

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003

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 sheet of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2003, the related consolidated earnings statements for the three-month and nine-month periods ended 30 September 2003, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2003, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

The consolidated interim financial statements for the three-month period ended 30 September 2003 of an overseas group of subsidiary companies, Delta Energy Systems (Switzerland) AG. and its subsidiaries 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 period ended 30 September 2003, insofar as they relate to the amounts included for this group of subsidiary companies, is based solely on the report of that other auditor. These financial statements reflect total assets as at 30 September 2003 of approximately Baht 7,333 million, total revenues and net loss for the three-month period then ended of approximately Baht 2,545 million and Baht 536 million, respectively. In addition, the Company's financial statements include its investment in this group of subsidiary companies stated under the equity method, amounting to Baht 1,388 million as at 30 September 2003, and its share of loss for the three-month period then ended, amounting to Baht 550 million.

I conducted my review in accordance with the auditing standard 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 review and the report of the other auditor, 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.

Without qualifying the reviewed report on the aforementioned financial statements, I draw attention to Note 1.2 to the financial statements regarding the purchase of the group of companies is yet to be completed because the valuation of net asset values is not finished that cause the valuation of consolidation goodwill may be changed from the amount reported .

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 2002 were audited in accordance with generally accepted auditing standard by another auditor in my office who, under his report dated 17 January 2003, expressed an unqualified opinion on those financial statements. The balance sheet as at 31 December 2002, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated earnings statements for the three-month and nine-month periods ended 30 September 2002, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2002 of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 18 October 2002, that nothing had come to his attention that caused him to believe that the aforementioned financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok : 17 October 2003

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Baht)

	Note	Consolidated		The Company Only	
		30 September 2003	31 December 2002	30 September 2003	31 December 2002
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	6,146,395,489	7,857,503,429	3,895,691,477	6,044,425,240
Investments in marketable securities	3	77,031,056	102,348,278	-	-
Accounts receivable - trade					
Related parties	14	438,245,799	664,925,263	3,295,600,426	5,685,177,678
Unrelated parties		8,895,652,720	7,700,365,625	5,986,041,219	5,516,131,378
Less : Allowance for doubtful accounts		(426,935,195)	(341,544,541)	(265,869,088)	(341,544,541)
Accounts receivable - trade, net	4	8,906,963,324	8,023,746,347	9,015,772,557	10,859,764,515
Amount due from related party	14	4,366,737	3,891,756	-	-
Inventories - net		5,019,550,955	3,785,186,877	1,942,788,078	1,296,274,970
Other current assets					
Input tax refundable		246,251,755	61,746,639	25,893,245	53,044,022
Advance payments		209,984,331	26,785,287	90,293,789	6,557,630
Forward contracts receivable		183,323,022	-	-	-
Other accounts receivable		271,729,135	-	-	-
Others		120,999,727	57,778,568	22,813,213	19,965,630
TOTAL CURRENT ASSETS		21,186,595,531	19,918,987,181	14,993,252,359	18,280,032,007
NON - CURRENT ASSETS					
Investments accounted for under equity method	5	585,495,624	623,575,311	4,403,214,466	2,371,818,383
Other long-term investments					
Investments in other parties	6	332,614,654	361,542,654	-	-
Investments in unit trusts		120,000,000	120,000,000	120,000,000	120,000,000
Long-term loans to related parties	14	62,409,043	65,662,936	-	-
Property, plant and equipment - net		4,784,913,199	3,854,696,062	3,798,566,668	3,851,152,166
Intangible assets					
Consolidation goodwill		2,590,769,966	85,680,794	-	-
Other intangible assets		160,159,033	-	-	-
Other non-current assets		71,368,169	1,685,084	1,281,584	1,685,084
TOTAL NON-CURRENT ASSETS		8,707,729,688	5,112,842,841	8,323,062,718	6,344,655,633
TOTAL ASSETS		29,894,325,219	25,031,830,022	23,316,315,077	24,624,687,640

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 September 2003	31 December 2002	30 September 2003	31 December 2002
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	7	872,887,336	869,107,356	870,408,000	869,040,000
Accounts payable - trade					
Related parties	14	62,976,026	155,570,753	66,672,622	142,057,538
Unrelated parties		7,036,673,773	6,639,696,279	6,138,397,633	6,633,130,603
Total accounts payable - trade		7,099,649,799	6,795,267,032	6,205,070,255	6,775,188,141
Amounts due to related parties	14	483,775,720	966,772,680	496,926,130	1,260,375,821
Other current liabilities					
Accrued expenses	8	1,248,383,162	487,692,684	629,827,205	481,666,554
Advance received		104,059,975	221,142,107	93,870,510	221,142,107
Forward contracts payable	9	-	23,532,520	777,057	-
Other accounts payable		271,006,610	221,438,442	197,926,681	221,438,442
Others		245,403,177	86,775,759	15,649,054	18,680,184
TOTAL CURRENT LIABILITIES		10,325,165,779	9,671,728,580	8,510,454,892	9,847,531,249
NON-CURRENT LIABILITIES					
Long-term loans from related party	14	-	-	1,672,240,319	-
Long-term loans from financial institutions	10	4,399,670,000	-	-	-
Provisions	11	1,768,552,413	-	-	-
Other non-current liabilities		171,769,580	-	-	-
TOTAL NON-CURRENT LIABILITIES		6,339,991,993	-	1,672,240,319	-
TOTAL LIABILITIES		16,665,157,772	9,671,728,580	10,182,695,211	9,847,531,249

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)

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY				
Share capital				
Registered				
1,200 million ordinary shares of Baht 1 each	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and fully paid				
1,188.10 million ordinary shares of Baht 1 each	1,188,102,115	1,188,102,115	1,188,102,115	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-sales securities	(13,097,834)	(29,642,143)	(13,097,834)	(29,642,143)
Translation adjustments	(26,175,863)	116,025,994	(26,175,863)	116,025,994
Retained earnings				
Appropriated - Statutory reserve	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated	10,372,878,948	11,890,757,925	10,372,878,948	11,890,757,925
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	13,133,619,866	14,777,156,391	13,133,619,866	14,777,156,391
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries	95,547,581	582,945,051	-	-
TOTAL SHAREHOLDERS' EQUITY	13,229,167,447	15,360,101,442	13,133,619,866	14,777,156,391
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,894,325,219	25,031,830,022	23,316,315,077	24,624,687,640
	0	0	0	0

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 SEPTEMBER 2003 AND 2002

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2003	2002	2003	2002
REVENUES					
Sales		11,591,670,732	10,962,200,706	9,384,833,710	11,168,078,366
Other income					
Interest income		24,117,572	29,891,728	11,766,753	24,543,936
Gain on exchange rate		235,353,258	214,219,480	-	428,514,982
Gain on sale of investments in marketable securities		4,696,613	-	-	-
Others		50,196,153	35,395,558	18,768,278	8,431,157
Share of profit from investments accounted for under equity method		-	19,138,150	25,514,350	-
TOTAL REVENUES		11,906,034,328	11,260,845,622	9,440,883,091	11,629,568,441
EXPENSES					
Cost of sales		9,841,653,313	9,386,767,214	8,044,601,879	9,652,100,142
Selling and administrative expenses		1,314,999,580	761,363,312	733,197,642	740,272,630
Directors' remuneration		40,000	50,000	40,000	50,000
Loss on exchange rate		-	-	349,004,158	-
Restructuring expenses		354,930,862	-	-	-
Share of loss from investments accounted for under equity method		6,933,143	-	-	126,245,290
TOTAL EXPENSES		11,518,556,898	10,148,180,526	9,126,843,679	10,518,668,062
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		387,477,430	1,112,665,096	314,039,412	1,110,900,379
INTEREST EXPENSES		(31,012,380)	(4,282,693)	(1,153,204)	(4,282,693)
CORPORATE INCOME TAX		(40,271,846)	-	-	-
EARNINGS AFTER CORPORATE INCOME TAX		316,193,204	1,108,382,403	312,886,208	1,106,617,686
MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES		(3,306,996)	(1,764,717)	-	-
NET EARNINGS FOR THE PERIOD		312,886,208	1,106,617,686	312,886,208	1,106,617,686
EARNINGS PER SHARE					
<i>13</i>					
Basic earnings per share					
Net earnings		0.26	0.93	0.26	0.93
Weighted average number of ordinary shares (shares)		1,188,102,115	1,188,100,744	1,188,102,115	1,188,100,744
Diluted earnings per share					
<i>13</i>					
Net earnings		0.26	0.93	0.26	0.93
Weighted average number of ordinary shares (shares)		1,188,116,149	1,188,113,964	1,188,116,149	1,188,113,964

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2003	2002	2003	2002
REVENUES					
Sales		27,726,653,738	28,768,727,015	24,227,237,848	29,849,784,116
Other income					
Interest income		118,183,429	140,510,428	53,396,884	102,216,764
Gain on exchange rate		324,250,791	-	-	-
Gain on sales of investments in marketable securities		9,903,396	2,275,395	-	-
Others		145,108,660	72,485,062	95,116,578	21,007,243
Share of profit from investments accounted for under equity method		-	30,392,784	215,896,204	43,902,242
TOTAL REVENUES		28,324,100,014	29,014,390,684	24,591,647,514	30,016,910,365
EXPENSES					
Cost of sales		23,297,583,332	24,098,454,741	20,280,257,382	25,259,365,372
Selling and administrative expenses		2,778,221,584	1,917,269,115	2,124,329,966	1,856,075,663
Directors' remuneration		190,000	246,000	190,000	246,000
Loss on exchange rate		-	544,586,633	379,143,050	444,028,771
Restructuring expenses		354,930,862	-	-	-
Share of loss from investments accounted for under equity method		10,504,369	-	-	-
TOTAL EXPENSES		26,441,430,147	26,560,556,489	22,783,920,398	27,559,715,806
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		1,882,669,867	2,453,834,195	1,807,727,116	2,457,194,559
INTEREST EXPENSES		(33,558,612)	(27,192,504)	(3,699,436)	(27,192,504)
CORPORATE INCOME TAX		(42,580,772)	-	(804,193)	-
EARNINGS AFTER CORPORATE INCOME TAX		1,806,530,483	2,426,641,691	1,803,223,487	2,430,002,055
MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES		(3,306,996)	3,360,364	-	-
NET EARNINGS FOR THE PERIOD		1,803,223,487	2,430,002,055	1,803,223,487	2,430,002,055
EARNINGS PER SHARE					
Basic earnings per share					
Net earnings		1.52	2.05	1.52	2.05
Weighted average number of ordinary shares (shares)		1,188,102,115	1,188,086,130	1,188,102,115	1,188,086,130
Diluted earnings per share					
Net earnings		1.52	2.05	1.52	2.05
Weighted average number of ordinary shares (shares)		1,188,116,126	1,188,109,233	1,188,116,126	1,188,109,233

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit: Baht)

Consolidated

	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sales securities	Translation adjustments	Retained earnings		Minority interest-equity attributable to minority shareholders of subsidiaries	Total
					Appropriated	Unappropriated		
Balance as at 31 December 2001 (Audited)	1,188,042,920	1,491,912,500	(20,927,361)	139,859,753	120,000,000	12,428,990,801	600,789,330	15,948,667,943
Unrealised loss on investments in available-for-sales securities	-	-	(12,207,071)	-	-	-	-	(12,207,071)
Translation adjustments	-	-	-	(16,090,756)	-	-	-	(16,090,756)
Unrealised items in earnings statement	-	-	(12,207,071)	(16,090,756)	-	-	-	(28,297,827)
Net earnings for the period	-	-	-	-	-	2,430,002,055	-	2,430,002,055
Dividend paid (Note 17)	-	-	-	-	-	(3,861,239,772)	-	(3,861,239,772)
Returned dividend	-	-	-	-	-	27,120	-	27,120
Increased share capital	59,195	-	-	-	-	-	-	59,195
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(15,347,605)	(15,347,605)
Balance as at 30 September 2002	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(33,134,432)</u>	<u>123,768,997</u>	<u>120,000,000</u>	<u>10,997,780,204</u>	<u>585,441,725</u>	<u>14,473,871,109</u>
Balance as at 31 December 2002 (Audited)	1,188,102,115	1,491,912,500	(29,642,143)	116,025,994	120,000,000	11,890,757,925	582,945,051	15,360,101,442
Unrealised gain on investments in available-for-sales securities	-	-	16,544,309	-	-	-	-	16,544,309
Translation adjustments	-	-	-	(142,201,857)	-	-	-	(142,201,857)
Unrealised items in earnings statement	-	-	16,544,309	(142,201,857)	-	-	-	(125,657,548)
Net earnings for the period	-	-	-	-	-	1,803,223,487	-	1,803,223,487
Dividend paid (Note 17)	-	-	-	-	-	(3,326,685,922)	-	(3,326,685,922)
Returned dividend	-	-	-	-	-	5,583,458	-	5,583,458
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(487,397,470)	(487,397,470)
Balance as at 30 September 2003	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(13,097,834)</u>	<u>(26,175,863)</u>	<u>120,000,000</u>	<u>10,372,878,948</u>	<u>95,547,581</u>	<u>13,229,167,447</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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit: Baht)

	The Company Only						
	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sales securities	Translation adjustments	Retained earnings		Total
					Appropriated	Unappropriated	
Balance as at 31 December 2001 (Audited)	1,188,042,920	1,491,912,500	(20,927,361)	139,859,753	120,000,000	12,428,990,801	15,347,878,613
Unrealised loss on investments in available-for-sales securities	-	-	(12,207,071)	-	-	-	(12,207,071)
Translation adjustments	-	-	-	(16,090,756)	-	-	(16,090,756)
Unrealised items in earnings statement	-	-	(12,207,071)	(16,090,756)	-	-	(28,297,827)
Net earnings for the period	-	-	-	-	-	2,430,002,055	2,430,002,055
Dividend paid (Note 17)	-	-	-	-	-	(3,861,239,772)	(3,861,239,772)
Returned dividend	-	-	-	-	-	27,120	27,120
Increased share capital	59,195	-	-	-	-	-	59,195
Balance as at 30 September 2002	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(33,134,432)</u>	<u>123,768,997</u>	<u>120,000,000</u>	<u>10,997,780,204</u>	<u>13,888,429,384</u>
Balance as at 31 December 2002 (Audited)	1,188,102,115	1,491,912,500	(29,642,143)	116,025,994	120,000,000	11,890,757,925	14,777,156,391
Unrealised gain on investments in available-for-sales securities	-	-	16,544,309	-	-	-	16,544,309
Translation adjustments	-	-	-	(142,201,857)	-	-	(142,201,857)
Unrealised items in earnings statement	-	-	16,544,309	(142,201,857)	-	-	(125,657,548)
Net earnings for the period	-	-	-	-	-	1,803,223,487	1,803,223,487
Dividend paid (Note 17)	-	-	-	-	-	(3,326,685,922)	(3,326,685,922)
Dividend return	-	-	-	-	-	5,583,458	5,583,458
Balance as at 30 September 2003	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(13,097,834)</u>	<u>(26,175,863)</u>	<u>120,000,000</u>	<u>10,372,878,948</u>	<u>13,133,619,866</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 CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit: Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Cash flows from (used in) operating activities :-				
Net earnings	1,803,223,487	2,430,002,055	1,803,223,487	2,430,002,055
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	628,593,377	532,133,525	551,310,451	514,521,502
Amortisation in premium/discount of forward contracts	(10,686,543)	(15,559,370)	(211,153)	(5,373)
Amortisation of goodwill	17,709,949	3,519,764	-	-
Allowance for doubtful accounts (reversal)	(67,753,673)	52,978,718	(75,675,453)	52,978,718
Provision for obsolete inventories (reversal)	213,084,421	(38,185,915)	13,770,027	(38,185,915)
Gain from sale of fixed assets	(11,347,564)	(17,559,557)	(11,370,207)	(17,559,557)
Gain from sale of investments in available - for - sales securities	(9,903,396)	(2,275,395)	-	-
Share of (profit) loss from investments accounted for under equity method	10,375,783	(30,392,784)	(215,896,204)	(43,902,242)
Cash fund return from associated company's dissolution	-	19,987,769	-	-
Unrealised loss on exchange rate	92,930,563	495,515,661	290,722,294	268,008,943
Minority interest in net earnings (loss) of subsidiaries	3,306,996	(3,360,364)	-	-
Earnings from operating activities before changes in operating assets and liabilities	2,669,533,400	3,426,804,107	2,355,873,242	3,165,858,131
Decrease (increase) in operating assets :-				
Accounts receivable - trade	187,665,082	(2,829,745,102)	1,601,925,697	(3,900,373,774)
Amount due from related party	(474,981)	(1,113,044)	-	-
Inventories	642,516,000	(1,848,683,942)	(660,283,135)	(770,609,103)
Input tax refundable	102,475,084	22,516,284	27,150,777	(7,557,422)
Other accounts receivable	21,489,765	-	-	-
Other current assets	(213,933,475)	(17,570,580)	(88,422,641)	(13,159,326)
Other intangible assets	5,166,517	-	-	-
Other non - current assets	27,016,765	65,554	403,500	65,554
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	(497,495,357)	989,206,057	(458,232,984)	998,542,658
Amounts due to related parties	(482,383,758)	348,940,667	(762,836,489)	347,055,469
Accrued expenses	73,946,576	(446,476,918)	219,418,800	(441,486,546)
Advance received	(125,730,124)	106,856,759	(123,442,189)	106,856,759
Other accounts payable	52,044,747	82,573,007	(21,035,182)	82,573,007
Other current liabilities	(54,418,465)	21,254,756	(3,910,825)	(6,141,793)
Provisions	27,955,114	-	-	-
Other non-current liabilities	34,518,180	-	-	-
Net cash flows from (used in) operating activities	2,469,891,070	(145,372,395)	2,086,608,571	(438,376,386)

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2003 AND 2002

(Unit: Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Cash flows from (used in) investing activities :-				
Decrease in investments in bank deposit	-	4,401,000	-	-
Increase in investments in available-for-sales securities	(4,534,118)	(67,633,453)	-	-
Proceeds from disposal of investments in available-for-sales securities	82,832,497	28,883,605	-	-
Net cash paid for acquisition of new subsidiary (Note 16.2)	(1,174,157,427)	-	-	-
Increase in investments in subsidiary	-	-	(1,941,157,427)	-
Increase in investments in associated parties	(17,998,650)	-	-	-
Increase in investments in other parties	(31,518,975)	(69,373,888)	-	-
Increase in long-term loans to related parties	(1,613,603)	-	-	-
Acquisition of fixed assets	(574,437,267)	(844,679,185)	(534,665,399)	(822,312,889)
Proceeds from sales of fixed assets	46,426,583	55,943,280	47,310,653	55,943,280
Goodwill from additional investments	(94,370,215)	-	-	-
Net cash flows used in investing activities	(1,769,371,175)	(892,458,641)	(2,428,512,173)	(766,369,609)
Cash flows from (used in) financing activities :-				
Increase in bank overdraft and short-term loans from financial institutions	2,411,980	406,885,505	-	406,885,505
Increase in long-term loans from financial institutions	4,399,670,000	-	-	-
Increase in long-term loans from related party	-	-	1,719,086,040	-
Decrease in long-term loans from other party	(2,710,715,150)	-	-	-
Cash received from increased share capital	-	59,195	-	59,195
Dividend paid	(3,326,685,922)	(3,861,212,652)	(3,326,685,922)	(3,861,212,652)
Returned dividend	5,583,458	-	5,583,458	-
Decrease in minority interest from subsidiary's liquidation	(550,698,213)	-	-	-
Net cash flows used in financing activities	(2,180,433,847)	(3,454,267,952)	(1,602,016,424)	(3,454,267,952)
Decrease in translation adjustments	(29,176,784)	(5,605,381)	-	-
Net decrease in cash and cash equivalents	(1,509,090,736)	(4,497,704,369)	(1,943,920,026)	(4,659,013,947)
Cash and cash equivalents - beginning of period	7,857,503,429	11,076,093,164	6,044,425,240	9,824,338,652
Cash and cash equivalents - end of period (Note 16)	6,348,412,693	6,578,388,795	4,100,505,214	5,165,324,705
Supplemental cash flows information				
Cash paid during the period for :				
Interest	44,748,184	29,489,200	3,989,044	29,489,200
Corporate income tax	50,696,036	939,676	624,563	275,532

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 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 2002. However, there were change in the composition of the Group during the current quarter as follows :-

	Percentage of shares held by the Company		Total assets of subsidiaries included in consolidated balance sheets		Total income of subsidiaries included in consolidated earnings statements for the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	%	%	%	%	%	%
<u>Increase of investment in subsidiary</u>						
Delta Energy Systems (Switzerland) AG.	100	-	24.53	-	8.99	-

(UNAUDITED BUT REVIEWED)

The name of subsidiary companies which directly and indirectly owned by Delta Energy Systems (Switzerland) AG. can be summarized below :-

	Percentage directly And indirectly owned by the subsidiary	Incorporated in	Nature of business
Delta Energy Systems (Romania) SRL	100	Romania	Research and development for electronic products
Delta Energy Systems (Czech republic) spol sro.	100	Czech republic	Trading of electronic products
Delta Energy Systems (Bratislava) spol sro. (owned by Delta Energy Systems (Czech republic) spol sro.)	100	Slovak republic	Trading of electronic products
Delta Energy Systems (Slovakia) Sro.	100	Slovak republic	Manufacturing of electronic products
Delta Energy Systems (Germany) GmbH.	100	Germany	Manufacturing, trading and research and developments for electronic products
Delta Energy Systems (Spain) SA.	100	Spain	Trading of electronic products
Delta Energy Systems (France) SA.	100	France	Trading and assembling of electronic products
Delta Energy Systems (Italy) SRL.	100	Italy	Trading and assembling of electronic products
Delta Energy Systems (Sweden) AB.	100	Sweden	Trading and assembling of electronic products
Delta Energy Systems (Finland) Oy.	100	Finland	Trading and assembling of electronic products
Delta Energy Systems (Brazil) SA.	80	Brazil	Trading and assembling of electronic products
Delta Systems Energia (Curitiba) Ltda. (owned by Delta Energy Systems (Brazil) SA.)	100	Brazil	Engineering
Delta Energy Systems (Hong Kong) Ltd.	100	Hong Kong	Manufacturing of electronic products
Delta Energy Systems (Malaysia) Sdn Bhd.	100	Malaysia	Trading of electronic products
Delta Energy Systems (India) Ltd.	100	India	Trading and assembling of electronic products
Delta Energy Systems Guangzhou JV.	51	China	Trading and assembling of electronic products
Delta Energy Systems (USA) Inc.	100	USA	Manufacturing, trading and research and developments for electronic products
Delta Energy Systems (Arizona) Inc.	100	USA	Research and development for electronic products
Delta Energy Systems (Mexico) S.DE R.L.C.V.	100	Mexico	No activity

At the meeting of the Board of Directors of the Company held on 28 April 2003, a resolution was passed approving the acquisition of an overseas group of companies (at present, Delta Energy Systems (Switzerland) AG is the parent of this group of companies). To this end, the Company has acquired a 100% shareholding Delta Energy Systems (Switzerland) AG and began taking over control of this company in July 2003.

(UNAUDITED BUT REVIEWED)

At present, the purchase of the group of companies is yet to be completed because the valuation of net asset values is not finished. The Company recorded the cost of the investment based on the value stated in the agreement plus related professional fees, together amounting to approximately Baht 1,941 million. The Company therefore recorded goodwill based on the difference between the cost of the investments and the net asset values computed from the financial statements prepared by the management of this group of companies as at 30 June 2003. However, from the report of an independent financial consultant, it was noted that the net asset value of the group of companies may be lower than the reported amount. The valuation of consolidation goodwill may therefore differ from the amount reported.

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 2002, with the additional accounting policies which are adopted by a group of subsidiary Companies mentioned in Note 1.2 to the financial statements, which can be summarized below:-

- Deferred income tax

In accordance with the accounting policies, the Company and its subsidiaries provide for deferred income tax resulting from temporary differences in reporting income and expenses for financial reporting purposes compared to income tax reporting purposes. Accordingly, the income tax applicable to income which is not currently recognised, or to expenses which are not currently deductible for income tax purposes, is set up as "Deferred income taxes" in the balance sheets. This will be allocated to future periods when the income is realised, or when the expenses provided for are actually incurred and considered deductible for income tax purposes. However, the Company and its subsidiaries will recognise tax benefits as assets in its books of account if it is highly probable that the Company and its subsidiaries will generate sufficient profits from their future operations to utilise these benefits.

(UNAUDITED BUT REVIEWED)

- **Pension plan**

Delta Energy Systems (Switzerland) AG and its subsidiary in Germany recognize pension plan benefits as liabilities in their financial statements in accordance with the bases and conditions stipulated in the regulations of these companies. (The Company and all other subsidiaries have not adopted a policy to account for employee pension plan benefits as this has not yet been addressed by any Accounting Standard).

2. CASH AND CASH EQUIVALENTS

Cash at banks of the Company consists of cash deposited with various overseas banks in US Dollar accounts (most of balance is in 5 banks), the balance of which, as at 30 September 2003, amount to approximately USD 96 million (31 December 2002 : approximately USD 133 million).

3. INVESTMENTS IN MARKETABLE SECURITIES

(Unit: Baht)

	30 September 2003		31 December 2002	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
Trading securities	1,360,611	1,360,611	-	-
Available-for-sales securities				
a) Cyntec	75,530,209	66,475,513	42,112,794	32,781,792
b) Loyalty Founder Enterprise	20,463,677	16,420,539	20,463,677	13,892,942
c) Others	-	-	70,770,050	57,029,644
Total	95,993,886	82,896,052	133,346,521	103,704,378
Less: Unrealised loss on investments in available-for-sales securities	(13,097,834)		(29,642,143)	
Less: Translation adjustments	(7,225,607)		(1,356,100)	
Net available-for-sales securities	75,670,445		102,348,278	
Total marketable securities	77,031,056		102,348,278	

(UNAUDITED BUT REVIEWED)

4. ACCOUNTS RECEIVABLE - TRADE

The aging of the outstanding balances as at 30 September 2003 and 31 December 2002 is as follows :-

(Unit: Baht)

	Consolidated		The Company Only	
	<u>30 September 2003</u>	<u>31 December 2002</u>	<u>30 September 2003</u>	<u>31 December 2002</u>
		(Audited)		(Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	431,116,590	596,735,564	3,268,537,286	5,599,500,140
Past due 1 - 3 months	3,728,197	64,648,537	22,046,130	81,583,225
Past due 3 - 6 months	282,564	246,542	2,039,871	1,682,333
Past due 6 - 12 months	1,901,534	2,470,928	2,977,139	2,411,980
Past due over 12 months	1,216,914	823,692	-	-
Total	<u>438,245,799</u>	<u>664,925,263</u>	<u>3,295,600,426</u>	<u>5,685,177,678</u>
<u>Accounts receivable - trade, unrelated parties</u>				
Current	7,342,415,422	6,171,323,531	4,748,703,094	4,388,178,864
Past due 1 - 3 months	1,062,921,590	1,169,945,454	935,061,519	772,878,734
Past due 3 - 6 months	152,401,852	21,329,951	69,569,000	18,767,186
Past due 6 - 12 months	178,064,022	1,408,035	141,644,217	454,734
Past due over 12 months	159,849,834	336,358,654	91,063,389	335,851,860
Total	<u>8,895,652,720</u>	<u>7,700,365,625</u>	<u>5,986,041,219</u>	<u>5,516,131,378</u>
Total Accounts receivable - trade	9,333,898,519	8,365,290,888	9,281,641,645	11,201,309,056
Less : Allowance for doubtful accounts	<u>(426,935,195)</u>	<u>(341,544,541)</u>	<u>(265,869,088)</u>	<u>(341,544,541)</u>
Accounts receivable - trade, net	<u><u>8,906,963,324</u></u>	<u><u>8,023,746,347</u></u>	<u><u>9,015,772,557</u></u>	<u><u>10,859,764,515</u></u>

As at 30 September 2003, a USD 5.2 million account receivable of a subsidiary of the Company has filed an application for reorganisation, and the Company does not expect to recover such debt. However, the Company's management believes that the allowance for doubtful accounts already set aside is adequate in the current circumstances.

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

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

	Consolidated		The Company Only	
	30 September 2003	31 December 2002	30 September 2003	31 December 2002
		(Audited)		(Audited)
<u>Subsidiary companies</u>				
DET International Holding Company Limited				
- Cost	-	-	2,133,050,147	2,133,050,147
- Share of profit (accumulated to 30 September and 31 December)			918,084,329	152,384,385
			3,051,134,476	2,285,434,532
Delta Energy Systems (Switzerland) AG				
- Cost	-	-	1,941,157,427	-
- Share of loss (accumulated to 30 September)			(549,803,740)	-
			1,391,353,687	-
Total investments in subsidiary companies			4,442,488,163	2,285,434,532
<u>Associated companies</u>				
Huada Holding Company Limited				
- Cost	266,009,850	248,011,200	-	-
- Share of loss (accumulated to 30 September and 31 December)	(104,650,870)	(87,654,124)		
	161,358,980	160,357,076		
Delta Green (Tianjin) Industries Company Limited				
- Cost	394,383,470	394,383,470	-	-
- Share of profit (accumulated to 30 September and 31 December)	14,980,646	7,955,338		
	409,364,116	402,338,808		
Deltron Trading (Cambodia) Limited				
- Cost	168,523	168,523	-	-
- Share of loss (accumulated to 30 September and 31 December)	(168,523)	(168,523)		
	-	-		
Unrealised loss on investments in available-for-sales securities of a subsidiary	-	-	(13,097,834)	(29,642,143)
Translation adjustments	14,772,528	60,879,427	(26,175,863)	116,025,994
Total investments in associated companies	585,495,624	623,575,311		
Total investments accounted for under equity method	585,495,624	623,575,311	4,403,214,466	2,371,818,383

(UNAUDITED BUT REVIEWED)

- 5.1 The subsidiaries held through DET International Holding Limited are Newton Power Limited and DET Logistics (USA) Corporation Limited. All associated companies are also held through DET International Holding Limited.
- 5.2 Share of profit/loss from subsidiary companies, which are Newton Power Limited and DET Logistics (USA) Corporation 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.

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>2003</u>	<u>2002</u>	<u>30 September 2003</u>	<u>31 December 2002</u>
	%	%		(Audited)
Cyntec Company Limited (owned by DET International Holding Limited)	-	0.66	-	30,403,614
IP Fund One, L.P.(owned by DET International Holding Limited)	3.80	3.80	298,957,825	267,438,850
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	16.49	50,582,003	50,582,003
Translation adjustments			(16,925,174)	13,118,187
Total investments in other related parties			<u>332,614,654</u>	<u>361,542,654</u>

During the first quarter of the current period, a subsidiary of the Company has reclassified an investment in one "other party", Cyntec Company Limited, as an investment in available-for-sales securities.

According to financial statements of the investees, as at 30 September 2003 the net asset value attributable to the holding of the subsidiary company is approximately Baht 111 million less than its recorded book value. However, the management of the subsidiary company believe that the decline in value is not of a permanent nature and that therefore no provision for impairment of the investment need be set aside.

7. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 30 September 2003, the Company had a loan from an overseas bank amounting to approximately JPY 2,400 million carrying interest at a rate based on LIBOR (31 December 2002: JPY 2,400 million, interest at a rate based on LIBOR). This loan was repaid in full in October 2003.

(UNAUDITED BUT REVIEWED)

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 598 million and Baht 256 million, respectively (the Company only : Baht 246 million and Baht 256 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.

9. FORWARD CONTRACTS

The Company and a subsidiary of the Company have entered into forward exchange contracts with local and overseas financial institutions. The outstanding balances under the contracts as at 30 September 2003 and 31 December 2002 are as follows :-

	Amount	
	(Unit : Million unit of currency)	
	<u>30 September 2003</u>	<u>31 December 2002</u>
Forward Contracts to "Buy"		
USD/CHF	70.00	-
USD/EUR	3.45	-
CHF/THB	27.00	-
Forward Contracts to "Sell"		
USD/THB	92.31	105.00
USD/EUR	0.88	-
USD/GBP	0.31	-

The Company and the subsidiary have 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".

10. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 30 September 2003, a subsidiary of the Company had a dollar loan from local and overseas banks amounting to approximately USD 110 million which is guaranteed by the Company. (31 December 2002 : NIL).

(UNAUDITED BUT REVIEWED)

The loan is repayable in four equal semi-annual installments beginning in February 2007, and matures in August 2008. It is subject to interest at a rate referenced to LIBOR.

Under the loan agreement the Company and the subsidiary must comply with normal financial covenants relating to various matters, such as the maintenance of certain ratios for consolidated total net liabilities to consolidated tangible net worth and interest bearing debt to consolidated EBITDA.

11. PROVISIONS

The outstanding balances as at 30 September 2003 is as follows :-

	Amount (Unit : Million Baht)
Pension	959,472,641
Restructuring costs	481,686,530
Warranty	154,293,287
Other provisions	173,099,955
	<u>1,768,552,413</u>

Pension

Two subsidiaries of the Company have provided retirement benefits for staff who are over 35 years old and have worked with that subsidiary company for more than 10 years. The liability is calculated in accordance with the basis and conditions stipulated in the subsidiary's regulations.

Restructuring costs

A subsidiary of the Company has estimated provision for restructuring because it is reducing its production and laying off staff. The associated liability is calculated in accordance with the basis and conditions stipulated in contracts related to production and employment of the subsidiary.

Warranty

A subsidiary of the Company has estimated its liability under product warranties. The amount of its obligations depends on the type of product, and is calculated in accordance with the basis and conditions of warranty.

(UNAUDITED BUT REVIEWED)

14. RELATED PARTY TRANSACTIONS

During the period, the Company and its subsidiaries had business transactions with its local and 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, technical fee, management fee 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 below :-

		(Unit: Baht)			
		For the three-month periods ended 30 September			
		Consolidated		The Company Only	
	<u>Pricing policies</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	2,293,686,181	4,756,007,540
Sales of raw materials	Cost plus certain margin	-	-	140,240	-
Purchase of raw materials	With reference to market prices	-	-	8,295,628	-
Commission paid	Contract prices	-	-	-	38,720,242
Inspection fee	Contract prices	-	-	47,518,356	-
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	454,354,922	356,409,328	454,354,922	356,409,328
Sales of raw materials	With reference to market prices	5,690,836	25,983,383	5,690,836	25,983,383
Purchase of raw materials	With reference to market prices	79,944,503	121,849,978	79,944,503	121,849,978
Purchase of fixed assets	Agreed upon basis	19,617,635	6,852,159	19,617,635	6,852,159
Commission paid	Contract prices	406,500,938	340,017,788	406,500,938	340,017,788
Technical fee	Contract prices	-	26,490,410	-	26,490,410
Management fee	Contract prices	-	15,401,712	-	15,401,712

		(Unit: Baht)			
		For the nine-month periods ended 30 September			
		Consolidated		The Company Only	
	<u>Pricing policies</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	6,153,240,082	12,776,397,564
Sales of raw materials	Cost plus certain margin	-	-	323,662	-
Purchase of raw materials	With reference to market prices	-	-	8,295,628	-
Commission paid	Contract prices	-	-	-	116,937,434
Inspection fee	Contract prices	-	-	111,188,644	-
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	1,569,478,429	2,315,682,472	1,569,478,429	2,315,682,472
Sales of raw materials	With reference to market prices	12,167,478	39,035,432	12,167,478	39,035,432
Purchase of raw materials	With reference to market prices	225,427,985	358,149,913	225,427,985	358,149,913
Purchase of fixed assets	Agreed upon basis	35,476,398	14,932,161	35,476,398	14,932,161
Commission paid	Contract prices	1,050,428,957	758,189,690	1,050,428,957	758,189,690
Technical fee	Contract prices	-	79,997,106	-	79,997,106
Management fee	Contract prices	16,084,063	44,762,283	16,084,063	44,762,283

(UNAUDITED BUT REVIEWED)

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

		(Unit: Baht)			
		Consolidated		The Company Only	
Relationship		30 September 2003	31 December 2002 (Audited)	30 September 2003	31 December 2002 (Audited)
<u>Accounts receivable - trade, related parties</u>					
<u>Subsidiary companies</u>					
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	2,800,633,370	4,847,894,344
DET International Holding Ltd.	Subsidiary Company	-	-	51,219,287	174,082,673
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	5,715,753	-
		-	-	2,857,568,410	5,021,977,017
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	211,365,542	387,423,119	211,365,542	387,423,722
Delta Electronics (Japan) Ltd.	Common shareholder	26,091,949	49,150,901	26,091,949	49,150,901
Delta Products Corporation Ltd.	Common shareholder	97,877,308	92,279,300	97,877,308	91,395,539
Delta Electronics International Ltd.	Common shareholder	77,859,485	123,966,698	77,663,141	123,124,736
Delta Network Inc.	Common shareholder	11,200,513	6,976,426	11,200,513	6,976,426
Delta Network International Ltd.	Common shareholder	10,999,882	59,751	10,982,443	59,751
Others		2,851,120	5,069,068	2,851,120	5,069,586
		438,245,799	664,925,263	438,032,016	663,200,661
Total accounts receivable - trade, related parties		438,245,799	664,925,263	3,295,600,426	5,685,177,678
<u>Amount due from related party</u>					
Deltron Trading (Cambodia) Ltd.	Common shareholder	4,366,737	3,891,756	-	-
		4,366,737	3,891,756	-	-
<u>Long - term loans to related parties</u>					
Deltron Trading (Cambodia) Ltd.	Common shareholder	60,795,440	65,662,936	-	-
Delta Electronics Europe Ltd.	Common shareholder	1,613,603	-	-	-
Total long-term loans to related parties		62,409,043	65,662,936	-	-
<u>Accounts payable - trade, related parties</u>					
<u>Subsidiary companies</u>					
Delta Electronics Components (Thailand) Ltd.	Subsidiary Company	-	-	-	45,158,002
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	3,776,482	-
		-	-	3,776,482	45,158,002
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	55,625,339	79,316,126	55,557,246	79,237,717
Delta Electronics (Japan) Ltd.	Common shareholder	4,882,125	10,526,285	4,882,124	10,526,285
DEI Logistics (USA) Corporation Ltd.	Common shareholder	-	58,353,234	-	-
Others		2,468,562	7,375,108	2,456,770	7,135,534
		62,976,026	155,570,753	62,896,140	96,899,536
Total accounts payable - trade, related parties		62,976,026	155,570,753	66,672,622	142,057,538
<u>Amounts due to related parties</u>					
<u>Subsidiary companies</u>					
Newton Power Limited.	Subsidiary Company	-	-	16,542,171	12,966,487
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	3,279,911	7,123,617
Delta Electronics Components (Thailand) Ltd.	Subsidiary Company	-	-	-	273,513,037
		-	-	19,822,082	293,603,141

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Relationship	Consolidated		The Company Only	
		30 September 2003	31 December 2002	30 September 2003	31 December 2002
			(Audited)		(Audited)
Other related parties					
Delta Electronics Inc.	Shareholder	413,821,454	715,925,155	407,149,782	715,925,155
Delta Products Corporation Ltd.	Common shareholder	56,731,480	217,675,567	56,731,480	217,675,567
Delta Electronics Europe Ltd.	Common shareholder	1,102,691	30,630,321	1,102,691	30,630,321
Others		12,120,095	2,541,637	12,120,095	2,541,637
		<u>483,775,720</u>	<u>966,772,680</u>	<u>477,104,048</u>	<u>966,772,680</u>
Total amounts due to related parties		<u>483,775,720</u>	<u>966,772,680</u>	<u>496,926,130</u>	<u>1,260,375,821</u>
Long-term loans from related party					
DET International Holding Ltd.	Subsidiary Company	-	-	1,672,240,319	-
Total long-term loans from related party		<u>-</u>	<u>-</u>	<u>1,672,240,319</u>	<u>-</u>

The Company has entered into agreements with the subsidiaries and with related parties whereby the subsidiary and the related parties will provide sales services, marketing services, management services, after-sales services, technical information, and raw material purchasing services, 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 remuneration to its related companies at rates ranging from 0.25 to 10 percent of sales, and maximum rate not over than 3 percent of the purchasing price for the raw material purchasing services.

The balance of long-term loans from related party as at 30 September 2003, represents a loan of CHF 55 million which provided by a subsidiary of the Company. Full repayment of the loan is due by July 2008. There is no interest charge.

15. COMMITMENT AND CONTINGENT LIABILITIES

15.1 Financial derivatives

1) Option agreements

A subsidiary of the Company has entered into various sell "call/put option" agreements with overseas financial institutions. The outstanding balances under the agreements as at 30 September 2003 and 31 December 2002 are as follows :-

(UNAUDITED BUT REVIEWED)

	Amount (Million USD)		Contractual exchange rate (per 1 USD)	
	<u>30 September 2003</u>	<u>31 December 2002</u> (Audited)	<u>30 September 2003</u>	<u>31 December 2002</u> (Audited)
Sell "call option" agreements				
USD / Baht	65.20	214.05	41.00 - 44.00 Baht	41.83 - 44.45 Baht
Sell "put option" agreements				
USD / Baht	12.50	28.50	40.00 - 43.50 Baht	41.90 - 43.50 Baht

The subsidiary has also entered into various buy "put option" agreements. As at 30 September 2003, the subsidiary had outstanding agreements to sell USD 16.5 million against Baht at a rate of Baht 41.00 to Baht 43.80 per 1 USD (31 December 2002 : USD 88.5 million against Baht at Baht 41.83 to Baht 43.80 per 1 USD).

2) Sell "Special - condition option" agreements

A subsidiary of the Company has entered into various sell "call special - condition option" agreements approximately USD 87.6 million against CHF and approximately EURO 1.35 million against USD (31 December 2002 : USD 5.4 million against YEN).

The subsidiary has also entered into various buy "put special - condition option" agreements approximately USD 2 million against Baht (31 December 2002 : NIL).

3) Special - condition forward contracts

A subsidiary of the Company has entered into Special - condition forward contracts to buy approximately USD 60 million against CHF and to sell approximately USD 57.69 million against Baht (31 December 2002 : NIL)

As at 30 September 2003, the Company and the subsidiary have recorded no contingent losses under "Special - condition option agreements" and "Special - condition forward contracts" as they are unable to estimate the amount of such contingent losses for the current period.

(UNAUDITED BUT REVIEWED)

As at 30 September 2003, the exchange rate announced by the BOT is as the following :-

Currency	Average buying rate	Average selling rate
USD	39.8976	40.0964
CHF	30.0601	30.4114

4) Interest rate swap agreements

A subsidiary of the Company has entered into interest rate swap transaction agreements with an overseas financial institution to swap interest totalling USD 30 million. The contract period is 3 years, maturing in August 2006. Every 6 months, the subsidiary is required to pay interest to that financial institution at fixed rates of, respectively, 0.95 percent, 1.30 percent and 1.65 percent per annum in the first year, second and third years. The financial institution is required to pay interest to the subsidiary at the 6-month LIBOR, pro-rated for the number of days on which the daily interest rate lies within a range stipulated in the agreements. (31 December 2002: USD 45 million, with the subsidiary required to pay interest every 6 months at the 6-month LIBOR and the financial institution required to pay interest at a fixed rate 4.20 percent per annum).

The subsidiary has also entered into various interest rate swap agreements with 2 overseas financial institutions to hedge the interest rate risk for interest of USD 50 million. The contract periods are for 1 year, maturing around August 2004. The subsidiary is required to pay interest to that financial institution at the 12-month LIBOR and the financial institutions are required to pay interest at fixed rates of 2.33 - 2.85 percent per annum to the subsidiary.

15.2 Commitments

As at 30 September 2003, the Company and its subsidiaries had capital commitments amounting to Baht 97 million for the purchase of machinery and equipments (31 December 2002: Baht 31 million) and had operating lease commitments amounting to Baht 273 million for equipments (31 December 2002 : NIL)

(UNAUDITED BUT REVIEWED)

15.3 Bank guarantees

As at 30 September 2003, there were outstanding bank guarantees of approximately Baht 34 million and USD 10 million (31 December 2002: Baht 32 million and USD 20 million) issued by the banks on behalf of the Company as required in the ordinary course of business of the Company.

16. CASH FLOWS STATEMENTS

16.1 Cash and cash equivalents

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 September		30 September	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	6,146,395,489	6,282,551,732	3,895,691,477	4,869,487,642
Unrealised loss on exchange rate	<u>202,017,204</u>	<u>295,837,063</u>	<u>204,813,737</u>	<u>295,837,063</u>
Cash and cash equivalents in the statements of cash flows	<u>6,348,412,693</u>	<u>6,578,388,795</u>	<u>4,100,505,214</u>	<u>5,165,324,705</u>

16.2 Acquisition of new subsidiary

During the current quarter, the Company acquired a group of subsidiary companies, as mentioned in Note 1.2 to the financial statements. Net assets and cash and cash equivalents of these subsidiary companies as at acquisition dated amounted to approximately Baht 963 million and Baht 767 million, respectively. The purchase prices of these subsidiary companies amounted to Baht 1,941 million, and thus the net cash flow used in acquisition of these subsidiary companies amounts to Baht 1,174 million and consolidation goodwill amounts to Baht 978 million.

(UNAUDITED BUT REVIEWED)

**17. THE RESOLUTION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS /
DIVIDENDS**

At the Annual General Meeting of shareholders held on 17 March 2003, it was resolved that the Company pay a dividend of Baht 2.80 per share for the year 2002, a total of Baht 3,327 million. The dividend was reflected in the first quarter of the current year. In addition, it was resolved that the Company would obtain a loan or issue bonds to raise funds amounting to approximately Baht 7,000 million or the equivalent amount in foreign currency.

At the Annual General Meeting of shareholders held on 13 March 2002, it was resolved that the Company pay a dividend of Baht 3.25 per share for the year 2001, a total of Baht 3,861 million. The dividend is reflected in the first quarter's financial statements of the year 2001.

(UNAUDITED BUT REVIEWED)

18. 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 products and are mainly carried on both in Thailand and overseas. Financial information of the Company and its subsidiaries by geographical segment, for the three-month and nine-month periods ended 30 September 2003 and 2002 and as at 30 September 2003 and 31 December 2002, is as follow :-

	Consolidated for the three-month periods ended 30 September												(Unit : Million Baht)	
	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Sales - external	6,690	6,218	91	-	2,659	4,387	1,700	-	11,140	10,605	-	-	11,140	10,605
Sales - related parties	2,747	5,113	502	-	10	-	1,593	-	4,852	5,113	(4,399)	(4,756)	453	357
	<u>9,437</u>	<u>11,331</u>	<u>593</u>	<u>-</u>	<u>2,669</u>	<u>4,387</u>	<u>3,293</u>	<u>-</u>	<u>15,992</u>	<u>15,718</u>	<u>(4,399)</u>	<u>(4,756)</u>	<u>11,593</u>	<u>10,962</u>
Gross profit	1,399	1,516	11	-	142	13	(155)	-	1,397	1,529			1,750	1,575
Gain on exchange rate													235	214
Other income													79	65
Share of profit (loss) from investments accounted for under equity method													(7)	19
Selling and administrative expenses													(1,670)	(761)
Interest expenses													(31)	(4)
Corporate income tax													(40)	-
Minority interest in net earnings of subsidiaries													(3)	(2)
Net earnings													<u>313</u>	<u>1,106</u>

(UNAUDITED BUT REVIEWED)

Consolidated for the nine-month periods ended 30 September

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Sales - external	16,788	15,760	91	-	7,580	10,693	1,700	-	26,159	26,453	-	-	26,159	26,453
Sales - related parties	7,722	15,092	502	-	10	-	1,593	-	9,827	15,092	(8,259)	(12,776)	1,568	2,316
	<u>24,510</u>	<u>30,852</u>	<u>593</u>	<u>-</u>	<u>7,590</u>	<u>10,693</u>	<u>3,293</u>	<u>-</u>	<u>35,986</u>	<u>41,545</u>	<u>(8,259)</u>	<u>(12,776)</u>	<u>27,727</u>	<u>28,769</u>
Gross profit	4,058	4,588	11	-	161	37	(155)	-	4,075	4,625			4,429	4,670
Gain (loss) on exchange rate													324	(545)
Other income													273	216
Share of profit (loss) from investments accounted for under equity method													(11)	30
Selling and administrative expenses													(3,133)	(1,917)
Interest expenses													(34)	(27)
Corporate income tax													(42)	-
Minority interest in net loss (earnings) of subsidiaries													(3)	3
Net earnings													<u>1,803</u>	<u>2,430</u>

Consolidated

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Property, plant and equipment - net	3,806	3,855	20	-	161	-	798	-	4,785	3,855	-	-	4,785	3,855
Other assets	19,609	21,526	828	-	4,259	4,953	15,319	3,036	40,015	29,515	(14,906)	(8,338)	25,109	21,177
Total assets	<u>23,415</u>	<u>25,381</u>	<u>848</u>	<u>-</u>	<u>4,420</u>	<u>4,953</u>	<u>16,117</u>	<u>3,036</u>	<u>44,800</u>	<u>33,370</u>	<u>(14,906)</u>	<u>(8,338)</u>	<u>29,894</u>	<u>25,032</u>

(UNAUDITED BUT REVIEWED)

19. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2002 and for the three-month and nine-month periods ended 30 September 2002 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

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