

20 February 2006

To: The President

The Stock Exchange of Thailand

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

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%, which increased from Baht 1,228 million in 2004 to Baht 2,285 million in 2005. The net profit increase was due to the following reasons:

1. Gross profit margin has been improved from 15.6% in 2004 to 20% in 2005. This made the gross profit increased from Baht 7,539 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 supplies. Such sales increase, particularly those of DES product group, has changed the Company's consolidated sales mix. DES product group's sales contribution in 2005 accounted for around 32% of the Company's consolidated sales as compared to 27% in the 2004. In recent years, the Company has emphasized on the medium to high-end products. DES product group, which includes mainly telecom power supply and other high-end power supplies, has also been in the focus.
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 the higher selling and admin expense, the net profit was not affected. This was because most of the decreased sales were belonged to those of the low profit margin products such as CRT and LCD monitors and the higher selling and admin expenses were also offset by the improved gross profit.

Yours sincerely,

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Vice Chairman /Director