

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 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 September 2005, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2005 and 2004, changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 September 2005 of approximately Baht 7,841 million (30 September 2004 : Baht 10,242 million), total revenues for the three-month and nine-month periods ended 30 September 2005 of approximately Baht 4,904 million and Baht 14,490 million respectively, net loss for the three-month and nine-month periods ended 30 September 2005 of approximately Baht 120 million and Baht 340 million, respectively (for the three-month and nine-month periods ended 30 September 2004 : revenues of approximately Baht 4,679 million and Baht 13,549 million, respectively and net loss of approximately Baht 157 million and Bath 1,269 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 1,287 million as at 30 September 2005 (30 September 2004 : Baht 1,975 million), share of loss for the three-month and nine-month periods ended 30 September 2005 amounting to Baht 120 million and Baht 340 million, respectively (for the three-month and nine-month periods ended 30 September 2004 : share of loss of approximately Bath 157 million and Baht 1,269 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 October 2005

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

Note	Consolidated		The Company Only		
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	2	4,629,959,673	3,833,527,262	2,648,488,939	2,417,913,321
Investments in available-for-sale securities	3	74,791,698	53,246,592	-	-
Accounts receivable - trade					
Related parties	13	656,397,544	488,165,238	3,808,019,144	3,570,078,030
Unrelated parties		9,092,448,915	10,489,698,143	5,840,026,149	6,657,116,350
Less : Allowance for doubtful accounts		(357,332,967)	(353,986,547)	(262,382,194)	(265,581,428)
Accounts receivable - trade, net	4	9,391,513,492	10,623,876,834	9,385,663,099	9,961,612,952
Amount due from related parties	13	28,733,742	-	-	-
Inventories - net		4,808,078,709	5,234,128,306	2,120,442,009	2,118,711,879
Other current assets					
Input tax refundable		93,983,667	109,215,463	17,643,587	14,817,593
Advance payments		14,097,823	43,085,813	10,541,885	29,533,045
Forward contracts receivable	7	81,759,550	-	7,544,100	-
Other accounts receivable		36,600,293	58,482,367	-	-
Others		143,765,236	189,289,890	33,965,506	22,766,870
<b>TOTAL CURRENT ASSETS</b>		<b>19,303,283,883</b>	<b>20,144,852,527</b>	<b>14,224,289,125</b>	<b>14,565,355,660</b>
<b>NON - CURRENT ASSETS</b>					
Investments accounted for under equity method	5	525,293,610	539,136,452	2,859,655,483	3,565,545,372
Investments in other parties	6	285,954,078	284,164,862	-	-
Property, plant and equipment - net		3,973,302,442	4,606,947,731	3,537,547,240	3,860,743,128
Intangible assets					
Consolidation goodwill		1,072,757,216	1,187,733,817	-	-
Other intangible assets		1,293,032,932	1,281,007,176	-	-
Other non-current assets		259,365,673	137,216,492	2,197,431	1,904,762
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,409,705,951</b>	<b>8,036,206,530</b>	<b>6,399,400,154</b>	<b>7,428,193,262</b>
<b>TOTAL ASSETS</b>		<b>26,712,989,834</b>	<b>28,181,059,057</b>	<b>20,623,689,279</b>	<b>21,993,548,922</b>

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 2005	31 December 2004	30 September 2005	31 December 2004
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdrafts and short-term loans from financial institutions	227,582,323	154,365,243	-	-
Accounts payable - trade				
Related parties	13 230,736,059	465,226,525	136,097,460	151,326,933
Unrelated parties	5,656,485,134	6,186,850,182	5,004,623,482	5,500,694,457
Total accounts payable - trade	5,887,221,193	6,652,076,707	5,140,720,942	5,652,021,390
Short-term loan from and amounts due to related parties	13 179,233,230	242,180,483	199,287,577	242,213,445
Other current liabilities				
Accrued expenses	8 1,543,446,118	1,312,283,882	799,497,890	534,360,813
Advance received	308,269,559	178,383,160	258,344,427	144,630,007
Other accounts payable	235,464,809	279,624,461	189,309,826	195,871,232
Others	238,451,754	86,860,416	17,775,018	23,147,100
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,619,668,986</b>	<b>8,905,774,352</b>	<b>6,604,935,680</b>	<b>6,792,243,987</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term loan from related party	13 -	-	-	1,848,741,408
Long-term loan from financial institutions	9 2,132,577,200	3,715,317,000	-	-
Provisions	10 1,844,713,710	2,102,213,502	-	-
Other non-current liabilities	39,021,019	43,921,837	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,016,311,929</b>	<b>5,861,452,339</b>	<b>-</b>	<b>1,848,741,408</b>
<b>TOTAL LIABILITIES</b>	<b>12,635,980,915</b>	<b>14,767,226,691</b>	<b>6,604,935,680</b>	<b>8,640,985,395</b>

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 2005	31 December 2004	30 September 2005	31 December 2004
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each					
(31 December 2004 : 1,200 million ordinary shares of Baht 1 each)	11	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					
		(38,553,470)	(41,001,868)	(38,553,470)	(41,001,868)
Translation adjustments					
		60,528,180	(150,241,673)	60,528,180	(150,241,673)
Retained earnings					
Appropriated - Statutory reserve					
		120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated					
		11,196,749,649	10,743,792,453	11,196,749,649	10,743,792,453
<b>EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS</b>					
		14,018,753,599	13,352,563,527	14,018,753,599	13,352,563,527
<b>MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries</b>					
		58,255,320	61,268,839	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>					
		14,077,008,919	13,413,832,366	14,018,753,599	13,352,563,527
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		26,712,989,834	28,181,059,057	20,623,689,279	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 SEPTEMBER 2005 AND 2004

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
<b>REVENUES</b>					
Sales		11,873,059,255	11,486,091,772	9,414,814,367	8,923,793,300
Other income					
Interest income		37,103,852	16,941,300	25,584,290	11,168,846
Gain on exchange rate		-	12,036,515	-	59,826,226
Gain on disposal of fixed assets		2,772,740	-	-	-
Others		67,958,042	110,054,989	16,079,077	15,868,892
<b>TOTAL REVENUES</b>		<b>11,980,893,889</b>	<b>11,625,124,576</b>	<b>9,456,477,734</b>	<b>9,010,657,264</b>
<b>EXPENSES</b>					
Cost of sales		9,316,130,250	9,356,208,344	7,382,578,392	7,242,610,306
Selling and administrative expenses		1,719,541,404	1,429,763,052	1,108,642,054	950,533,491
Loss on disposal of fixed assets		-	52,431,855	176,387	1,354,372
Directors' remuneration		1,134,990	1,054,990	1,134,990	1,054,990
Loss on exchange rate		95,811,270	-	28,482,236	-
Amortisation of intangible assets		35,547,865	38,461,731	-	-
Restructuring expenses		2,614,529	13,549,300	-	-
Share of loss from investments accounted for under equity method		14,611,301	1,053,920	211,417,551	128,680,561
<b>TOTAL EXPENSES</b>		<b>11,185,391,609</b>	<b>10,892,523,192</b>	<b>8,732,431,610</b>	<b>8,324,233,720</b>
<b>EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX</b>		<b>795,502,280</b>	<b>732,601,384</b>	<b>724,046,124</b>	<b>686,423,544</b>
<b>INTEREST EXPENSES</b>		<b>(49,700,459)</b>	<b>(33,250,218)</b>	<b>-</b>	<b>-</b>
<b>CORPORATE INCOME TAX</b>		<b>(23,729,130)</b>	<b>(23,383,701)</b>	<b>(1,471,410)</b>	<b>(11,310,162)</b>
<b>EARNINGS AFTER CORPORATE INCOME TAX</b>		<b>722,072,691</b>	<b>675,967,465</b>	<b>722,574,714</b>	<b>675,113,382</b>
<b>MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES</b>		<b>502,023</b>	<b>(854,083)</b>	<b>-</b>	<b>-</b>
<b>NET EARNINGS FOR THE PERIOD</b>		<b>722,574,714</b>	<b>675,113,382</b>	<b>722,574,714</b>	<b>675,113,382</b>
<b>EARNINGS PER SHARE</b>					
<i>12</i>					
Basic earnings per share					
Net earnings		0.61	0.57	0.61	0.57
Weighted average number of ordinary shares (shares)		1,188,116,740	1,188,102,115	1,188,116,740	1,188,102,115
Diluted earnings per share					
<i>12</i>					
Net earnings		0.61	0.57	0.61	0.57
Weighted average number of ordinary shares (shares)		1,188,116,740	1,188,116,009	1,188,116,740	1,188,116,009

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 2005 AND 2004

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
<b>REVENUES</b>					
Sales		32,541,118,900	35,446,623,781	26,020,763,199	27,882,973,885
Other income					
Interest income		146,473,155	95,158,233	63,184,071	33,946,674
Gain on exchange rate		45,995,207	28,251,643	569,038,118	316,682,597
Gain on disposal of fixed asset		109,896,347	-	-	-
Others		288,357,192	214,901,614	33,509,269	33,251,930
Share of profit from investments accounted for under equity method		-	11,490,946	-	-
<b>TOTAL REVENUES</b>		<b>33,131,840,801</b>	<b>35,796,426,217</b>	<b>26,686,494,657</b>	<b>28,266,855,086</b>
<b>EXPENSES</b>					
Cost of sales		26,346,457,742	29,665,207,773	21,221,721,341	23,145,365,699
Selling and administrative expenses		4,944,083,253	3,995,722,930	3,109,360,103	2,452,400,170
Loss on disposal of fixed asset		-	76,326,945	28,149,915	3,060,057
Directors' remuneration		3,255,010	3,376,970	3,255,010	3,376,970
Amortisation of intangible assets		98,931,435	115,228,201	-	-
Restructuring expenses		122,441,817	18,542,683	-	-
Share of loss from investments accounted for under equity method		39,093,720	-	919,108,140	845,216,604
<b>TOTAL EXPENSES</b>		<b>31,554,262,977</b>	<b>33,874,405,502</b>	<b>25,281,594,509</b>	<b>26,449,419,500</b>
<b>EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX</b>		<b>1,577,577,824</b>	<b>1,922,020,715</b>	<b>1,404,900,148</b>	<b>1,817,435,586</b>
INTEREST EXPENSES		(118,343,761)	(86,026,573)	-	-
CORPORATE INCOME TAX		(56,571,889)	(25,712,842)	(1,471,410)	(11,310,162)
<b>EARNINGS AFTER CORPORATE INCOME TAX</b>		<b>1,402,662,174</b>	<b>1,810,281,300</b>	<b>1,403,428,738</b>	<b>1,806,125,424</b>
MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES		766,564	(4,155,876)	-	-
<b>NET EARNINGS FOR THE PERIOD</b>		<b>1,403,428,738</b>	<b>1,806,125,424</b>	<b>1,403,428,738</b>	<b>1,806,125,424</b>
<b>EARNINGS PER SHARE</b>					
<i>12</i>					
Basic earnings per share					
Net earnings		1.18	1.52	1.18	1.52
Weighted average number of ordinary shares (shares)		1,188,115,442	1,188,102,115	1,188,115,442	1,188,102,115
Diluted earnings per share					
<i>12</i>					
Net earnings		1.18	1.52	1.18	1.52
Weighted average number of ordinary shares (shares)		1,188,115,442	1,188,116,174	1,188,115,442	1,188,116,174

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 2005 AND 2004

(Unit: Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
<b>Cash flows from (used in) operating activities :-</b>				
Net earnings	1,403,428,738	1,806,125,424	1,403,428,738	1,806,125,424
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	881,703,994	903,104,828	662,535,148	602,764,395
Amortisation in premium/discount of forward contracts	(1,794,668)	(24,329,026)	(767)	-
Amortisation of goodwill	114,506,337	259,873,378	-	-
Amortisation of other intangible assets	49,159,945	154,482,736	-	-
Allowance for doubtful accounts (reversal)	3,346,420	(25,883,432)	(3,199,234)	(15,928,204)
Provision for obsolete inventories (reversal)	(142,831,074)	175,988,211	38,986,922	170,503,993
Accrual of provisions (reversal)	64,760,664	(371,617,053)	-	-
(Gain) loss from sale of fixed assets	(109,896,348)	76,326,945	28,149,915	3,060,057
(Gain) loss from sale of investments in available-for-sales securities	1,793,801	(214,334)	-	-
Loss from return loan to associated company	-	14,038,656	-	-
Share of (profit) loss from investments accounted for under equity method	39,093,720	(11,490,946)	919,108,140	845,216,604
Unrealised (gain) loss on exchange rate	89,841,135	179,522,279	(204,404,810)	(222,399,994)
Minority interest in net earnings (loss) of subsidiaries	(766,564)	4,155,876	-	-
Earnings from operating activities before changes in				
operating assets and liabilities	2,392,346,100	3,140,083,542	2,844,604,052	3,189,342,275
Decrease (increase) in operating assets :-				
Accounts receivable - trade	1,540,601,392	198,827,673	890,733,557	129,295,225
Amounts due from related parties	(28,733,742)	17,526,791	-	17,526,791
Inventories	568,880,671	(2,395,100,428)	(40,717,052)	(1,185,406,816)
Input tax refundable	15,231,796	160,378,527	(2,825,994)	14,545,224
Advance payments	29,552,495	86,768,196	18,991,160	90,664,223
Other accounts receivable	21,882,074	(76,969,161)	-	-
Other current assets	48,180,325	(122,215,896)	(8,542,965)	(5,768,137)
Other intangible assets	14,461	-	-	-
Other non - current assets	(122,149,181)	(32,923,942)	(292,669)	(35,000)
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	(859,744,212)	247,222,481	(606,189,146)	(111,055,778)
Short-term loan from and amounts due to related parties	(62,942,746)	(99,135,744)	(42,921,361)	(35,031,880)
Accrued expenses	217,995,079	203,188,903	251,969,920	175,359,914
Advance received	122,940,355	(1,517,982)	106,768,376	15,515,177
Other accounts payable	(46,254,191)	124,661,382	(8,655,945)	126,790,783
Other current liabilities	150,853,234	(9,077,324)	(5,394,115)	2,991,854
Provisions	(167,054,163)	(221,853,331)	-	-
Other non-current liabilities	(4,900,818)	999,036	-	-
Net cash flows from operating activities	3,816,698,929	1,220,862,723	3,397,527,818	2,424,733,855

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 2005 AND 2004

(Unit: Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
<b>Cash flows from (used in) investing activities :-</b>				
Decrease in investments in bank deposit	-	198,191,000	-	-
Increase in investments in available-for-sales securities	(32,914,770)	(4,349,552)	-	-
Proceeds from disposal of investments in available-for-sales securities	15,103,799	3,711,580	-	-
Decrease in loan to related party	-	1,704,961	-	-
Increase in investments in subsidiaries	-	-	-	(595,220,394)
Increase in investments in other parties	-	(40,777,778)	-	-
Consolidation goodwill from additional investments	-	96,498,719	-	-
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
Proceeds from return loan to associated company	-	54,073,537	-	-
Acquisition of fixed assets	(506,812,522)	(947,522,059)	(386,952,755)	(767,909,658)
Proceeds from sales of fixed assets	326,836,056	1,444,818	19,463,580	1,444,818
Net cash flows used in investing activities	(186,162,922)	(509,738,559)	(367,489,175)	(1,241,685,234)
<b>Cash flows from (used in) financing activities :-</b>				
Increase in bank overdrafts and short-term loans from financial institutions	73,217,080	113,964,521	-	-
Decrease in long-term loans from related party	-	-	(1,663,282,064)	(55,803,976)
Decrease in long-term loans from financial institutions	(1,763,477,300)	(622,404,000)	-	-
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	(2,640,717,137)	(1,458,829,451)	(2,613,738,981)	(1,006,193,948)
<b>Increase (decrease) in translation adjustments</b>	(7,388,129)	41,407,520	-	-
Net increase (decrease) in cash and cash equivalents	982,430,741	(706,297,767)	416,299,662	176,854,673
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 15)	4,815,958,003	4,731,062,358	2,834,212,983	3,482,129,555
<b>Supplemental cash flows information :-</b>				
Cash paid during the period for :				
Interest	133,369,915	86,353,772	-	-
Corporate income tax	1,374,087	49,592,887	1,374,087	11,367,382

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 2005 AND 2004

(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		
<b>Balance as at 31 December 2003 (Audited)</b>	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-sales securities	-	-	(20,264,957)	-	-	-	-	(20,264,957)
Translation adjustments	-	-	-	78,935,593	-	-	-	78,935,593
Unrealised items in earnings statement	-	-	(20,264,957)	78,935,593	-	-	-	58,670,636
Net earnings for the period	-	-	-	-	-	1,806,125,424	-	1,806,125,424
Dividend paid (Note 16)	-	-	-	-	-	(950,481,692)	-	(950,481,692)
Returned dividend	-	-	-	-	-	91,720	-	91,720
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(18,497,209)	(18,497,209)
<b>Balance as at 30 September 2004</b>	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(41,484,512)</u>	<u>75,765,262</u>	<u>120,000,000</u>	<u>11,321,809,335</u>	<u>59,620,282</u>	<u>14,215,724,982</u>
<b>Balance as at 31 December 2004 (Audited)</b>	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 earnings on investments in available-for-sales securities	-	-	2,448,398	-	-	-	-	2,448,398
Translation adjustments	-	-	-	210,769,853	-	-	-	210,769,853
Unrealised items in earnings statement	-	-	2,448,398	210,769,853	-	-	-	213,218,251
Net earnings for the period	-	-	-	-	-	1,403,428,738	-	1,403,428,738
Dividend paid (Note 16)	-	-	-	-	-	(950,491,571)	-	(950,491,571)
Dividend return	-	-	-	-	-	20,029	-	20,029
Increase share capital (Note 11)	14,625	-	-	-	-	-	-	14,625
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(3,013,519)	(3,013,519)
<b>Balance as at 30 September 2005</b>	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(38,553,470)</u>	<u>60,528,180</u>	<u>120,000,000</u>	<u>11,196,749,649</u>	<u>58,255,320</u>	<u>14,077,008,919</u>

(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 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-sales securities	Translation adjustments	Retained earnings		Total
					Appropriated	Unappropriated	
<b>Balance as at 31 December 2003 (Audited)</b>	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-sales securities	-	-	(20,264,957)	-	-	-	(20,264,957)
Translation adjustments	-	-	-	78,935,593	-	-	78,935,593
Unrealised items in earnings statement	-	-	(20,264,957)	78,935,593	-	-	58,670,636
Net earnings for the period	-	-	-	-	-	1,806,125,424	1,806,125,424
Dividend paid (Note 16)	-	-	-	-	-	(950,481,692)	(950,481,692)
Dividend return	-	-	-	-	-	91,720	91,720
<b>Balance as at 30 September 2004</b>	<u>1,188,102,115</u>	<u>1,491,912,500</u>	<u>(41,484,512)</u>	<u>75,765,262</u>	<u>120,000,000</u>	<u>11,321,809,335</u>	<u>14,156,104,700</u>
<b>Balance as at 31 December 2004 (Audited)</b>	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 earnings on investments in available-for-sales securities	-	-	2,448,398	-	-	-	2,448,398
Translation adjustments	-	-	-	210,769,853	-	-	210,769,853
Unrealised items in earnings statement	-	-	2,448,398	210,769,853	-	-	213,218,251
Net earnings for the period	-	-	-	-	-	1,403,428,738	1,403,428,738
Dividend paid (Note 16)	-	-	-	-	-	(950,491,571)	(950,491,571)
Dividend return	-	-	-	-	-	20,029	20,029
Increase share capital (Note 11)	14,625	-	-	-	-	-	14,625
<b>Balance as at 30 September 2005</b>	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(38,553,470)</u>	<u>60,528,180</u>	<u>120,000,000</u>	<u>11,196,749,649</u>	<u>14,018,753,599</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 Company's cash at banks comprises cash deposited with various banks in US dollar accounts, amounting to approximately USD 63 million as at 30 September 2005 (31 December 2004 : approximately USD 59 million). Most of this amount is in two accounts with foreign banks and two accounts with local banks.

(UNAUDITED BUT REVIEWED)

**3. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES**

(Unit: Baht)

	30 September 2005		31 December 2004	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
<b>Available-for-sale securities</b>				
a) Cyntec Company Limited	85,849,819	54,661,341	81,759,622	44,572,082
b) Loyalty Founder Enterprise Company Limited	29,223,079	21,858,087	17,173,634	13,359,306
Total	115,072,898	76,519,428	98,933,256	57,931,388
Unrealised loss on investments in available-for-sale securities	(38,553,470)		(41,001,868)	
Translation adjustments	(1,727,730)		(4,684,796)	
Net investments in available-for-sale securities	74,791,698		53,246,592	

**4. ACCOUNTS RECEIVABLE - TRADE**

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

(Unit : Baht)

	Consolidated		The Company Only	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
		(Audited)		(Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	640,263,034	428,925,079	3,256,450,988	3,359,353,354
Past due 1 - 3 months	12,728,851	56,063,059	551,568,156	210,242,643
Past due 3 - 6 months	3,405,659	738,586	-	442,744
Past due 6 - 12 months	-	2,438,514	-	39,289
Total	656,397,544	488,165,238	3,808,019,144	3,570,078,030
<u>Accounts receivable - trade, unrelated parties</u>				
Current	7,786,773,789	8,690,050,314	4,809,234,081	5,259,732,345
Past due 1 - 3 months	847,868,023	1,414,529,711	675,723,261	1,128,310,318
Past due 3 - 6 months	144,177,745	83,708,895	98,176,394	32,659,316
Past due 6 - 12 months	20,352,287	16,752,898	9,967,417	-
Past due over 12 months	293,277,071	284,656,325	246,924,996	236,414,371
Total	9,092,448,915	10,489,698,143	5,840,026,149	6,657,116,350
Total Accounts receivable - Trade	9,748,846,459	10,977,863,381	9,648,045,293	10,227,194,380
Less : Allowance for doubtful accounts	(357,332,967)	(353,986,547)	(262,382,194)	(265,581,428)
Accounts receivable - trade, net	9,391,513,492	10,623,876,834	9,385,663,099	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		
	Currency	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004
				%	%	Baht	Baht (Audited)	Baht	Baht (Audited)
<b>Subsidiary companies</b>									
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 September and 31 December)								(562,732,048)	85,762,642
								1,570,318,099	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 September and 31 December)								(1,308,781,254)	(1,038,167,804)
								1,267,362,674	1,537,976,124
Total investments in subsidiary companies								2,837,680,773	3,756,788,913
<b>Associated companies (owned by DET International Holding Limited)</b>									
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 September and 31 December)						(188,294,517)	(147,571,235)		
						77,715,333	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 September and 31 December)						25,905,006	24,935,653		
						420,288,476	419,319,123		
Unrealised loss on available-for-sale securities of a subsidiary						-	-	(38,553,470)	(41,001,868)
Translation adjustments						27,289,801	1,378,714	60,528,180	(150,241,673)
Total investments in associated companies						525,293,610	539,136,452		
<b>Total investments accounted for under equity method</b>						<b>525,293,610</b>	<b>539,136,452</b>	<b>2,859,655,483</b>	<b>3,565,545,372</b>

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.

At a meeting of the Board of Director of a subsidiary company held on 21 September 2005, its was resolved that the subsidiary would set up a new company, DET Video Technology Limited, to be incorporated in the British Virgin Islands with a registered capital of USD 100,000. It is to be wholly owned by the subsidiary. During October 2005, the subsidiary company made full payment of the new company's share capital.

(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 September 2005</u>	<u>31 December 2004</u>	<u>30 September 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			(11,667,294)	(25,081,025)
<b>Investments in other parties - net</b>			<u>285,954,078</u>	<u>284,164,862</u>

## 7. FORWARD CONTRACTS

The Company and its subsidiary have entered into forward exchange contracts with local and overseas financial institutions. The outstanding balances under the contracts as at 30 September 2005 and 31 December 2004 are as follows :-

	Amount	
	<u>30 September 2005</u>	<u>31 December 2004</u>
		(Audited)
Forward Contracts to "Sell" USD/THB	51	-

The Company and its 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".

## 8. ACCRUED EXPENSES

The balance mainly represented accrued expenses and provisions related to employee costs and product sales of the Company and its subsidiaries, amounting to approximately Baht 754.8 million and Baht 412.9 million, respectively (the Company only : Baht 288.7 million and Baht 462.6 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. LONG-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at 30 September 2005, a subsidiary of the Company had a dollar loan from local and overseas banks amounting to approximately USD 52 million which is guaranteed by the Company. (31 December 2004 : USD 95 million).

Under the loan agreement, 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.

## 10. PROVISIONS

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

	(Unit : Million Baht)	
	Consolidated	
	30 September 2005	31 December 2004
		(Audited)
Pension	953	1,020
Restructuring costs	579	688
Warranty	174	185
Other provisions	139	209
	<u>1,845</u>	<u>2,102</u>

## 11. 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.

(UNAUDITED BUT REVIEWED)

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.

The final date for the exercise of the Company's warrants was 30 June 2005, after which the remaining warrants can no longer be exercised.

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.

## 12. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 September						
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	
<b>Basic earnings per share</b>						
Net earnings	722,574,714	675,113,382	1,188,116,740	1,188,102,115	0.61	0.57
<b>Effect of dilutive potential ordinary shares</b>						
2004 : Warrants 1,188 units	-	-	13,894	-	-	
<b>Diluted earnings per share</b>						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>722,574,714</u>	<u>675,113,382</u>	<u>1,188,116,740</u>	<u>1,188,116,009</u>	<u>0.61</u>	<u>0.57</u>

## (UNAUDITED BUT REVIEWED)

For the nine-month periods ended 30 September

	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
<b>Basic earnings per share</b>						
Net earnings	1,403,428,738	1,806,125,424	1,188,115,442	1,188,102,115	1.18	1.52
<b>Effect of dilutive potential</b>						
<b>Ordinary shares</b>						
2004 : warrants 1,188 units	-	-	-	14,059	-	-
<b>Diluted earnings per share</b>						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,403,428,738</u>	<u>1,806,125,424</u>	<u>1,188,115,442</u>	<u>1,188,116,174</u>	<u>1.18</u>	<u>1.52</u>

**13. 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)

	Pricing policies	For the three-month periods ended 30 September			
		Consolidated		The Company Only	
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	2,444,680,494	2,042,517,910
Sales of raw materials	With reference to market prices	-	-	10,786,374	21,009,791
Purchase of raw materials	Cost plus certain margin	-	-	17,289,284	155,432,950
Purchase of fixed asset	Agreed upon basis	-	-	2,573,729	3,020,374
Commission paid	Contract prices	-	-	149,908,978	61,019,368
Inspection paid	Contract prices	-	-	-	30,665,671
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,190,765,148	1,747,903,647

## (UNAUDITED BUT REVIEWED)

(Unit : Baht)

		For the three-month periods ended 30 September			
		Consolidated		The Company Only	
		2005	2004	2005	2004
<b><u>Transactions with related parties</u></b>					
Sales of goods	With reference to market prices	530,430,567	516,690,457	514,390,791	431,032,263
Sales of raw materials	With reference to market prices	11,282,941	5,577,783	11,282,941	5,577,783
Purchase of raw materials	With reference to market prices	92,915,341	59,163,946	92,915,341	59,163,946
Purchase of fixed assets	Agreed upon basis	2,111,011	379,190	2,111,011	379,190
Commission paid	Contract prices	218,359,999	319,370,737	218,359,999	319,370,737
Commission received	Contract prices	12,763,767	-	-	-
Inspection received	Contract prices	29,763,945	-	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	44,561,517	-	-	-
Interest paid	Per loan agreement	771,244	-	-	-

(Unit: Baht)

		For the nine-month periods ended 30 September			
		Consolidated		The Company Only	
		2005	2004	2005	2004
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	7,732,375,206	5,832,644,299
Sales of raw materials	With reference to market prices	-	-	21,225,025	27,054,515
Purchase of raw materials	Cost plus certain margin	-	-	74,835,663	209,469,816
Purchase of fixed assets	Agreed upon basis	-	-	5,100,084	3,164,830
Commission paid	Contract prices	-	-	409,325,267	87,892,107
Inspection paid	Contract prices	-	-	52,512,388	81,320,287
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,570,849,648	1,736,902,039
<b><u>Transactions with related parties</u></b>					
Sales of goods	With reference to market prices	1,413,761,968	1,322,468,736	1,374,698,370	1,236,810,542
Sales of raw materials	With reference to market prices	26,994,437	18,172,226	26,994,437	18,172,226
Purchase of raw materials	With reference to market prices	282,502,023	167,100,127	282,502,023	167,100,127
Purchase of fixed assets	Agreed upon basis	4,635,399	3,600,285	4,635,399	3,600,285
Commission paid	Contract prices	748,061,959	856,752,631	748,061,959	856,752,631
Commission received	Contract prices	31,942,018	-	-	-
Inspection received	Contract prices	40,168,537	-	-	-
Lending (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	-	20,870,660	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	50,333,941	-	-	-
Interest paid	Per loan agreement	1,514,221	-	-	-

## (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 September 2005	31 December 2004	30 September 2005	31 December 2004	(Unit : Baht)
		(Audited)		(Audited)	
<b><u>Accounts receivable - trade, related parties</u></b>					
<b><u>Subsidiary companies</u></b>					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	2,772,024,999	3,038,387,162
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	143,328,239	35,598,148
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	243,192,023	37,445,557
Delta Energy Systems (India) Private Ltd.	Subsidiary Company	-	-	20,344,227	3,315,163
Delta Energy Systems (Brazil) S.A.	Subsidiary Company	-	-	7,438,793	6,048,443
Others		-	-	1,630,348	9,733,395
		-	-	3,187,958,629	3,130,527,868
<b><u>Other related parties</u></b>					
Delta Electronics Inc.	Shareholder	18,148,249	152,979,381	16,194,049	141,884,959
Delta Electronics (Japan) Ltd.	Common shareholder	34,641,815	57,098,637	34,641,815	57,098,637
Delta Products Corporation Ltd.	Common shareholder	135,095,559	130,234,744	134,925,481	129,377,253
Delta Electronics International Ltd.	Common shareholder	46,008,470	58,188,061	27,009,184	58,188,061
Delta Network International Ltd.	Common shareholder	29,612,659	23,689,464	29,612,659	23,689,464
Delta Electronics (Hong Kong) Ltd.	Common shareholder	7,297,695	5,997,649	-	-
Delta Network Inc.	Common shareholder	2,664,849	2,040,192	2,664,849	2,040,192
Delta Electronics (Jiangsu) Limited	Common shareholder	17,044,385	10,822,290	10,519,941	3,289,703
Addtron Technology (Japan) Limited	Common shareholder	24,607,511	15,084,643	24,386,051	15,084,643
Deltronics (Netherland) BV	Common shareholder	1,127,989	23,132,927	-	-
Delta Electronics Component (Wujiang) Co., Ltd.	Common shareholder	1,838,134	5,762,042	1,838,134	5,762,042
Delta Video Technology Ltd.	Common shareholder	335,881,571	1,691,419	335,881,571	1,691,419
Others		2,428,658	1,443,789	2,386,781	1,443,789
		656,397,544	488,165,238	620,060,515	439,550,162
Total accounts receivable - trade, related parties		656,397,544	488,165,238	3,808,019,144	3,570,078,030
<b><u>Amount due from related parties</u></b>					
Delta Electronics Inc.	Shareholder	2,793,261	-	-	-
Deltronics (Netherland) BV	Common shareholder	25,940,481	-	-	-
Total amount due from related parties		28,733,742	-	-	-
<b><u>Accounts payable - trade, related parties</u></b>					
<b><u>Subsidiary companies</u></b>					
Delta Energy Systems (Germany) GmbH.	Subsidiary company	-	-	16,643,818	10,211,065
Delta Energy Systems (USA) Inc.	Subsidiary company	-	-	-	7,342,862
Delta Energy Systems (Switzerland) AG.	Subsidiary company	-	-	896,724	55,156,256
Delta Energy Systems (Slovakia) Sro	Subsidiary company	-	-	1,664,407	206,271
Delta Energy Systems (India) Private. Ltd.	Subsidiary company	-	-	423,983	145,049
Others		-	-	344,102	569,631
		-	-	19,973,034	73,631,134

## (UNAUDITED BUT REVIEWED)

(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		30 September 2005	31 December 2004	30 September 2005	31 December 2004
			(Audited)		(Audited)
<b>Other related parties</b>					
Delta Electronics Inc.	Shareholder	218,467,641	448,503,872	99,871,280	65,958,277
Delta Products Corporation Ltd.	Common shareholder	8,501,971	5,867,733	8,301,484	4,986,429
Others		3,766,447	10,854,920	7,951,662	6,751,093
		<u>230,736,059</u>	<u>465,226,525</u>	<u>116,124,426</u>	<u>77,695,799</u>
Total accounts payable – trade, related parties		<u>230,736,059</u>	<u>465,226,525</u>	<u>136,097,460</u>	<u>151,326,933</u>
<b>Short-term loan from and amounts due to related parties</b>					
<b>Subsidiary companies</b>					
Newton Power Limited	Subsidiary Company	-	-	-	15,931,896
DET Logistics (USA) Corporation	Subsidiary Company	-	-	31,376,088	11,129,602
Delta Energy Systems (Switzerland) AG.	Subsidiary Company	-	-	-	36,458,828
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	28,584,942	38,414
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	12,435,134	-
Others		-	-	184	847,370
		<u>-</u>	<u>-</u>	<u>72,396,348</u>	<u>64,406,110</u>
<b>Other related parties</b>					
Delta Electronics Inc.	Shareholder	38,097,179	173,375,085	38,097,179	173,375,085
Delta Electronics Scotland Ltd.	Common shareholder	52,342,001	64,373,148	-	-
Delta Products Corporation Ltd.	Common shareholder	67,386,915	3,962,799	67,386,915	3,962,799
Delta Electronics (Japan) Ltd.	Common shareholder	20,287,531	68,701	20,287,531	68,701
Others		1,119,604	400,750	1,119,604	400,750
		<u>179,233,230</u>	<u>242,180,483</u>	<u>126,891,229</u>	<u>177,807,335</u>
Total short-term loan from and amounts due to related parties		<u>179,233,230</u>	<u>242,180,483</u>	<u>199,287,577</u>	<u>242,213,445</u>
<b>Long-term loan from related party</b>					
DET International Holding Ltd.	Subsidiary Company	-	-	-	1,848,741,408
Total long-term loan from related party		<u>-</u>	<u>-</u>	<u>-</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 was due by June 2008 and there was no interest charge. However, during the current quarter, the Company made full payment of the outstanding loan to its subsidiary so that the subsidiary could repay the long-term loans to financial institutions in this quarter as mentioned in note 9 to the financial statements.

## 14. COMMITMENT AND CONTINGENT LIABILITIES

### 14.1 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 September 2005 is USD 50 million against Baht. Contractual exchange rate is 40 Baht per USD (31 December 2004 : Nil).

As at 30 September 2005, the unwind value of the sell “call option” agreement of the subsidiary amounted to approximately Baht 65 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 30 September 2005 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.

**14.2 Commitments and contingent liabilities**

- As at 30 September 2005, the Company and its subsidiaries had capital commitments amounting to Baht 68 million for the purchase of machinery and equipments (31 December 2004: Baht 230 million) and had operating lease commitments amounting to CHF 3.7 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.

**14.3 Letter of guarantees**

As at 30 September 2005, there were significant outstanding bank guarantees of approximately Baht 30 million and INR 62 million (31 December 2004 : Baht 37 million) issued by the banks on behalf of the Company and an overseas subsidiaries as required in the ordinary course of business of the Company and the overseas subsidiaries 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.

**14.4 Assets/Liabilities-foreign currency not hedged against foreign exchange risk**

Significant foreign currency assets and liabilities of the Company which were unhedged as at 30 September 2005, most of which are current balances, are summarised below.

	Amount	
<b>Assets</b>		
Assets denominated in US Dollar	USD	177 million
Assets denominated in YEN	YEN	95 million
Assets denominated in EURO	EUR	6 million
Assets denominated in New Taiwan Dollar	NTD	83 million
<b>Liabilities</b>		
Liabilities denominated in US Dollar	USD	83 million
Liabilities denominated in YEN	YEN	179 million
Liabilities denominated in EURO	EUR	0.9 million



(UNAUDITED BUT REVIEWED)

## 15. 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 :-

	Consolidated		The Company Only	
	30 September		30 September	
	2005	2004	2005	2004
Cash and cash equivalents	4,629,959,673	4,983,160,853	2,648,488,939	3,735,970,462
Unrealised (gain) loss on exchange rate	185,998,330	(252,098,495)	185,724,044	(253,840,907)
Cash and cash equivalents in the statements of cash flows	<u>4,815,958,003</u>	<u>4,731,062,358</u>	<u>2,834,212,983</u>	<u>3,482,129,555</u>

## 16. 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)

## 17. 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 nine-month periods ended 30 September 2005 and 2004, and as at 30 September 2005 and 31 December 2004, is as follow :

	Consolidated for the three-month periods ended 30 September												(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	6,458	6,454	279	326	2,775	2,294	1,841	1,908	11,353	10,982	-	-	11,353	10,982
Sales - related parties	2,959	2,473	1	284	14	226	1,259	1,750	4,233	4,733	(3,713)	(4,229)	520	504
	<u>9,417</u>	<u>8,927</u>	<u>280</u>	<u>610</u>	<u>2,789</u>	<u>2,520</u>	<u>3,100</u>	<u>3,658</u>	<u>15,586</u>	<u>15,715</u>	<u>(3,713)</u>	<u>(4,229)</u>	<u>11,873</u>	<u>11,486</u>
Gross profit	2,032	1,681	54	54	55	35	378	280	2,519	2,050			2,557	2,130
Gain (loss) on exchange rate													(96)	12
Other income													108	126
Share of loss from investments accounted for under equity method													(15)	(1)
Selling and administrative expenses													(1,759)	(1,535)
Interest expenses													(50)	(33)
Corporate income tax													(24)	(23)
Minority interest in net loss (earnings) of subsidiaries													1	(1)
Net earnings													<u>722</u>	<u>675</u>

(UNAUDITED BUT REVIEWED)

Consolidated for the nine-month periods ended 30 September

(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	16,921	20,827	788	816	7,765	6,910	5,644	5,571	31,118	34,124	-	-	31,118	34,124
Sales - related parties	9,107	7,069	21	1,190	38	314	3,864	5,443	13,030	14,016	(11,607)	(12,693)	1,423	1,323
	<u>26,028</u>	<u>27,896</u>	<u>809</u>	<u>2,006</u>	<u>7,803</u>	<u>7,224</u>	<u>9,508</u>	<u>11,014</u>	<u>44,148</u>	<u>48,140</u>	<u>(11,607)</u>	<u>(12,693)</u>	<u>32,541</u>	<u>35,447</u>
Gross profit	4,799	4,737	121	134	172	246	1,175	703	6,267	5,820			6,195	5,781
Gain on exchange rate													46	28
Other income													544	310
Share of profit (loss) from investments accounted for under equity method													(39)	12
Selling and administrative expenses													(5,169)	(4,209)
Interest expenses													(118)	(86)
Corporate income tax													(57)	(26)
Minority interest in net loss (earnings) of subsidiaries													1	(4)
Net earnings													<u>1,403</u>	<u>1,806</u>

Consolidated

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004	30 September 2005	31 December 2004
		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)
Property, plant and equipment - net	3,538	3,861	52	31	12	70	371	645	3,973	4,607	-	-	3,973	4,607
Other assets	17,086	18,133	714	1,019	3,946	4,266	12,072	13,910	33,818	37,328	(11,078)	(13,754)	22,740	23,574
Total assets	<u>20,624</u>	<u>21,994</u>	<u>766</u>	<u>1,050</u>	<u>3,958</u>	<u>4,336</u>	<u>12,443</u>	<u>14,555</u>	<u>37,791</u>	<u>41,935</u>	<u>(11,078)</u>	<u>(13,754)</u>	<u>26,713</u>	<u>28,181</u>

(UNAUDITED BUT REVIEWED)

**18. 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 nine-month periods ended 30 September 2004 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

**19. APPROVAL OF FINANCIAL STATEMENTS**

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