

Letter from the Chairman and Chief Environmental Officer

During the past two years the U.S. sub-prime mortgage crisis has developed into the global financial tsunami. Fortunately, Delta has been able to maintain a sound financial stance with a healthy cash flow, and we are using our plentiful financial resources to make carefully chosen investments in new products. At the same time, we are using this window of opportunity to improve our productivity, hire talented personnel, and upgrade our product and service quality in preparation for the economic recovery. We believe that in these difficult times it is all the more important for businesses to step forward and fulfill their corporate social responsibility.

On the other hand, global warming continues to be a major environmental issue which can only be overcome through a combination of initiatives all working together. Among these, improving energy efficiency has long been considered a key factor by organizations such as the International Energy Agency (IEA). Estimates are that the amount of energy-related carbon dioxide emissions in the world can be reduced by up to 54% by improving energy efficiency¹. This is precisely what Delta's corporate mission of "To provide innovative, clean and efficient energy solutions for a better

tomorrow" seeks to achieve. As a leading international supplier of power supply products and heat dissipation solutions, Delta actively participates in the Climate Savers Computing Initiative (CSCI) by improving the efficiency of our products. Our goal is to support CSCI's objective of reducing global carbon emissions from computer operations by 54 Million tonnes per year in 2010². In the field of solar power applications, apart from continuing to develop more efficient solar cells at DelSolar, a Delta subsidiary, we have also developed a PV inverter with up to 98% conversion efficiency. Integrating this new PV inverter with other in-house products and technologies, Delta installed a 1 MWp solar power system for the main stadium of the 2009 World Games in Kaohsiung. This solar power system, the largest for an outdoor sporting facility in the world, generated over 1.1 M KWH of clean power as of July, 2009 and the amount of electricity generated within the first nine months reached the contracted amount for one year.

By fully supporting innovative research and development into high-efficiency and alternative energy products, Delta is not only helping slow the onset of global warming but we are also laying the groundwork for potential business



Mr. Bruce Cheng presenting at a Climate Savers Computing Initiative (CSCI) activity.



Delta donated toward the reconstruction of elementary schools in the earthquake disaster area.

opportunities stemming from the green policies governments are initiating around the world. LED lighting, e-paper, super-capacitors and electric vehicle components are all pioneering products of great importance in this new century.

Apart from the financial crisis, on May 12, 2008 a massive earthquake measuring 8.0 on the Richter scale struck the Wenchuan region in Sichuan, China, causing massive loss of life and property. Delta quickly responded by donating 10 Million RMB towards the reconstruction of elementary schools in the disaster area. We also acquired the support of green building experts from the Chinese Renewable Energy Society to ensure the safety and sustainability of the new school buildings. Our subsidiary Delta Networks Inc. donated 1 Million RMB for the reconstruction of the Qiaozhuang Town Hospital in Qinchuan County, Guanyuan City, Sichuan. Employees at the Dongguan, Wujiang and Tianjin plants in China launched their own donation drive as well. Tianjin workers even chose to cancel their spring trip and instead, donated the money to the Chinese Red Cross Society to do their part for the disaster victims of Sichuan.

This hot, flat and crowded world of ours poses very tough challenges for business. Not only must proper corporate governance be practiced to ensure that all stakeholders benefit equally but we must also take responsibility for the Earth's environment. In 2008, we came in first for the electronics industry for the seventh consecutive time for Commonwealth

Magazine's Most Admired Companies awards; we were included in the honor roll for Global Views Magazine's CSR awards³; and also named the Best Corporate Citizen for a third time by Commonwealth Magazine. We received awards for best supplier and outstanding performance from customers such as Nokia Siemens Networks, HP and Brocade.

In 2007 and 2008, we were included in Forbes Magazine's "Asia's Fabulous 50" which were chosen from the top 500 global companies that traded publicly in Asia. Being selected for two consecutive years was great recognition for Delta's sound corporate governance. Moreover, Delta was included in CNBC European Business' "The Top 100 Low Carbon Pioneers", and we continue to be certified as Sony's and Canon's green partner.

These honors recognize Delta's efforts and give us the motivation to strive for excellence. We are dedicated to transforming the challenges of our industry and the world into new opportunities and at the same time we continue to strive to become an even better corporate citizen.

Chairman and Chief Environmental Officer of Delta Electronics



Footnotes

1. See the 450 policy scenario in the International Energy Agency's World Energy Outlook 2008. Other methods of reducing energy-related carbon dioxide emissions include the use of renewable energy, bio-fuels, carbon capture & sequestration (CCS) and nuclear energy.
2. CSCI's mission statement is available at www.climatesaverscomputing.org/about/.
3. Delta Electronics has won the Global Views Magazine's CSR Award for three consecutive years and was one of the first companies added to the honor roll in 2008.