

Translation

20 February 2006

To: The President

The Stock Exchange of Thailand

Re: Explanation for the increase in net profit of the year 2005 for over 20% as compared to year 2004

Delta Electronics (Thailand) Public Co.,Ltd., would like to declare the increase in its consolidated net profit of year 2005 for Baht 1,057 million, or 86%, from Baht 1,228 million in 2004 to Baht 2,285 million in 2005 as follows :

1. Gross profit margin has been improved from 15.6% in 2004 to 20% in 2005 which made the gross profit increased from Baht 7,556 million to Baht 8,759 million. The improvement of the gross margin was due to the significant increase in sales of DES product group and networking power supply. DES product group's sales in 2005 accounted for 32% of the Company's consolidated sales as compared to 27% in the 2004. DES product group included mainly high-end power supplies and the Company has focused on this product group since the past few years.
2. In spite of the lower sales of approximately 9.5% in 2005 from Baht 48,340 million in 2004 to Baht 43,766 million in 2005 and higher selling and admin expense, the net profit was not affected. This was because most of the decreased sales were belonged to the low profit margin products such as CRT and LCD monitors and the selling and admin expenses were increased in a lower rate as compared to the improved gross profit. The main expenses increased were R&D and managemnet expenses.

Yours sincerely,

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Vice Chairman /Director