

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Delta Electronics (Thailand) Public Company Limited

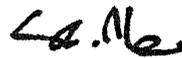
I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2006, the related consolidated statements of earnings for the three-month and six-month periods ended 30 June 2006 and 2005, changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2006 and 2005, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated interim financial statements of an overseas subsidiary and an overseas group of subsidiary companies for the three-month and six-month periods ended 30 June 2006 and 2005 were reviewed by the subsidiary's auditors, whose reports have been furnished to me. My report on the consolidated and the Company's financial statements for the three-month and six-month periods ended 30 June 2006 and 2005, insofar as they relate to the amounts included for this subsidiary and the group of subsidiary companies, are based solely on the reports of those other auditors. These financial statements reflect total assets as at 30 June 2006 of approximately Baht 5,259 million, total revenues for the three-month and six-month periods ended 30 June 2006 of approximately Baht 4,476 million and Baht 7,249 million respectively, net profit for the three-month and six-month periods ended 30 June 2006 of approximately Baht 161 million and Baht 155 million, respectively (for the three-month and six-month periods ended 30 June 2005: revenues of approximately Baht 5,227 million and Baht 9,586 million, respectively and net loss of approximately Baht 163 million and Baht 219 million, respectively). In addition, the Company's financial statements include investments in this subsidiary and the group of subsidiary companies stated under the equity method amounting to Baht 826 million as at 30 June 2006, share of profit for the three-month and six-month periods ended 30 June 2006 amounting to Baht 161 million and Baht 155 million, respectively (for the three-month and six-month periods ended 30 June 2005: share of loss of approximately Baht 163 million and Baht 219 million, respectively).

I conducted my reviews in accordance with the auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews and the 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 17.2 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 2005, in accordance with generally accepted auditing standards and, under my report dated 9 February 2006, expressed an unqualified opinion on those statements, based solely on the reports of other auditors insofar as it related to an overseas subsidiary and an overseas group of subsidiary companies (the financial statement of the overseas subsidiary and the overseas group of subsidiary companies which were audited by the subsidiary's auditors presented total assets and total revenues of approximately Baht 7,466 million and Baht 19,056 million respectively). The balance sheets as at 31 December 2005, 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: 14 August 2006

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Baht)

	Note	Consolidated		The Company Only	
		30 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	4,260,906,240	7,145,819,576	3,225,407,862	5,309,825,378
Investments in available-for-sale securities	3	69,000,860	91,273,764	-	-
Accounts receivable - trade					
Related parties	15	371,136,221	643,388,168	3,530,728,796	2,943,821,584
Unrelated parties		7,857,351,475	8,036,658,591	3,695,048,653	4,914,135,153
Less : Allowance for doubtful accounts		(101,373,484)	(363,059,219)	(17,030,074)	(261,695,236)
Accounts receivable - trade, net	4	8,127,114,212	8,316,987,540	7,208,747,375	7,596,261,501
Short-term loan to and amounts due from related parties	15	75,365,803	53,210,802	-	-
Inventories - net	5	5,137,708,202	4,244,370,304	2,498,866,095	1,891,567,045
Other current assets					
Input tax refundable		101,077,711	114,900,964	33,848,176	22,642,995
Advance payments		62,771,089	29,429,346	37,390,060	21,748,453
Forward contracts receivable		-	29,898,873	-	-
Other accounts receivable		9,357,128	49,672,266	-	-
Others		256,826,113	181,524,756	43,617,166	31,050,094
TOTAL CURRENT ASSETS		18,100,127,358	20,257,088,191	13,047,876,734	14,873,095,466
NON - CURRENT ASSETS					
Investments accounted for under equity method	6	522,515,567	547,056,485	4,104,353,937	2,818,944,021
Investments in other parties	7	239,510,332	257,322,436	-	-
Property, plant and equipment - net	8	3,500,817,160	3,795,044,499	3,166,006,398	3,396,080,738
Intangible assets					
Consolidation goodwill	9	348,770,518	1,055,292,092	-	-
Other intangible assets		1,167,653,769	1,278,137,915	-	-
Other non-current assets		289,245,935	307,358,386	2,197,431	2,197,431
TOTAL NON-CURRENT ASSETS		6,068,513,281	7,240,211,813	7,272,557,766	6,217,222,190
TOTAL ASSETS		24,168,640,639	27,497,300,004	20,320,434,500	21,090,317,656

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 June 2006	31 December 2005	30 June 2006	31 December 2005
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	293,259,855	216,312,363	-	-
Accounts payable - trade				
Related parties	15 216,368,741	377,844,285	122,404,745	143,814,723
Unrelated parties	6,050,560,527	5,730,724,532	4,886,407,579	4,745,801,603
Total accounts payable - trade	6,266,929,268	6,108,568,817	5,008,812,324	4,889,616,326
Short-term loan from and amounts due to related parties	15 123,221,891	111,262,701	199,093,485	128,668,278
Other current liabilities				
Accrued expenses	10 1,322,655,902	1,383,397,749	831,755,345	763,779,606
Advance received	260,276,791	282,925,619	168,974,364	166,392,805
Other accounts payable	234,582,211	222,909,870	217,670,051	161,447,720
VAT payable	60,009,834	127,900,664	-	-
Others	169,303,299	116,967,829	49,841,442	18,310,031
TOTAL CURRENT LIABILITIES	8,730,239,051	8,570,245,612	6,476,147,011	6,128,214,766
NON-CURRENT LIABILITIES				
Long-term loan from financial institutions	11 -	2,136,087,200	-	-
Provisions	12 1,506,723,317	1,735,591,161	-	-
Other non-current liabilities	30,103,236	35,003,402	-	-
TOTAL NON-CURRENT LIABILITIES	1,536,826,553	3,906,681,763	-	-
TOTAL LIABILITIES	10,267,065,604	12,476,927,375	6,476,147,011	6,128,214,766

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 June 2006	31 December 2005	30 June 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each					
Issued and fully paid	13	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
1,243.25 million ordinary shares of Baht 1 each					
(2005: 1,188.12 million ordinary shares of Baht 1 each)					
Additional paid-in capital	13	1,243,248,132	1,188,116,740	1,243,248,132	1,188,116,740
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					
		(18,014,317)	(13,122,460)	(18,014,317)	(13,122,460)
Translation adjustments					
		(632,833,904)	97,195,102	(632,833,904)	97,195,102
Retained earnings					
Appropriated - Statutory reserve					
		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated					
		11,634,075,078	12,072,101,008	11,634,075,078	12,072,101,008
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS					
		13,844,287,489	14,962,102,890	13,844,287,489	14,962,102,890
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries					
		57,287,546	58,269,739	-	-
TOTAL SHAREHOLDERS' EQUITY					
		13,901,575,035	15,020,372,629	13,844,287,489	14,962,102,890
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		24,168,640,639	27,497,300,004	20,320,434,500	21,090,317,656
		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

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales and services income		10,902,050,673	10,719,453,991	7,226,911,830	8,310,402,544
Other income					
Interest income		62,722,538	90,192,026	37,801,970	22,369,053
Gain on exchange rate		-	100,751,762	-	409,877,108
Gain on disposal of fixed asset		-	118,412,066	-	-
Others		11,312,834	33,303,775	14,303,966	4,434,323
Share of profit from investments accounted for under equity method		258,452	-	78,146,237	-
TOTAL REVENUES		10,976,344,497	11,062,113,620	7,357,164,003	8,747,083,028
EXPENSES					
Cost of sales and services		8,781,360,347	8,660,140,847	5,707,127,904	6,782,942,074
Selling and administrative expenses		1,437,232,333	1,700,636,311	962,131,919	1,083,640,155
Loss on exchange rate		41,373,756	-	77,044,770	-
Directors' remuneration		2,855,065	1,085,030	2,855,065	1,085,030
Amortisation of intangible assets		26,126,247	34,563,270	-	-
Restructuring expenses		61,179	106,435,724	-	-
Loss on disposal of fixed asset		359,340	-	272,187	26,613,148
Loss on disposal of investment in subsidiary		60,222,089	-	-	-
Share of loss from investments accounted for under equity method		-	15,426,185	-	354,192,403
TOTAL EXPENSES		10,349,590,356	10,518,287,367	6,749,431,845	8,248,472,810
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		626,754,141	543,826,253	607,732,158	498,610,218
INTEREST EXPENSES		(35,353,914)	(30,508,281)	(11,533,258)	-
CORPORATE INCOME TAX		4,617,782	(16,264,294)	-	(1,471,411)
EARNINGS AFTER CORPORATE INCOME TAX		596,018,009	497,053,678	596,198,900	497,138,807
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		180,891	85,129	-	-
NET EARNINGS FOR THE PERIOD		596,198,900	497,138,807	596,198,900	497,138,807
EARNINGS PER SHARE					
<i>14</i>					
Basic earnings per share					
Net earnings		0.48	0.42	0.48	0.42
Weighted average number of ordinary shares (shares)		1,241,864,696	1,188,116,590	1,241,864,696	1,188,116,590
Diluted earnings per share					
Net earnings		0.48	0.42	0.48	0.42
Weighted average number of ordinary shares (shares)		1,246,935,931	1,188,116,590	1,246,935,931	1,188,116,590

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 SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales and services income		20,322,206,510	20,884,227,894	14,915,079,588	16,674,446,972
Other income					
Interest income		137,021,462	109,369,303	89,791,124	37,599,781
Gain on exchange rate		-	141,806,477	-	597,520,354
Gain on disposal of fixed asset		-	107,123,607	-	-
Others		131,410,700	62,348,103	21,083,223	17,430,192
Share of profit from investments accounted for under equity method		13,498,610	-	166,236,333	-
TOTAL REVENUES		20,604,137,282	21,304,875,384	15,192,190,268	17,326,997,299
EXPENSES					
Cost of sales and services		16,240,807,780	17,134,261,935	11,831,312,930	13,928,349,691
Selling and administrative expenses		2,790,142,990	3,177,253,197	1,744,014,905	1,978,538,036
Loss on exchange rate		317,308,785	-	540,833,011	-
Directors' remuneration		5,070,064	2,120,020	5,070,064	2,120,020
Amortisation of intangible assets		49,627,693	63,383,570	-	-
Restructuring expenses		5,235,604	119,827,288	-	-
Loss on disposal of fixed asset		11,403,667	-	8,785,212	27,973,528
Loss on disposal of investment in subsidiary		60,222,089	-	-	-
Share of loss from investments accounted for under equity method		-	24,482,419	-	707,690,589
TOTAL EXPENSES		19,479,818,672	20,521,328,429	14,130,016,122	16,644,671,864
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		1,124,318,610	783,546,955	1,062,174,146	682,325,435
INTEREST EXPENSES		(76,847,487)	(68,643,302)	(14,100,354)	-
CORPORATE INCOME TAX		153,786	(34,314,170)	-	(1,471,411)
EARNINGS AFTER CORPORATE INCOME TAX		1,047,624,909	680,589,483	1,048,073,792	680,854,024
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		448,883	264,541	-	-
NET EARNINGS FOR THE PERIOD		1,048,073,792	680,854,024	1,048,073,792	680,854,024
EARNINGS PER SHARE					
<i>14</i>					
Basic earnings per share					
Net earnings		0.85	0.57	0.85	0.57
Weighted average number of ordinary shares (shares)		1,231,869,149	1,188,114,782	1,231,869,149	1,188,114,782
Diluted earnings per share					
Net earnings		0.84	0.57	0.84	0.57
Weighted average number of ordinary shares (shares)		1,246,812,203	1,188,114,782	1,246,812,203	1,188,114,782

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 SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Cash flows from (used in) operating activities:				
Net earnings	1,048,073,792	680,854,024	1,048,073,792	680,854,024
Adjustments to reconcile net earnings to net cash from (used in) operating activities:				
Depreciation	516,026,698	601,124,049	413,974,497	441,180,813
Amortisation in premium/discount of forward contracts	2,950,581	(1,069,627)	-	-
Amortisation of goodwill	14,077,900	96,053,155	-	-
Amortisation of other intangible assets	35,549,793	32,065,262	-	-
Allowance for doubtful accounts (reversal)	(261,685,736)	8,045,416	(244,665,162)	12,656,831
Allowance for diminution in value of inventory (reversal)	(365,537,826)	(156,301,944)	(25,105,883)	41,917,727
Accrual of provisions	34,000,767	50,513,272	-	-
Loss from disposal of investments in available - for - sale securities	443,284	1,764,158	-	-
Share dividend received from investment in available-for-sale securities	(660,519)	-	-	-
Loss from disposal of investment in subsidiary	60,222,089	-	-	-
(Gain) loss from disposal of fixed assets	11,403,666	(107,123,607)	8,785,212	27,973,528
Share of (profit) loss from investments accounted for under equity method	(13,498,610)	24,482,419	(166,236,333)	707,690,589
Unrealised (gain) loss on exchange rate	321,499,230	(513,972,597)	301,818,546	(713,811,537)
Minority interest in net loss of subsidiaries	(448,883)	(264,541)	-	-
Earnings from operating activities before changes in operating assets and liabilities	1,402,416,226	716,169,439	1,336,644,669	1,198,461,975
(Increase) decrease in operating assets:				
Accounts receivable - trade	434,881,934	1,950,709,237	625,293,218	1,278,129,525
Amounts due from related parties	5,262,626	(16,525,561)	-	-
Inventories	(527,800,072)	(246,643,355)	(582,193,167)	(456,252,529)
Other current assets	(57,137,666)	(28,456,657)	(40,375,523)	(41,869,088)
Other non - current assets	18,112,451	(109,854,277)	-	(292,669)
Increase (decrease) in operating liabilities:				
Accounts payable - trade	164,588,723	(1,041,432,608)	124,656,236	(795,322,594)
Amounts due to related parties	46,570,667	(27,136,481)	70,534,463	(24,958,747)
Other current liabilities	(38,141,876)	80,114,395	190,293,110	74,506,534
Provisions	(257,797,047)	(139,795,075)	-	-
Other non-current liabilities	3,228,360	(3,878,909)	-	-
Net cash flows from operating activities	1,194,184,326	1,133,270,148	1,724,853,006	1,232,402,407

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 SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Cash flows from (used in) investing activities:				
Proceeds from disposal of investments in available-for-sale securities	10,460,162	15,216,016	-	-
Increase in short-term loans to related parties	(27,417,627)	-	-	-
Net proceeds from disposal of investment in subsidiary	3,933,778	-	-	-
Increase in investments in subsidiary	-	-	(2,015,320,680)	-
Decrease in consolidation goodwill (Note 9)	622,173,570	-	-	-
Increase in other intangible assets	(12,717,881)	-	-	-
Proceeds from return fund of investment in subsidiary company	-	-	161,226,234	-
Proceeds from return fund of investment in other party	-	11,624,515	-	-
Acquisition of fixed assets	(260,903,047)	(382,843,328)	(194,539,695)	(295,238,402)
Proceeds from disposal of fixed assets	5,830,596	308,123,442	1,854,326	10,053,035
Net cash flows from (used in) investing activities	341,359,551	(47,879,355)	(2,046,779,815)	(285,185,367)
Cash flows from (used in) financing activities:				
Increase in bank overdrafts and short-term loans from financial institutions	76,947,492	101,341,445	-	-
Decrease in short-term loan from related parties	(34,502,222)	(30,351,853)	-	-
Repayment for long-term loan from financial institutions	(2,136,087,200)	-	-	-
Dividend paid	(1,486,302,528)	(950,491,571)	(1,486,302,528)	(950,491,571)
Returned dividend	202,806	20,029	202,806	20,029
Cash received from increase share capital	55,131,392	14,625	55,131,392	14,625
Net cash flows used in financing activities	(3,524,610,260)	(879,467,325)	(1,430,968,330)	(950,456,917)
Increase (decrease) in translation adjustments	(564,682,377)	10,756,658	-	-
Net increase (decrease) in cash and cash equivalent	(2,553,748,760)	216,680,126	(1,752,895,139)	(3,239,877)
Cash and cash equivalents - beginning of period	7,145,819,576	3,833,527,262	5,309,825,378	2,417,913,321
Cash and cash equivalents - end of period (Note 18)	4,592,070,816	4,050,207,388	3,556,930,239	2,414,673,444
Supplemental cash flows information				
Cash paid during the period for:				
Interest	111,110,079	71,832,720	14,100,354	-
Corporate income tax	68,076,101	1,289,362	802,117	1,289,362

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 SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

Consolidated

	Issued and paid-up share capital	Premium on share capital	Unrealised loss 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 31 December 2004 (Audited)	1,188,102,115	1,491,912,500	(41,001,868)	(150,241,673)	120,000,000	10,743,792,453	61,268,839	13,413,832,366
Unrealised gain on investments in available-for-sale securities	-	-	22,087,345	-	-	-	-	22,087,345
Translation adjustments	-	-	-	233,949,749	-	-	-	233,949,749
Unrealised items in earnings statement	-	-	22,087,345	233,949,749	-	-	-	256,037,094
Net earnings for the period	-	-	-	-	-	680,854,024	-	680,854,024
Dividend paid (Note 19)	-	-	-	-	-	(950,491,571)	-	(950,491,571)
Returned dividend	-	-	-	-	-	20,029	-	20,029
Increased share capital	14,625	-	-	-	-	-	-	14,625
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(1,534,592)	(1,534,592)
Balance as at 30 June 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(18,914,523)</u>	<u>83,708,076</u>	<u>120,000,000</u>	<u>10,474,174,935</u>	<u>59,734,247</u>	<u>13,398,731,975</u>
Balance as at 31 December 2005 (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 loss on investments in available-for-sale securities	-	-	(4,891,857)	-	-	-	-	(4,891,857)
Translation adjustments	-	-	-	(730,029,006)	-	-	-	(730,029,006)
Unrealised items in earnings statement	-	-	(4,891,857)	(730,029,006)	-	-	-	(734,920,863)
Net earnings for the period	-	-	-	-	-	1,048,073,792	-	1,048,073,792
Dividend paid (Note 19)	-	-	-	-	-	(1,486,302,528)	-	(1,486,302,528)
Returned dividend	-	-	-	-	-	202,806	-	202,806
Increased share capital (Note 13)	55,131,392	-	-	-	-	-	-	55,131,392
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(982,193)	(982,193)
Balance as at 30 June 2006	<u>1,243,248,132</u>	<u>1,491,912,500</u>	<u>(18,014,317)</u>	<u>(632,833,904)</u>	<u>125,900,000</u>	<u>11,634,075,078</u>	<u>57,287,546</u>	<u>13,901,575,035</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 SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Baht)

	The Company Only						
	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sale securities	Translation adjustments	Retained earnings		Total
					Appropriated	Unappropriated	
Balance as at 31 December 2004 (Audited)	1,188,102,115	1,491,912,500	(41,001,868)	(150,241,673)	120,000,000	10,743,792,453	13,352,563,527
Unrealised gain on investments in available-for-sale securities	-	-	22,087,345	-	-	-	22,087,345
Translation adjustments	-	-	-	233,949,749	-	-	233,949,749
Unrealised items in earnings statement	-	-	22,087,345	233,949,749	-	-	256,037,094
Net earnings for the period	-	-	-	-	-	680,854,024	680,854,024
Dividend paid (Note 19)	-	-	-	-	-	(950,491,571)	(950,491,571)
Returned dividend	-	-	-	-	-	20,029	20,029
Increased share capital	14,625	-	-	-	-	-	14,625
Balance as at 30 June 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(18,914,523)</u>	<u>83,708,076</u>	<u>120,000,000</u>	<u>10,474,174,935</u>	<u>13,338,997,728</u>
Balance as at 31 December 2005 (Audited)	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
Unrealised loss on investments in available-for-sale securities	-	-	(4,891,857)	-	-	-	(4,891,857)
Translation adjustments	-	-	-	(730,029,006)	-	-	(730,029,006)
Unrealised items in earnings statement	-	-	(4,891,857)	(730,029,006)	-	-	(734,920,863)
Net earnings for the period	-	-	-	-	-	1,048,073,792	1,048,073,792
Dividend paid (Note 19)	-	-	-	-	-	(1,486,302,528)	(1,486,302,528)
Returned dividend	-	-	-	-	-	202,806	202,806
Increased share capital (Note 13)	55,131,392	-	-	-	-	-	55,131,392
Balance as at 30 June 2006	<u>1,243,248,132</u>	<u>1,491,912,500</u>	<u>(18,014,317)</u>	<u>(632,833,904)</u>	<u>125,900,000</u>	<u>11,634,075,078</u>	<u>13,844,287,489</u>

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Corporate information

Delta Electronics (Thailand) Public Company Limited was incorporated as a public company under Thai laws. The Company operates in Thailand and is principally engaged in manufacture and export of electronic components. Its major shareholder is Deltron Holding Limited., a company existing under United Kingdom laws. Its registered office is located at 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 earnings, 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 2005. However, there were the following change in the composition of the Group during the current period:

1.3.1 At a meeting of the Board of Directors of a subsidiary company, DET International Holding Limited, held on 14 February 2006, it was resolved that the subsidiary would acquire 4 overseas companies, Delta Energy Systems (Germany) GmbH, Delta Energy Systems (Slovakia) s.r.o., Delta Energy Systems (India) Private Ltd. and Delta Electronics Europe Ltd., from another overseas subsidiary of the Company, Delta Energy Systems (Switzerland) AG. The value of the acquisitions totaled approximately CHF 1.3 million.

(UNAUDITED BUT REVIEWED)

However, the change in the composition of the Group has had no impact on the percentage shareholdings of the Company in this group of subsidiary companies.

1.3.2 During April 2006 a subsidiary of the Company, DET International Holding Limited, sold the whole of its investment in 2,020,688 ordinary shares of Newton Power Limited to a related company, Delta International Holding Limited, for USD 0.97 million.

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 2005.

2. CASH AND CASH EQUIVALENTS

Most of the Company's cash at banks comprises cash deposited with banks in US dollar accounts, amounting to approximately USD 83 million as at 30 June 2006. Most of this amount is in 2 overseas banks (31 December 2005: approximately USD 127 million, most of balance is in 2 overseas banks).

3. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

	(Unit: Baht)			
	30 June 2006		31 December 2005	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
			(Audited)	
Available-for-sale securities				
a) Cyntec Company Limited	38,798,857	42,004,265	48,009,064	45,130,885
b) Loyalty Founder Enterprise Company Limited	59,025,026	37,805,301	60,060,509	49,816,228
Total	97,823,883	79,809,566	108,069,573	94,947,113
Unrealised loss on investments in available-for-sale securities	(18,014,317)		(13,122,460)	
Translation adjustments	(10,808,706)		(3,673,349)	
Net investments in available-for-sale securities	69,000,860		91,273,764	

(UNAUDITED BUT REVIEWED)

4. ACCOUNTS RECEIVABLE - TRADE

The aging of outstanding balances as at 30 June 2006 and 31 December 2005 is as follows:

	Consolidated		The Company Only	
	30 June 2006	31 December 2005 (Audited)	30 June 2006	31 December 2005 (Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	317,761,006	556,744,809	3,270,444,951	2,548,445,303
Past due 1 - 3 months	46,433,040	83,057,337	225,025,618	395,145,835
Past due 3 - 6 months	5,071,475	3,577,075	28,145,169	230,446
Past due 6 - 12 months	1,870,700	8,947	7,113,058	-
Total	371,136,221	643,388,168	3,530,728,796	2,943,821,584
<u>Accounts receivable - trade, unrelated parties</u>				
Current	6,866,157,510	6,993,799,066	3,114,364,322	4,094,156,827
Past due 1 - 3 months	830,465,423	685,778,340	511,042,727	510,755,728
Past due 3 - 6 months	77,656,053	73,034,378	56,747,382	39,719,527
Past due 6 - 12 months	38,704,995	25,122,592	2,461,904	19,738,368
Past due over 12 months	44,367,494	258,924,215	10,432,318	249,764,703
Total	7,857,351,475	8,036,658,591	3,695,048,653	4,914,135,153
Total Accounts receivable - Trade	8,228,487,696	8,680,046,759	7,225,777,449	7,857,956,737
Less : Allowance for doubtful accounts	(101,373,484)	(363,059,219)	(17,030,074)	(261,695,236)
Accounts receivable - trade, net	8,127,114,212	8,316,987,540	7,208,747,375	7,596,261,501

The Company wrote off 2 uncollectible accounts receivable amounting to approximately Baht 230 million. This write offs of the accounts receivable and the related allowance for doubtful accounts were reflected in the current quarter.

5. ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY

Movement in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2006 is summarised below.

	(Unit: Baht)	
	Consolidated	The Company Only
Balance as at 1 January 2006	1,044,195,829	247,934,297
Less: Allowance reversed during the period	(365,537,826)	(25,105,883)
Balance as at 30 June 2006	678,658,003	222,828,414

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

These represent investments in ordinary shares of the following companies:

	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
	(Audited)		(Audited)	
(Unit: Baht)				
<u>Subsidiary companies</u>				
DET International Holding Limited				
- Cost	-	-	4,148,370,826	2,133,050,147
- Share of loss (accumulated to 30 June and 31 December)			(652,467,011)	(769,434,140)
			3,495,903,815	1,363,616,007
Delta Energy Systems (Switzerland) AG				
- Cost	-	-	2,414,917,694	2,576,143,928
- Share of loss (accumulated to 30 June and 31 December)			(1,155,619,351)	(1,204,888,556)
			1,259,298,343	1,371,255,372
Total investments in subsidiary companies			4,755,202,158	2,734,871,379
<u>Associated companies</u>				
(owned by DET International Holding Limited)				
Huada Holding Company Limited				
- Cost	266,009,850	266,009,850	-	-
- Share of loss (accumulated to 30 June and 31 December)	(174,201,343)	(177,850,845)		
	91,808,507	88,159,005		
Delta Green (Tianjin) Industries Company Limited				
- Cost	394,383,470	394,383,470	-	-
- Share of gain (accumulated to 30 June and 31 December)	46,242,033	36,359,631		
	440,625,503	430,743,101		
Unrealised loss on available-for-sale securities of a subsidiary	-	-	(18,014,317)	(13,122,460)
Translation adjustments	(9,918,443)	28,154,379	(632,833,904)	97,195,102
Total investments in associated companies	522,515,567	547,056,485		
Total investments accounted for under equity method	552,515,567	547,056,485	4,104,353,937	2,818,944,021

(UNAUDITED BUT REVIEWED)

Share of profit/loss from subsidiary company, which is Delta Energy Systems (India) Private 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.

During February 2006, a subsidiary company, DET International Holding Limited, increased its registered share capital from USD 54 million to USD 106 million and the meeting of the Board of Directors of the Company held on 9 February 2006 approved resolutions to acquire all of such additional share capital. As a result there is no impact on the composition of the Group.

At a meeting of the Board of Directors of a subsidiary of the Company, DET International Holding Limited, held on 23 March 2006, it was resolved that the subsidiary would sell its investment in a subsidiary company, Newton Power Limited, to a related company, Delta International Holding Limited, at net book value, and that it would dispose of its investment in an associated company, Huada Holding Company Limited, by dissolution and liquidation of such company.

A meeting of the Board of Directors of DET International Holding Limited held on 10 May 2006 passed a resolution to establish a new subsidiary company, Delta Electronics (Slovakia) s.r.o. with a registered capital of SKK 200,000.

Subsequent event

- During July 2006, the subsidiary began the disposal of its investment in an associated company, Huada Holding Company Limited, by means of dissolving and liquidating such company. The dissolution process has been completed. The management of the Company and the subsidiary believe that the disposal of this investment will have no significant impact to the consolidated financial statements.
- Delta Electronics (Slovakia) s.r.o. was incorporated on 8 July 2006, with DET International Holding Limited and Delta Energy Systems (Slovakia) s.r.o. having shareholdings of 85 percent and 15 percent, respectively.

(UNAUDITED BUT REVIEWED)

7. INVESTMENTS IN OTHER PARTIES

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

(Unit: Baht)

	The Company's interest in equity capital		Consolidated	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
	%	%		(Audited)
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	352,964,104	352,964,104
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			403,546,107	403,546,107
Less : Provision for diminution in value of investment in other parties			(135,027,026)	(135,027,026)
Translation adjustments			(29,008,749)	(11,196,645)
Investments in other parties - net			239,510,332	257,322,436

8. PROPERTY, PLANT AND EQUIPMENT - NET

Movements of the property, plant and equipment account during the six-month period ended 30 June 2006 are summarised below.

(Unit: Baht)

	Consolidated	The Company only
Net book value as at 1 January 2006	3,795,044,499	3,396,080,738
Acquisitions during period - cost	260,903,047	194,539,695
Disposals during period - net book value at disposal date	(17,234,262)	(10,639,538)
Leaving the scope from disposal investment in subsidiary	(11,883,468)	-
Depreciation for period	(516,026,698)	(413,974,497)
Translation adjustment	(9,985,958)	-
Net book value as at 30 June 2006	3,500,817,160	3,166,006,398

9. CONSOLIDATION GOODWILL

During the first quarter of current year there was a restructuring of shareholding within the group of companies belonging to a subsidiary of the Company, Delta Energy Systems (Switzerland) AG as mentioned in note 1.3.1 to the financial statement. This reorganization has resulted in a change to the amount of consolidation goodwill recognised by the Company.

(UNAUDITED BUT REVIEWED)

10. ACCRUED EXPENSES

The balance as at 30 June 2006 mainly represented accrued expenses and provisions, totaling approximately Baht 1,230 million related to employee costs, product sales of the Company and its subsidiaries and claims (the Company only: Baht 785 million). 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.

11. LONG-TERM LOAN FROM FINANCIAL INSTITUTIONS

As at 31 December 2005, a subsidiary of the Company had a dollar loan of approximately USD 52 million from local and overseas banks which is guaranteed by the Company.

During April 2006, the subsidiary made full settlement of the long-term loan from financial institutions.

12. PROVISIONS

The outstanding balances as at 30 June 2006 and 31 December 2005 are as follows:

	(Unit: Million Baht)	
	Consolidated	
	30 June 2006	31 December 2005
		(Audited)
Pension	934	935
Restructuring costs	271	465
Warranty	169	184
Other provisions	133	152
Total	<u>1,507</u>	<u>1,736</u>

13. 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)

During January 2006, 50,468,700 warrants were exercised to purchase 50,468,700 new ordinary shares, and during April 2006, 4,522,500 warrants were exercised to purchase 4,662,692 new ordinary shares, leaving 4,008,800 warrants unexercised as at 30 June 2006.

As of 30 June 2006 the issued and paid-up share capital of the Company has increased by Baht 55,131,392 as a result of the exercise of the warrants, to Baht 1,243,248,132. The Company registered this capital increase with the Ministry of Commerce on 8 February 2006 and 9 May 2006, respectively.

The Meeting of the Board of Directors of the Company held on 9 February 2006 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 1.031 ordinary shares at a price of Baht 1 per share, effective from 7 March 2006.

Subsequent event

During July 2006, 1,427,800 warrants were exercised to purchase 1,472,061 new ordinary shares and leaving 2,581,000 warrants unexercised.

14. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 June						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
2006	2005	2006	2005	2006	2005	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	596,198,900	497,138,807	1,241,864,696	1,188,116,590	0.48	0.42
Effect of dilutive potential ordinary shares						
Warrants	-	-	5,071,235	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	596,198,900	497,138,807	1,246,935,931	1,188,116,590	0.48	0.42

(UNAUDITED BUT REVIEWED)

	For the six-month periods ended 30 June					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2006	2005	2006	2005	2006	2005
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	1,048,073,792	680,854,024	1,231,869,149	1,188,114,782	0.85	0.57
Effect of dilutive potential						
Ordinary shares						
Warrants	-	-	14,943,054	-		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,048,073,792</u>	<u>680,854,024</u>	<u>1,246,812,203</u>	<u>1,188,114,782</u>	<u>0.84</u>	<u>0.57</u>

15. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiaries had significant business transactions with its overseas subsidiaries and related parties (related by way of common shareholders and/or common directors). Such transactions, which have been concluded on the terms and basis as determined by the Company and those companies, are in the ordinary course of business and are summarised as follows:

(Unit: Baht)

	Pricing policies	For the three-month periods ended 30 June			
		Consolidated		The Company Only	
		2006	2005	2006	2005
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods	With reference to market prices	-	-	2,236,259,960	2,758,019,469
Sales of raw materials	With reference to market prices	-	-	189,709,995	1,402,859
Purchase of raw materials	With reference to market prices	-	-	33,722,671	41,356,602
Commission paid	Contract prices	-	-	251,441,284	135,536,711
Inspection fee	Contract prices	-	-	-	23,953,415
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	-	1,768,017,571
Transactions with related parties					
Sales of goods	With reference to market prices	295,643,199	463,046,319	302,675,756	446,974,939
Sales of raw materials	With reference to market prices	26,937,160	7,983,288	22,889,947	7,983,288
Purchase of raw materials	With reference to market prices	137,220,382	120,985,914	53,847,036	120,985,914
Commission paid	Contract prices	166,589,865	278,323,467	165,857,458	278,323,467
Commission received	Contract prices	22,653,467	16,416,735	-	-
Inspection fee	Contract prices	67,619,514	-	-	-
Sales of investments in subsidiary	Contract prices	37,524,401	-	-	-
Lending (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR + 1%	41,583,245	-	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR + 1%	9,380,150	43,358,239	-	-

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

		For the six-month periods ended 30 June			
		Consolidated		The Company Only	
<u>Pricing policies</u>		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods	With reference to market prices	-	-	4,992,124,741	5,287,694,712
Sales of raw materials	With reference to market prices	-	-	200,942,891	10,438,651
Purchase of raw materials	With reference to market prices	-	-	73,030,823	57,546,379
Commission paid	Contract prices	-	-	427,884,097	259,416,289
Inspection fee	Contract prices	-	-	-	52,512,388
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	-	1,760,891,897
Transactions with related parties					
Sales of goods	With reference to market prices	592,051,797	883,331,401	586,850,064	860,307,579
Sales of raw materials	With reference to market prices	45,666,208	15,711,496	41,618,995	15,711,496
Purchase of raw materials	With reference to market prices	301,249,406	189,586,682	120,986,755	189,586,682
Commission paid	Contract prices	346,408,987	529,701,960	344,013,710	529,701,960
Commission received	Contract prices	38,525,671	29,582,844	-	-
Inspection fee	Contract prices	77,591,020	-	-	-
Sales of investments in subsidiary	Contract prices	37,524,401	-	-	-
Lending (Average balance loan outstanding during period)	Interest at a rate reference to LIBOR + 1%	38,878,407	-	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR + 1%	21,670,017	53,220,152	-	-

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	
<u>Relationship</u>		<u>30 June 2006</u>	<u>31 December 2005</u>	<u>30 June 2006</u>	<u>31 December 2005</u>
		(Audited)		(Audited)	
Accounts receivable - trade, related parties					
Subsidiary companies					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	1,698,916,132	2,044,128,543
DET International Holding Ltd.	Subsidiary Company	-	-	62,470	2,316,066
Delta Energy Systems (Switzerland) AG	Subsidiary Company	-	-	107,226,159	87,770,889
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	169,049,501	105,788,786
Delta Energy Systems (India) Private Ltd.	Subsidiary Company	-	-	153,341,503	33,175,309
Delta Energy Systems (Brazil) S.A.	Subsidiary Company	-	-	11,867,062	6,225,174
Delta Energy Systems (Slovakia) s.r.o.	Subsidiary Company	-	-	2,740,104	2,471,736
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	56,410	11,919,940
DET Video Technology Limited	Subsidiary Company	-	-	1,073,797,788	88,219,350
Others		-	-	89,248	62,998
		-	-	3,217,146,377	2,382,078,791

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Relationship	Consolidated		The Company Only	
		30 June 2006	31 December 2005	30 June 2006	31 December 2005
			(Audited)		(Audited)
Other related parties					
Delta Electronics Inc.	Shareholder	11,318,070	40,456,357	5,508,378	10,733,124
Delta Electronics (Japan) Ltd.	Common shareholder	12,157,896	19,209,882	12,157,896	19,209,882
Delta Products Corporation Ltd.	Common shareholder	181,445,839	164,064,630	181,392,025	161,854,752
Delta Electronics International Ltd.	Common shareholder	51,912,726	52,762,836	51,316,099	36,550,924
Delta Video Technology Ltd.	Common shareholder	-	235,535,231	-	235,535,231
Delta Network International Ltd.	Common shareholder	20,405,887	22,207,041	20,405,887	22,207,041
Delta Electronics (Jiangsu) Limited	Common shareholder	22,218,139	21,514,146	15,686,734	9,279,920
Addtron Technology (Japan) Limited	Common shareholder	8,865,252	63,398,383	8,865,252	63,398,383
Delta Video Display System	Common shareholder	14,901,571	-	14,901,571	-
Deltronics (Netherlands) BV	Common shareholder	35,343,302	8,711,012	-	-
Delta Electronics (Hong Kong) Ltd.	Common shareholder	6,375,020	12,505,072	-	-
Others		6,192,519	3,023,578	3,348,577	2,973,536
		<u>371,136,221</u>	<u>643,388,168</u>	<u>313,582,419</u>	<u>561,742,793</u>
Total accounts receivable - trade, related parties		<u>371,136,221</u>	<u>643,388,168</u>	<u>3,530,728,796</u>	<u>2,943,821,584</u>
Short-term loan to and amounts due from related parties					
Deltronics (Netherlands) BV	Common shareholder	56,292,352	50,283,624	-	-
Others		19,073,451	2,927,178	-	-
Total short-term loan to and amounts due from related parties		<u>75,365,803</u>	<u>53,210,802</u>	<u>-</u>	<u>-</u>
Accounts payable - trade, related parties					
Subsidiary companies					
Delta Energy Systems (Germany) GmbH.	Subsidiary company	-	-	37,815,313	18,300,267
Delta Energy Systems (Switzerland) AG	Subsidiary company	-	-	891,088	555,939
Delta Energy Systems (Slovakia) s.r.o.	Subsidiary company	-	-	6,184,089	6,807,958
Delta Energy Systems (Sweden) AB	Subsidiary company	-	-	951,598	-
Delta Energy Systems (Finland) Oy	Subsidiary company	-	-	963,389	323,100
Delta Energy Systems (Arizona) Inc.	Subsidiary company	-	-	-	1,029,365
Others		-	-	750,238	-
		<u>-</u>	<u>-</u>	<u>47,555,715</u>	<u>27,016,629</u>
Other related parties					
Delta Electronics Inc.	Shareholder	103,119,983	330,957,674	24,765,663	88,917,560
Delta Electronics (Japan) Ltd.	Common shareholder	11,160,170	6,864,462	11,160,170	6,864,462
Delta Products Corporation Ltd.	Common shareholder	10,895,499	15,295,640	10,299,385	15,077,380
Deltronics (Netherlands) BV	Common shareholder	45,079,215	5,115,723	-	5,115,723
Delta Video Technology Ltd.	Common shareholder	16,573,316	8,219,224	554,420	-
Delta Electronics International Ltd.	Common shareholder	25,960,915	1,541,754	25,960,915	208,189
Others		3,579,643	9,849,808	2,108,477	614,780
		<u>216,368,741</u>	<u>377,844,285</u>	<u>74,849,030</u>	<u>116,798,094</u>
Total accounts payable - trade, related parties		<u>216,368,741</u>	<u>377,844,285</u>	<u>122,404,745</u>	<u>143,814,723</u>

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

Relationship	Consolidated		The Company Only		
	30 June 2006	31 December 2005	30 June 2006	31 December 2005	
		(Audited)		(Audited)	
Short-term loan from and amounts due to related parties					
Subsidiary companies					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	17,021,477	15,922,753
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	81,754,026	20,787,892
Delta Energy Systems (Arizona) Inc.	Subsidiary Company	-	-	-	7,411,428
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	12,536,917	7,785,540
Others		-	-	32,680	185
		-	-	111,345,100	51,907,798
Other related parties					
Delta Electronics (Japan) Ltd.	Common shareholder	30,925,391	31,479	30,925,391	31,479
Delta Electronics (Scotland) Ltd.	Common shareholder	722,649	34,502,221	-	-
Delta Products Corporation Ltd.	Common shareholder	55,597,996	74,989,922	55,597,996	74,989,922
Deltronics (Netherland) BV	Common shareholder	34,683,630	-	-	-
Others		1,292,225	1,739,079	1,224,998	1,739,079
		123,221,891	111,262,701	87,748,385	76,760,480
Total short-term loan from and amounts due to related parties		123,221,891	111,262,701	199,093,485	128,668,278

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, 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 10 percent of sales, and maximum rate not over than 3 percent of the purchasing price for the raw material purchasing services.

16. FINANCIAL INSTRUMENTS

16.1 Financial derivatives

Interest Rate Swap Transaction agreements

A subsidiary of the Company has entered into the interest rate swap transaction agreements with an overseas financial institution as follows:

- 16.1.1 Under an agreement to swap interest on a principal balance of USD 50 million, maturing in December 2006. Every 3 months, the subsidiary is required to pay interest to the financial institution at a rate referenced to 3-month LIBOR plus 1 percent per annum. The financial institution is in turn required to pay interest to the subsidiary at a rate referenced to in-arrear 3-month LIBOR plus 1 percent per annum, pro-rate for the number of days on which the daily interest rate lies within a range stipulated in the agreement.

(UNAUDITED BUT REVIEWED)

16.1.2 Under an agreement to swap interest on a principal balance of USD 28 million, maturing in December 2007, from 25 September 2005 the subsidiary is required to pay interest to the financial institution every quarter, at a rate of 3.25 percent per annum if the 3-month LIBOR is less than 4 percent per annum or at a rate of 2.50 percent per annum if the 3-month LIBOR is more than 4 percent per annum. The financial institution is in turn required to pay interest to the subsidiary at a rate referenced to the 3-month LIBOR.

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

Significant foreign currency assets and liabilities of the Company and its subsidiaries which were unhedged as at 30 June 2006, most of which are current balances, are summarised below.

	Amount		
Assets			
Assets denominated in US Dollar	USD	230.5	million
Assets denominated in YEN	YEN	102.5	million
Assets denominated in EURO	EUR	4.9	million
Assets denominated in New Taiwan Dollar	NTD	109.0	million
Liabilities			
Liabilities denominated in US Dollar	USD	100.8	million
Liabilities denominated in YEN	YEN	221.9	million
Liabilities denominated in EURO	EUR	3.3	million
Liabilities denominated in Hungarian Forint	HUF	430.3	million

17. COMMITMENTS AND CONTINGENT LIABILITIES

17.1 Capital commitments

As at 30 June 2006, the Company and its subsidiaries had capital commitments amounting to Baht 109 million for the purchase of machinery and equipments (31 December 2005: Baht 99 million) and had operating lease commitments amounting to CHF 1.4 million, GBP 0.3 million, EUR 7 million and INR 20.2 million (31 December 2005: CHF 10 million).

17.2 Tax assessment

17.2.1 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.

(UNAUDITED BUT REVIEWED)

17.2.2 During the second quarter 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.

17.3 Litigation

As at 30 June 2006, a lawsuit had been filed against an overseas subsidiary company, claiming a total of INR 4.6 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 the accounts.

17.4 Letters of guarantee

As at 30 June 2006 the Company and its subsidiary companies have the following outstanding letters of guarantee required in the ordinary course of their business:

- 17.4.1 Outstanding letters of guarantee for totals of approximately Baht 30 million, INR 131 million, EUR 1 million and CHF 0.6 million issued by banks to meet requirements of the Company and its subsidiary companies.
- 17.4.2 Outstanding letters of guarantee for totals of approximately SKK 803 million and USD 23 million issued by the Company to meet requirements of its subsidiary companies.
- 17.4.3 Outstanding letters of guarantee issued by the subsidiary companies to meet requirements of other subsidiaries in the Group, for totals of approximately USD 0.07 million, EUR 0.01 million and for an undefined amount related to purchases of raw materials.

(UNAUDITED BUT REVIEWED)

18. 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)

	Consolidated		The Company Only	
	30 June		30 June	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	4,260,906,240	4,249,390,275	3,225,407,862	2,611,547,528
Unrealised (gain) loss on exchange rate	331,164,576	(199,182,887)	331,522,377	(196,874,084)
Cash and cash equivalents in the statements of cash flows	<u>4,592,070,816</u>	<u>4,050,207,388</u>	<u>3,556,930,239</u>	<u>2,414,673,444</u>

19. DIVIDENDS

At the Annual General Meeting of shareholders held on 30 March 2006, it was resolved that the Company pay a dividend of Baht 1.20 per share for the year 2005, a total of Baht 1,486 million. The dividend was reflected in the first quarter of the year 2006.

At the Annual General Meeting of shareholders held on 30 March 2005, it was resolved that the Company pay a dividend of Baht 0.80 per share for the year 2004, a total of Baht 950 million. The dividend was reflected in the first quarter of the year 2005.

(UNAUDITED BUT REVIEWED)

20. 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 and six-month periods ended 30 June 2006 and 2005 is as follow:

(Unit : Million Baht)

	Consolidated													
	For the three-month periods ended 30 June													
	Thailand		Asia		USA		Europe		Total		Eliminated			
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue from external customers	4,475	5,181	524	290	3,682	2,693	1,787	2,054	10,468	10,218	-	-	10,468	10,218
Inter-segment revenues	2,819	3,214	3	51	1,339	12	1,191	1,402	5,352	4,679	(4,918)	(4,178)	434	501
Total revenues	<u>7,294</u>	<u>8,395</u>	<u>527</u>	<u>341</u>	<u>5,021</u>	<u>2,705</u>	<u>2,978</u>	<u>3,456</u>	<u>15,820</u>	<u>14,897</u>	<u>(4,918)</u>	<u>(4,178)</u>	<u>10,902</u>	<u>10,719</u>
Segment operation profit (loss)	568	641	13	14	17	4	(21)	(149)	577	510			639	352
Unallocated income (expenses):														
Other income													74	124
Share of loss from investments														
accounted for under equity method													-	(15)
Amortisation of intangible assets													(26)	(35)
Loss from disposal of investment in subsidiary													(60)	-
Gain on disposal of fixed assets													-	118
Interest expenses													(35)	(31)
Corporate income tax													4	(16)
Net earnings													<u>596</u>	<u>497</u>

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Consolidated														
For the six-month periods ended 30 June														
	Thailand		Asia		USA		Europe		Total		Eliminated		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue from external customers	9,094	10,588	871	509	6,025	4,989	3,560	3,855	19,550	19,941	-	-	19,550	19,941
Inter-segment revenues	5,889	6,174	14	83	1,757	25	2,745	2,887	10,405	9,169	(9,633)	(8,226)	772	943
Total revenues	<u>14,983</u>	<u>16,762</u>	<u>885</u>	<u>592</u>	<u>7,782</u>	<u>5,014</u>	<u>6,305</u>	<u>6,742</u>	<u>29,955</u>	<u>29,110</u>	<u>(9,633)</u>	<u>(8,226)</u>	<u>20,322</u>	<u>20,884</u>
Segment operating profit (loss)	1,092	976	13	14	(38)	37	(151)	(222)	916	805			964	592
Unallocated income (expenses):														
Other income													269	172
Share of gain (loss) from investments accounted for under equity method													13	(24)
Amortisation of intangible assets													(50)	(63)
Loss from disposal of investment in subsidiary													(60)	-
Gain (loss) on disposal of fixed assets													(11)	107
Interest expenses													(77)	(69)
Corporate income tax													-	(34)
Net earnings													<u>1,048</u>	<u>681</u>

The Company and its subsidiaries have applied the pricing policies described in Note 15 to set the transfer prices.

21. SUBSEQUENT EVENT

A meeting of the Board of Directors of the Company held on 1 August 2006 passed the following significant resolutions:

- 21.1 Approved an approximately of USD 15 million increase in the capital of DET International Holding Limited, to fund investment in Delta Electronics (Slovakia) s.r.o.
- 21.2 Approved the issuance of a bank guarantee to the Revenue Department for the tax assessment mentioned in note 17.2 to the financial statement.

22. PRESENTATION

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, as issued under the Accounting Act B.E. 2543.

Certain amounts in the financial statements for the year ended 31 December 2005 and for the three-month and six-month periods ended 30 June 2005 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 August 2006.