
Transportation equipment	18,626	20,870
Office equipment	124,658	112,181
Land value appraisal increments	168,738	168,738
Cost and revaluation increments	6,318,914	5,521,259
Less: Accumulated depreciation	(2,523,749)	(2,210,132)
Construction in progress and prepayments for equipment	383,835	194,366
Total property, plant and equipment, net	4,179,000	3,505,493
<u>Other Assets</u>		
Assets leased to others	671,243	665,627
Refundable deposits	10,556	8,465
Deferred expenses	169,476	210,137
Total other assets	851,275	884,229
<u>TOTAL ASSETS</u>	\$ 66,286,957	\$ 56,290,949

(Continued)

DELTA ELECTRONICS, INC.
BALANCE SHEETS
YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2005	2004
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities</u>		
Short-term loans	\$ -	\$ 158,925
Accounts payable	591,364	514,450
Accounts payable - related parties	17,184,249	12,209,989
Income tax payable	36,699	-
Accrued expenses	1,098,201	821,471
Other payables	320,881	266,745
Advance collections	351,073	281,268
Long-term liabilities - current portion	440,847	-
Other current liabilities	<u>39,652</u>	<u>7,667</u>
Total current liabilities	<u>20,062,966</u>	<u>14,260,515</u>
<u>Long-term Liabilities</u>		
Bonds payable	<u>-</u>	<u>6,337,929</u>
<u>Reserves</u>		
Land value incremental reserve	<u>44,837</u>	<u>80,944</u>
<u>Other Liabilities</u>		
Accrued pension liabilities	597,274	497,189
Guarantee deposits received	5,912	5,912
Deferred income tax liabilities - non-current	2,176,417	1,981,792
Other liabilities - other	<u>-</u>	<u>2,875</u>
Total other liabilities	<u>2,779,603</u>	<u>2,487,768</u>
Total liabilities	<u>22,887,406</u>	<u>23,167,156</u>
<u>Stockholders' Equity</u>		
Common stock	18,303,815	15,859,720
Capital reserves		
Conversion of convertible bonds	11,140,668	6,577,417
Other	311,721	275,613
Retained earnings		
Legal reserve	3,903,811	3,237,641
Special reserve	447,112	-
Undistributed earnings	8,895,809	7,620,513
Other adjustments to stockholders' equity		
Unrealized loss on market value decline of long-term equity investments	(3,252)	(2,967)
Cumulative translation adjustments	<u>399,867</u>	<u>(444,144)</u>
Total stockholders' equity	<u>43,399,551</u>	<u>33,123,793</u>
Commitments and contingent liabilities		
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 66,286,957</u>	<u>\$ 56,290,949</u>

DELTA ELECTRONICS, INC.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31,

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	2005		2004
Operating Revenues			
Sales	\$ 61,052,652	\$	43,170,353
Sales returns	(260,151)	(	171,587)
Sales discounts	(162,351)	(	174,920)
Net Sales	60,630,150		42,823,846
Service income	3,728,784		3,591,847
Net Operating Revenues	64,358,934		46,415,693
Operating Costs			
Cost of goods sold	(56,993,891)	(	42,351,174)
Gross profit	7,365,043		4,064,519
Unrealized gain from intercompany transactions	-	(	2,875)
Realized gain (loss) from intercompany transactions	2,875		134
Gross profit, net	7,367,918		4,061,778
Operating Expenses			
Sales and marketing expenses	(544,682)	(	528,197)
General and administrative expenses	(1,023,373)	(	869,322)
Research and development expenses	(2,434,027)	(	2,232,969)
Total Operating Expenses	(4,002,082)	(	3,630,488)
Operating income	3,365,836		431,290
Non-operating Income and Gains			
Interest income	256,153		94,399
Investment income accounted for under the equity method	4,293,737		4,922,443
Dividend income	49,472		30,842
Gain on disposal of property, plant and equipment	-		5,497
Gain on disposal of investments	124,754		37,113
Foreign exchange gain, net	-		309,871
Rental income	37,152		42,037
Other non-operating income	408,307		432,518
Non-operating Income and Gains	5,169,575		5,874,720
Non-operating Expenses and Losses			
Interest expense	(102,262)	(	58,355)
Other investment loss	(326,031)	(	66,126)
Loss on disposal of property, plant and equipment	(2,081)		-
Foreign exchange loss	(484,687)		-
Provision for loss on inventory obsolescence and market price declines	-	(	159,960)
Other non-operating losses	(94,985)	(	62,527)
Non-operating Expenses and Losses	(1,010,046)	(	346,968)
Income before income tax	7,525,365		5,959,042
Income tax benefit	27,575		702,656
Net income	\$ 7,552,940	\$	6,661,698
	Before Tax	After Tax	Before Tax
Earnings Per Share (in Dollars)			
Basic Earnings Per Share			
Net income	\$ 4.25	\$ 4.26	\$ 3.52
Diluted Earnings Per Share			
Net income	\$ 4.22	\$ 4.24	\$ 3.24

DELTA ELECTRONICS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Retained Earnings					Unrealized loss on market value decline of long-term equity investments	Cumulative translation adjustment	Total
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings			
Balance at January 1, 2004	\$ 14,802,730	\$ 6,836,540	\$ 2,716,104	\$ -	\$ 5,942,366	(\$ 2,690)	\$ 1,386,452	\$ 31,681,502
Distribution of 2003 earnings:								
Appropriation of legal reserve	-	-	521,537	-	(521,537)	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(13,000)	-	-	(13,000)
Employees' bonus	312,734	-	-	-	(312,734)	-	-	-
Stock dividends	740,136	-	-	-	(740,136)	-	-	-
Cash dividends	-	-	-	-	(3,330,613)	-	-	(3,330,613)
Convertible bonds converted into common stock	4,120	16,490	-	-	-	-	-	20,610
Adjustments due to change in long-term investment ownership percentage	-	-	-	-	(65,531)	-	-	(65,531)
Adjustment on investees' unrealized loss on market value decline of long-term investments	-	-	-	-	-	(277)	-	(277)
Cumulative translation adjustment	-	-	-	-	-	-	(1,830,596)	(1,830,596)
Net income of 2004	-	-	-	-	6,661,698	-	-	6,661,698
Balance at December 31, 2004	<u>\$ 15,859,720</u>	<u>\$ 6,853,030</u>	<u>\$ 3,237,641</u>	<u>\$ -</u>	<u>\$ 7,620,513</u>	<u>(\$ 2,967)</u>	<u>(\$ 444,144)</u>	<u>\$ 33,123,793</u>
Distribution of 2004 earnings:								
Appropriation of legal reserve	-	-	666,170	-	(666,170)	-	-	-
Appropriation of special reserve	-	-	-	447,112	(447,112)	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(16,700)	-	-	(16,700)
Employees' bonus	320,775	-	-	-	(320,775)	-	-	-
Stock dividends	803,693	-	-	-	(803,693)	-	-	-
Cash dividends	-	-	-	-	(4,018,467)	-	-	(4,018,467)
Convertible bonds converted into common stock	1,319,627	4,563,251	-	-	-	-	-	5,882,878
Adjustments due to change in long-term investment ownership percentage	-	-	-	-	(4,727)	-	-	(4,727)
Adjustment on investees' unrealized loss on market value decline of long-term investments	-	-	-	-	-	(285)	-	(285)
Cumulative translation adjustment	-	-	-	-	-	-	844,011	844,011
Adjustments of reserve for land value incremental tax	-	36,108	-	-	-	-	-	36,108
Net income of 2005	-	-	-	-	7,552,940	-	-	7,552,940
Balance at December 31, 2005	<u>\$ 18,303,815</u>	<u>\$ 11,452,389</u>	<u>\$ 3,903,811</u>	<u>\$ 447,112</u>	<u>\$ 8,895,809</u>	<u>(\$ 3,252)</u>	<u>\$ 399,867</u>	<u>\$ 43,399,551</u>

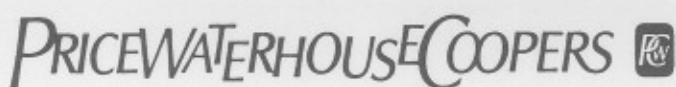
DELTA ELECTRONICS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2005	2004
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$ 7,552,940	\$ 6,661,698
Adjustments to reconcile net income to net cash provided by operating activities		
(Reversion of) allowance for doubtful accounts	(5,219)	(3,573)
Provision for inventory	(45,520)	159,960
Depreciation (including leased assets) and amortization	559,572	461,472
Loss (gain) on disposal of property, plant and equipment, net	2,081	(5,497)
Exchange gain on revaluation of foreign currency denominated convertible bonds	(14,204)	(436,462)
Investment income recognized under equity method, net of other investment loss	(3,967,706)	(4,856,317)
(Gain) loss on disposal of long-term investment	(104,080)	3,656
Cash dividend from investees accounted for under the equity method	8,986,835	8,978,174
Changes in assets and liabilities		
(Increase) decrease in:		
Notes receivable	(72,501)	26,477
Accounts receivable	(5,276,183)	(2,011,988)
Accounts receivable-related parties	(1,407,473)	(561,805)
Other receivables	(142,579)	31,640
Other receivables-related parties	204,194	(204,506)
Inventories	(735,548)	(355,190)
Other current assets - others	28,576	(43,140)
Increase (decrease) in:		
Accounts payable	76,914	(145,856)
Accounts payable - related parties	4,974,260	3,134,158
Accrued expenses	276,730	116,883
Other payables	54,136	75,882
Receipts in advance	69,805	54,651
Other current liabilities	31,985	(265,854)
Deferred income tax	(92,456)	(703,134)
Accrued pension liabilities	100,085	98,808
Other liabilities - others	(2,875)	2,742
Income tax payable	36,699	-
Net cash provided by operating activities	11,088,468	10,212,879

(Continued)

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

	2005	2004
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease in short-term investment, net	\$ 80,603	\$ 3,658,410
Decrease in other financial assets - current	687	856
Increase in long-term investments	(4,496,581)	(1,550,538)
Proceeds from the disposal of long-term investments	376,023	374
Increase in cash surrender value of life insurance	(5,268)	(3,396)
Increase in other financial assets - non-current	(1,346,775)	(5,778,300)
Acquisition of property, plant and equipment and deferred expenses	(1,229,001)	(711,096)
Proceeds from disposal of property, plant and equipment and deferred expenses	28,887	46,076
Increase in refundable deposits, net	(2,091)	(2,298)
Net cash used in investing activities	(6,593,516)	(4,339,912)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term loans, net	(158,925)	(1,241,075)
Decrease in notes and bills payable	-	(1,598,148)
Decrease in guarantee deposits received	-	(473)
Payment of directors' and supervisors' remuneration	(16,700)	(13,000)
Payment of cash dividends	(4,018,467)	(3,330,613)
Net cash used in financing activities	(4,194,092)	(6,183,309)
Increase (decrease) in cash and cash equivalents	300,860	(310,342)
Cash and cash equivalents at beginning of year	5,467,832	5,778,174
Cash and cash equivalents at end of year	\$ 5,768,692	\$ 5,467,832
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for interest	\$ 102,262	\$ 58,766
Cash paid during the year for income taxes	\$ 28,182	\$ 478
<u>Non-cash flows from investing and financing activities:</u>		
Employees' stock bonus	\$ 320,775	\$ 312,734
Convertible bonds(par value) converted into common stock	\$ 5,882,878	\$ 20,610



資誠會計師事務所

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Taipei, Taiwan, R.O.C.
Tel : (02)2729-6666
Fax: (02)2757-6371

Report of Independent Accountants

To Delta Electronics, Inc:

We have audited, in accordance with the "Rules Governing the Audit of Financial Statements By Certified Public Accountants" and auditing standards generally accepted in the Republic of China, the consolidated balance sheets of Delta Electronics, Inc. as of December 31, 2005 and 2004, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended as appeared in the shareholders' meeting agenda, and in our report dated February 14, 2006. In our report dated February 14, 2006, we indicated (a) the extent of our reliance on the report of other auditors on certain investees accounted for under the equity method and subsidiaries, and (b) the Company and its subsidiaries have adopted the newly amended R.O.C Statements of Financial Accounting Standards No.7, "Consolidated Financial Statements" effective on January 1, 2005, and we expressed a modified unqualified opinion on those consolidated financial statements.

The condensed consolidated financial statements presented in the shareholders' meeting agenda are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

PricewaterhouseCoopers

February 14, 2006

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 and practices 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 consolidated 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 the 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. For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China.

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

	2004	2005
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 17,898,886	\$ 23,779,563
Short-term investments	2,305,115	-
Notes receivable, net	80,642	172,041
Accounts receivable	12,659,075	19,589,237
Accounts receivable, net – related parties	930,732	1,131,164
Other receivables	385,290	761,935
Other receivables – related parties	167,017	57,809
Other financial assets – current	40,983	1,361,928
Inventories	4,895,044	6,888,311
Prepayments	144,532	323,836
Deferred income tax assets – current	22,980	309,661
Other current assets – other	153,364	63,093
Total current assets	39,683,660	54,438,578
<u>Funds and Long-term Investments</u>		
Long-term investments accounted for under the equity method	6,320,956	5,272,920
Long-term investments accounted for under the cost method	2,108,050	1,629,991
Cash surrender value of life insurance	72,431	77,699
Total funds and long-term investments	8,501,437	6,980,610
<u>Other financial assets - non-current</u>	5,880,225	7,227,000
<u>Property, Plant and Equipment, Net</u>		
Cost		
Land	1,309,877	1,288,490
Buildings	5,425,476	5,777,152
Machinery and equipment	4,793,466	6,923,148
Molding equipment	1,020,270	1,178,400
Computer and communication equipment	721,401	811,450
Testing equipment	3,133,920	3,921,042
Transportation equipment	119,014	132,312
Office equipment	1,031,898	1,166,608
Leasehold improvements	16,026	74,158
Land value appraisal increments	168,738	168,738
Cost and revaluation increments	17,740,086	21,441,498
Less: Accumulated depreciation	(7,874,569)	(9,995,872)
Construction in progress and prepayments for equipment	418,263	1,098,556
Total property, plant and equipment, net	10,283,780	12,544,182
<u>Intangible Assets</u>		
Deferred pension costs	489	6,261
Other intangible assets - other	201,613	226,459
Total intangible assets	202,102	232,720
<u>Other Assets</u>		
Refundable deposits	40,407	43,866
Deferred expenses	291,821	313,765
Other assets - other	-	63,149
Total other assets	332,228	420,780
<u>TOTAL ASSETS</u>	\$ 64,883,432	\$ 81,843,870

(Continued)

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

	2004	2005
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities</u>		
Short-term loans	\$ 4,082,358	\$ 7,891,215
Notes and bills payable	155,000	-
Notes payable	64	64
Accounts payable	11,515,606	17,330,667
Accounts payable – related parties	307,400	441,256
Income tax payable	34,202	79,525
Accrued expenses	1,899,859	2,273,584
Other payables	1,359,213	2,195,019
Advance collections	375,935	484,148
Long-term liabilities – current portion	-	440,847
Other current liabilities	74,237	152,078
Total current liabilities	19,803,874	31,288,403
<u>Long-term Liabilities</u>		
Bonds payable	6,337,929	-
Total long-term liabilities	6,337,929	-
<u>Reserves</u>		
Land value incremental reserve	80,945	44,836
Total reserves	80,945	44,836
<u>Other Liabilities</u>		
Accrued pension liabilities	772,117	953,051
Guarantee deposits received	6,248	65,377
Deferred income tax liabilities – non-current	1,986,770	2,175,492
Other liabilities – other	-	42,922
Total other liabilities	2,765,135	3,236,842
Total liabilities	28,987,883	34,570,081
<u>Stockholders' Equity</u>		
Common stock	15,859,720	18,303,815
Capital reserves		
Conversion of convertible bonds	6,577,417	11,140,668
Other	275,613	311,721
Retained earnings		
Legal reserve	3,237,641	3,903,811
Special reserve	-	447,112
Undistributed earnings	7,620,513	8,895,809
Other adjustments to stockholders' equity		
Unrealized loss on market value decline of long-term equity investments	(2,967)	(3,252)
Cumulative translation adjustments	(444,144)	399,867
	33,123,793	43,399,551
Minority interest	2,771,756	3,874,238
Total stockholders' equity	35,895,549	47,273,789
Commitments and contingent liabilities		
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	\$ 64,883,432	\$ 81,843,870

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

	2004	2005
Operating Revenues		
Sales revenue	\$ 56,475,856	\$ 81,120,153
Sales returns	(352,128)	(526,624)
Sales discounts	(190,491)	(179,313)
Net Sales	55,933,237	80,414,216
Services income	541,749	411,304
Net Operating Revenues	56,474,986	80,825,520
Operating costs		
Cost of goods sold	(44,211,328)	(64,757,079)
Gross profit	12,263,658	16,068,441
Unrealized gain from intercompany transactions	11	-
Realized gain (loss) from intercompany transactions	815	(11)
Gross profit, net	12,264,484	16,068,430
Operating Expenses		
Sales and marketing expenses	(2,104,063)	(2,735,229)
General and administrative expenses	(1,592,438)	(2,048,375)
Research and development expenses	(3,221,720)	(3,844,519)
Total Operating Expenses	(6,918,221)	(8,628,123)
Operating income	5,346,263	7,440,307
Non-operating Income and Gains		
Interest income	380,354	530,184
Investment income accounted for under the equity method	-	152,691
Dividend income	52,395	60,471
Gain on disposal of investments	200,652	342,299
Foreign exchange gain, net	334,696	78,256
Other non-operating income	1,124,467	881,000
Non-operating Income and Gains	2,092,564	2,044,901
Non-operating Expenses and Losses		
Interest expense	(126,099)	(276,012)
Investment loss accounted for under the equity method	(74,177)	-
Other investment loss	(66,126)	(328,211)
Loss on disposal of property, plant and equipment	(27,401)	(14,304)
Loss on physical count of inventories	(1,570)	-
Provision for loss on inventory obsolescence and market price declines	(398,051)	(74,978)
Other non-operating losses	(343,154)	(435,241)
Non-operating Expenses and Losses	(1,036,578)	(1,128,746)
Income before income tax	6,402,249	8,356,462
Income tax (expense) benefit	635,400	(148,863)
Net income	\$ 7,037,649	\$ 8,207,599
Attributable to:		
Shareholders of the Parent	\$ 6,661,698	\$ 7,552,940
Minority interest	375,951	654,659
	\$ 7,037,649	\$ 8,207,599

	Income before income tax	Net income	Income before income tax	Net income
Earnings Per Share (In Dollars)				
Basic Earnings Per Share				
Equity holder of the Company	\$ 3.56	\$ 3.94	\$ 4.35	\$ 4.26
Minority interest	0.22	0.22	0.37	0.37
Net income	\$ 3.78	\$ 4.16	\$ 4.72	\$ 4.63
Diluted earnings per share				
Equity holder of the Company	\$ 3.28	\$ 3.62	\$ 4.32	\$ 4.24
Minority interest	0.20	0.20	0.37	0.37
Net income	\$ 3.48	\$ 3.82	\$ 4.69	\$ 4.61

DELTA ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Retained earnings</u>					Unrealized loss on market value decline of long-term equity investments	Cumulative translation adjustment	Minority interest	Total
	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings				
Balance at January 1, 2004	\$ 14,802,730	\$ 6,836,540	\$ 2,716,104	\$ -	\$ 5,942,366	(\$ 2,690)	\$ 1,386,452	\$ 3,328,097	\$ 35,009,599
Distribution of 2003 earnings:									
Appropriation of legal reserve	-	-	521,537	-	(521,537)	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(13,000)	-	-	(13,000)	-
Employees' bonus	312,734	-	-	-	(312,734)	-	-	-	-
Issuance of stock dividends	740,136	-	-	-	(740,136)	-	-	-	-
Cash dividends	-	-	-	-	(3,330,613)	-	-	(3,330,613)	-
Convertible bonds converted into common stock	4,120	16,490	-	-	-	-	-	-	20,610
Adjustments due to change in long-term investment ownership percentage	-	-	-	-	(65,531)	-	-	-	(65,531)
Adjustment on investees' unrealized loss on market value decline of long-term investments	-	-	-	-	-	(277)	-	-	(277)
Cumulative translation adjustment	-	-	-	-	-	-	(1,830,596)	-	(1,830,596)
Net income for the year	-	-	-	-	6,661,698	-	-	375,951	7,037,649
Changes in minority interest	-	-	-	-	-	-	-	(932,292)	(932,292)
Balance at December 31, 2004	\$ 15,859,720	\$ 6,853,030	\$ 3,237,641	\$ -	\$ 7,620,513	(\$ 2,967)	(\$ 444,144)	\$ 2,771,756	\$ 35,895,549
Balance at January 1, 2005	\$ 15,859,720	\$ 6,853,030	\$ 3,237,641	\$ -	\$ 7,620,513	(\$ 2,967)	(\$ 444,144)	\$ 2,771,756	\$ 35,895,549
Distribution of 2004 earnings:									
Appropriation of legal reserve	-	-	666,170	-	(666,170)	-	-	-	-
Appropriation of special reserve	-	-	-	447,112	(447,112)	-	-	-	-
Directors' and supervisors' remuneration	-	-	-	-	(16,700)	-	-	(16,700)	-
Employees' bonus	320,775	-	-	-	(320,775)	-	-	-	-
Issuance of stock dividends	803,693	-	-	-	(803,693)	-	-	-	-
Cash dividends	-	-	-	-	(4,018,467)	-	-	(4,018,467)	-
Convertible bonds converted into common stock	1,319,627	4,563,251	-	-	-	-	-	-	5,882,878
Adjustments due to change in long-term investment ownership percentage	-	-	-	-	(4,727)	-	-	-	(4,727)
Adjustment on investees' unrealized loss on market value decline of long-term investments	-	-	-	-	-	(285)	-	-	(285)
Cumulative translation adjustment	-	-	-	-	-	-	844,011	-	844,011
Adjustment of reserve for land value incremental tax	-	36,108	-	-	-	-	-	-	36,108
Net income for the year	-	-	-	-	7,552,940	-	-	654,659	8,207,599
Changes in minority interest	-	-	-	-	-	-	-	447,823	447,823
Balance at December 31, 2005	\$ 18,303,815	\$ 11,452,389	\$ 3,903,811	\$ 447,112	\$ 8,895,809	(\$ 3,252)	\$ 399,867	\$ 3,874,238	\$ 47,273,789

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

	<u>2004</u>	<u>2005</u>
<u>Cash flows from operating activities</u>		
Net income attributable to shareholders of the Parent	\$ 6,661,698	\$ 7,552,940
Adjustments to reconcile net income to net cash provided by operating activities:		
Net income attributable to minority interest	375,951	654,659
(Reversion of) allowance for doubtful account	2,975	(21,787)
Depreciation and amortization	2,111,988	2,598,361
Cash dividends from investees accounted for under the equity method	224,114	204,026
Investment income or loss recognized under equity method, net of other investment loss	140,303	175,520
Gain on disposal of long-term investments	(112,533)	(329,006)
Loss on disposal of property, plant and equipment, net	27,401	14,304
Provision for inventory	398,051	74,978
Exchange gain on revaluation of foreign currency denominated convertible bonds	(436,461)	(14,204)
Changes in assets and liabilities:		
(Increase) decrease in :		
Notes and accounts receivable, net	(3,271,373)	(7,002,926)
Accounts receivable - related parties	55,998	(200,432)
Other receivables	419,193	(376,645)
Other receivables - related parties	(3,825)	109,208
Inventories	(1,086,901)	(2,048,764)
Prepayments	342,724	(179,304)
Other current assets - other	(85,244)	90,271
Deferred pension costs	(489)	(5,772)
Increase (decrease) in :		
Notes and accounts payable	2,574,685	5,815,061
Accounts payable - related parties	(130,852)	133,856
Income tax payable	11,455	45,323
Accrued expenses, other payables and received in advance	652,347	1,317,744
Other current liabilities	(225,391)	77,841
Deferred income tax	(698,621)	(97,959)
Accrued pension liabilities	98,319	180,934
Other liabilities - others	(817)	<u>42,922</u>
Net cash provided by operating activities	<u>8,044,695</u>	<u>8,811,149</u>

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DELTA ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF DOLLARS)

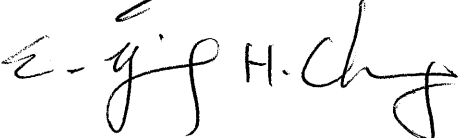
	<u>2004</u>	<u>2005</u>
<u>Cash flows from investing activities</u>		
Decrease in short-term investments, net	\$ 2,500,228	\$ 2,385,979
Increase in other financial assets, net of current and non-current	(5,705,305)	(2,667,720)
Increase in long-term investments	(1,235,276)	(267,400)
Increase in cash surrender value of life insurance	(3,396)	(5,268)
Net cash received from the acquisition of subsidiary	145,375	-
Proceeds from the disposal of long-term investments	161,961	821,710
Acquisition of property, plant and equipment and deferred expenses	(2,266,800)	(4,729,828)
Increase in other intangible assets	-	(1,000)
Proceeds from disposal of property, plant and equipment	62,864	46,417
Increase in refundable deposits, net	(8,398)	(3,459)
Increase in other assets - other	-	(63,149)
Net cash used in investing activities	<u>(6,348,747)</u>	<u>(4,483,718)</u>
<u>Cash flows from financing activities</u>		
Increase in short-term loans, net	251,636	3,808,857
Decrease in long-term liabilities - current portion	(31,791)	-
Decrease in notes and bills payable	(1,593,148)	(155,000)
Increase (decrease) in guarantee deposits received	(7,355)	59,129
Increase (decrease) in minority interest	(1,122,457)	447,823
Payment of directors' and supervisors' remuneration	(13,000)	(16,700)
Payment of cash dividends	(3,330,613)	(4,018,467)
Net cash provided (used in) by financing activities	<u>(5,846,728)</u>	<u>125,642</u>
Foreign exchange difference	(1,308,586)	344,545
Effect on changes of consolidated subsidiaries	-	1,083,059
Increase (decrease) in cash and cash equivalents	(5,459,366)	5,880,677
Cash and cash equivalents at beginning of the year	<u>23,358,252</u>	<u>17,898,886</u>
Cash and cash equivalents at end of the year	<u>\$ 17,898,886</u>	<u>\$ 23,779,563</u>
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for:		
Interest	<u>\$ 109,358</u>	<u>\$ 168,613</u>
Income taxes	<u>\$ 48,411</u>	<u>\$ 208,339</u>
<u>Non-cash flows from investing and financing activities:</u>		
Employees' stock bonus	<u>\$ 312,734</u>	<u>\$ 320,775</u>
Convertible bonds (par value) converted into common stock	<u>\$ 20,610</u>	<u>\$ 5,882,878</u>
<u>The fair market value of assets and liabilities of the acquired subsidiary was as follows:</u>		
Cash and cash equivalents	\$ 288,408	-
Accounts receivable	73,487	-
Inventories	267,339	-
Other current assets	6,706	-
Property, plant and equipment	165,564	-
Other assets	1,232	-
Short-term loans	(79,463)	-
Accounts payable	(192,539)	-
Accrued expenses	(16,151)	-
Other current liabilities	(3,792)	-
Minority interest	(190,166)	-
Less: Long-term investments in the subsidiary before the acquisition	(177,592)	-
	<u>\$ 143,033</u>	<u>\$ -</u>
Cash and cash equivalents of the acquired subsidiary	\$ 288,408	\$ -
Less: Acquisition price	(143,033)	-
Net cash received from the acquisition of subsidiary	<u>\$ 145,375</u>	<u>\$ -</u>

2005 Supervisors' Report

The Board of Directors has prepared and submitted to the undersigned, the supervisors of Delta Electronics, Inc. (the "Company"), the 2005 Business Report, Financial Statements, Consolidated Financial Statements and proposal for distribution of earnings of the Company. PricewaterhouseCoopers has audited the Company's Financial Statements and Consolidated Financial Statements and has issued report of Independent Accountants. The above Business Report, Financial Statements, Consolidated Financial Statements, and earnings distribution proposal have been examined by and determined to be correct and accurate by the undersigned. According to Article 219 of the Company Law, we hereby submit this report.

To the 2006 General Shareholders' Meeting of Delta Electronics, Inc.

Supervisor Chung-Hsing Huang 

Supervisor E-Ying Hsieh 

February 24, 2006

Attachment 5:

Delta Electronics, Inc. Shareholders' Meeting Rules of Procedure

Passed by general shareholders' meeting on March 19, 1988
Revision passed by general shareholders' meeting on May 15, 1998
Revision passed by general shareholders' meeting on May 16, 2002
Revision passed by general shareholders' meeting on May 19, 2005

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 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.

Attachment 6

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

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 the borrowers.
2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:
 - (1) Where 50% or more of the equity shares of the funding recipient is held directly or indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.
 - (2) Where the Company's main customers or suppliers are in need of short-term financing in connection with its material-purchasing or operational needs.
 - (3) 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 20 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 20 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.

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. If the Company has any independent directors, it 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 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.

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 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.

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 monthly. The results of such audit shall also be a required item of the auditors' report to 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 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 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) The balance of funds lent for an enterprise with which the Company has business relations exceeds the total transactions amount between such enterprise and the Company in the most recent year.
 - (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.

If the Company has any independent directors, 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.

Attachment 7

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

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 recipients of the Company's endorsements and guarantees shall be limited to the following companies; however, where the shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholdings, such endorsements and guarantees shall not be subject to the following restrictions:

1. Companies with which the Company has business relations.
2. The Company's subsidiaries.
3. The Company's parent companies.

The terms "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 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 80 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 40 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.

If the Company has any independent directors, it 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.

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.

If the Company has any independent directors, it shall take into full consideration of each independent director's opinion when discussing the amendment 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 cash flow 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 monthly. The results of such audit shall also be a required item of the Audit Division's report to 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 the Directors. The same approval procedure shall apply if there is any change to the application amount.

If the Company has any independent directors, it 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 Securities and Futures

Bureau of the Financial Supervisory Commission, 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 aggregate amount of endorsements and guarantees made reaches 50 percent or more of the Company's net worth as stated in the Company's latest financial statements.
 - (2) The aggregate amount of endorsements and guarantees made 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 aggregate amount of endorsements and guarantees made 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 aggregate amount of endorsements and guarantees made for an enterprise which the Company has business relations with exceeds the total transactions amount between such enterprise and the Company in the most recent year.
 - (5) After the public announcement and reporting is made pursuant to any of the preceding four paragraphs, the aggregate amount of endorsements and guarantees made to the same recipient increases by more than 5 percent 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. 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.

If the Company has any independent directors, 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.

Attachment 8

Director and Supervisor Election Regulations

Passed by general shareholders' meeting on March 19, 1988
Revision passed by general shareholders' meeting on May 16, 2002
Revision passed by general shareholders' meeting on May 19, 2005

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.

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.

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.

Article 4

If this Company must establish independent directors and supervisors, the qualifications of these persons must comply with the competent authority's Independent Director and Supervisor Determination Standards.

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 directors and supervisors. Such lists shall serve as references for the election of 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 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 two persons (who should be shareholders) to check ballots and several persons (who should be shareholders) to count 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.

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. Development, design, manufacture and sale of computers, information, electrical equipment and parts and components thereof; power supply equipment, industrial, medical and automation equipment, and their parts and components; including such products as: switching power supplies, rack power systems, DC/DC converters, power line filters, color monitors and their components, high definition color TV and their components, CD-ROM drives and their components, printers and their components, multi-media color monitor systems and their components, multimedia projectors and their components, virtual image video display and their components, three-dimension display systems and their components, battery chargers, uninterruptible power systems, computer networks and their components, pulse transformers, delay lines, hybrid circuits, high efficiency electronic ballast, brushless DC fans, AC/DC fans, delicate motors, heat transmitting components, high frequency transformers, inductors, chip inductors, micro-telecommunication components and modules, programmable logic controllers, programmable thermo-controllers, DC brushless motors, and electric motors and motor controls and various electronic and components;
2. General import and export trading business (except the business requiring special permit);
3. Warehousing business;
4. Engineering design, planning, contracting and performance of mechanical and

electrical, dynamic, power supply and air-conditioning work;

5. Design, planning, installation, maintenance of electronic surveillance system;
6. CC01010 Electric Power Generating, Electric Transmission and Power Distributing Machinery Manufacturing business;
7. CC01030 Household appliances manufacturing business;
8. CC01040 Lighting equipment manufacturing business;
9. CC01050 Data storage and processing equipment manufacturing business;
10. CC01060 Wire Communication Equipment and Apparatus Manufacturing business;
11. CC01080 Electronic parts and components manufacturing business;
12. CC01990 Other electrical and electronic machinery and materials manufacturing business (manufacturing of parts and components of household appliances, and parts and components of lighting equipment);
13. CE01030 Photographic and Optical Equipment Manufacturing business;
14. CB01990 Other machinery manufacturing business (mechanical components);
15. CD01030 Automobiles and auto-parts manufacturing business;
16. CD01040 Motorcycles and motorcycle parts manufacturing business;
17. CD01050 Bicycles and bicycle parts manufacturing business;
18. F401030 Manufacture and export business;
19. E605010 Computer equipment installation business;
20. E603050 Automation control equipment manufacturing business;
21. I501010 Product external appearance designing business;
22. I599990 Other design business (electronics);

23. F219010 Electronic components and materials retail business;
24. F119010 Electronic components and materials wholesale business;
25. CC01090 Batteries manufacturing business;
26. CC01070 Wireless communication devices and equipment manufacturing business;
27. F113070 Telecommunication equipment wholesale business;
28. F213060 Telecommunication equipment retail business;
29. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
30. F113020 Electrical appliances wholesale business;
31. F113050 Office appliances and equipment wholesale business;
32. F213010 Electrical appliances retail business;
33. F213030 Office appliances and equipment retail business;
34. F401010 International trade business;
35. G801010 Warehousing and Storage business;
36. E701010 Telecommunication engineering and construction business;
37. I301010 Software Design and Services business;
38. CF01011 Medical appliances and equipment business;
39. 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\$20,000,000,000, divided into 2,000,000,000 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\$600,000,000 divided into 60,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

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

Subject to the Company Law or other related regulations, the stock certificates of the Company may be printed in combination form for the aggregate number of shares issued for each installment or may be made without physical certificates. However, 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 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 of the Company shall be entitled to one vote for each share held by him/her; provided, however, that any shares held by the Company according to laws shall not be entitled to any voting right.

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

shareholders 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 nine 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. 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 and supervisors shall be determined at the shareholders' meeting.

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

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 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. The minutes shall be distributed to each director within twenty (20) days after the meeting. The minutes shall record the time, the date and place of the meeting, name of chairman and the manner for adopting a resolution, the key contents and the results of the meeting. The minutes, sign-in book of directors and proxy forms shall be kept in the Company, and the preservation period of the same shall be subject to the Company Law.

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 (but shall not be entitled to participate in voting).

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 stockholders.

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 according to the principle that 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; and
The thirty-seventh amendment was made on May 18, 2004.
The thirty-eighth amendment was made on May 19, 2005.

Attachment 10

Delta Electronics, Inc.

Details of major Acquisition or Disposal of Assets for 2005

Acquisition or disposal	Counterparty	Value of acquisition or disposal (NT\$)	Number of shares acquired or disposed of (shares)	Relationship with the Company
Acquisition	Delta International Holding Ltd.	4,496,581,199	15,980,000	Subsidiary
Disposal	Macronix International Co., Ltd	293,114,427	61,335,400	-
Disposal	Wistron Corporation	90,778,368	2,149,096	-
Disposal	Loyalty Founder Enterprise Co., Ltd	54,507,496	5,220,000	Invested company appraised using cost method

Attachment 11

Employees' Bonuses and Directors' and Supervisors' Compensation

This Company's proposed distribution of earnings for 2005 in the form of employees' bonuses and directors' and supervisors' compensation as approved by the Board of Directors is as follows:

- (1) Proposed employees' cash bonuses will be NT\$0 and stock bonuses will be NT\$370,014,670. Directors' and supervisors' compensation will be NT\$16,700,000.
- (2) Employees' stock bonuses will represent 37,001,467 underlying shares, and will constitute 28.67829% of the total capitalized earnings.
- (3) After the distribution of employees' bonuses and directors' and supervisors' compensation, the estimate earnings per share of the Company is NT\$4.04.

Attachment 12

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

in NT\$

Item	Year	2006 (Note 1)
Paid-in capital at beginning of the year		18,303,815,340
Distribution of stock dividends and cash dividends for the year	Cash dividends per share (NT\$)	3.0
	Number of shares allocated to per share for capitalized (NT\$)	0.5
	Number of shares allocated to per share for capitalization of legal reserve	-
Changes in operating performance	Operating income	(Note 2)
	Increase (decrease) in operating income in comparison with same period of the previous year	
	After-tax net profit	
	Increase (decrease) in after-tax net profit in comparison with same period of the previous year	
	Earnings per share (NT\$)	
	Increase (decrease) in earnings per share in comparison with same period of the previous year	
	Average rate return on investment for year (reciprocal of PE ratio)	
Hypothetical earnings per share and PE ratio	If capitalization of earnings was entirely distributed in the form cash dividends	Hypothetical earnings per share (NT\$)
		Hypothetical average rate of return on investment for year
	If capital reserve was not converted to capital	Hypothetical earnings per share (NT\$)
		Hypothetical average rate of return on investment for year
	If capital reserve were not converted to capital and	Hypothetical earnings per share (NT\$)

	to capital and capitalization of earnings was instead distributed in the form of cash dividends	Hypothetical average rate of return on investment for year	
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Note 1: The proposed 2006 distribution of stock dividends and cash dividends indicated above was resolved at meetings of the Board of Directors held on February 23, 2006. The basis for distribution is the 1,840,422,412 outstanding shares as of March 20, 2006 (the book closing date of this year's general shareholders' meeting).

Note 2: The Company is not required to disclose 2006 financial forecasts according to relevant laws and regulations. Accordingly, changes in operating performance, hypothetical earnings per share, and PE ratio information are not applicable.

Chairman: Bruce CH Cheng

Manager: Yancey Hai

Officer In Charge: Roger Chu

Attachment 13

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 5% of the Company's total outstanding shares, and thus may not be less than 92,021,120 shares.
- (2) The total shareholdings of all supervisors at the Company may not be less than 0.5% of the Company's total outstanding shares, and thus may not be less than 9,202,112 shares.

2. As of the book closing date of this 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	121,889,436	6.623%
Vice Chairman	Yancey Hai	175,599	0.009%
Director	Ping Cheng	5,713,144	0.310%
Director	James K M Ng	88,822	0.005%
Director	Mark Ko	787,411	0.043%
Director	Raymond R Y Hsu	1,619,399	0.088%
Director	Yenshan Chuang	1,025,454	0.056%
Director	Fred Chai Yan Lee	0	0%
Independent director	Yi Chiang Lo	231,136	0.013%
Shareholdings of all directors		131,530,401	7.147%
Supervisor	E-Ying Hsieh	38,895,983	2.113%
Independent supervisor	Chung-Hsing Huang	0	0%
Shareholdings of all supervisors		38,895,983	2.113%

Note: This Company had a total of 1,840,422,412 outstanding shares as of the general shareholders' meeting's book closing date.

Attachment 14

Relevant information on proposals by shareholders who hold more than 1% of the total issued and outstanding shares of the Company

1. In accordance with Article 172-1 of the Company Law, shareholders holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at the 2006 general shareholders' meeting.
Proposal accepting period: March 10, 2006 to March 20, 2006
2. Proposals raised by shareholders holding 1% or more of the total number of outstanding shares during the 2006 general shareholders meeting: none