

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2007

Review Report of Independent Auditor

To the Shareholders of Delta Electronics (Thailand) Public Company Limited

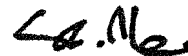
I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2007, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006, 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 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 of certain overseas subsidiaries and overseas group of subsidiary companies for the three-month periods ended 31 March 2007 and 2006 were reviewed by the subsidiaries' auditors, whose reports have been furnished to me. My report on the consolidated financial statements for the three-month periods ended 31 March 2007 and 2006, insofar as they relate to the amounts included for these subsidiaries and the group of subsidiary companies, are based solely on the reports of those other auditors. These financial statements reflect total assets as at 31 March 2007 of approximately Baht 5,745 million, total revenues for the three-month period ended 31 March 2007 of approximately Baht 4,062 million and net income for the three-month period ended 31 March 2007 of approximately Baht 139 million (for the three-month period ended 31 March 2006: revenues of approximately Baht 2,773 million and net loss of approximately Baht 6 million).

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 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.

Without qualifying the review report on the aforementioned financial statements, I draw attention to Note 20.3.2 to the financial statements regarding, the Company's receipt of notice of a corporate income tax assessment from the Revenue Department, covering the years 1997-2000.

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 2006, in accordance with generally accepted auditing standards and, under my report dated 13 February 2007, 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 subsidiaries' auditors presented total assets and total revenues of approximately Baht 6,711 million and Baht 18,968 million respectively), drawing attention to the Company's receipt of notice of a corporate income tax assessment as mentioned in the preceding paragraph. The consolidated and separate balance sheets as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. The Company has restated the separate financial statements to reflect the change in accounting policy for recording investments in subsidiary companies from equity method to cost method as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied. 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: 8 May 2007

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		8,292,673,295	6,798,019,213	6,413,583,383	4,632,876,588
Investments in available-for-sale securities	4	106,630,317	89,372,360	-	-
Trade accounts receivable					
Related parties	3	311,389,530	284,931,092	2,425,919,319	3,088,096,270
Unrelated parties		6,314,592,465	8,019,870,977	3,228,222,147	3,488,946,684
Less : Allowance for doubtful accounts		(70,382,724)	(104,330,083)	(12,197,352)	(16,099,075)
Trade accounts receivable - net	5	6,555,599,271	8,200,471,986	5,641,944,114	6,560,943,879
Short-term loan to and amounts due from related parties	3	45,668,385	22,808,019	-	-
Inventories - net	6	4,525,672,376	4,612,630,715	1,916,446,475	1,897,558,502
Other current assets					
Input tax refundable		235,914,413	245,590,402	40,270,024	50,301,247
Advance payments		71,307,328	48,869,418	32,647,669	30,408,825
Forward contracts receivable	21.2	127,320,098	4,106,703	85,372,000	3,660,000
Other accounts receivable		35,789,789	25,074,273	-	-
Others		172,131,280	244,649,327	52,508,480	23,560,505
TOTAL CURRENT ASSETS		20,168,706,552	20,291,592,416	14,182,772,145	13,199,309,546
NON - CURRENT ASSETS					
Advance payment for land	7	75,027,951	-	-	-
Deposits at bank with restrictions	8	236,229,759	225,766,783	-	-
Investments in subsidiary companies, net	9	-	-	4,932,645,255	4,932,645,255
Investment in associated company	9	419,992,826	421,514,207	-	-
Investments in other parties	10	213,486,018	220,053,515	-	-
Property, plant and equipment - net	11	3,829,863,412	3,600,423,845	2,914,653,414	3,053,417,397
Intangible assets					
Consolidation goodwill		326,475,156	332,865,887	-	-
Other intangible assets		1,018,661,289	1,064,472,658	-	-
Other non-current assets		38,959,293	42,122,748	2,018,316	2,034,608
TOTAL NON-CURRENT ASSETS		6,158,695,704	5,907,219,643	7,849,316,985	7,988,097,260
TOTAL ASSETS		26,327,402,256	26,198,812,059	22,032,089,130	21,187,406,806

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 financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	12	1,871,469,516	1,840,669,942	-	-
Trade accounts payable					
Related parties	3	170,831,536	171,041,115	62,375,646	68,874,643
Unrelated parties		5,484,461,323	5,981,917,679	4,584,888,274	4,317,583,901
Total trade accounts payable		5,655,292,859	6,152,958,794	4,647,263,920	4,386,458,544
Amounts due to related parties	3	51,274,428	62,922,846	148,528,538	148,946,393
Other current liabilities					
Accrued expenses	13	1,453,866,005	1,328,733,617	765,315,096	732,595,042
Dividend payable	17	1,621,519,968	-	1,621,519,968	-
Advance received		176,306,537	216,878,348	127,899,590	154,757,827
Other accounts payable		163,730,755	223,277,357	129,300,671	203,698,925
VAT payable		27,301,659	76,602,801	-	-
Provisions	14	265,547,572	293,924,627	66,667,740	65,064,491
Others		158,746,140	191,107,472	67,539,223	82,683,031
TOTAL CURRENT LIABILITIES		11,445,055,439	10,387,075,804	7,574,034,746	5,774,204,253
NON-CURRENT LIABILITIES					
Provisions	14	1,184,564,717	1,196,356,859	-	-
Other non-current liabilities		22,872,956	30,306,884	1,651,000	1,611,000
TOTAL NON-CURRENT LIABILITIES		1,207,437,673	1,226,663,743	1,651,000	1,611,000
TOTAL LIABILITIES		12,652,493,112	11,613,739,547	7,575,685,746	5,775,815,253

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 financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each	15	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid					
1,247.32 million ordinary shares of Baht 1 each (2006: 1,246.07 million ordinary shares of Baht 1 each)	15	1,247,323,052	1,246,067,451	1,247,323,052	1,246,067,451
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 gain on investments in available-for-sale securities		29,055,326	5,344,092	-	-
Translation adjustment		(1,007,875,460)	(887,053,299)	-	-
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		11,734,878,229	12,547,711,602	11,591,267,832	12,547,711,602
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		13,621,193,647	14,529,882,346	14,456,403,384	15,411,591,553
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries					
		53,715,497	55,190,166	-	-
TOTAL SHAREHOLDERS' EQUITY		13,674,909,144	14,585,072,512	14,456,403,384	15,411,591,553
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,327,402,256	26,198,812,059	22,032,089,130	21,187,406,806
		0	0	0	0

The accompanying notes are an integral part of the financial statements.

DIRECTORS

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
REVENUES					
Sales and services income		8,979,975,219	9,420,155,837	6,749,262,938	7,688,167,758
Other income					
Interest income		58,563,268	74,298,924	39,761,619	51,989,154
Gain on exchange rate		80,872,688	-	64,854	-
Others		237,922,783	120,097,866	5,650,293	6,779,257
Share of profit from investment in associated company		11,240,921	13,240,158	-	-
TOTAL REVENUES		9,368,574,879	9,627,792,785	6,794,739,704	7,746,936,169
EXPENSES					
Cost of sales and services		7,268,235,339	7,459,447,433	5,489,054,172	6,124,185,026
Selling and administrative expenses		1,163,561,012	1,366,169,983	640,609,334	792,611,010
Loss on exchange rate		-	275,935,029	-	463,788,241
Amortisation of intangible assets		20,745,223	23,501,446	-	-
Restructuring expenses		35,127,740	5,174,425	-	-
TOTAL EXPENSES		8,487,669,314	9,130,228,316	6,129,663,506	7,380,584,277
INCOME BEFORE INTEREST EXPENSES AND					
CORPORATE INCOME TAX		880,905,565	497,564,469	665,076,198	366,351,892
INTEREST EXPENSES		(56,180,787)	(41,493,573)	-	(2,567,096)
CORPORATE INCOME TAX		(16,059,303)	(4,463,996)	-	-
INCOME AFTER CORPORATE INCOME TAX		808,665,475	451,606,900	665,076,198	363,784,796
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		21,120	267,992	-	-
NET INCOME FOR THE PERIOD		808,686,595	451,874,892	665,076,198	363,784,796
EARNINGS PER SHARE					
Basic earnings per share					
Net income		0.65	0.37	0.53	0.30
Diluted earnings per share					
Net income		0.65	0.36	0.53	0.29

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from operating activities :-				
Net income	665,076,198	451,874,892	665,076,198	363,784,796
Adjustments to reconcile net income to net cash from (used in)				
operating activities :-				
Depreciation and amortisation	231,467,418	261,034,427	196,052,480	208,046,272
Amortisation in premium/discount of forward contracts	(6,413,750)	2,996,944	1,210,771	-
Amortisation of goodwill	6,339,366	7,580,868	-	-
Amortisation of other intangible assets	14,405,857	16,009,890	-	-
Allowance for doubtful accounts (reversal)	(33,947,359)	(41,601,355)	(3,901,723)	(18,959,381)
Allowance for stock obsolescence (reversal)	(20,446,902)	(27,301,210)	14,447,502	(43,316,784)
Accrual of provisions	81,878,891	(11,154,685)	19,741,959	(17,878,888)
Loss from sale of property, plant and equipment	3,627,051	11,044,327	1,727,891	8,513,025
Loss from sale of investments in available-for-sale securities	-	450,249	-	-
Share of profit from investments in associated company	(11,240,921)	(13,240,158)	-	-
Unrealised (gain) loss on exchange rate	(112,400,518)	263,094,205	(87,000,022)	359,483,319
Minority interest in net loss of subsidiaries	(21,120)	(267,992)	-	-
Income from operating activities before changes in				
operating assets and liabilities	818,324,211	920,520,402	807,355,056	859,672,359
Decrease (increase) in operating assets :-				
Trade accounts receivable	1,708,070,409	742,779,147	952,151,823	(50,383,273)
Amounts due from related parties	(23,987,952)	(16,610,543)	-	-
Inventories	107,405,241	(2,033,022,750)	(33,335,475)	(721,065,788)
Other current assets	49,654,790	(74,911,544)	(20,373,002)	(38,344,570)
Advance payment for land	(75,027,951)	-	-	-
Other non - current assets	3,163,455	34,359,077	16,292	-
Increase (decrease) in operating liabilities :-				
Trade accounts payable	(491,406,453)	1,224,229,258	267,064,858	394,557,091
Amounts due to related parties	(11,192,642)	96,403,836	37,921	37,854,236
Other current liabilities	(70,274,953)	(179,744,318)	(88,442,296)	22,737,548
Provisions	(93,846,184)	(115,243,941)	(16,094,095)	(5,631,430)
Other non-current liabilities	(7,433,928)	2,704,792	40,000	-
Net cash flows from operating activities	1,913,448,043	601,463,416	1,868,421,082	499,396,173

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from investing activities :-				
Increase in deposit at bank with restrictions	(10,462,976)	(21,190,988)	-	-
Proceed from sales of investments in available-for-sale securities	-	10,626,824	-	-
(Increase) decrease in short-term loans to related parties	1,127,586	(27,963,251)	-	-
Increase in investments in subsidiaries	-	-	-	(2,015,320,680)
Proceeds from return fund of investment in subsidiaries	-	-	-	161,226,234
Decrease in consolidation goodwill from investment	-	622,173,570	-	-
Acquisition of property, plant and equipment	(470,153,992)	(129,008,772)	(66,168,207)	(95,301,838)
Proceeds from sales of property, plant and equipment	9,864,978	4,119,634	7,151,819	1,045,192
Increase in other intangible asset	(87,889)	(860,892)	-	-
Net cash flows from (used in) investing activities	(469,712,293)	457,896,125	(59,016,388)	(1,948,351,092)
Cash flows from financing activities :-				
Increase in bank overdrafts and short-term loans from financial institutions	30,799,574	36,943,897	-	-
Increase in short-term loan from related parties	-	11,815,099	-	-
Cash received from increase share capital	1,255,601	50,468,700	1,255,601	50,468,700
Net cash flows from financing activities	32,055,175	99,227,696	1,255,601	50,468,700
Decrease in translation adjustments	(94,798,875)	(532,491,719)	-	-
Net increase (decrease) in cash and cash equivalent	1,380,992,050	626,095,518	1,810,660,295	(1,398,486,219)
Cash and cash equivalents - beginning of period	6,798,019,213	7,145,819,576	4,632,876,588	5,309,825,378
Cash and cash equivalents - end of period (Note 18)	8,179,011,263	7,771,915,094	6,443,536,883	3,911,339,159
Supplemental cash flows information				
Cash paid during the period for :				
Interest	62,473,928	15,397,786	-	2,567,096
Corporate income tax	16,740,826	46,471,485	9,622	98,646

The accompanying notes are an integral part of the financial statements.

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Premium on share capital	Unrealised gain on investments in available-for-sale securities	Translation adjustments	Retained earnings		Minority interest-equity attributable to minority shareholders of subsidiaries	Total
					Appropriated	Unappropriated		
Balance as at 1 January 2006 (Audited)	1,188,116,740	1,491,912,500	(13,122,460)	97,195,102	125,900,000	12,072,101,008	58,269,739	15,020,372,629
Unrealised gain on investments in available-for-sale securities	-	-	5,803,738	-	-	-	-	5,803,738
Translation adjustments	-	-	-	(605,131,185)	-	-	-	(605,131,185)
Unrealised items in income statements	-	-	5,803,738	(605,131,185)	-	-	-	(599,327,447)
Net income for the period	-	-	-	-	-	451,874,892	-	451,874,892
Dividend paid (Note 17)	-	-	-	-	-	(1,486,302,528)	-	(1,486,302,528)
Increased share capital	50,468,700	-	-	-	-	-	-	50,468,700
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(2,797,499)	(2,797,499)
Balance as at 31 March 2006	<u>1,238,585,440</u>	<u>1,491,912,500</u>	<u>(7,318,722)</u>	<u>(507,936,083)</u>	<u>125,900,000</u>	<u>11,037,673,372</u>	<u>55,472,240</u>	<u>13,434,288,747</u>
Balance as at 1 January 2007 (Audited)	1,246,067,451	1,491,912,500	5,344,092	(887,053,299)	125,900,000	12,547,711,602	55,190,166	14,585,072,512
Unrealised gain on investments in available-for-sale securities	-	-	23,711,234	-	-	-	-	23,711,234
Translation adjustments	-	-	-	(120,822,161)	-	-	-	(120,822,161)
Unrealised items in income statements	-	-	23,711,234	(120,822,161)	-	-	-	(97,110,927)
Net income for the period	-	-	-	-	-	808,686,595	-	808,686,595
Dividend paid (Note 17)	-	-	-	-	-	(1,621,519,968)	-	(1,621,519,968)
Increased share capital (Note 15)	1,255,601	-	-	-	-	-	-	1,255,601
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(1,474,669)	(1,474,669)
Balance as at 31 March 2007	<u>1,247,323,052</u>	<u>1,491,912,500</u>	<u>29,055,326</u>	<u>(1,007,875,460)</u>	<u>125,900,000</u>	<u>11,734,878,229</u>	<u>53,715,497</u>	<u>13,674,909,144</u>

The accompanying notes are an integral part of the financial statements.

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on share capital	Unrealised gain	Translation adjustments	Retained earnings		Total
			on investments in available-for-sale securities		Appropriated	Unappropriated	
			(Restated)	(Restated)		(Restated)	(Restated)
Balance as at 1 January 2006 - as previously reported	1,188,116,740	1,491,912,500	(13,122,460)	97,195,102	125,900,000	12,072,101,008	14,962,102,890
Cummulative effect of the change in accounting policy for investments in subsidiary companies	-	-	13,122,460	(97,195,102)	-	(221,681,070)	(305,753,712)
Balance as at 1 January 2006 - as restated	1,188,116,740	1,491,912,500	-	-	125,900,000	11,850,419,938	14,656,349,178
Net income for the period (restated)	-	-	-	-	-	363,784,796	363,784,796
Dividend paid (Note 17)	-	-	-	-	-	(1,486,302,528)	(1,486,302,528)
Increased share capital	50,468,700	-	-	-	-	-	50,468,700
Balance as at 31 March 2006 - as restated	1,238,585,440	1,491,912,500	-	-	125,900,000	10,727,902,206	13,584,300,146
Balance as at 1 January 2007 - as previously reported	1,246,067,451	1,491,912,500	5,344,092	(887,053,299)	125,900,000	12,547,711,602	14,529,882,346
Cummulative effect of the change in accounting policy for investments in subsidiary companies	-	-	(5,344,092)	887,053,299	-	-	881,709,207
Balance as at 1 January 2007 - as restated	1,246,067,451	1,491,912,500	-	-	125,900,000	12,547,711,602	15,411,591,553
Net income for the period	-	-	-	-	-	665,076,198	665,076,198
Dividend paid (Note 17)	-	-	-	-	-	(1,621,519,968)	(1,621,519,968)
Increased share capital (Note 15)	1,255,601	-	-	-	-	-	1,255,601
Balance as at 31 March 2007	1,247,323,052	1,491,912,500	-	-	125,900,000	11,591,267,832	14,456,403,384

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
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2007

1. GENERAL INFORMATION

1.1 Corporate information

Delta Electronics (Thailand) Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Deltron Holding Limited, which was incorporated in Channel Islands. The Company is principally engaged in the manufacture and distribution of electronic products and its registered address is 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

1.2 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", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity, and cash flows in the same format as that used for 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.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2006. There have been no changes in the composition of the Group during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2006, except for the change in the accounting policy for recording investments in subsidiary companies in the separate financial statements from the equity method to the cost method, as described in Note 2 to the interim financial statements.

(UNAUDITED BUT REVIEWED)

2. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY COMPANIES IN THE SEPARATE FINANCIAL STATEMENTS

During the current period, the Company changed its accounting policy for recording investment in subsidiary companies in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No.1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investments in the subsidiary companies had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the three-month periods ended 31 March 2007 and 2006 by Baht 144 million (Baht 0.12 per share) and Baht 88 million (Baht 0.07 per share), respectively. The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy for investments in subsidiary companies” in the separate statements of changes in shareholders’ equity.

Such change in accounting policy affects only the accounts related to investments in subsidiary companies in the Company’s separate financial statements, with no effect to the consolidated financial statements.

3. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions.

(Unit : Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policies
	Consolidated financial statements		Separate financial statements		
	2007	2006	2007	2006	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	2,291	2,756	With reference to market prices
Sales of raw materials	-	-	1	11	With reference to market prices
Purchase of raw materials	-	-	6	39	With reference to market prices
Commission paid	-	-	193	176	Contract prices
Services income	-	-	7	-	Agreed upon basis

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policies
	Consolidated financial statements		Separate financial statements		
	2007	2006	2007	2006	
Transactions with related parties					
Sales of goods	269	296	268	284	With reference to market prices
Sales of raw materials	10	19	10	19	With reference to market prices
Purchase of raw materials	329	164	31	67	With reference to market prices
Commission paid	75	180	75	178	Contract prices
Commission received	23	-	-	-	Contract prices
Inspection received	-	10	-	-	Contract prices
Services income	7	16	-	-	Agreed upon basis
Lending (Average balance of loans outstanding during period)	22	36	-	-	Interest at a rate reference to LIBOR+1%
Borrowing (Average balance of loans outstanding during period)	-	29	-	-	Interest at a rate reference to LIBOR+1%

The balances of the account as at 31 March 2007 and 31 December 2006 between the Company and these related companies are as follows:-

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Audited)		(Audited)
Trade accounts receivable, related parties				
Subsidiary companies				
DET Logistics (USA) Corporation	-	-	1,897,553,783	1,583,311,331
Delta Energy Systems (Switzerland) AG	-	-	90,751,412	100,399,487
Delta Energy Systems (Germany) GmbH.	-	-	21,503,405	9,193,672
Delta Energy Systems (India) Private Ltd.	-	-	128,330,583	65,630,595
Delta Energy Systems (Slovakia) s.r.o.	-	-	6,475,605	5,516,096
DET Video Technology Limited	-	-	4,847,995	1,073,660,278
Others	-	-	151,056	2,491,348
	-	-	2,149,613,839	2,840,202,807
Other related parties				
Delta Electronics Inc.	9,206,945	25,772,944	5,013,023	5,821,648
Delta Electronics (Japan) Ltd.	5,181,902	15,253,961	5,181,902	15,253,961
Delta Products Corporation Ltd.	182,396,777	162,103,457	181,825,857	162,029,795
Delta Electronics International Ltd.	29,711,325	11,640,688	17,212,871	11,573,942
Delta Network International Ltd.	16,702,957	10,236,770	16,702,957	10,236,770
Delta Electronics (Jiangsu) Limited	47,872,507	30,420,700	47,167,828	29,063,723
Delta Electronics Europe NL	11,152,301	-	-	-
Addtron Technology (Japan) Limited	-	5,765,259	-	5,765,259
Deltronics (Netherland) BV	-	4,855,898	-	-
Delta Electronics (Hong Kong) Ltd.	4,962,256	6,637,670	-	-
Others	4,202,560	12,243,745	3,201,042	8,148,365
	311,389,530	284,931,092	276,305,480	247,893,463
Total trade accounts receivable, related parties	311,389,530	284,931,092	2,425,919,319	3,088,096,270

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006 (Audited)	31 March 2007	31 December 2006 (Audited)
<u>Short-term loan to and amounts due from related parties</u>				
<u>Other related parties</u>				
Deltronics (Netherland) BV	26,544,875	22,058,020	-	-
Delta Electronics Inc.	17,552,394	-	-	-
Others	1,571,116	749,999	-	-
Total short-term loan to and amounts due from related parties	<u>45,668,385</u>	<u>22,808,019</u>	<u>-</u>	<u>-</u>
<u>Trade accounts payable, related parties</u>				
<u>Subsidiary companies</u>				
Delta Energy Systems (Germany) GmbH.	-	-	17,693,853	22,117,114
Delta Energy Systems (Slovakia) s.r.o.	-	-	1,984,589	821,201
Delta Energy Systems (Finland) Oy.	-	-	1,383,282	1,714,374
Others	-	-	182,766	81,102
	<u>-</u>	<u>-</u>	<u>21,244,490</u>	<u>24,733,791</u>
<u>Other related parties</u>				
Delta Electronics Inc.	31,474,240	68,649,016	15,968,197	12,102,767
Delta Electronics (Japan) Ltd.	4,499,650	8,027,524	4,499,650	8,027,524
Delta Products Corporation Ltd.	13,497,143	5,298,524	5,185,394	4,905,717
Delta Electronics International Ltd.	89,850,494	26,522,048	13,404,378	17,509,643
Delta Video Technology Ltd.	25,824,183	60,000,228	-	-
Deltronics (Netherlands) BV	2,393,467	-	-	-
Others	3,292,359	2,543,775	2,073,537	1,595,201
	<u>170,831,536</u>	<u>171,041,115</u>	<u>41,131,156</u>	<u>44,140,852</u>
Total trade accounts payable, related parties	<u>170,831,536</u>	<u>171,041,115</u>	<u>62,375,646</u>	<u>68,874,643</u>
<u>Amounts due to related parties</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	15,970,662	16,064,188
Delta Energy Systems (Germany) GmbH.	-	-	65,202,795	42,287,044
Delta Energy System (Switzerland) AG	-	-	7,770,052	19,881,264
Delta Energy Systems (Arizona) Inc.	-	-	7,205,076	-
Delta Electronics Europe Ltd.	-	-	5,208,879	14,405,246
Delta Energy systems (India) Private Ltd.	-	-	8,752,403	-
Others	-	-	1,263,615	899
	<u>-</u>	<u>-</u>	<u>111,373,482</u>	<u>92,638,641</u>
<u>Other related parties</u>				
Delta Products Corporation Ltd.	23,378,576	47,441,542	23,378,576	47,441,542
Delta Electronics (Japan) Ltd.	8,255,190	8,489,846	8,255,190	8,489,846
Deltronics (Netherland) BV	14,119,372	5,754,631	-	-
Others	5,521,290	1,236,827	5,521,290	376,364
	<u>51,274,428</u>	<u>62,922,846</u>	<u>37,155,056</u>	<u>56,307,752</u>
Total amounts due to related parties	<u>51,274,428</u>	<u>62,922,846</u>	<u>148,528,538</u>	<u>148,946,393</u>

(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, technical information services and after-sales services. Under the agreements, the Company is obliged to pay commission to its subsidiaries and related companies at rates ranging from 0.25 to 10 percent of sales and also entered into agreement with the subsidiaries and with the related parties whereby the subsidiaries and the related parties will provide raw material purchasing services, the Company is obliged to pay at rate not over than 3 percent of the purchasing price. These agreements are not for an identified period but are cancellable.

Directors and management's remuneration

During the periods, the Company paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling approximately of Baht 8 million (31 March 2006: approximately of Baht 1 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 20.2.2 to the financial statements.

4. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

	(Unit: Baht)			
	31 March 2007		31 December 2006	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
Available-for-sale securities				
a) Cyntec Company Limited	41,581,590	79,683,622	41,581,590	55,610,735
b) Loyalty Founder Enterprise Company Limited	59,083,034	50,036,328	59,083,034	50,397,981
Total	100,664,624	129,719,950	100,664,624	106,008,716
Unrealised gain on investments in available-for-sale securities	29,055,326		5,344,092	
Translation adjustments	(23,089,633)		(16,636,356)	
Net investments in available-for-sale securities	106,630,317		89,372,360	

(UNAUDITED BUT REVIEWED)

5. TRADE ACCOUNTS RECEIVABLE

The aging of outstanding balances as at 31 March 2007 and 31 December 2006 is as follows:

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2007</u>	<u>31 December 2006</u>	<u>31 March 2007</u>	<u>31 December 2006</u>
		(Audited)		(Audited)
<u>Trade accounts receivable, related parties</u>				
Current	285,419,944	235,792,240	2,316,364,798	2,727,803,240
Past due 1 - 3 months	19,750,375	42,589,149	58,633,630	320,110,065
Past due 3 - 6 months	2,277,177	1,135,662	23,893,140	21,487,475
Past due 6 - 12 months	1,799,106	4,717,819	20,047,101	15,571,512
Past due over 12 months	2,142,928	696,222	6,980,650	3,123,978
Total	<u>311,389,530</u>	<u>284,931,092</u>	<u>2,425,919,319</u>	<u>3,088,096,270</u>
<u>Trade accounts receivable, unrelated parties</u>				
Current	5,444,556,178	6,879,268,036	2,663,219,382	2,939,664,294
Past due 1 - 3 months	732,736,544	962,929,956	519,500,270	489,150,613
Past due 3 - 6 months	71,425,420	76,391,985	28,236,438	36,358,155
Past due 6 - 12 months	39,261,937	46,134,511	12,805,448	14,659,917
Past due over 12 months	26,612,386	55,146,489	4,460,609	9,113,705
Total	<u>6,314,592,465</u>	<u>8,019,870,977</u>	<u>3,228,222,147</u>	<u>3,488,946,684</u>
Total trade accounts receivable	6,625,981,995	8,304,802,069	5,654,141,466	6,577,042,954
Less : Allowance for doubtful accounts	<u>(70,382,724)</u>	<u>(104,330,083)</u>	<u>(12,197,352)</u>	<u>(16,099,075)</u>
Trade accounts receivable, net	<u>6,555,599,271</u>	<u>8,200,471,986</u>	<u>5,641,944,114</u>	<u>6,560,943,879</u>

6. ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY

Movement in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2007 is summarised below.

(Unit: Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2007	773,345,140	240,685,692
Less: Allowance during the period (Reversal)	<u>(20,446,902)</u>	<u>14,447,502</u>
Balance as at 31 March 2007	<u>752,898,238</u>	<u>255,133,194</u>

(UNAUDITED BUT REVIEWED)

7. ADVANCE PAYMENT FOR LAND

As at 31 March 2007, there is an advance payment of a subsidiary for a land purchase of approximately INR 92 million or approximately Baht 75 million to purchase land in India for plant construction.

8. DEPOSITS AT BANK WITH RESTRICTIONS

The balance as at 31 March 2007 mainly represented bank deposits of approximately CHF 4 million of a subsidiary in the Republic of China which are subject to restrictions under the laws of the Republic of China, and bank deposits of approximately EUR 1.8 million of a subsidiary in Germany which are subject to pension fund restrictions.

(UNAUDITED BUT REVIEWED)

9. INVESTMENTS IN SUBSIDIARY COMPANIES AND INVESTMENTS IN ASSOCIATED COMPANY

These represent investments in ordinary shares in the following subsidiary and associated companies:-

(Unit: Baht)

Company's name	Consolidated financial statements								
	Issued and paid up capital			Shareholding percentage		Cost		Carrying amounts based on equity method	
	Foreign currency	31 March 2007	31 December 2006	31 March 2007	31 December 2006	31 March 2007	31 December 2006	31 March 2007	31 December 2006
				%	%		(Audited)		(Audited)
Associated company									
(owned by DET International Holding Limited)									
Delta Green (Tianjin) Industries Company Limited	USD	20,000,000	20,000,000	50	50	394,383,470	394,383,470	474,863,879	463,805,170
Translation adjustment						-	-	(54,871,053)	(42,290,963)
Total investments in associated company						394,383,470	394,383,470	419,992,826	421,514,207

(Unit: Baht)

Company's name	Separate financial statements								
	Issued and paid up capital			Shareholding percentage		Cost			
	Foreign currency	31 March 2007	31 December 2006	31 March 2007	31 December 2006	31 March 2007	31 December 2006		
				%	%			(Audited)	(Restated)
Subsidiary companies									
DET International Holding Limited	USD	120,675,626	120,675,626	100	100	4,713,731,326	4,713,731,326		
Delta Energy Systems (Switzerland) AG	CHF	20,000,000	20,000,000	100	100	2,414,917,694	2,414,917,694		
Total						7,128,649,020	7,128,649,020		
Allowance for diminution in value of investment in subsidiary companies						(2,196,003,765)	(2,196,003,765)		
Total investments in subsidiary companies, net						4,932,645,255	4,932,645,255		

(UNAUDITED BUT REVIEWED)

Share of profit/loss from investments in associated company accounted for under equity method is based on the financial statements as prepared by the management of such associated company which have not yet been reviewed by its auditor.

The meeting of the Board of Directors of the Company held on 9 March 2007 approved resolutions to increase its investment in DET International Holding Limited by approximately of USD 3 million, causing the investment in this subsidiary to increase from USD 121 million to USD 124 million. The Company already paid on 11 April 2007 for the investment in new subsidiary in India.

10. INVESTMENTS IN OTHER PARTIES

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

	The Company's interest		Consolidated financial statements	
	in equity capital			
	<u>31 March 2007</u>	<u>31 December 2006</u>	<u>31 March 2007</u>	<u>31 December 2006</u>
	%	%	(Audited)	
IP Fund One, L.P.				
(owned by DET International Holding Limited)	3.84	3.84	346,897,384	346,897,384
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			397,479,387	397,479,387
Less : Allowance for diminution in value				
of investment in other parties			(135,027,026)	(135,027,026)
Translation adjustments			(48,966,343)	(42,398,846)
Investments in other parties - net			<u>213,486,018</u>	<u>220,053,515</u>

(UNAUDITED BUT REVIEWED)

11. PROPERTY, PLANT AND EQUIPMENT - NET

Movements of the property, plant and equipment account during the three-month period ended 31 March 2007 are summarised below.

	(Unit: Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2007	3,600,423,845	3,053,417,397
Acquisitions during period - cost	470,153,992	66,168,207
Disposals during period - net book value at disposal date	(13,492,029)	(8,879,710)
Depreciation for period	(231,467,418)	(196,052,480)
Translation adjustments	4,245,022	-
Net book value as at 31 March 2007	<u>3,829,863,412</u>	<u>2,914,653,414</u>

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

Bank overdrafts and short-term loans from financial institutions as at 31 March 2007 and 31 December 2006 consist of

		(Unit: Baht)	
	Interest rate	<u>Consolidated financial statements</u>	
	(percent per annum)	<u>31 March 2007</u>	<u>31 December 2006</u>
			(Audited)
Bank overdrafts	9.00 - 12.00	211,142,240	191,251,081
Short-term loans from financial institutions	5.24 - 14.00	1,660,327,276	1,649,418,861
Total		<u>1,871,469,516</u>	<u>1,840,669,942</u>

Bank overdrafts and short-term loans from financial institutions of the subsidiaries are guaranteed by the Company.

13. ACCRUED EXPENSES

The balance as at 31 March 2007 mainly represented accrued expenses and provisions, totaling approximately Baht 1,256 million related to employee costs, product sales of the Company and its subsidiaries and claims (Separate financial statement: Baht 699 million). The management of the Company and its subsidiaries believes that actual expenditures will be close to the amount estimated and accrued in the records of the Company and its subsidiaries.

(UNAUDITED BUT REVIEWED)

14. PROVISIONS

The outstanding balances as at 31 March 2007 and 31 December 2006 are as follows:

	Consolidated financial statements					Separate financial
						statements
	Pension	Restructuring costs	Warranty	Other provisions	Total	Warranty
Balance as at 31 December 2006 (Audited)	921	175	233	161	1,490	65
Add: Arising during period	16	21	36	31	104	33
Less: Decrease during period	(12)	(63)	(18)	(1)	(94)	(16)
Less: Reversal during period	-	-	(13)	(9)	(22)	(13)
Translation adjustments/ unrealized gain on exchange rate	(17)	(3)	(5)	(3)	(28)	(2)
Balance as at 31 March 2007	<u>908</u>	<u>130</u>	<u>233</u>	<u>179</u>	<u>1,450</u>	<u>67</u>
Current liabilities	4	128	68	65	265	67
Non-current liabilities	904	2	165	114	1,185	-
Balance as at 31 March 2007	<u>908</u>	<u>130</u>	<u>233</u>	<u>179</u>	<u>1,450</u>	<u>67</u>
Current liabilities	4	173	76	41	294	65
Non-current liabilities	917	2	157	120	1,196	-
Balance as at 31 December 2006 (Audited)	<u>921</u>	<u>175</u>	<u>233</u>	<u>161</u>	<u>1,490</u>	<u>65</u>

15. SHARE CAPITAL / WARRANTS

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 executive directors and other 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 warrants were listed on the stock Exchange of Thailand on 28 December 2005. 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.

(UNAUDITED BUT REVIEWED)

The Meeting of the Board of Directors of the Company held on 13 February 2007 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 1.082 ordinary shares at a price of Baht 1 per share, effective from 6 March 2007.

During the current period, warrants were exercised to purchase new ordinary shares as follows:

	Number of warrants (Unit)	Increase in paid up share capital from warrant exercise (Baht)	Date of registration of additional shares from warrant exercise with the Ministry of Commerce
Outstanding as at 31 December 2006	1,274,250	57,950,711	
Exercised during January 2007	(1,217,850)	1,255,601	7 February 2007
Outstanding as at 31 March 2007	<u>56,400</u>	<u>59,206,312</u>	

As of 31 March 2007 the issued and paid-up share capital of the Company has increased by Baht 1,255,601 as a result of the exercise of the above warrants, to Baht 1,247,323,052 (1,247,323,052 ordinary shares of Baht 1 each)

16. RECONCILIATION OF DILUTED EARNINGS PER SHARE

Consolidated financial statements						
For the three-month periods ended 31 March						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net income	808,686,595	451,874,892	1,246,890,567	1,221,762,540	0.65	0.37
Effect of dilutive potential ordinary shares						
Warrants	-	-	484,861	24,019,812		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>808,686,595</u>	<u>451,874,892</u>	<u>1,247,375,428</u>	<u>1,245,782,352</u>	0.65	0.36

(UNAUDITED BUT REVIEWED)

	Separate financial statements					
	For the three-month periods ended 31 March					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2007 Baht	2006 Baht (Restated)	2007 Shares	2006 Shares	2007 Baht	2006 Baht (Restated)
Basic earnings per share						
Net income	665,076,198	363,784,796	1,246,890,567	1,221,762,540	0.53	0.30
Effect of dilutive potential ordinary shares						
Warrants	-	-	484,861	24,019,812		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>665,076,198</u>	<u>363,784,796</u>	<u>1,247,375,428</u>	<u>1,245,782,352</u>	0.53	0.29

17. DIVIDENDS

Dividends declared in 2007 and 2006 consisted of the followings:

Dividends	Approved by	(Unit: Baht)	
		Total Dividends	Dividend per share
Final dividend for year 2006	Annual General Meeting of the shareholders on 29 March 2007	<u>1,621,519,968</u>	<u>1.30</u>
Final dividend for year 2005	Annual General Meeting of the shareholders on 30 March 2006	<u>1,486,302,528</u>	<u>1.20</u>

18. CASH FLOWS STATEMENTS

Cash and cash equivalents as reflected in the statements of cash flows consist of the following:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March		31 March	
	2007	2006	2007	2006
Cash and cash equivalents	8,292,673,295	7,487,300,013	6,413,583,383	3,626,462,555
Unrealised loss on exchange rate	<u>29,948,365</u>	<u>284,615,081</u>	<u>29,953,500</u>	<u>284,876,604</u>
Cash and cash equivalents in the statements of cash flows	<u>8,322,621,660</u>	<u>7,771,915,094</u>	<u>6,443,536,883</u>	<u>3,911,339,159</u>

(UNAUDITED BUT REVIEWED)

19. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture, distribution and service of electronic products 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 period ended 31 March 2007 and 2006 is as follow:

(Unit : Million Baht)

Consolidated financial statements														
For the three-month periods ended 31 March														
	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers	4,450	4,921	364	358	2,754	2,354	1,412	1,787	8,980	9,420	-	-	8,980	9,420
Inter-segment revenues	2,299	2,767	-	-	861	407	1,122	1,540	4,282	4,714	(4,282)	(4,714)	-	-
Total revenues	<u>6,749</u>	<u>7,688</u>	<u>364</u>	<u>358</u>	<u>3,615</u>	<u>2,761</u>	<u>2,534</u>	<u>3,327</u>	<u>13,262</u>	<u>14,134</u>	<u>(4,282)</u>	<u>(4,714)</u>	<u>8,980</u>	<u>9,420</u>
Segment operation income (loss)	728	523	34	1	(41)	(50)	(182)	(135)	539	339			599	325
Unallocated income and expenses:														
Other income													296	194
Share of profit from investments in associated company													11	13
Amortisation of intangible assets													(21)	(24)
Loss on disposal of property, plant and equipment													(4)	(11)
Interest expenses													(56)	(41)
Corporate income tax													(16)	(4)
Net income													<u>809</u>	<u>452</u>

Transfer prices between business segments are as set out in Note 3 to the financial statements.

20. COMMITMENTS AND CONTINGENT LIABILITIES

20.1 Capital commitments

As at 31 March 2007, the Company and its subsidiaries had capital commitments amounting to Baht 114 million, EUR 0.1 million and INR 3 million for the purchase of machinery and equipments and had operating lease commitments amounting to CHF 1 million, GBP 0.3 million, EUR 7 million and INR 38 million.

20.2 Letters of guarantee

As at 31 March 2007 the Company and its subsidiary companies have the following outstanding letters of guarantee required in the ordinary course of their business:

- 20.2.1 Outstanding letters of guarantee for totals of approximately Baht 770 million (including a letter of guarantee for approximately Baht 740 million issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in note 20.3.2 to the financial statement), INR 178 million, SKK 15 million, USD 0.4 million, EUR 0.4 million and CHF 1 million have been issued by banks to meet requirements of the Company and its subsidiary companies.
- 20.2.2 Outstanding letters of guarantee for totals of approximately SKK 1,223 million, INR 55 million and USD 23 million issued by the Company to meet requirements of its subsidiary companies.
- 20.2.3 Outstanding letters of guarantee issued by the subsidiary companies to meet requirements of other subsidiaries in the Group for total of approximately EUR 0.3 million related to purchase of raw materials.

20.3 Tax assessment

- 20.3.1 An overseas subsidiary of the Company is currently 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 EUR 1 million. The Company's management believes that losses will not materially differ from the recorded amount.

- 20.3.2 During the year of 2006, the Company received a corporate income tax assessment letter from Revenue Department covering the years 1997-2000, assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company has submitted a letter appealing the assessment and the legal counselor of the Company believes that no significant losses will be incurred by the Company. As a result, the Company has not recorded provision for this tax assessment.
- 20.3.3 During the year 2006, an overseas subsidiary is currently being subjected to a duty inspection by the Customs Department in relation to an export permit. The legal counselor of the subsidiary estimated the maximum assessment at not more than EUR 2.2 million. However, the Company has not recorded a provision since there is still uncertainty as to such assessment of duty.
- 20.3.4 During the year 2006, an overseas subsidiary corporate income tax assessment of approximately INR 27.6 million was made against the subsidiary in relation to transfer pricing, covering the years 2003-2004. The subsidiary has submitted a letter appealing the assessment and the management of the Company and the subsidiary believe that no significant losses will be incurred.

20.4 Litigation

As at 31 March 2007, a lawsuit had been filed against an overseas subsidiary company, claiming a total of INR 4.2 million. The case is currently being heard by the Court. However, the management of the Company and the subsidiary believe that no significant damage will be suffered by the Company and its subsidiary and no provision for the contingent liability has therefore been set aside in such accounts.

21. FINANCIAL DERIVATIVES

21.1 Interest Rate Swap Transaction agreement

As at 31 March 2007, the outstanding interest rate swap transaction agreement for managing the exposure to interest rate risk are as follows:

- 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.

(UNAUDITED BUT REVIEWED)

21.2 Forward contracts

As at 31 March 2007, outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>
	(Million)	(Million)
Brazil real	20	5
Chinese yuan	133	-
Czech koruna	155	0.8
US dollar	172	86
EURO	14	7
New Taiwan dollar	89	0.2
Sweden Kronor	107	26
Japanese Yen	41	213

As at 31 March 2007, the outstanding forward contracts for managing the exposure to foreign currency risk are as follows:-

	<u>Amount</u>	<u>Forward rate</u>	<u>Maturity date</u>
	(Unit: Million unit of foreign currency)	(Baht per unit of foreign currency)	
Forward contracts to "Sell"			
USD/THB	136	35.1100 – 36.3950	April - July 2007

22. SUBSEQUENT EVENTS

- 22.1 As at 9 April 2007, the Company incorporated the new subsidiary, "Delta Power Solutions India Private Limited", with a registered capital of INR 225,000,000 (22,500,000 ordinary shares of INR 10 each). The subsidiary has DET International Holding Limited and DET Video Technology Limited as its shareholders, with shareholdings of 99.99 percent and 0.01 percent, respectively.
- 22.2 During April 2007, 700 warrants were exercised to purchase 757 new ordinary shares and leaving 55,700 warrants unexercised.

(UNAUDITED BUT REVIEWED)

23. RECLASSIFICATION

In addition to the change in accounting policy as mentioned in Note 2, which affects the previously reported net income and shareholders' equity, certain other amounts in the financial statements for the prior period have been reclassified to conform to the current period's classifications, but with no effect to previously reported net income or shareholders' equity other than from the change in accounting policy.

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 May 2007.