

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 2004

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 sheet of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2004, and the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2004 and 2003, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2004 and 2003, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

The consolidated interim financial statements for the three-month and nine-month periods ended 30 September 2004 of an overseas subsidiary and an overseas group of subsidiary companies 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 2004, insofar as they relate to the amounts included for this subsidiary and group of subsidiary companies, is based solely on the reports of that other auditors. These financial statements reflect total assets as at 30 September 2004 of approximately Baht 10,242 million, total revenues for the three-month and nine-month periods then ended of approximately Baht 4,679 million and Baht 13,549 million, respectively and net loss for the three-month and nine-month periods then ended of approximately Baht 157 million and Baht 1,269 million, respectively. In addition, the Company's financial statements include its investment in this subsidiary and group of subsidiary companies state under the equity method, amounting to Baht 1,975 million as at 30 September 2004, and its share of loss for the three-month and nine-month periods then ended, amounting to Baht 157 million and Baht 1,269 million, respectively.

I conducted my reviews 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 reviews and the reports 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 2003, in accordance with generally accepted auditing standards and, under my report dated 21 January 2004, expressed an unqualified opinion on those statements, based solely on the reports of other auditors in so far 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 9,749 million and Baht 14,703 respectively), drawing attention to the fact that the purchase of the overseas group of companies is yet to be completed because the valuation of net asset values had yet to be completed, meaning that the valuation of consolidation goodwill may differ from the recorded amount. The balance sheets as at 31 December 2003, 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 : 4 November 2004

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated		The Company Only	
		30 September 2004	31 December 2003	30 September 2004	31 December 2003
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	4,983,160,853	5,437,360,125	3,735,970,462	3,305,274,882
Current investments					
Investments in available-for-sale securities	3	52,767,204	68,185,929	-	-
Fixed deposit		-	198,191,000	-	-
Accounts receivable - trade					
Related parties	13	506,554,255	468,057,894	3,182,585,926	2,632,751,293
Unrelated parties		9,527,340,073	9,633,978,853	6,178,748,119	6,727,192,723
Less : Allowance for doubtful accounts		(355,824,579)	(381,708,011)	(280,795,733)	(296,723,937)
Accounts receivable - trade, net	4	9,678,069,749	9,720,328,736	9,080,538,312	9,063,220,079
Short-term loan to and amounts due from related parties	13	-	22,103,553	-	17,526,791
Inventories - net		6,733,032,643	4,513,920,426	3,063,023,988	2,048,121,165
Other current assets					
Input tax refundable		172,301,922	332,680,449	17,911,412	32,456,636
Advance payments		31,458,180	118,226,376	6,409,395	97,073,618
Forward contracts receivable	7	-	2,059,824	-	-
Other accounts receivable		96,713,581	19,744,420	-	-
Others		247,702,811	121,882,439	27,074,458	17,701,845
TOTAL CURRENT ASSETS		21,995,206,943	20,554,683,277	15,930,928,027	14,581,375,016
NON - CURRENT ASSETS					
Investments accounted for under equity method	5	608,400,050	569,882,078	3,808,526,848	3,999,852,422
Other long-term investments					
Investments in other parties	6	301,494,378	255,845,373	-	-
Investments in unit trusts		-	120,000,000	-	120,000,000
Long-term loans to related parties	13	-	61,955,025	-	-
Property, plant and equipment - net		4,784,316,578	4,790,136,340	3,955,266,003	3,794,625,615
Intangible assets					
Consolidation goodwill		2,408,701,209	2,752,569,192	-	-
Other intangible assets		870,555	154,632,676	-	-
Other non-current assets		125,304,938	92,380,996	1,904,762	1,869,762
TOTAL NON-CURRENT ASSETS		8,229,087,708	8,797,401,680	7,765,697,613	7,916,347,799
TOTAL ASSETS		30,224,294,651	29,352,084,957	23,696,625,640	22,497,722,815

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 2004	31 December 2003	30 September 2004	31 December 2003
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loan from financial institutions		114,859,090	894,569	-	-
Accounts payable - trade					
Related parties	13	244,352,582	53,604,350	217,548,592	59,580,914
Unrelated parties		6,969,691,771	6,850,018,560	5,923,852,079	6,129,676,573
Total accounts payable - trade		7,214,044,353	6,903,622,910	6,141,400,671	6,189,257,487
Amounts due to related parties	13	324,732,791	424,165,376	401,696,974	437,025,695
Other current liabilities					
Accrued expenses	8	1,402,721,425	1,159,864,468	724,441,309	509,413,341
Advance received		142,044,235	137,221,754	133,039,040	111,183,400
Forward contract payable	7	210,831,879	-	-	-
Other accounts payable		520,379,730	391,943,639	356,790,187	226,224,695
Others		251,367,352	249,332,283	18,577,767	15,716,225
TOTAL CURRENT LIABILITIES		10,180,980,855	9,267,044,999	7,775,945,948	7,488,820,843
NON-CURRENT LIABILITIES					
Long-term loan from related party	13	-	-	1,764,574,992	1,767,203,360
Long-term loan from financial institutions	9	3,941,892,000	4,360,202,000	-	-
Provisions	10	1,842,333,537	2,362,657,614	-	-
Other non-current liabilities		43,363,277	42,364,241	-	-
TOTAL NON-CURRENT LIABILITIES		5,827,588,814	6,765,223,855	1,764,574,992	1,767,203,360
TOTAL LIABILITIES		16,008,569,669	16,032,268,854	9,540,520,940	9,256,024,203

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 2004 (Unaudited but reviewed)	31 December 2003 (Audited)	30 September 2004 (Unaudited but reviewed)	31 December 2003 (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-sale securities	(41,484,512)	(21,219,555)	(41,484,512)	(21,219,555)
Translation adjustments	75,765,262	(3,170,331)	75,765,262	(3,170,331)
Retained earnings				
Appropriated - Statutory reserve	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated	11,321,809,335	10,466,073,883	11,321,809,335	10,466,073,883
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	14,156,104,700	13,241,698,612	14,156,104,700	13,241,698,612
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries	59,620,282	78,117,491	-	-
TOTAL SHAREHOLDERS' EQUITY	14,215,724,982	13,319,816,103	14,156,104,700	13,241,698,612
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,224,294,651	29,352,084,957	23,696,625,640	22,497,722,815
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The accompanying notes are an integral part of the financial statements.

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 DIRECTORS

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2004 AND 2003

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2004	2003	2004	2003
REVENUES					
Sales		11,486,091,772	11,591,670,732	8,923,793,300	9,384,833,710
Other income					
Interest income		16,941,300	24,117,572	11,168,846	11,766,753
Gain on exchange rate		12,036,515	235,353,258	59,826,226	-
Gain on sale of investments in marketable securities		2,768	4,696,613	-	-
Others		110,052,221	50,196,153	15,868,892	18,768,278
Share of profit from investments accounted for under equity method		-	-	-	25,514,350
TOTAL REVENUES		11,625,124,576	11,906,034,328	9,010,657,264	9,440,883,091
EXPENSES					
Cost of sales		9,356,208,344	9,841,653,313	7,242,610,306	8,044,601,879
Selling and administrative expenses		1,482,194,907	1,313,868,387	951,887,863	733,197,642
Directors' remuneration		1,054,990	40,000	1,054,990	40,000
Loss on exchange rate		-	-	-	349,004,158
Amortisation of intangible assets		38,461,731	1,131,193	-	-
Restructuring expenses		13,549,300	354,930,862	-	-
Share of loss from investments accounted for under equity method		1,053,920	6,933,143	128,680,561	-
TOTAL EXPENSES		10,892,523,192	11,518,556,898	8,324,233,720	9,126,843,679
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		732,601,384	387,477,430	686,423,544	314,039,412
INTEREST EXPENSES		(33,250,218)	(31,012,380)	-	(1,153,204)
CORPORATE INCOME TAX		(23,383,701)	(40,271,846)	(11,310,162)	-
EARNINGS AFTER CORPORATE INCOME TAX		675,967,465	316,193,204	675,113,382	312,886,208
MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES		(854,083)	(3,306,996)	-	-
NET EARNINGS FOR THE PERIOD		675,113,382	312,886,208	675,113,382	312,886,208
EARNINGS PER SHARE					
<i>12</i>					
Basic earnings per share					
Net earnings		0.57	0.26	0.57	0.26
Weighted average number of ordinary shares (shares)		1,188,102,115	1,188,102,115	1,188,102,115	1,188,102,115
Diluted earnings per share					
<i>12</i>					
Net earnings		0.57	0.26	0.57	0.26
Weighted average number of ordinary shares (shares)		1,188,116,009	1,188,116,149	1,188,116,009	1,188,116,149

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 2004 AND 2003

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2004	2003	2004	2003
REVENUES					
Sales		35,446,623,781	27,726,653,738	27,882,973,885	24,227,237,848
Other income					
Interest income		95,158,233	118,183,429	33,946,674	53,396,884
Gain on exchange rate		28,251,643	324,250,791	316,682,597	-
Gain on sales of investments in marketable securities		214,334	9,903,396	-	-
Others		214,687,280	145,108,660	33,251,930	95,116,578
Share of profit from investments accounted for under equity method		11,490,946	-	-	215,896,204
TOTAL REVENUES		35,796,426,217	28,324,100,014	28,266,855,086	24,591,647,514
EXPENSES					
Cost of sales		29,665,207,773	23,297,583,332	23,145,365,699	20,280,257,382
Selling and administrative expenses		4,072,049,875	2,732,191,726	2,455,460,227	2,124,329,966
Directors' remuneration		3,376,970	190,000	3,376,970	190,000
Loss on exchange rate		-	-	-	379,143,050
Amortisation of intangible assets		115,228,201	46,029,858	-	-
Restructuring expenses		18,542,683	354,930,862	-	-
Share of loss from investments accounted for under equity method		-	10,504,369	845,216,604	-
TOTAL EXPENSES		33,874,405,502	26,441,430,147	26,449,419,500	22,783,920,398
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		1,922,020,715	1,882,669,867	1,817,435,586	1,807,727,116
INTEREST EXPENSES		(86,026,573)	(33,558,612)	-	(3,699,436)
CORPORATE INCOME TAX		(25,712,842)	(42,580,772)	(11,310,162)	(804,193)
EARNINGS AFTER CORPORATE INCOME TAX		1,810,281,300	1,806,530,483	1,806,125,424	1,803,223,487
MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES		(4,155,876)	(3,306,996)	-	-
NET EARNINGS FOR THE PERIOD		1,806,125,424	1,803,223,487	1,806,125,424	1,803,223,487
EARNINGS PER SHARE					
	12				
Basic earnings per share					
Net earnings		1.52	1.52	1.52	1.52
Weighted average number of ordinary shares (shares)		1,188,102,115	1,188,102,115	1,188,102,115	1,188,102,115
Diluted earnings per share					
	12				
Net earnings		1.52	1.52	1.52	1.52
Weighted average number of ordinary shares (shares)		1,188,116,174	1,188,116,126	1,188,116,174	1,188,116,126

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 2004 AND 2003

(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 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	-	-	-	-	-	(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	1,188,102,115	1,491,912,500	(13,097,834)	(26,175,863)	120,000,000	10,372,878,948	95,547,581	13,229,167,447
Balance as at 31 December 2003 (Audited)	1,188,102,115	1,491,912,500	(21,219,555)	(3,170,331)	120,000,000	10,466,073,883	78,117,491	13,319,816,103
Unrealised loss on investments in available-for-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	-	-	-	-	-	(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)
Balance as at 30 September 2004	1,188,102,115	1,491,912,500	(41,484,512)	75,765,262	120,000,000	11,321,809,335	59,620,282	14,215,724,982

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 2004 AND 2003

(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 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	-	-	-	-	-	(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>
Balance as at 31 December 2003 (Audited)	1,188,102,115	1,491,912,500	(21,219,555)	(3,170,331)	120,000,000	10,466,073,883	13,241,698,612
Unrealised loss on investments in available-for-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	-	-	-	-	-	(950,481,692)	(950,481,692)
Dividend return	-	-	-	-	-	91,720	91,720
Balance as at 30 September 2004	<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>

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 2004 AND 2003

(Unit: Bah)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash flows from (used in) operating activities :-				
Net earnings	1,806,125,424	1,803,223,487	1,806,125,424	1,803,223,487
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	903,104,828	628,593,377	602,764,395	551,310,451
Amortisation in premium/discount of forward contracts	(24,329,026)	(10,686,543)	-	(211,153)
Amortisation of goodwill	259,873,378	17,709,949	-	-
Amortisation of other intangible assets	154,482,736	-	-	-
Allowance for doubtful accounts (reversal)	(25,883,432)	(67,753,673)	(15,928,204)	(75,675,453)
Provision for obsolete inventories	175,988,211	213,084,421	170,503,993	13,770,027
Reversal of provisions	(371,617,053)	-	-	-
Loss (Gain) from sale of fixed assets	76,326,945	(11,347,564)	3,060,057	(11,370,207)
Gain from sale of investments in available - for - sales securities	(214,334)	(9,903,396)	-	-
Loss from return loan to associated company	14,038,656	-	-	-
Share of (profit) loss from investments accounted for under equity method	(11,490,946)	10,504,369	845,216,604	(215,896,204)
Unrealised loss (gain) on exchange rate	179,522,279	92,930,563	(222,399,994)	290,722,294
Minority interest in net earnings of subsidiaries	4,155,876	3,306,996	-	-
Earnings from operating activities before changes in				
operating assets and liabilities	3,140,083,542	2,669,661,986	3,189,342,275	2,355,873,242
Decrease (increase) in operating assets :-				
Accounts receivable - trade	198,827,673	187,665,082	129,295,225	1,601,925,697
Short-term loan to and amounts due from related parties	17,526,791	(474,981)	17,526,791	-
Inventories	(2,395,100,428)	642,516,000	(1,185,406,816)	(660,283,135)
Input tax refundable	160,378,527	102,475,084	14,545,224	27,150,777
Advance payments	86,768,196	-	90,664,223	-
Other accounts receivable	(76,969,161)	21,489,765	-	-
Other current assets	(122,215,896)	(213,933,475)	(5,768,137)	(88,422,641)
Other intangible assets	-	5,166,517	-	-
Other non - current assets	(32,923,942)	27,016,765	(35,000)	403,500
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	247,222,481	(497,495,357)	(111,055,778)	(458,232,984)
Amounts due to related parties	(99,135,744)	(482,383,758)	(35,031,880)	(762,836,489)
Accrued expenses	203,188,903	73,946,576	175,359,914	219,418,800
Advance received	(1,517,982)	(125,730,124)	15,515,177	(123,442,189)
Other accounts payable	124,661,382	52,044,747	126,790,783	(21,035,182)
Other current liabilities	(9,077,324)	(54,418,465)	2,991,854	(3,910,825)
Provisions	(221,853,331)	27,955,114	-	-
Other non-current liabilities	999,036	34,518,180	-	-
Net cash flows from operating activities	1,220,862,723	2,470,019,656	2,424,733,855	2,086,608,571

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 2004 AND 2003

(Unit: Bah)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash flows from (used in) investing activities :-				
Decrease in loan to related party	1,704,961	-	-	-
Decrease in investments in bank deposit	198,191,000	-	-	-
Increase in investments in available-for-sales securities	(4,349,552)	(4,534,118)	-	-
Proceeds from disposal of investments in available-for-sales securities	3,711,580	82,832,497	-	-
Net cash paid for acquisition of new subsidiary	-	(1,174,157,427)	-	-
Increase in investments in subsidiaries	-	-	(595,220,394)	(1,941,157,427)
Increase in investments in associated parties	-	(17,998,650)	-	-
Increase in investments in other parties	(40,777,778)	(31,518,975)	-	-
Consolidation goodwill from additional investments	96,498,719	(94,370,215)	-	-
Proceeds from return fund of investment in other parties	7,286,215	-	-	-
Proceeds from redemption of investment in unit trusts	120,000,000	-	120,000,000	-
Proceed from return loan to associated company	54,073,537	-	-	-
Increase in long-term loans to related parties	-	(1,613,603)	-	-
Acquisition of fixed assets	(947,522,059)	(574,437,267)	(767,909,658)	(534,665,399)
Proceeds from sales of fixed assets	1,444,818	46,426,583	1,444,818	47,310,653
Net cash flows used in investing activities	(509,738,559)	(1,769,371,175)	(1,241,685,234)	(2,428,512,173)
Cash flows from (used in) financing activities :-				
Increase in bank overdrafts and short-term loans from financial institutions	113,964,521	2,411,980	-	-
Increase (decrease) in long-term loans from financial institutions	(622,404,000)	4,399,670,000	-	-
Increase (decrease) in long-term loans from related party	-	-	(55,803,976)	1,719,086,040
Decrease in long-term loans from other party	-	(2,710,715,150)	-	-
Dividend paid	(950,481,692)	(3,326,685,922)	(950,481,692)	(3,326,685,922)
Returned dividend	91,720	5,583,458	91,720	5,583,458
Decrease in minority interest from subsidiary's liquidation	-	(550,698,213)	-	-
Net cash flows used in financing activities	(1,458,829,451)	(2,180,433,847)	(1,006,193,948)	(1,602,016,424)
Increase (decrease) in translation adjustments	41,407,520	(29,305,370)	-	-
Net increase (decrease) in cash and cash equivalents	(706,297,767)	(1,509,090,736)	176,854,673	(1,943,920,026)
Cash and cash equivalents - beginning of period	5,437,360,125	7,857,503,429	3,305,274,882	6,044,425,240
Cash and cash equivalents - end of period (Note 15)	4,731,062,358	6,348,412,693	3,482,129,555	4,100,505,214
Supplemental cash flows information :-				
Cash paid during the period for :				
Interest	86,353,772	44,748,184	-	3,989,044
Corporate income tax	49,592,887	50,696,036	11,367,382	624,563

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 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

- (a) 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 2003. However, there have been no changes in the composition of the Group during the current quarter except for the following :

During April 2004, a subsidiary company, Delta Energy Systems (Switzerland) AG, acquired the share capital held by the minority interest in another overseas subsidiary, Delta Energy Systems (Brazil) S.A. As a result of the acquisition, Delta Energy Systems (Switzerland) AG is the parent company of Delta Energy Systems (Brazil) S.A. with a holding of 100 percent.

During May 2004, a subsidiary company, Delta Energy Systems (Switzerland) AG, acquired a 100 percent holding in an overseas related party, Delta Electronics Europe Ltd.

(UNAUDITED BUT REVIEWED)

During June 2004, a subsidiary company, Delta Energy Systems (Czech Republic) spol. s.r.o. sold its investment in its subsidiary company, Delta Energy Systems (Bratislava) spol. s.r.o. to another subsidiary of the Company, Delta Energy Systems (Slovakia) s.r.o. Following the acquisition, Delta Energy Systems (Slovakia) s.r.o. is the parent company of Delta Energy Systems (Bratislava) spol. s.r.o. with a holding of 100 percent. As a result there is no impact on the composition of the Group.

In June 2004, a subsidiary company, Delta Energy Systems (Switzerland) AG, established a wholly owned overseas subsidiary, Delta Energy Systems (Poland) Sp.zo.o, and in September 2004 established another wholly owned overseas subsidiary, Delta Energy Systems LLC.

- (b) During the year 2003, the Company acquired an overseas group of companies. Following the acquisition, Delta Energy Systems (Switzerland) AG became the parent of this group of companies. The Company hold 100 percent of the shares of Delta Energy Systems (Switzerland) AG.

During the second quarter of the current year, the purchase of the group of companies is completed as Settlement Agreement dated 15 May 2004. The Company recorded the cost of the investment based on the value stated in the agreement plus related professional fees and recorded goodwill based on the difference between the cost of the investments and the net asset values computed from the financial statements as at 30 June 2003 which audited by the other auditor.

The outstanding balance of investment and consolidation goodwill as at 30 September 2004 are as follow :-

	(Unit : Million Baht)
	<u>30 September 2004</u>
Cost of investment related to the acquisition	1,711
Related professional fees	454
Less : cash returned under the provisions of the settlement agreement (amounting to approximately CHF 1.7 million)	<u>(55)</u>
Cost of investment - net	2,110
Net asset values of this group of companies as at 30 June 2003	<u>963</u>
Consolidation goodwill	1,147
Add : Adjustment from the discrepancy in accounting policy related to the acquisition in minority interest of subsidiary	(25)
Accumulated amortisation of consolidation goodwill from acquisition date to 30 September 2004	<u>(72)</u>
Consolidation goodwill - net	<u>1,050</u>

(UNAUDITED BUT REVIEWED)

- (c) During June 2004, a subsidiary company, Delta Energy Systems (Switzerland) AG, increased its registered share capital from CHF 1 million to CHF 20 million and the meeting of the Board of Directors of the Company held on 25 May 2004 approved resolutions to acquire all of such additional share capital. As a result there is no impact on the composition of the Group.

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 2003.

2. CASH AND CASH EQUIVALENTS

Most of the cash at banks of the Company comprises 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 2004, amount to approximately USD 89 million (31 December 2003 : approximately USD 82 million).

3. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

(Unit: Baht)

	30 September 2004		31 December 2003	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
Available-for-sale securities				
a) Cyntec	82,011,776	45,314,660	77,624,875	62,142,430
b) Loyalty Founder Enterprise	16,599,524	11,812,128	20,463,677	14,726,567
Total	98,611,300	57,126,788	98,088,552	76,868,997
Less: Unrealised loss on investments in available-for-sale securities	(41,484,512)		(21,219,555)	
Less: Translation adjustments	(4,359,584)		(8,683,068)	
Net investments in available-for-sale securities	52,767,204		68,185,929	

(UNAUDITED BUT REVIEWED)

4. ACCOUNTS RECEIVABLE - TRADE

The aging of outstanding balances as at 30 September 2004 and 31 December 2003 is as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	30 September 2004	31 December 2003 (Audited)	30 September 2004	31 December 2003 (Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	482,488,929	461,711,664	3,102,120,199	2,576,691,890
Past due 1 - 3 months	21,544,108	4,769,024	79,975,751	54,370,339
Past due 3 - 6 months	226,490	46,725	226,627	46,725
Past due 6 - 12 months	2,294,728	918,752	263,349	1,030,610
Past due over 12 months	-	611,729	-	611,729
Total	506,554,255	468,057,894	3,182,585,926	2,632,751,293
<u>Accounts receivable - trade, unrelated parties</u>				
Current	7,746,550,933	8,137,857,390	4,709,183,939	5,561,192,053
Past due 1 - 3 months	1,401,597,876	1,090,826,593	1,190,372,541	844,795,305
Past due 3 - 6 months	62,755,354	60,672,315	27,284,298	60,672,315
Past due 6 - 12 months	20,028,580	52,855,909	381,644	38,063,568
Past due over 12 months	296,407,330	291,766,646	251,525,697	222,469,482
Total	9,527,340,073	9,633,978,853	6,178,748,119	6,727,192,723
Total Accounts receivable - Trade	10,033,894,328	10,102,036,747	9,361,334,045	9,359,944,016
Less : Allowance for doubtful accounts	(355,824,579)	(381,708,011)	(280,795,733)	(296,723,937)
Accounts receivable - trade, net	9,678,069,749	9,720,328,736	9,080,538,312	9,063,220,079

As at 30 September 2004, an account receivable of a subsidiary of the Company with an outstanding balance of approximately USD 5.2 million has filed an application for reorganisation, and the Company does not expect to recover such debt (31 December 2003 : USD 5.2 million). In addition, an account receivable of the Company with an outstanding balance of approximately USD 0.7 million (31 December 2003 : USD 1.3 million) negotiated with the Company to make payment in installments and in the current period, the Company has received partial payment from such account receivable. The Company's management believes that the allowance for doubtful 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 :-

(Unit : Baht)

	Foreign currency	Issued and paid up capital		Percentage owned by the Company		Consolidated		The Company Only	
		2004	2003	2004 %	2003 %	30 September 2004	31 December 2003 (Audited)	30 September 2004	31 December 2003 (Audited)
Subsidiary companies									
DET International Holding Limited									
- Cost	USD	53,852,576	53,852,576	100	100	-	-	2,133,050,147	2,133,050,147
- Share of loss (accumulated to 30 September and 31 December)								(258,369,989)	(588,703,350)
								1,874,680,158	1,544,346,797
Delta Energy Systems (Switzerland) AG									
- Cost	CHF	20,000,000	1,000,000	100	100	-	-	2,576,143,928	1,980,923,534
- Share of profit (loss) (accumulated to 30 September and 31 December)								(676,577,988)	498,971,977
								1,899,565,940	2,479,895,511
Total investments in subsidiary companies								3,774,246,098	4,024,242,308
Associated companies									
(owned by DET International Holding Limited)									
Huada Holding Company Limited									
- Cost	USD	16,000,000	16,000,000	45	45	266,009,850	266,009,850	-	-
- Share of loss (accumulated to 30 September and 31 December)						(113,764,096)	(113,980,330)		
						152,245,754	152,029,520		
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)						25,422,045	13,948,849		
						419,805,515	408,332,319		
Deltron Trading (Cambodia) Limited									
- Cost	USD	-	8,000	47	47	-	168,523	-	-
- Share of loss (accumulated to 30 September and 31 December)						-	(168,523)		
						-	-		
Unrealised loss on available-for-sale securities of a subsidiary						-	-	(41,484,512)	(21,219,555)
Translation adjustments						36,348,781	9,520,239	75,765,262	(3,170,331)
Total investments in associated companies						608,400,050	569,882,078		
Total investments accounted for under equity method						608,400,050	569,882,078	3,808,526,848	3,999,852,422

During the current period, an associated company, Deltron Trading (Cambodia) Limited, was dissolved. It registered its dissolution on 9 August 2004.

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

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN OTHER PARTIES

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

(Unit : Baht)

	The Company's interest		Consolidated	
	in equity capital		30 September 2004	31 December 2003
	2004	2003		
	%	%	(Audited)	
IP Fund One, L.P.				
(owned by DET International Holding Limited)	3.80	3.80	365,613,456	332,121,893
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			416,195,459	382,703,896
Less : Provision for diminution in value of investments in other parties			(106,949,572)	(106,949,572)
Translation adjustments			(7,751,509)	(19,908,951)
Investments in other parties – net			301,494,378	255,845,373

7. FORWARD CONTRACTS

A subsidiary of the Company has entered into forward exchange contracts with local and overseas financial institutions. The outstanding balances under the contracts as at 30 September 2004 and 31 December 2003 are as follows :-

	Amount	
	(Unit : Million unit of currency)	
	30 September 2004	31 December 2003
	(Audited)	
Forward Contracts to “Sell”		
USD/THB	110	75
USD/CHF	15	-

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

(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 671 million and Baht 415 million, respectively (the Company only : Baht 267 million and Baht 415 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. LONG-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at 30 September 2004, a subsidiary of the Company had a dollar loan from local and overseas banks amounting to approximately USD 95 million which is guaranteed by the Company. (31 December 2003 : USD 110 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 2004 and 31 December 2003 are as follows :-

	(Unit : Million Baht)	
	Consolidated	
	30 September 2004	31 December 2003
		(Audited)
Pension	980	965
Restructuring costs	476	1,008
Warranty	196	159
Other provisions	190	231
	<u>1,842</u>	<u>2,363</u>

(UNAUDITED BUT REVIEWED)

Pension

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

Restructuring costs

The subsidiaries of the Company have 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

The subsidiaries of the Company have 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.

11. WARRANTS

The Meeting of the Board of Directors of the Company held on 23 February 2004 approved resolutions to pay a dividend to shareholders. As a result the Company has adjusted the exercise ratio of the warrants in the manner stated in the prospectus, such that 1 warrant can be exercised to purchase 12.34934 ordinary shares at a price of Baht 1 per share, effective from 2 March 2004.

During the current period, no outstanding warrants have been exercised to purchase new ordinary shares, leaving 1,188 warrants unexercised as at 30 September 2004.

(UNAUDITED BUT REVIEWED)

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>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	675,113,382	312,886,208	1,188,102,115	1,188,102,115	0.57	0.26
Effect of dilutive potential ordinary shares						
Warrants 1,188 units	-	-	13,894	14,034	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>675,113,382</u>	<u>312,886,208</u>	<u>1,188,116,009</u>	<u>1,188,116,149</u>	<u>0.57</u>	<u>0.26</u>
For the nine - month periods ended 30 September						
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	1,806,125,424	1,803,223,487	1,188,102,115	1,188,102,115	1.52	1.52
Effect of dilutive potential Ordinary shares						
Warrants 1,188 units	-	-	14,059	14,011	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,806,125,424</u>	<u>1,803,223,487</u>	<u>1,188,116,174</u>	<u>1,188,116,126</u>	<u>1.52</u>	<u>1.52</u>

(UNAUDITED BUT REVIEWED)

13. RELATED PARTY TRANSACTIONS

During the period, the Company and its subsidiaries had significant 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 as follows :-

(Unit : Baht)

		For the three-month periods ended 30 September			
		Consolidated		The Company Only	
<u>Pricing policies</u>		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	2,042,517,910	2,293,686,181
Sales of raw materials	With reference to market prices	-	-	21,009,791	140,240
Purchase of raw materials	Cost plus certain margin	-	-	155,432,950	8,295,628
Purchase of fixed assets	Agreed upon basis	-	-	3,020,374	-
Commission paid	Contract prices	-	-	61,019,368	-
Inspection fee	Contract prices	-	-	30,665,671	47,518,356
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,747,903,647	1,753,844,482
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	516,690,457	454,354,922	431,032,263	454,354,922
Sales of raw materials	With reference to market prices	5,577,783	5,690,836	5,577,783	5,690,836
Purchase of raw materials	With reference to market prices	59,163,946	79,944,503	59,163,946	79,944,503
Purchase of fixed assets	Agreed upon basis	379,190	19,617,635	379,190	19,617,635
Commission paid	Contract prices	319,370,737	406,500,938	319,370,737	406,500,938
Lending (Average balance of loans outstanding during period)	Rate referenced to LIBOR	-	64,026,590	-	-
Interest income	Per loan agreement	-	255,118	-	-

(Unit: Baht)

		For the nine - month periods ended 30 September			
		Consolidated		The Company Only	
<u>Pricing policies</u>		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	5,832,644,299	6,153,240,082
Sales of raw material	With reference to market prices	-	-	27,054,515	323,662
Purchase of raw materials	Cost plus certain margin	-	-	209,469,816	8,295,628
Purchase of fixed assets	Agreed upon basis	-	-	3,164,830	-
Commission paid	Contract prices	-	-	87,892,107	-
Inspection fee	Contract prices	-	-	81,320,287	111,188,644
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	1,736,902,039	791,558,806

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

		For the nine - month periods ended 30 September			
		Consolidated		The Company Only	
	Pricing policies	2004	2003	2004	2003
Transactions with related parties					
Sales of goods	With reference to market prices	1,322,468,736	1,569,478,429	1,236,810,542	1,569,478,429
Sales of raw materials	With reference to market prices	18,172,226	12,167,478	18,172,226	12,167,478
Purchase of raw materials	With reference to market prices	167,100,127	225,427,985	167,100,127	225,427,985
Purchase of fixed assets	Agreed upon basis	3,600,285	35,476,398	3,600,285	35,476,398
Commission paid	Contract prices	856,752,631	1,050,428,957	856,752,631	1,050,428,957
Management fee	Contract prices	-	16,084,063	-	16,084,063
Lending (Average balance loan outstanding during period)	Rate reference to LIBOR	20,870,660	64,580,613	-	-
Interest income	Per loan agreement	-	803,915	-	-

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 2004	31 December 2003	30 September 2004	31 December 2003
		(Audited)		(Audited)	
Accounts receivable - trade, related parties					
Subsidiary companies					
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	2,546,973,211	2,045,161,684
DET International Holding Ltd.	Subsidiary Company	-	-	4,174,791	52,638,833
Delta Energy Systems (Switzerland) AG	Subsidiary Company	-	-	50,124,267	49,621,866
Delta Energy Systems (Germany) GmbH	Subsidiary Company	-	-	40,571,302	11,789,777
Delta Energy Systems (Guangzhou) Ltd.	Subsidiary Company	-	-	29,507,120	-
Delta Energy Systems (Hong Kong) Ltd.	Subsidiary Company	-	-	21,203,395	608,758
Delta Energy Systems (India) Ltd.	Subsidiary Company	-	-	10,484,618	-
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	14,140,966	-
Others		-	-	7,723,436	5,907,843
		-	-	2,724,903,106	2,165,728,761
Other related parties					
Delta Electronics Inc.	Shareholder	186,108,708	217,396,886	176,085,654	217,396,886
Delta Electronics (Japan) Ltd.	Common shareholder	28,619,881	26,180,902	28,619,881	26,180,902
Delta Products Corporation Ltd.	Common shareholder	145,599,931	88,848,539	145,599,931	88,848,539
Delta Electronics International Ltd.	Common shareholder	54,113,072	75,629,273	54,113,072	74,920,653
Delta Network International Ltd.	Common shareholder	28,001,044	31,728,172	28,001,044	31,728,172
Delta Electronics Europe Ltd.	Common shareholder	-	18,331,727	-	18,076,136
Delta Network Inc.	Common shareholder	3,713,832	5,312,093	3,713,832	5,312,093
Delta Electronics (Jiangsu) Limited	Common shareholder	6,360,552	4,049,145	3,513,988	4,049,145
Addtron Technology (Japan) Limited	Common shareholder	17,321,149	-	17,321,149	-
Deltronics (Netherlands) BV	Common shareholder	30,451,843	-	-	-
Others		6,264,243	581,157	714,269	510,006
		506,554,255	468,057,894	457,682,820	467,022,532
Total accounts receivable - trade, related parties		506,554,255	468,057,894	3,182,585,926	2,632,751,293

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

Relationship	Consolidated		The Company Only		
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	
		(Audited)		(Audited)	
Short-term loan to and amounts due from related parties					
Deltron Trading (Cambodia) Ltd.	Associated company	-	4,576,762	-	-
Delta Products Corporation Ltd.	Common shareholder	-	17,526,791	-	17,526,791
Total short-term loan to and amounts due from related parties		-	22,103,553	-	17,526,791
Long-term loans to related parties					
Deltron Trading (Cambodia) Ltd.	Associated company	-	60,250,064	-	-
Delta Electronics Europe Ltd.	Common shareholder	-	1,704,961	-	-
Total long-term loans to related parties		-	61,955,025	-	-
Accounts payable - trade, related parties					
<u>Subsidiary companies</u>					
Delta Energy Systems (Germany) GmbH	Subsidiary company	-	-	22,146,958	1,776,196
Delta Energy Systems (Slovakia) s.r.o.	Subsidiary company	-	-	9,211,657	500,196
Delta Energy Systems (USA) Inc.	Subsidiary company	-	-	21,033,127	314,764
Delta Energy Systems (Hong Kong) Ltd.	Subsidiary company	-	-	66,634,753	3,244,956
Others		-	-	176,696	175,482
		-	-	119,203,191	6,011,594
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	225,587,481	33,208,197	80,860,261	33,208,197
Delta Electronics (Japan) Ltd.	Common shareholder	9,928,905	6,626,226	9,928,905	6,626,226
Others		8,836,196	13,769,927	7,556,235	13,734,897
		244,352,582	53,604,350	98,345,401	53,569,320
Total accounts payable - trade, related parties		244,352,582	53,604,350	217,548,592	59,580,914
Amounts due to related parties					
<u>Subsidiary companies</u>					
Newton Power Limited	Subsidiary Company	-	-	10,648,115	5,890,731
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	23,520,482	5,292,734
Delta Energy Systems (Switzerland) AG	Subsidiary Company	-	-	41,547,189	5,263,612
Others		-	-	1,248,397	1,958,771
		-	-	76,964,183	18,405,848
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	243,483,156	408,860,473	243,483,156	403,314,944
Delta Products Corporation Ltd.	Common shareholder	65,972,944	12,683,153	65,972,944	12,683,153
Delta Electronics International Ltd.	Common shareholder	412,224	425,475	412,224	425,475
Delta Electronics (Japan) Ltd.	Common shareholder	13,192,806	8,838	13,192,806	8,838
Others		1,671,661	2,187,437	1,671,661	2,187,437
		324,732,791	424,165,376	324,732,791	418,619,847
Total amounts due to related parties		324,732,791	424,165,376	401,696,974	437,025,695
Long-term loan from related party					
DET International Holding Ltd.	Subsidiary Company	-	-	1,764,574,992	1,767,203,360
Total long-term loan from related party		-	-	1,764,574,992	1,767,203,360

(UNAUDITED BUT REVIEWED)

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.

The balance of long-term loan from related party as at 30 September 2004, represents a loan of CHF 53 million which provided by a subsidiary of the Company. Full repayment of the loan is due by July 2008. There is no interest charge.

14. COMMITMENT AND CONTINGENT LIABILITIES

14.1 Financial derivatives

1) Sell “call/put option” agreements

A subsidiary of the Company has entered into sell “call option” agreement with an overseas financial institution. The outstanding balance under the “call option” agreement as at 30 September 2004 is USD 9 million against Baht. Contractual exchange rate is 40.65 Baht per USD (31 December 2003 : Nil) and the outstanding balance under the sell “put option” agreement is 4.5 million against Baht. Contractual exchange rate is 39.35 Baht per USD (31 December 2003 : Nil).

The subsidiary has also entered into buy “put option” agreement. As at 30 September 2004, the subsidiary had outstanding agreement to sell USD 4.5 million against Baht at a rate of Baht 39.45 per 1 USD (31 December 2003 : Nil).

As at 30 September 2004, the subsidiary has contingent loss amounting to approximately Baht 8.5 million under sell “call option” agreement.

(UNAUDITED BUT REVIEWED)

2) Sell “Special-condition option” agreements

A subsidiary of the Company has entered into various sell “call special-condition option” agreements USD 112.5 million against Baht (31 December 2003 : USD 26.25 million against Baht and USD 16.74 million against EUR) and entered into various sell “put special-condition option” agreements approximately USD 74 million against CHF (31 December 2003 : USD 105 million against CHF).

As at 30 September 2004, the subsidiary has recorded no contingent loss under “Special-condition option” agreements as they are unable to estimate the amount of such contingent loss for the current period.

3) Special - condition forward contracts

A subsidiary of the Company has entered into Special-condition forward contract to buy approximately USD 8.8 million against CHF (31 December 2003 : USD 150 million against CHF) and has entered into Special-condition forward contracts to sell USD 150 million against Baht (31 December 2003 : USD 30 million against Baht).

4) Interest Rate Swap Transaction agreements

A subsidiary of the Company has entered into an interest rate swap transaction agreement with an overseas financial institution amounting USD 30 million. The contract period is 3 years, maturing in August 2006. Every 6 months, the subsidiary is required to pay interest to the financial institution at fixed rates of 0.95 percent per annum in the first year, 1.30 percent per annum in the second year and 1.65 percent per annum in the third year. The financial institution is in turn required to pay interest to the subsidiary at the 6-month LIBOR, pro-rate for the number of days on which the daily interest rate lies within a range stipulated in the agreement.

14.2 Commitments and contingent liabilities

As at 30 September 2004, the Company and its subsidiaries had capital commitments amounting to Baht 108 million for the purchase of machinery and equipments (31 December 2003: Baht 125 million) and had operating lease commitments amounting to CHF 6 million for equipments (31 December 2003 : CHF 9.2 million).

(UNAUDITED BUT REVIEWED)

14.3 Letter of guarantees

As at 30 September 2004, there were outstanding bank guarantees of approximately Baht 30 million, USD 5 million and CHF 0.29 million (31 December 2003 : Baht 39 million and USD 5 million) issued by the banks on behalf of the Company as required in the ordinary course of business of the Company and there were outstanding bank guarantees of approximately SKK 30 million, EURO 1 million and USD 1.5 million (31 December 2003 : Nil) issued by the Company for 3 overseas subsidiaries as required in the ordinary course of business.

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

A summary of significant foreign-currency assets and liabilities that were unhedged as at 30 September 2004 is set out below :-

	<u>Amount</u>	
Assets		
Assets denominated in YEN	YEN	176 million
Assets denominated in EURO	EUR	2 million
Liabilities		
Liabilities denominated in US Dollar	USD	99 million
Liabilities denominated in YEN	YEN	208 million
Liabilities denominated in EURO	EUR	1 million

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 :-

	(Unit : Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	30 September		30 September	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	4,983,160,853	6,146,395,489	3,735,970,462	3,895,691,477
Unrealised gain on exchange rate	(252,098,495)	202,017,204	(253,840,907)	204,813,737
Cash and cash equivalents in the statements of cash flows	<u>4,731,062,358</u>	<u>6,348,412,693</u>	<u>3,482,129,555</u>	<u>4,100,505,214</u>

(UNAUDITED BUT REVIEWED)

16. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture and distribution of electronic product and are mainly carried on both in Thailand and overseas. The financial information of the Company and its subsidiaries by geographical segment, for the three-month and nine-month periods ended 30 September 2004 and 2003, and as at 30 September 2004 and 31 December 2003, is as follow :-

	Consolidated for the three-month periods ended 30 September										(Unit : Million Baht)			
	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Sales - external	6,454	6,690	326	91	2,294	2,659	1,908	1,700	10,982	11,140	-		10,982	11,140
Sales - related parties	2,473	2,747	284	502	226	10	1,750	1,593	4,733	4,852	(4,229)	(4,399)	504	453
	8,927	9,437	610	593	2,520	2,669	3,658	3,293	15,715	15,992	(4,229)	(4,399)	11,486	11,593
Gross profit	1,681	1,399	54	11	35	142	280	(155)	2,050	1,397			2,130	1,750
Gain on exchange rate													12	235
Other income													126	79
Share of loss from investments accounted for under equity method													(1)	(7)
Selling and administrative expenses													(1,535)	(1,670)
Interest expenses													(33)	(31)
Corporate income tax													(23)	(40)
Minority interest in net earnings of subsidiaries													(1)	(3)
Net earnings													675	313

(UNAUDITED BUT REVIEWED)

Consolidated for the nine-month periods ended 30 September

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Sales - external	20,827	16,788	816	91	6,910	7,580	5,571	1,700	34,124	26,159	-	-	34,124	26,159
Sales - related parties	7,069	7,722	1,190	502	314	10	5,443	1,593	14,016	9,827	(12,693)	(8,259)	1,323	1,568
	27,896	24,510	2,006	593	7,224	7,590	11,014	3,293	48,140	35,986	(12,693)	(8,259)	35,447	27,727
Gross profit	4,737	4,058	134	11	246	161	703	(155)	5,820	4,075	-	-	5,781	4,429
Gain on exchange rate													28	324
Other income													310	273
Share of profit (loss) from investments accounted for under equity method													12	(11)
Selling and administrative expenses													(4,209)	(3,133)
Interest expenses													(86)	(34)
Corporate income tax													(26)	(42)
Minority interest in net earnings of subsidiaries													(4)	(3)
Net earnings													1,806	1,803

Consolidated

(Unit : Million Baht)

	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003	30 September 2004	31 December 2003
		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)		(Audited)
Property, plant and equipment - net	3,955	3,795	25	18	72	148	732	829	4,784	4,790	-	-	4,784	4,790
Other assets	19,741	18,703	1,002	984	3,959	3,194	15,712	14,287	40,454	37,168	(14,974)	(12,606)	25,440	24,562
Total assets	23,696	22,498	1,027	1,002	4,031	3,342	16,444	15,116	45,238	41,958	(14,974)	(12,606)	30,224	29,352

(UNAUDITED BUT REVIEWED)

17. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2003 and for the three-month and nine - month periods ended 30 September 2003 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

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