

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2005

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Delta Electronics (Thailand) Public Company Limited

I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2005, the related consolidated statements of earnings for the three-month and six-month periods ended 30 June 2005 and 2004, changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2005 and 2004, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

The consolidated interim financial statements of an overseas subsidiary and an overseas group of subsidiary companies for the three-month and six-month periods ended 30 June 2005 and 2004 were reviewed by the subsidiary's auditors, whose reports have been furnished to me. My report on the consolidated and the Company's financial statements for the three-month and six-month periods ended 30 June 2005 and 2004, insofar as they relate to the amounts included for this subsidiary and group of subsidiary companies, are based solely on the reports of those other auditors. These financial statements reflect total assets as at 30 June 2005 of approximately Baht 9,060 million (30 June 2004 : Baht 10,128 million), total revenues for the three-month and six-month periods ended 30 June 2005 of approximately Baht 5,227 million and Baht 9,586 million respectively, net loss for the three-month and six-month periods ended 30 June 2005 of approximately Baht 163 million and Baht 219 million, respectively (for the three-month and six-month periods ended 30 June 2004 : revenues of approximately Baht 4,591 million and Baht 8,869 million, respectively and net loss of approximately Baht 308 million and Bath 1,112 million, respectively). In addition, the Company's financial statements include investments in this subsidiary and group of subsidiary companies stated under the equity method amounting to Baht 1,464 million as at 30 June 2005 (30 June 2004 : Baht 1,956 million), share of loss for the three-month and six-month periods ended 30 June 2005 amounting to Baht 163 million and Baht 219 million, respectively (for the three-month and six-month periods ended 30 June 2004 : share of loss of approximately Bath 308 million and Baht 1,112 million, respectively).

I conducted my reviews in accordance with the auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews and the report of the other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the year ended 31 December 2004, in accordance with generally accepted auditing standards and, under my report dated 11 February 2005, expressed an unqualified opinion on those statements, based solely on the reports of other auditors insofar as it related to an overseas subsidiary and an overseas group of subsidiary companies (the financial statement of the overseas subsidiary and the overseas group of subsidiary companies which were audited by the subsidiary's auditors presented total assets and total revenues of approximately Baht 9,229 million and Baht 18,902 respectively). The balance sheets as at 31 December 2004, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok : 31 July 2005

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

Note	Consolidated		The Company Only		
	30 June 2005	31 December 2004	30 June 2005	31 December 2004	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	4,249,390,275	3,833,527,262	2,611,547,528	2,417,913,321
Investments in available-for-sale securities	3	66,862,129	53,246,592	-	-
Accounts receivable - trade					
Related parties	12	590,374,517	488,165,238	4,241,941,471	3,570,078,030
Unrelated parties		9,118,614,202	10,489,698,143	5,388,957,959	6,657,116,350
Less : Allowance for doubtful accounts		(362,031,963)	(353,986,547)	(278,238,259)	(265,581,428)
Accounts receivable - trade, net	4	9,346,956,756	10,623,876,834	9,352,661,171	9,961,612,952
Amount due from related party	12	16,525,561	-	-	-
Inventories - net		5,637,073,605	5,234,128,306	2,533,046,681	2,118,711,879
Other current assets					
Input tax refundable		107,127,781	109,215,463	15,491,010	14,817,593
Advance payments		80,583,306	43,085,813	53,264,439	29,533,045
Forward contracts receivable	7	83,463,479	-	-	-
Other accounts receivable		57,943,252	58,482,367	-	-
Others		186,319,082	189,289,890	44,595,829	22,766,870
TOTAL CURRENT ASSETS		19,832,245,226	20,144,852,527	14,610,606,658	14,565,355,660
NON - CURRENT ASSETS					
Investments accounted for under equity method	5	543,859,055	539,136,452	3,113,891,877	3,565,545,372
Investments in other parties	6	288,078,630	284,164,862	-	-
Property, plant and equipment - net		4,151,371,457	4,606,947,731	3,676,774,154	3,860,743,128
Intangible assets					
Consolidation goodwill		1,091,322,762	1,187,733,817	-	-
Other intangible assets		1,319,709,822	1,281,007,176	-	-
Other non-current assets		247,070,769	137,216,492	2,197,431	1,904,762
TOTAL NON-CURRENT ASSETS		7,641,412,495	8,036,206,530	6,792,863,462	7,428,193,262
TOTAL ASSETS		27,473,657,721	28,181,059,057	21,403,470,120	21,993,548,922

The accompanying notes are an integral part of the financial statements.

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Baht)

Note	Consolidated		The Company Only	
	30 June 2005	31 December 2004	30 June 2005	31 December 2004
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	255,706,688	154,365,243	-	-
Accounts payable - trade				
Related parties	12 314,509,942	465,226,525	173,395,802	151,326,933
Unrelated parties	5,505,529,528	6,186,850,182	4,892,698,365	5,500,694,457
Total accounts payable - trade	5,820,039,470	6,652,076,707	5,066,094,167	5,652,021,390
Short-term loan from and amounts due to related parties	12 184,014,477	242,180,483	217,423,723	242,213,445
Other current liabilities				
Accrued expenses	8 1,380,651,308	1,312,283,882	665,791,247	534,360,813
Advance received	211,969,652	178,383,160	164,607,286	144,630,007
Other accounts payable	181,583,188	279,624,461	154,635,944	195,871,232
Others	197,489,000	86,860,416	19,610,637	23,147,100
TOTAL CURRENT LIABILITIES	8,231,453,783	8,905,774,352	6,288,163,004	6,792,243,987
NON-CURRENT LIABILITIES				
Long-term loan from related party	12 -	-	1,776,309,388	1,848,741,408
Long-term loan from financial institutions	3,925,001,000	3,715,317,000	-	-
Provisions	9 1,878,428,035	2,102,213,502	-	-
Other non-current liabilities	40,042,928	43,921,837	-	-
TOTAL NON-CURRENT LIABILITIES	5,843,471,963	5,861,452,339	1,776,309,388	1,848,741,408
TOTAL LIABILITIES	14,074,925,746	14,767,226,691	8,064,472,392	8,640,985,395

The accompanying notes are an integral part of the financial statements.

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Baht)

	Note	Consolidated		The Company Only	
		30 June 2005	31 December 2004	30 June 2005	31 December 2004
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each					
(31 December 2004 : 1,200 million ordinary shares of Baht 1 each)	10	1,259,000,000	1,200,000,000	1,259,000,000	1,200,000,000
Issued and fully paid					
1,188.12 million ordinary shares of Baht 1 each					
(31 December 2004 : 1,188.10 million ordinary shares of Baht 1 each)		1,188,116,740	1,188,102,115	1,188,116,740	1,188,102,115
Additional paid-in capital					
Premium on share capital		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised loss on investments in available-for-sale securities		(18,914,523)	(41,001,868)	(18,914,523)	(41,001,868)
Translation adjustments		83,708,076	(150,241,673)	83,708,076	(150,241,673)
Retained earnings					
Appropriated - Statutory reserve		120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		10,474,174,935	10,743,792,453	10,474,174,935	10,743,792,453
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		13,338,997,728	13,352,563,527	13,338,997,728	13,352,563,527
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries		59,734,247	61,268,839	-	-
TOTAL SHAREHOLDERS' EQUITY		13,398,731,975	13,413,832,366	13,338,997,728	13,352,563,527
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		27,473,657,721	28,181,059,057	21,403,470,120	21,993,548,922
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

DIRECTORS

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales		10,546,965,553	12,258,662,926	8,281,313,729	9,757,225,488
Other income					
Interest income		90,192,026	54,628,094	22,369,053	8,082,563
Gain on exchange rate		100,751,762	75,946,625	409,877,108	177,006,965
Gain on disposal of fixed asset		118,412,066	-	-	-
Others		183,789,529	66,905,279	1,139,516	6,661,080
Share of profit from investments accounted for under equity method		-	13,169,847	-	-
TOTAL REVENUES		11,040,110,936	12,469,312,771	8,714,699,406	9,948,976,096
EXPENSES					
Cost of sales		8,597,645,470	10,425,755,764	6,729,849,850	8,156,668,495
Selling and administrative expenses		1,742,600,415	1,325,695,820	1,105,820,168	797,499,387
Loss on disposal of fixed asset		-	25,268,373	26,613,148	1,137,780
Directors' remuneration		1,085,030	1,993,980	1,085,030	1,993,980
Amortisation of intangible assets		34,563,270	30,498,958	-	-
Restructuring expenses		106,435,724	3,937,911	-	-
Share of loss from investments accounted for under equity method		15,426,185	-	354,192,403	375,101,985
TOTAL EXPENSES		10,497,756,094	11,813,150,806	8,217,560,599	9,332,401,627
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		542,354,842	656,161,965	497,138,807	616,574,469
INTEREST EXPENSES		(30,508,281)	(27,658,748)	-	-
CORPORATE INCOME TAX		(14,792,883)	(14,795,629)	-	-
EARNINGS AFTER CORPORATE INCOME TAX		497,053,678	613,707,588	497,138,807	616,574,469
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		85,129	2,866,881	-	-
NET EARNINGS FOR THE PERIOD		497,138,807	616,574,469	497,138,807	616,574,469
EARNINGS PER SHARE					
<i>11</i>					
Basic earnings per share					
Net earnings		0.42	0.52	0.42	0.52
Weighted average number of ordinary shares (shares)		1,188,116,590	1,188,102,115	1,188,116,590	1,188,102,115
Diluted earnings per share					
<i>11</i>					
Net earnings		0.42	0.52	0.42	0.52
Weighted average number of ordinary shares (shares)		1,188,116,590	1,188,116,200	1,188,116,590	1,188,116,200

The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales		20,668,059,645	23,960,532,009	16,605,948,832	18,959,180,585
Other income					
Interest income		109,369,303	96,891,819	37,599,781	22,777,828
Gain on exchange rate		141,806,477	16,215,128	597,520,354	256,856,371
Gain on disposal of fixed asset		107,123,607	-	-	-
Others		220,399,150	104,846,625	17,430,192	17,383,038
Share of profit from investments accounted for under equity method		-	12,544,866	-	-
TOTAL REVENUES		21,246,758,182	24,191,030,447	17,258,499,159	19,256,197,822
EXPENSES					
Cost of sales		17,030,327,492	20,308,999,429	13,839,142,949	15,902,755,393
Selling and administrative expenses		3,224,541,849	2,584,634,764	2,000,718,049	1,501,866,679
Loss on disposal of fixed asset		-	23,895,090	27,973,528	1,705,685
Directors' remuneration		2,120,020	2,321,980	2,120,020	2,321,980
Amortisation of intangible assets		63,383,570	76,766,470	-	-
Restructuring expenses		119,827,288	4,993,383	-	-
Share of loss from investments accounted for under equity method		24,482,419	-	707,690,589	716,536,043
TOTAL EXPENSES		20,464,682,638	23,001,611,116	16,577,645,135	18,125,185,780
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		782,075,544	1,189,419,331	680,854,024	1,131,012,042
INTEREST EXPENSES		(68,643,302)	(52,776,355)	-	-
CORPORATE INCOME TAX		(32,842,759)	(2,329,141)	-	-
EARNINGS AFTER CORPORATE INCOME TAX		680,589,483	1,134,313,835	680,854,024	1,131,012,042
MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES		264,541	(3,301,793)	-	-
NET EARNINGS FOR THE PERIOD		680,854,024	1,131,012,042	680,854,024	1,131,012,042
EARNINGS PER SHARE					
<i>11</i>					
Basic earnings per share					
Net earnings		0.57	0.95	0.57	0.95
Weighted average number of ordinary shares (shares)					
		1,188,114,782	1,188,102,115	1,188,114,782	1,188,102,115
Diluted earnings per share					
<i>11</i>					
Net earnings					
		0.57	0.95	0.57	0.95
Weighted average number of ordinary shares (shares)					
		1,188,114,782	1,188,116,222	1,188,114,782	1,188,116,222

The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from (used in) operating activities :-				
Net earnings	680,854,024	1,131,012,042	680,854,024	1,131,012,042
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation	601,124,049	626,020,960	441,180,813	390,710,196
Amortisation in premium/discount of forward contracts	(1,069,627)	(8,427,938)	-	-
Amortisation of goodwill	96,053,155	175,001,222	-	-
Amortisation of other intangible assets	32,065,262	152,583,960	-	-
Allowance for doubtful accounts (reversal)	8,045,416	(24,884,177)	12,656,831	(21,010,869)
Provision for obsolete inventories (reversal)	(156,301,944)	160,505,238	41,917,727	72,166,390
Accrual of provisions (reversal)	50,513,272	(335,856,185)	-	-
(Gain) loss from sale of fixed assets	(107,123,607)	23,895,090	27,973,528	1,705,685
(Gain) loss from sale of investments in available - for - sale securities	1,764,158	(211,566)	-	-
Loss from return loan to associated company	-	13,849,122	-	-
Share of (profit) loss from investments accounted for under equity method	24,482,419	(12,378,479)	707,690,589	716,536,043
Unrealised (gain) loss on exchange rate	(513,972,597)	51,595,059	(713,811,537)	(253,525,576)
Minority interest in net earnings (loss) of subsidiaries	(264,541)	3,301,793	-	-
Earnings from operating activities before changes in operating assets and liabilities	716,169,439	1,956,006,141	1,198,461,975	2,037,593,911
Decrease (increase) in operating assets :-				
Accounts receivable - trade	1,950,709,237	(672,912,083)	1,278,129,525	(457,853,271)
Amounts due from related party	(16,525,561)	17,526,791	-	17,526,791
Inventories	(246,643,355)	(2,061,757,609)	(456,252,529)	(1,029,315,188)
Input tax refundable	2,087,682	114,736,180	(673,417)	18,464,967
Advance payments	(38,418,944)	68,281,637	(23,731,394)	88,503,589
Other accounts receivable	539,115	(164,429,852)	-	-
Other current assets	7,335,490	(58,092,628)	(17,464,277)	(8,915,921)
Other non - current assets	(109,854,277)	(13,050,126)	(292,669)	(65,000)
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	(1,041,432,608)	1,043,474,838	(795,322,594)	597,325,545
Short-term loan from and amounts due to related parties	(58,335,031)	12,428,147	(24,958,747)	32,267,600
Accrued expenses	50,195,533	338,700,124	113,258,541	124,418,858
Advance received	23,883,865	8,148,724	10,274,652	9,494,527
Other accounts payable	(102,296,181)	(17,872,525)	(45,490,196)	27,424,527
Other current liabilities	109,177,875	36,365,645	(3,536,463)	1,698,735
Provisions	(139,795,075)	(154,004,486)	-	-
Other non-current liabilities	(3,878,909)	(3,254,982)	-	-
Net cash flows from operating activities	1,102,918,295	450,293,936	1,232,402,407	1,458,569,670

The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from (used in) investing activities :-				
Decrease in loan to related party	-	1,704,961	-	-
Increase in investments in available-for-sale securities	-	(3,087,246)	-	-
Proceeds from disposal of investments in available-for-sale securities	15,216,016	3,661,470	-	-
Increase in investments in subsidiaries	-	-	-	(595,220,394)
Increase in investments in other parties	-	(40,777,778)	-	-
Consolidation goodwill from additional investment	-	145,649,843	-	-
Proceeds from return fund of investment in other parties	11,624,515	7,286,215	-	-
Proceeds from redemption of investment in unit trusts	-	120,000,000	-	120,000,000
Proceed from return loan to associated company	-	53,343,497	-	-
Acquisition of fixed assets	(382,843,328)	(560,404,092)	(295,238,402)	(448,635,986)
Proceeds from sales of fixed assets	308,123,442	1,432,818	10,053,035	1,432,818
Net cash flows used in investing activities	(47,879,355)	(271,190,312)	(285,185,367)	(922,423,562)
Cash flows from (used in) financing activities :-				
Increase in bank overdrafts and short-term loans from financial institutions	101,341,445	54,071,221	-	-
Decrease in long-term loan from related party	-	-	-	(55,803,976)
Dividend paid	(950,491,571)	(950,481,692)	(950,491,571)	(950,481,692)
Returned dividend	20,029	91,720	20,029	91,720
Cash received from increase share capital	14,625	-	14,625	-
Net cash flows used in financing activities	(849,115,472)	(896,318,751)	(950,456,917)	(1,006,193,948)
Increase (decrease) in translation adjustments	10,756,658	(69,710,553)	-	-
Net increase (decrease) in cash and cash equivalent	216,680,126	(786,925,680)	(3,239,877)	(470,047,840)
Cash and cash equivalents - beginning of period	3,833,527,262	5,437,360,125	2,417,913,321	3,305,274,882
Cash and cash equivalents - end of period (Note 14)	4,050,207,388	4,650,434,445	2,414,673,444	2,835,227,042
Supplemental cash flows information				
Cash paid during the period for :				
Interest	71,832,720	19,116,934	-	-
Corporate income tax	1,289,362	66,952,089	1,289,362	10,073,839

The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

Consolidated

	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sale securities	Translation adjustments	Retained earnings		Minority interest-equity attributable to minority shareholders of subsidiaries	Total
					Appropriated	Unappropriated		
Balance as at 31 December 2003 (Audited)	1,188,102,115	1,491,912,500	(21,219,555)	(3,170,331)	120,000,000	10,466,073,883	78,117,491	13,319,816,103
Unrealised loss on investments in available-for-sale securities	-	-	(9,163,932)	-	-	-	-	(9,163,932)
Translation adjustments	-	-	-	(17,534,553)	-	-	-	(17,534,553)
Unrealised items in earnings statement	-	-	(9,163,932)	(17,534,553)	-	-	-	(26,698,485)
Net earnings for the period	-	-	-	-	-	1,131,012,042	-	1,131,012,042
Dividend paid (Note 15)	-	-	-	-	-	(950,481,692)	-	(950,481,692)
Returned dividend	-	-	-	-	-	91,720	-	91,720
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(20,290,079)	(20,290,079)
Balance as at 30 June 2004	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(30,383,487)</u>	<u>(20,704,884)</u>	<u>120,000,000</u>	<u>10,646,695,953</u>	<u>57,827,412</u>	<u>13,453,449,609</u>
Balance as at 31 December 2004 (Audited)	1,188,102,115	1,491,912,500	(41,001,868)	(150,241,673)	120,000,000	10,743,792,453	61,268,839	13,413,832,366
Unrealised gain on investments in available-for-sale securities	-	-	22,087,345	-	-	-	-	22,087,345
Translation adjustments	-	-	-	233,949,749	-	-	-	233,949,749
Unrealised items in earnings statement	-	-	22,087,345	233,949,749	-	-	-	256,037,094
Net earnings for the period	-	-	-	-	-	680,854,024	-	680,854,024
Dividend paid (Note 15)	-	-	-	-	-	(950,491,571)	-	(950,491,571)
Returned dividend	-	-	-	-	-	20,029	-	20,029
Increased share capital (Note 10)	14,625	-	-	-	-	-	-	14,625
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(1,534,592)	(1,534,592)
Balance as at 30 June 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(18,914,523)</u>	<u>83,708,076</u>	<u>120,000,000</u>	<u>10,474,174,935</u>	<u>59,734,247</u>	<u>13,398,731,975</u>

The accompanying notes are an integral part of the financial statements

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2005 AND 2004

(Unit: Baht)

	The Company Only						
	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sale securities	Translation adjustments	Retained earnings		Total
					Appropriated	Unappropriated	
Balance as at 31 December 2003 (Audited)	1,188,102,115	1,491,912,500	(21,219,555)	(3,170,331)	120,000,000	10,466,073,883	13,241,698,612
Unrealised loss on investments in available-for-sale securities	-	-	(9,163,932)	-	-	-	(9,163,932)
Translation adjustments	-	-	-	(17,534,553)	-	-	(17,534,553)
Unrealised items in earnings statement	-	-	(9,163,932)	(17,534,553)	-	-	(26,698,485)
Net earnings for the period	-	-	-	-	-	1,131,012,042	1,131,012,042
Dividend paid (Note 15)	-	-	-	-	-	(950,481,692)	(950,481,692)
Dividend return	-	-	-	-	-	91,720	91,720
Balance as at 30 June 2004	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(30,383,487)</u>	<u>(20,704,884)</u>	<u>120,000,000</u>	<u>10,646,695,953</u>	<u>13,395,622,197</u>
Balance as at 31 December 2004 (Audited)	1,188,102,115	1,491,912,500	(41,001,868)	(150,241,673)	120,000,000	10,743,792,453	13,352,563,527
Unrealised gain on investments in available-for-sale securities	-	-	22,087,345	-	-	-	22,087,345
Translation adjustments	-	-	-	233,949,749	-	-	233,949,749
Unrealised items in earnings statement	-	-	22,087,345	233,949,749	-	-	256,037,094
Net earnings for the period	-	-	-	-	-	680,854,024	680,854,024
Dividend paid (Note 15)	-	-	-	-	-	(950,491,571)	(950,491,571)
Dividend return	-	-	-	-	-	20,029	20,029
Increased share capital (Note 10)	14,625	-	-	-	-	-	14,625
Balance as at 30 June 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(18,914,523)</u>	<u>83,708,076</u>	<u>120,000,000</u>	<u>10,474,174,935</u>	<u>13,338,997,728</u>

The accompanying notes are an integral part of the financial statements.

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", which the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, the statements of earnings, changes in shareholders' equity, and cash flows as in the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.2 Basis of interim consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2004. There have been no change in the composition of the Group during the current quarter.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as adopted for preparation of the financial statements for the year ended 31 December 2004.

2. CASH AND CASH EQUIVALENTS

Most of the cash at banks of the Company comprises cash deposited with various banks in US Dollar accounts (most of balance is in 2 overseas banks and 3 local banks), the balance of which, as at 30 June 2005, amount to approximately USD 63 million (31 December 2004 : approximately USD 59 million).

(UNAUDITED BUT REVIEWED)

3. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

(Unit: Baht)

	30 June 2005		31 December 2004	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
Available-for-sale securities				
a) Cyntec Company Limited	64,691,349	50,870,373	81,759,622	44,572,082
b) Loyalty Founder Enterprise Company Limited	17,173,633	12,080,086	17,173,634	13,359,306
Total	81,864,982	62,950,459	98,933,256	57,931,388
Unrealised loss on investments in available-for-sale securities	(18,914,523)		(41,001,868)	
Translation adjustments	3,911,670		(4,684,796)	
Net investments in available-for-sale securities	66,862,129		53,246,592	

4. ACCOUNTS RECEIVABLE - TRADE

The aging of outstanding balances as at 30 June 2005 and 31 December 2004 is as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	30 June 2005	31 December 2004	30 June 2005	31 December 2004
		(Audited)		(Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	499,599,373	428,925,079	3,805,459,914	3,359,353,354
Past due 1 - 3 months	87,025,042	56,063,059	435,882,252	210,242,643
Past due 3 - 6 months	3,750,102	738,586	599,305	442,744
Past due 6 - 12 months	-	2,438,514	-	39,289
Total	590,374,517	488,165,238	4,241,941,471	3,570,078,030
<u>Accounts receivable - trade, unrelated parties</u>				
Current	7,690,328,402	8,690,050,314	4,159,907,241	5,259,732,345
Past due 1 - 3 months	1,002,321,160	1,414,529,711	892,817,301	1,128,310,318
Past due 3 - 6 months	111,985,542	83,708,895	83,344,509	32,659,316
Past due 6 - 12 months	43,537,403	16,752,898	4,106,303	-
Past due over 12 months	270,441,695	284,656,325	248,782,605	236,414,371
Total	9,118,614,202	10,489,698,143	5,388,957,959	6,657,116,350
Total Accounts receivable - Trade	9,708,988,719	10,977,863,381	9,630,899,430	10,227,194,380
Less : Allowance for doubtful accounts	(362,031,963)	(353,986,547)	(278,238,259)	(265,581,428)
Accounts receivable - trade, net	9,346,956,756	10,623,876,834	9,352,661,171	9,961,612,952

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

These represent investments in ordinary shares of the following companies :-

	Issued and paid up capital		Percentage owned by the Company		Consolidated		The Company Only		
	Foreign currency	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004
				%	%	Baht	Baht (Audited)	Baht	Baht (Audited)
Subsidiary companies									
DET International Holding Limited									
- Cost	USD	53,852,576	53,852,576	100	100	-	-	2,133,050,147	2,133,050,147
- Share of profit (loss) (accumulated to 30 June and 31 December)								(531,139,790)	85,762,642
								1,601,910,357	2,218,812,789
Delta Energy Systems (Switzerland) AG									
- Cost	CHF	20,000,000	20,000,000	100	100	-	-	2,576,143,928	2,576,143,928
- Share of loss (accumulated to 30 June and 31 December)								(1,128,955,961)	(1,038,167,804)
								1,447,187,967	1,537,976,124
Total investments in subsidiary companies								3,049,098,324	3,756,788,913
Associated companies (owned by DET International Holding Limited)									
Huada Holding Company Limited									
- Cost	USD	16,000,000	16,000,000	45	45	266,009,850	266,009,850	-	-
- Share of loss (accumulated to 30 June and 31 December)						(175,332,958)	(147,571,235)		
						90,676,892	118,438,615		
Delta Green (Tianjin) Industries Company Limited									
- Cost	USD	20,000,000	20,000,000	50	50	394,383,470	394,383,470	-	-
- Share of profit (accumulated to 30 June and 31 December)						27,497,985	24,935,653		
						421,881,455	419,319,123		
Unrealised loss on available-for-sale securities of a subsidiary						-	-	(18,914,523)	(41,001,868)
Translation adjustments						31,300,708	1,378,714	83,708,076	(150,241,673)
Total investments in associated companies						543,859,055	539,136,452		
Total investments accounted for under equity method						543,859,055	539,136,452	3,113,891,877	3,565,545,372

Share of profit/loss from subsidiary company, which is Newton Power Limited and share of profit/loss from associated companies are based on the financial statements as prepared by the management of these companies which have not yet been reviewed by their auditors.

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN OTHER PARTIES

These represent investments in ordinary shares and preference shares of the following companies :-

(Unit : Baht)

	The Company's interest in equity capital		Consolidated	
	<u>30 June 2005</u>	<u>31 December 2004</u>	<u>30 June 2005</u>	<u>31 December 2004</u>
	%	%		(Audited)
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	353,988,941	365,613,456
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	16.49	50,582,003	50,582,003
Total investment in other parties			404,570,944	416,195,459
Less : Provision for diminution in value of investment in other parties			(106,949,572)	(106,949,572)
Translation adjustments			(9,542,742)	(25,081,025)
Investments in other parties - net			<u>288,078,630</u>	<u>284,164,862</u>

7. FORWARD CONTRACTS

A subsidiary of the Company has entered into forward exchange contracts with overseas financial institutions. The outstanding balances under the contracts as at 30 June 2005 and 31 December 2004 are as follows :-

	Amount	
	<u>30 June 2005</u>	<u>31 December 2004</u>
		(Audited)
Forward Contracts to "Sell" USD/THB	30	-

The subsidiary has recorded the foreign currency assets and liabilities arising from its entering into these contracts in the balance sheets, under the captions of "Forward contracts - receivable/payable".

8. ACCRUED EXPENSES

The balance mainly represented expenses and provisions related to employee costs and product sales of the Company and its subsidiaries, amounting to approximately Baht 666 million and Baht 341 million, respectively (the Company only : Baht 238 million and Baht 390 million, respectively). The management of the Company and its subsidiaries believes that actual expenditures will be close to the amount estimated and accrued in the Company's records.

(UNAUDITED BUT REVIEWED)

9. PROVISIONS

The outstanding balances as at 30 June 2005 and 31 December 2004 are as follows :-

	(Unit : Million Baht)	
	Consolidated	
	30 June 2005	31 December 2004
		(Audited)
Pension	958	1,020
Restructuring costs	595	688
Warranty	183	185
Other provisions	142	209
	<u>1,878</u>	<u>2,102</u>

10. SHARE CAPITAL/WARRANTS

During the second quarter of 2000, the Company issued 4,032,000 warrants for offer to directors and employees of the Company. The warrants can be exercised subscribe to the new ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 10 each. The warrants are a one-time issue and their life is 5 years, with the exercise period running from 2 October 2000. They were listed on the Stock Exchange of Thailand on 6 July 2000.

The Meeting of the Board of Directors of the Company held on 23 February 2005 approved resolutions to pay a dividend to shareholders. As a result the Company adjusted the exercise ratio of the warrants in the manner stated in the prospectus, such that 1 warrant can be exercised to purchase 12.64553 ordinary shares at a price of Baht 1 per share, effective from 10 March 2005.

During January 2005, 1,000 warrants were exercised to purchase 12,349 new ordinary shares, the Company registered this capital increase with the Ministry of Commerce on 12 January 2005 and during April 2005, 180 warrants were exercised to purchase 2,276 new ordinary shares, the Company registered this capital increase with the Ministry of Commerce on 7 April 2005.

As at 30 June 2005, which is the final date for the exercise of the Company's warrants, there are 8 unexercised warrants.

(UNAUDITED BUT REVIEWED)

The Annual General Meeting of shareholders held on 30 March 2005 approved a resolution to issue up to 59,000,000 warrants for offer to directors on staff and employees of the Company. The warrants can be exercised to subscribe to newly issued ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 1 each. They are a one-time issue and have a life of 5 years, with the exercise period commencing on the last business day of January 2006. The Company is currently in the process of preparing an application for approval to issue and offer the warrants for filing with the Securities and Exchange Commission. The meeting also approved a resolution to increase the Company's registered share capital by 59,000,000 shares to support the exercise of the warrants, resulting in an increase in the number of ordinary shares comprising the registered share capital from 1,200,000,000 shares to 1,259,000,000 shares. The Company registered the increase in its registered share capital with the Ministry of Commerce on 7 April 2005.

11. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 June						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	497,138,807	616,574,469	1,188,116,590	1,188,102,115	0.42	0.52
Effect of dilutive potential ordinary shares						
2004 : Warrants 1,188 units	-	-	14,085	-	-	
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>497,138,807</u>	<u>616,574,469</u>	<u>1,188,116,590</u>	<u>1,188,116,200</u>	<u>0.42</u>	<u>0.52</u>

(UNAUDITED BUT REVIEWED)

For the six-month periods ended 30 June

	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	680,854,024	1,131,012,042	1,188,114,782	1,188,102,115	0.57	0.95
Effect of dilutive potential						
Ordinary shares						
2004 : warrants 1,188 units	-	-	-	14,107	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>680,854,024</u>	<u>1,131,012,042</u>	<u>1,188,114,782</u>	<u>1,188,116,222</u>	<u>0.57</u>	<u>0.95</u>

12. RELATED PARTY TRANSACTIONS

During the period, the Company and its subsidiaries had business transactions with its overseas subsidiaries and related parties (related by way of common shareholders and/or common directors) in respect of raw materials and production equipment purchases, sales of manufactured finished goods, commission and inspection fee. The transactions, which were concluded on the terms and basis as specified in the agreements between the Company and those companies and in the ordinary course of business, are summarised as follows :-

(Unit : Baht)

For the three-month periods ended 30 June

Pricing policies	Consolidated		The Company Only		
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	
	Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales of goods	Cost plus certain margin	-	-	2,758,019,469	2,014,284,928
Sales of raw materials	With reference to market prices	-	-	1,402,859	2,388,456
Purchase of raw materials	Cost plus certain margin	-	-	41,356,602	27,442,068
Purchase of fixed asset	Agreed upon basis	-	-	-	144,456
Commission paid	Contract prices	-	-	135,536,711	26,872,739
Inspection fee	Contract prices	-	-	23,953,415	26,934,643
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,768,017,571	1,745,516,599

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

		For the three-month periods ended 30 June			
		Consolidated		The Company Only	
		2005	2004	2005	2004
	<u>Pricing policies</u>				
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	463,046,319	450,522,540	446,974,939	450,522,540
Sales of raw materials	With reference to market prices	7,983,288	6,798,583	7,983,288	6,798,583
Purchase of raw materials	With reference to market prices	120,985,914	67,451,959	120,985,914	67,451,959
Purchase of fixed assets	Agreed upon basis	1,006,147	1,134,002	1,006,147	1,134,002
Commission paid	Contract prices	278,323,467	263,352,595	278,323,467	263,352,595
Commission received	Contract prices	16,416,735	-	-	-
Lending (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	-	1,129,898	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	43,358,239	-	-	-
Interest paid	Per loan agreement	309,741	-	-	-

(Unit: Baht)

		For the six-month periods ended 30 June			
		Consolidated		The Company Only	
		2005	2004	2005	2004
	<u>Pricing policies</u>				
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	5,287,694,712	3,790,126,389
Sales of raw materials	With reference to market prices	-	-	10,438,651	6,044,724
Purchase of raw materials	Cost plus certain margin	-	-	57,546,379	54,036,866
Purchase of fixed assets	Agreed upon basis	-	-	2,526,355	144,456
Commission paid	Contract prices	-	-	259,416,289	26,872,739
Inspection fee	Contract prices	-	-	52,512,388	50,654,616
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,760,891,897	1,731,401,235
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	883,331,401	805,778,279	860,307,579	805,778,279
Sales of raw materials	With reference to market prices	15,711,496	12,594,443	15,711,496	12,594,443
Purchase of raw materials	With reference to market prices	189,586,682	107,936,181	189,586,682	107,936,181
Purchase of fixed assets	Agreed upon basis	2,524,388	3,221,095	2,524,388	3,221,095
Commission paid	Contract prices	529,701,960	537,381,894	529,701,960	537,381,894
Commission received	Contract prices	29,582,844	-	-	-
Lending (Average balance loan outstanding during period)	Interest at a rate reference to LIBOR	-	31,305,990	-	-
Interest income	Per loan agreement	-	237,143	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	53,220,152	-	-	-
Interest paid	Per loan agreement	742,977	-	-	-

(UNAUDITED BUT REVIEWED)

The outstanding balances of the above transactions have been separately shown in the balance sheets and are as follows :-

		Consolidated		The Company Only	
Relationship		30 June 2005	31 December 2004	30 June 2005	31 December 2004
			(Audited)		(Audited)
Accounts receivable - trade, related parties					
<u>Subsidiary companies</u>					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	3,359,730,742	3,038,387,162
DET International Holding Ltd.	Subsidiary Company	-	-	3,694,322	2,131,033
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	100,021,544	35,598,148
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	277,197,633	37,445,557
Delta Energy Systems (India) Private Ltd.	Subsidiary Company	-	-	11,370,958	3,315,163
Delta Energy Systems (Brazil) S.A.	Subsidiary Company	-	-	41,882	6,048,443
Delta Energy Systems (Slovakia) Sro	Subsidiary Company	-	-	2,028,476	793,840
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	8,734,572	6,808,522
Others		-	-	19,910	-
		-	-	3,762,840,039	3,130,527,868
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	34,711,939	152,979,381	32,761,468	141,884,959
Delta Electronics (Japan) Ltd.	Common shareholder	74,727,673	57,098,637	74,727,673	57,098,637
Delta Products Corporation Ltd.	Common shareholder	154,353,087	130,234,744	152,066,922	129,377,253
Delta Electronics International Ltd.	Common shareholder	171,776,092	58,188,061	74,884,648	58,188,061
Delta Network International Ltd.	Common shareholder	12,404,805	23,689,464	12,404,805	23,689,464
Delta Electronics (Hong Kong) Ltd.	Common shareholder	7,502,956	5,997,649	-	-
Delta Network Inc.	Common shareholder	572,440	2,040,192	572,440	2,040,192
Delta Electronics (Jiangsu) Limited	Common shareholder	5,879,200	10,822,290	4,274,998	3,289,703
Addtron Technology (Japan) Limited	Common shareholder	22,555,246	15,084,643	22,443,693	15,084,643
Deltronics (Netherlands) BV	Common shareholder	903,728	23,132,927	-	-
Delta Electronics Component (Wujiang) Co., Ltd.	Common shareholder	688,197	5,762,042	688,197	5,762,042
Delta Video Technology Ltd.	Common shareholder	104,047,824	1,691,419	104,047,824	1,691,419
Others		251,330	1,443,789	228,764	1,443,789
		590,374,517	488,165,238	479,101,432	439,550,162
Total accounts receivable - trade, related parties		590,374,517	488,165,238	4,241,941,471	3,570,078,030
Amount due from related party					
Deltronics (Netherlands) BV	Common shareholder	16,525,561	-	-	-
Total amount due from related party		16,525,561	-	-	-
Accounts payable - trade, related parties					
<u>Subsidiary companies</u>					
Delta Energy Systems (Germany) GmbH.	Subsidiary company	-	-	12,863,423	10,211,065
Delta Energy Systems (USA) Inc.	Subsidiary company	-	-	38,821	7,342,862
Delta Energy Systems (Switzerland) AG.	Subsidiary company	-	-	675,686	55,156,256
Delta Energy Systems (Slovakia) Sro	Subsidiary company	-	-	6,384,082	206,271
Delta Energy Systems (Arizona) Inc.	Subsidiary company	-	-	1,035,228	-
Delta Energy Systems (India) Private. Ltd.	Subsidiary company	-	-	16,982,327	145,049
Others		-	-	5,242,834	569,631
		-	-	43,222,401	73,631,134

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		30 June 2005	31 December 2004 (Audited)	30 June 2005	31 December 2004 (Audited)
Other related parties					
Delta Electronics Inc.	Shareholder	303,256,446	448,503,872	120,937,171	65,958,277
Delta Products Corporation Ltd.	Common shareholder	6,039,746	5,867,733	5,594,476	4,986,429
Others		5,213,750	10,854,920	3,641,754	6,751,093
		<u>314,509,942</u>	<u>465,226,525</u>	<u>130,173,401</u>	<u>77,695,799</u>
Total accounts payable – trade, related parties		<u>314,509,942</u>	<u>465,226,525</u>	<u>173,395,802</u>	<u>151,326,933</u>
Short-term loan from and amounts due to related parties					
Subsidiary companies					
Newton Power Limited	Subsidiary Company	-	-	-	15,931,896
DET Logistics (USA) Corporation	Subsidiary Company	-	-	21,386,529	11,129,602
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	-	36,458,828
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	25,680,749	38,414
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	18,039,026	-
Others		-	-	1,477,539	847,370
		<u>-</u>	<u>-</u>	<u>66,583,843</u>	<u>64,406,110</u>
Other related parties					
Delta Electronics Inc.	Shareholder	38,197,780	173,375,085	38,197,780	173,375,085
Delta Electronics Scotland Ltd.	Common shareholder	33,174,597	64,373,148	-	-
Delta Products Corporation Ltd.	Common shareholder	86,163,323	3,962,799	86,163,323	3,962,799
Delta Electronics (Japan) Ltd.	Common shareholder	25,279,183	68,701	25,279,183	68,701
Others		1,199,594	400,750	1,199,594	400,750
		<u>184,014,477</u>	<u>242,180,483</u>	<u>150,839,880</u>	<u>177,807,335</u>
Total short-term loan from and amounts due to related parties		<u>184,014,477</u>	<u>242,180,483</u>	<u>217,423,723</u>	<u>242,213,445</u>
Long-term loan from related party					
DET International Holding Ltd.	Subsidiary Company	-	-	1,776,309,388	1,848,741,408
Total long-term loan from related party		<u>-</u>	<u>-</u>	<u>1,776,309,388</u>	<u>1,848,741,408</u>

The Company has entered into agreements with the subsidiaries and with the related parties whereby the subsidiaries and the related parties will provide sales services, marketing services, management services, after-sales services, technical information services, and raw material purchasing, and also sell the Company's products. The agreements are not for an identified period and are cancellable. Under the agreements, the Company is obliged to pay commission to its subsidiaries and related companies at rates ranging from 0.25 to 15 percent of sales, and maximum rate not over than 3 percent of the purchasing price for the raw material purchasing services.

As at 1 June 2005, the Company and its subsidiary have entered into a loan currency swap agreement, whereby the currency of the Company's long-term loan from the subsidiary was swapped from Swiss Francs to US dollars. As a result of this agreement, the amount of the loan was converted from CHF 53 million to USD 43 million. Full repayment of the loan is due by June 2008. There is no interest charge.

13. COMMITMENT AND CONTINGENT LIABILITIES

13.1 Financial derivatives

1) Sell “call/put option” agreement

A subsidiary of the Company has entered into sell “call option” agreement with overseas financial institution. The outstanding balances under the “call option” agreement as at 30 June 2005 is USD 50 million against Baht. Contractual exchange rate is 40 Baht per USD (31 December 2004 : Nil).

As of 30 June 2005, the unwind value of the sell “call option” agreement of the subsidiary amounted to approximately Baht 70.5 million.

2) Sell “Special-condition option” agreement

A subsidiary of the Company has entered into sell “call special - condition option” agreements approximately USD 30 million against Baht (31 December 2004 : sell “put special - condition option” agreements approximately USD 62 million against CHF)

As at the balance sheet date, the subsidiary has recorded no contingent losses under “Special-condition option” agreements as it is unable to estimate the amount of such contingent losses for the current period.

3) Interest Rate Swap Transaction agreements

A subsidiary of the Company has entered into the interest rate swap transaction agreements with an overseas financial institution :

1. Under an agreement to swap interest on a principal balance of USD 50 million, maturing in December 2006. Every 3 months, the subsidiary is required to pay interest to the financial institution at a rate referenced to 3-month LIBOR plus 1 percent per annum. The financial institution is in turn required to pay interest to the subsidiary at a rate referenced to in-arrear 3-month LIBOR plus 1 percent per annum, pro-rate for the number of days on which the daily interest rate lies within a range stipulated in the agreement.
2. Under an agreement to swap interest on a principal balance of USD 28 million, maturing in December 2007, from 25 September 2005 the subsidiary is required to pay interest to the financial institution every quarter, at a rate of 3.25 percent per annum if the 3-month LIBOR is less than 4 percent per annum or at a rate of 2.50 percent per annum if the 3-month LIBOR is more than 4 percent per annum. The financial institution is in turn required to pay interest to the subsidiary at a rate referenced to the 3-month LIBOR.

13.2 Commitments and contingent liabilities

- As at 30 June 2005, the Company and its subsidiaries had capital commitments amounting to Baht 88 million for the purchase of machinery and equipments (31 December 2004: Baht 230 million) and had operating lease commitments amounting to CHF 4.5 million for equipments (31 December 2004 : CHF 5.7 million).
- In present, an overseas subsidiary of the Company is being subjected to a tax inspection. Although the results of this inspection are not yet known, for conservative purposes the subsidiary has recorded provision for tax liabilities of approximately CHF 1.7 million. The Company's management believes that losses will not materiality differ from the recorded amount.

13.3 Letter of guarantees

As at 30 June 2005, there were significant outstanding bank guarantees of approximately Baht 30 million and INR 65 million (31 December 2004 : Baht 37 million) issued by the banks on behalf of the Company and an overseas subsidiary as required in the ordinary course of business of the Company and the overseas subsidiary and there were outstanding letter of guarantees of approximately SKK 30 million and EUR 0.15 million (31 December 2004 : SKK 30 million) issued by the Company for an overseas subsidiary as required in the ordinary course of business.

13.4 Assets/Liabilities-foreign currency not hedged against foreign exchange risk

A summary of significant foreign currency assets and liabilities that were unhedged as at 30 June 2005 is set out below :-

	Amount	
Assets		
Assets denominated in US Dollar	USD	191 million
Assets denominated in YEN	YEN	33 million
Assets denominated in EURO	EUR	5 million
Assets denominated in New Taiwan Dollar	NTD	85 million
Liabilities		
Liabilities denominated in US Dollar	USD	86 million
Liabilities denominated in YEN	YEN	156 million
Liabilities denominated in EURO	EUR	0.8 million

(UNAUDITED BUT REVIEWED)

14. CASH FLOWS STATEMENTS

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at banks with an original maturity of 3 months or less and without commitment.

Cash and cash equivalents as reflected in the statements of cash flows consist of the following :-

(Unit : Baht)

	Consolidated		The Company Only	
	30 June		30 June	
	2005	2004	2005	2004
Cash and cash equivalents	4,249,390,275	4,832,057,529	2,611,547,528	3,022,231,620
Unrealised gain on exchange rate	(199,182,887)	(181,623,084)	(196,874,084)	(187,004,578)
Cash and cash equivalents in the statements of cash flows	<u>4,050,207,388</u>	<u>4,650,434,445</u>	<u>2,414,673,444</u>	<u>2,835,227,042</u>

15. DIVIDENDS

At the Annual General Meeting of shareholders held on 30 March 2005, it was resolved that the Company pay a dividend of Baht 0.80 per share for the year 2004, a total of Baht 950 million. The dividend was reflected in the first quarter of the year 2005.

At the Annual General Meeting of shareholders held on 29 March 2004, it was resolved that the Company pay a dividend of Baht 0.80 per share for the year 2003, a total of Baht 950 million. The dividend was reflected in the first quarter of the year 2004.

(UNAUDITED BUT REVIEWED)

16. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture and distribution of electronic product and are mainly carried on both in Thailand and overseas. The financial information of the Company and its subsidiaries by geographical segment, for the three-month and six-month periods ended 30 June 2005 and 2004, and as at 30 June 2005 and 31 December 2004, is as follow :-

	Consolidated for the three-month periods ended 30 June												(Unit : Million Baht)	
	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Sales - external	5,080	7,299	290	284	2,693	2,278	2,001	1,935	10,064	11,796	-	-	10,064	11,796
Sales - related parties	3,206	2,465	16	473	12	48	1,262	1,824	4,496	4,810	(4,013)	(4,347)	483	463
	<u>8,286</u>	<u>9,764</u>	<u>306</u>	<u>757</u>	<u>2,705</u>	<u>2,326</u>	<u>3,263</u>	<u>3,759</u>	<u>14,560</u>	<u>16,606</u>	<u>(4,013)</u>	<u>(4,347)</u>	<u>10,547</u>	<u>12,259</u>
Gross profit	1,552	1,600	43	35	56	122	423	228	2,074	1,985			1,950	1,834
Gain on exchange rate													101	75
Other income													392	119
Share of profit (loss) from investments accounted for under equity method													(15)	14
Selling and administrative expenses													(1,885)	(1,385)
Interest expenses													(31)	(28)
Corporate income tax													(15)	(15)
Minority interest in net loss of subsidiaries													-	3
Net earnings													<u>497</u>	<u>617</u>

(UNAUDITED BUT REVIEWED)

Consolidated for the six-month periods ended 30 June

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Sales - external	10,463	14,373	509	490	4,990	4,616	3,803	3,663	19,765	23,142	-	-	19,765	23,142
Sales - related parties	6,148	4,596	20	906	24	88	2,605	3,693	8,797	9,283	(7,894)	(8,464)	903	819
	<u>16,611</u>	<u>18,969</u>	<u>529</u>	<u>1,396</u>	<u>5,014</u>	<u>4,704</u>	<u>6,408</u>	<u>7,356</u>	<u>28,562</u>	<u>32,425</u>	<u>(7,894)</u>	<u>(8,464)</u>	<u>20,668</u>	<u>23,961</u>
Gross profit	2,767	3,056	67	80	117	211	797	423	3,748	3,770			3,638	3,652
Gain on exchange rate													142	16
Other income													437	201
Share of profit (loss) from investments accounted for under equity method													(24)	13
Selling and administrative expenses													(3,410)	(2,693)
Interest expenses													(69)	(53)
Corporate income tax													(33)	(2)
Minority interest in net earnings of subsidiaries													-	(3)
Net earnings													<u>681</u>	<u>1,131</u>

Consolidated

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004
		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)
Property, plant and equipment - net	3,677	3,861	55	31	12	70	407	645	4,151	4,607	-	-	4,151	4,607
Other assets	17,727	18,133	767	1,019	4,448	4,266	14,128	13,910	37,070	37,328	(13,747)	(13,754)	23,323	23,574
Total assets	<u>21,404</u>	<u>21,994</u>	<u>822</u>	<u>1,050</u>	<u>4,460</u>	<u>4,336</u>	<u>14,535</u>	<u>14,555</u>	<u>41,221</u>	<u>41,935</u>	<u>(13,747)</u>	<u>(13,754)</u>	<u>27,474</u>	<u>28,181</u>

17. PRESENTATION

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, as issued under the Accounting Act B.E. 2543.

Certain amounts in the financial statements for the year ended 31 December 2004 and for the three-month and six-month periods ended 30 June 2004 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's director.