

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 2007 AND 2006

Review Report of Independent Auditor

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

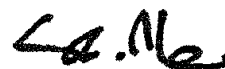
I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2007, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2007 and 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 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 and six-month periods ended 30 June 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 and six-month periods ended 30 June 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 30 June 2007 of approximately Baht 5,253 million, total revenues for the three-month and six-month periods ended 30 June 2007 of approximately Baht 3,639 million and Baht 7,701 million respectively, net income for the three-month and six-month periods ended 30 June 2007 of approximately Baht 204 million and Baht 343 million respectively (for the three-month and six-month periods ended 30 June 2006: revenues of approximately Baht 4,476 million and Baht 7,249 million, respectively and net income of approximately Baht 161 million and Baht 155 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 19.3.1 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. 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. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of the separate financial statements for the period of 2006 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.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 8 August 2007

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		7,178,914,998	6,798,019,213	4,953,039,465	4,632,876,588
Investments in available-for-sale securities	4	118,992,350	89,372,360	-	-
Trade accounts receivable					
Related parties	3	307,493,616	284,931,092	2,283,235,495	3,088,096,270
Unrelated parties		6,545,020,656	8,019,870,977	3,153,152,770	3,488,946,684
Less : Allowance for doubtful accounts		(68,181,952)	(104,330,083)	(18,363,977)	(16,099,075)
Trade accounts receivable - net	5	6,784,332,320	8,200,471,986	5,418,024,288	6,560,943,879
Short-term loan to and amounts due from related parties	3	65,183,913	22,808,019	-	-
Inventories - net	6	3,215,969,439	4,597,231,295	1,365,589,656	1,882,159,082
Other current assets					
Input tax refundable		334,490,207	245,590,402	45,545,677	50,301,247
Advance payments		62,501,377	48,869,418	25,709,728	30,408,825
Forward contracts receivable	20.2.1	38,135,885	4,106,703	18,342,640	3,660,000
Prepaid expenses		105,197,226	108,226,752	23,556,091	15,056,449
Other accounts receivable		23,094,406	25,074,273	-	-
Others		84,379,860	151,821,995	24,974,578	23,903,476
TOTAL CURRENT ASSETS		18,011,191,981	20,291,592,416	11,874,782,123	13,199,309,546
NON - CURRENT ASSETS					
Deposits at bank with restrictions	7	235,111,385	225,766,783	-	-
Investments in subsidiary companies - net	8	-	-	5,037,375,255	4,932,645,255
Investment in associated company	8	439,583,635	421,514,207	-	-
Investments in other parties - net	9	202,349,488	220,053,515	-	-
Property, plant and equipment - net	10	3,724,192,178	3,600,423,845	2,664,995,997	3,053,417,397
Intangible assets					
Consolidation goodwill		320,136,551	332,865,887	-	-
Other intangible assets		990,897,811	1,064,472,658	-	-
Other non-current assets		61,681,804	42,122,748	2,008,584	2,034,608
TOTAL NON-CURRENT ASSETS		5,973,952,852	5,907,219,643	7,704,379,836	7,988,097,260
TOTAL ASSETS		23,985,144,833	26,198,812,059	19,579,161,959	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	
		30 June 2007	31 December 2006	30 June 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	11	1,822,225,315	1,840,669,942	-	-
Trade accounts payable					
Related parties	3	211,502,562	171,041,115	38,037,998	68,874,643
Unrelated parties		4,298,785,281	5,981,917,679	3,410,072,345	4,317,583,901
Total trade accounts payable		4,510,287,843	6,152,958,794	3,448,110,343	4,386,458,544
Amounts due to related parties	3	80,629,545	62,922,846	191,245,405	148,946,393
Other current liabilities					
Accrued expenses	12	1,408,145,003	1,328,733,617	688,899,511	732,595,042
Advance received		197,188,686	216,878,348	135,915,873	154,757,827
Other accounts payable		180,934,220	223,277,357	141,943,267	203,698,925
VAT payable		35,080,339	76,602,801	-	-
Provisions	13	191,112,466	293,924,627	50,683,786	65,064,491
Others		142,846,977	191,107,472	18,346,688	82,683,031
TOTAL CURRENT LIABILITIES		8,568,450,394	10,387,075,804	4,675,144,873	5,774,204,253
NON-CURRENT LIABILITIES					
Provisions	13	1,126,855,671	1,196,356,859	-	-
Other non-current liabilities		22,495,188	30,306,884	1,366,000	1,611,000
TOTAL NON-CURRENT LIABILITIES		1,149,350,859	1,226,663,743	1,366,000	1,611,000
TOTAL LIABILITIES		9,717,801,253	11,613,739,547	4,676,510,873	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	
		30 June 2007	31 December 2006	30 June 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	14	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)	14	1,247,323,809	1,246,067,451	1,247,323,809	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	4	39,017,176	5,344,092	-	-
Translation adjustment		(1,027,964,219)	(887,053,299)	-	-
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		12,338,852,501	12,547,711,602	12,037,514,777	12,547,711,602
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		14,215,041,767	14,529,882,346	14,902,651,086	15,411,591,553
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries					
		52,301,813	55,190,166	-	-
TOTAL SHAREHOLDERS' EQUITY		14,267,343,580	14,585,072,512	14,902,651,086	15,411,591,553
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,985,144,833	26,198,812,059	19,579,161,959	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 30 JUNE 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
REVENUES					
Sales and services income		8,443,754,954	10,902,050,673	5,437,225,244	7,226,911,830
Other income					
Interest income		63,243,255	62,722,538	38,320,009	37,801,970
Gain on exchange rate		97,351,084	-	24,160,732	-
Others		9,115,298	11,312,834	11,316,762	14,303,966
Share of profit from investment in associated company		14,779,668	258,452	-	-
TOTAL REVENUES		8,628,244,259	10,976,344,497	5,511,022,747	7,279,017,766
EXPENSES					
Cost of sales and services		6,774,099,032	8,781,360,347	4,391,055,408	5,707,127,904
Selling and administrative expenses		985,867,823	1,440,507,917	555,653,366	965,259,171
Loss on exchange rate		-	41,373,756	-	77,044,770
Amortisation of intangible assets		20,542,971	26,126,247	-	-
Loss on impairment of assets	10	118,078,874	-	118,078,874	-
Loss on disposal of investment in subsidiary		-	60,222,089	-	-
TOTAL EXPENSES		7,898,588,700	10,349,590,356	5,064,787,648	6,749,431,845
INCOME BEFORE INTEREST EXPENSES AND					
CORPORATE INCOME TAX		729,655,559	626,754,141	446,235,099	529,585,921
INTEREST EXPENSES		(80,134,642)	(35,353,914)	-	(11,533,258)
CORPORATE INCOME TAX		(45,618,231)	4,617,782	-	-
INCOME AFTER CORPORATE INCOME TAX		603,902,686	596,018,009	446,235,099	518,052,663
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		59,740	180,891	-	-
NET INCOME FOR THE PERIOD		603,962,426	596,198,900	446,235,099	518,052,663
EARNINGS PER SHARE					
15					
Basic earnings per share					
Net income		0.48	0.48	0.36	0.42
Diluted earnings per share					
Net income		0.48	0.48	0.36	0.42

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
REVENUES					
Sales and services income		17,423,730,173	20,322,206,510	12,186,488,182	14,915,079,588
Other income					
Interest income		121,806,523	137,021,462	78,081,628	89,791,124
Gain on exchange rate		178,223,772	-	24,225,586	-
Compensation income from cancellation order		187,914,295	-	-	-
Others		34,905,585	131,410,700	15,239,164	21,083,223
Share of profit from investment in associated company		26,020,589	13,498,610	-	-
TOTAL REVENUES		17,972,600,937	20,604,137,282	12,304,034,560	15,025,953,935
EXPENSES					
Cost of sales and services		14,042,334,371	16,240,807,780	9,880,109,580	11,831,312,930
Selling and administrative expenses		2,160,338,374	2,811,852,325	1,194,534,809	1,757,870,181
Loss on exchange rate		-	317,308,785	-	540,833,011
Amortisation of intangible assets		41,288,194	49,627,693	-	-
Loss on impairment of assets	10	118,078,874	-	118,078,874	-
Loss on disposal of investment in subsidiary		-	60,222,089	-	-
TOTAL EXPENSES		16,362,039,813	19,479,818,672	11,192,723,263	14,130,016,122
INCOME BEFORE INTEREST EXPENSES AND					
CORPORATE INCOME TAX		1,610,561,124	1,124,318,610	1,111,311,297	895,937,813
INTEREST EXPENSES		(136,315,429)	(76,847,487)	-	(14,100,354)
CORPORATE INCOME TAX		(61,677,534)	153,786	-	-
INCOME AFTER CORPORATE INCOME TAX		1,412,568,161	1,047,624,909	1,111,311,297	881,837,459
MINORITY INTEREST IN NET LOSS OF SUBSIDIARIES		80,860	448,883	-	-
NET INCOME FOR THE PERIOD		1,412,649,021	1,048,073,792	1,111,311,297	881,837,459
EARNINGS PER SHARE					
15					
Basic earnings per share					
Net income		1.13	0.85	0.89	0.72
Diluted earnings per share					
Net income		1.13	0.84	0.89	0.71

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 2007 AND 2006

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Premium on share capital	Unrealised gain (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 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 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 income statements	-	-	(4,891,857)	(730,029,006)	-	-	-	(734,920,863)
Net income for the period	-	-	-	-	-	1,048,073,792	-	1,048,073,792
Dividend paid (Note 16)	-	-	-	-	-	(1,486,302,528)	-	(1,486,302,528)
Returned dividend	-	-	-	-	-	202,806	-	202,806
Increased share capital	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>
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	-	-	33,673,084	-	-	-	-	33,673,084
Translation adjustments	-	-	-	(140,910,920)	-	-	-	(140,910,920)
Unrealised items in income statements	-	-	33,673,084	(140,910,920)	-	-	-	(107,237,836)
Net income for the period	-	-	-	-	-	1,412,649,021	-	1,412,649,021
Dividend paid (Note 16)	-	-	-	-	-	(1,621,519,968)	-	(1,621,519,968)
Returned dividend	-	-	-	-	-	11,846	-	11,846
Increased share capital (Note 14)	1,256,358	-	-	-	-	-	-	1,256,358
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(2,888,353)	(2,888,353)
Balance as at 30 June 2007	<u>1,247,323,809</u>	<u>1,491,912,500</u>	<u>39,017,176</u>	<u>(1,027,964,219)</u>	<u>125,900,000</u>	<u>12,338,852,501</u>	<u>52,301,813</u>	<u>14,267,343,580</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 2007 AND 2006

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Premium on share capital	Unrealised gain (loss) on investments in		Retained earnings		Total
			available-for-sale	Translation	Appropriated	Unappropriated	
			securities	adjustments	(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)	-	-	-	-	-	881,837,459	881,837,459
Dividend paid (Note 16)	-	-	-	-	-	(1,486,302,528)	(1,486,302,528)
Returned dividend	-	-	-	-	-	202,806	202,806
Increased share capital	55,131,392	-	-	-	-	-	55,131,392
Balance as at 30 June 2006 - as restated	1,243,248,132	1,491,912,500	-	-	125,900,000	11,246,157,675	14,107,218,307
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	-	-	-	-	-	1,111,311,297	1,111,311,297
Dividend paid (Note 16)	-	-	-	-	-	(1,621,519,968)	(1,621,519,968)
Returned dividend	-	-	-	-	-	11,846	11,846
Increased share capital (Note 14)	1,256,358	-	-	-	-	-	1,256,358
Balance as at 30 June 2007	1,247,323,809	1,491,912,500	-	-	125,900,000	12,037,514,777	14,902,651,086

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 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
				(Restated)
Cash flows from operating activities:				
Net income	1,412,649,021	1,048,073,792	1,111,311,297	881,837,459
Adjustments to reconcile net income to net cash from (used in) operating activities:				
Depreciation	854,309,386	516,026,698	384,443,123	413,974,497
Amortisation in premium/discount of forward contracts	(1,006,374)	2,950,581	4,550,294	-
Amortisation of goodwill	12,681,348	14,077,900	-	-
Amortisation of other intangible assets	28,606,846	35,549,793	-	-
Allowance for doubtful accounts (reversal)	(36,148,132)	(261,685,736)	2,264,902	(244,665,162)
Allowance for diminution in value of inventory (reversal)	(58,054,014)	(365,537,826)	12,081,386	(25,105,883)
Accrual of provisions	86,740,525	11,070,981	20,422,188	(24,650,772)
Loss from disposal of investments in available-for-sale securities	-	443,284	-	-
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 property, plant and equipment	(70,054)	11,403,666	(2,835,661)	8,785,212
Allowance for impairment loss of assets	118,078,874	-	118,078,874	-
Share of profit from investment in associated company	(26,020,589)	(13,498,610)	-	-
Allowance for diminution in value of investment in other parties	8,410,431	-	-	-
Unrealised (gain) loss on exchange rate	(133,254,184)	320,401,430	(119,962,405)	300,720,746
Minority interest in net loss of subsidiaries	(80,860)	(448,883)	-	-
Income from operating activities before changes in				
operating assets and liabilities	2,266,842,224	1,378,388,640	1,530,353,998	1,310,896,097
(Increase) decrease in operating assets:				
Accounts receivable - trade	1,533,666,537	434,881,934	1,222,033,428	625,293,218
Amounts due from related parties	(32,680,396)	5,262,626	-	-
Inventories	1,439,315,870	(527,800,072)	504,488,040	(582,193,167)
Other current assets	(26,067,353)	(57,137,666)	4,744,953	(40,375,523)
Other non - current assets	(19,559,056)	8,360,886	26,024	-
Increase (decrease) in operating liabilities:				
Accounts payable - trade	(1,669,943,678)	164,588,723	(965,620,928)	124,656,236
Amounts due to related parties	18,313,078	46,570,667	42,905,391	70,534,463
Other current liabilities	(74,654,261)	(3,933,196)	(190,879,377)	231,742,964
Provisions	(219,491,063)	(266,933,831)	(32,251,979)	(15,701,282)
Other non-current liabilities	(7,811,696)	3,228,360	(245,000)	-
Net cash flows from operating activities	3,207,930,206	1,185,477,071	2,115,554,550	1,724,853,006

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 2007 AND 2006

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
				(Restated)
Cash flows from investing activities:				
(Increase) decrease in deposit at bank with restrictions	(9,344,602)	9,751,565	-	-
Proceeds from disposal of investments in available-for-sale securities	-	10,460,162	-	-
(Increase) decrease in short-term loans to related parties	1,237,867	(27,417,627)	-	-
Net proceeds from disposal of investment in subsidiary	-	3,933,778	-	-
Increase in investments in subsidiary	-	-	(104,730,000)	(2,015,320,680)
Decrease in consolidation goodwill	-	622,173,570	-	-
Increase in other intangible assets	(93,963)	(12,717,881)	-	-
Proceeds from return fund of investment in subsidiary company	-	-	-	161,226,234
Acquisition of property, plant and equipment	(1,219,718,891)	(260,903,047)	(131,064,483)	(194,539,695)
Proceeds from disposal of property, plant and equipment	121,535,826	5,830,596	19,799,547	1,854,326
Net cash flows from (used in) investing activities	(1,106,383,763)	351,111,116	(215,994,936)	(2,046,779,815)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(18,444,627)	76,947,492	-	-
Decrease in short-term loan from related parties	-	(34,502,222)	-	-
Repayment for long-term loan from financial institutions	-	(2,136,087,200)	-	-
Dividend paid	(1,621,519,968)	(1,486,302,528)	(1,621,519,968)	(1,486,302,528)
Returned dividend	11,846	202,806	11,846	202,806
Cash received from increase share capital	1,256,358	55,131,392	1,256,358	55,131,392
Net cash flows used in financing activities	(1,638,696,391)	(3,524,610,260)	(1,620,251,764)	(1,430,968,330)
Decrease in translation adjustments	(122,817,707)	(565,726,687)	-	-
Net increase (decrease) in cash and cash equivalent	340,032,345	(2,553,748,760)	279,307,850	(1,752,895,139)
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 17)	7,138,051,558	4,592,070,816	4,912,184,438	3,556,930,239
Supplemental cash flows information				
Cash paid during the period for:				
Interest	134,465,417	111,110,079	-	14,100,354
Corporate income tax	14,153,051	68,076,101	429,863	802,117

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 AND SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

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 Thai Accounting Standard 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. However, there was the following change in the composition of the Group during the current period.

As at 9 April 2007, the Company incorporated the new subsidiary in India, “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.

1.4 Adoption of new accounting standards during the period

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 regarding Thai Accounting Standards (TAS), which was announced in the Royal Gazette. This Notification mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures
TAS 49	Construction Contracts

1.4.1 Thai Accounting Standards effective for the current year

Thai Accounting Standards No. 44, 45 and 46 become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2. Thai Accounting Standards No. 46 is not relevant to the business of the Company.

1.4.2 Thai Accounting Standards not effective for the current year

Thai Accounting Standards No. 25, 33 and 49 will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. However, the management has assessed the effect of the revised Thai Accounting Standards No. 25 and believes that it will not significantly impact on the financial statements for the year in which it is initially applied. Thai Accounting Standards No. 33 and 49 are not relevant to the business of the Company.

1.5 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 first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary companies in the separate financial statements from the equity method to the cost method, in compliance with Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost 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 and six-month periods ended 30 June 2007 by Baht 158 million (Baht 0.13 per share) and Baht 301 million (Baht 0.24 per share), respectively (2006: decreasing by Baht 78 million (Baht 0.06 per share) and Baht 166 million (Baht 0.13 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 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,288	2,236	With reference to market prices
Sales of raw materials	-	-	5	190	With reference to market prices
Purchase of raw materials	-	-	9	34	With reference to market prices
Commission paid	-	-	219	251	Contract prices
Services income	-	-	1	-	Agreed upon basis

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2007	2006	2007	2006	
<u>Transactions with related parties</u>					
Sales of goods	289	296	284	303	With reference to market prices
Sales of raw materials	10	27	10	23	With reference to market prices
Purchase of raw materials	33	137	26	54	With reference to market prices
Commission paid	76	167	74	166	Contract prices
Commission received	24	23	-	-	Contract prices
Inspection received	-	68	-	-	Contract prices
Services income	21	-	-	-	Agreed upon basis
Sales of investments in subsidiary	-	38	-	-	At net book value
Lending (Average balance of loans outstanding during period)	22	42	-	-	Interest at a rate reference to LIBOR + 1%
Borrowing (Average balance of loans outstanding during period)	-	9	-	-	Interest at a rate reference to LIBOR + 1%

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2007	2006	2007	2006	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	3,579	4,992	With reference to market prices
Sales of raw materials	-	-	6	201	With reference to market prices
Purchase of raw materials	-	-	15	73	With reference to market prices
Commission paid	-	-	412	428	Contract prices
Services income	-	-	8	-	Agreed upon basis
<u>Transactions with related parties</u>					
Sales of goods	558	592	552	587	With reference to market prices
Sales of raw materials	20	46	20	42	With reference to market prices
Purchase of raw materials	362	301	57	121	With reference to market prices
Commission paid	151	346	149	344	Contract prices
Commission received	47	39	-	-	Contract prices
Inspection received	-	78	-	-	Contract prices
Services income	28	-	-	-	Agreed upon basis
Sales of investments in subsidiary	-	38	-	-	At net book value
Lending (Average balance of loans outstanding during period)	22	39	-	-	Interest at a rate reference to LIBOR + 1%
Borrowing (Average balance of loans outstanding during period)	-	22	-	-	Interest at a rate reference to LIBOR + 1%

(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.

The balances of the account as at 30 June 2007 and 31 December 2006 between the Company and these related companies are as follows:-

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	(Audited)		(Audited)	
<u>Trade accounts receivable, related parties</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	1,633,207,011	1,583,311,331
Delta Energy Systems (Switzerland) AG	-	-	104,484,770	100,399,487
Delta Energy Systems (Germany) GmbH.	-	-	17,835,269	9,193,672
Delta Energy Systems (India) Private Ltd.	-	-	233,328,107	65,630,595
Delta Energy Systems (Slovakia) s.r.o.	-	-	549,194	5,516,096
DET Video Technology Limited	-	-	1,478,962	1,073,660,278
Others	-	-	11,252,768	2,491,348
	-	-	2,002,136,081	2,840,202,807
<u>Other related parties</u>				
Delta Electronics Inc.	12,893,189	25,772,944	5,114,239	5,821,648
Delta Electronics (Japan) Ltd.	3,857,220	15,253,961	3,857,220	15,253,961
Delta Products Corporation Ltd.	189,349,778	162,103,457	189,338,088	162,029,795
Delta Electronics International Ltd.	34,092,774	11,640,688	25,337,133	11,573,942
Delta Network International Ltd.	15,804,351	10,236,770	15,286,789	10,236,770
Delta Electronics (Jiangsu) Limited	38,249,974	30,420,700	37,708,974	29,063,723
Addtron Technology (Japan) Limited	-	5,765,259	-	5,765,259
Deltronics (Netherland) BV	807,953	4,855,898	-	-
Delta Electronics (Hong Kong) Ltd.	-	6,637,670	-	-
Others	12,438,377	12,243,745	4,456,971	8,148,365
	307,493,616	284,931,092	281,099,414	247,893,463
Total trade accounts receivable, related parties	307,493,616	284,931,092	2,283,235,495	3,088,096,270

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006 (Audited)	30 June 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	30,727,783	22,058,020	-	-
Delta Electronics Inc.	23,231,980	-	-	-
Delta Green (Tianjin) Industries Company Limited	10,933,365	-	-	-
Others	290,785	749,999	-	-
Total short-term loan to and amounts due from related parties	<u>65,183,913</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.	-	-	13,568,453	22,117,114
Delta Energy Systems (Slovakia) s.r.o.	-	-	878,334	821,201
Delta Energy Systems (Finland) Oy.	-	-	44,534	1,714,374
Others	-	-	1,243,873	81,102
	<u>-</u>	<u>-</u>	<u>15,735,194</u>	<u>24,733,791</u>
<u>Other related parties</u>				
Delta Electronics Inc.	10,039,220	68,649,016	1,425,878	12,102,767
Delta Electronics (Japan) Ltd.	4,435,127	8,027,524	4,435,127	8,027,524
Delta Products Corporation Ltd.	5,987,460	5,298,524	3,986,956	4,905,717
Delta Electronics International Ltd.	152,870,308	26,522,048	11,602,900	17,509,643
Delta Video Technology Ltd.	34,663,020	60,000,228	-	-
Others	3,507,427	2,543,775	851,943	1,595,201
	<u>211,502,562</u>	<u>171,041,115</u>	<u>22,302,804</u>	<u>44,140,852</u>
Total trade accounts payable, related parties	<u>211,502,562</u>	<u>171,041,115</u>	<u>38,037,998</u>	<u>68,874,643</u>
<u>Amounts due to related parties</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	16,984,137	16,064,188
Delta Energy Systems (Germany) GmbH.	-	-	96,185,558	42,287,044
Delta Energy System (Switzerland) AG	-	-	8,167,745	19,881,264
Delta Energy Systems (Arizona) Inc.	-	-	3,554,604	-
Delta Electronics Europe Ltd.	-	-	4,842,718	14,405,246
Delta Energy systems (India) Private Ltd.	-	-	6,987,761	-
Others	-	-	1,187,377	899
	<u>-</u>	<u>-</u>	<u>137,909,900</u>	<u>92,638,641</u>
<u>Other related parties</u>				
Delta Products Corporation Ltd.	27,174,517	47,441,542	27,174,517	47,441,542
Delta Electronics (Japan) Ltd.	8,731,981	8,489,846	8,731,981	8,489,846
Deltronics (Netherland) BV	27,294,040	5,754,631	-	-
Delta Electronics Inc.	16,550,735	25,167	16,550,735	25,403
Others	878,272	1,211,660	878,272	350,961
	<u>80,629,545</u>	<u>62,922,846</u>	<u>53,335,505</u>	<u>56,307,752</u>
Total amounts due to related parties	<u>80,629,545</u>	<u>62,922,846</u>	<u>191,245,405</u>	<u>148,946,393</u>

(UNAUDITED BUT REVIEWED)

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 9 million (30 June 2006: approximately of Baht 5 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.2.2 to the financial statements.

4. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

	(Unit: Baht)			
	30 June 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	82,362,794	41,581,590	55,610,735
b) Loyalty Founder Enterprise Company Limited	59,083,034	57,319,006	59,083,034	50,397,981
Total	100,664,624	139,681,800	100,664,624	106,008,716
Unrealised gain on investments in available-for-sale securities	39,017,176		5,344,092	
Translation adjustments	(20,689,450)		(16,636,356)	
Net investments in available-for-sale securities	118,992,350		89,372,360	

(UNAUDITED BUT REVIEWED)

5. TRADE ACCOUNTS RECEIVABLE

The aging of outstanding balances as at 30 June 2007 and 31 December 2006 is as follows:

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2007</u>	<u>31 December 2006</u> (Audited)	<u>30 June 2007</u>	<u>31 December 2006</u> (Audited)
<u>Trade accounts receivable, related parties</u>				
Current	285,725,200	235,792,240	2,159,798,164	2,727,803,240
Past due 1 - 3 months	12,441,073	42,589,149	73,933,679	320,110,065
Past due 3 - 6 months	5,853,512	1,135,662	19,165,698	21,487,475
Past due 6 - 12 months	2,661,972	4,717,819	24,698,640	15,571,512
Past due over 12 months	811,859	696,222	5,639,314	3,123,978
Total	<u>307,493,616</u>	<u>284,931,092</u>	<u>2,283,235,495</u>	<u>3,088,096,270</u>
<u>Trade accounts receivable, unrelated parties</u>				
Current	5,393,320,119	6,879,268,036	2,615,725,516	2,939,664,294
Past due 1 - 3 months	996,183,006	962,929,956	436,441,112	489,150,613
Past due 3 - 6 months	87,523,622	76,391,985	66,230,036	36,358,155
Past due 6 - 12 months	24,053,191	46,134,511	11,211,107	14,659,917
Past due over 12 months	43,940,718	55,146,489	23,544,999	9,113,705
Total	<u>6,545,020,656</u>	<u>8,019,870,977</u>	<u>3,153,152,770</u>	<u>3,488,946,684</u>
Total trade accounts receivable	6,852,514,272	8,304,802,069	5,436,388,265	6,577,042,954
Less : Allowance for doubtful accounts	<u>(68,181,952)</u>	<u>(104,330,083)</u>	<u>(18,363,977)</u>	<u>(16,099,075)</u>
Trade accounts receivable - net	<u>6,784,332,320</u>	<u>8,200,471,986</u>	<u>5,418,024,288</u>	<u>6,560,943,879</u>

(UNAUDITED BUT REVIEWED)

6. 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 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)
Add: Allowance increase during the period	-	(12,081,386)
Less: Reversal of allowance during the period	58,054,014	-
Balance as at 30 June 2007	<u>(715,291,126)</u>	<u>(252,767,078)</u>

7. DEPOSITS AT BANK WITH RESTRICTIONS

The balance as at 30 June 2007 mainly represented bank deposits of approximately CNY 20.8 million and USD 0.6 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)

8. 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	Separate financial statements						
	Issued and paid up capital			Shareholding percentage		Cost	
	Foreign currency	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 2007	31 December 2006
				%	%		(Audited) (Restated)
Subsidiary companies							
DET International Holding Limited	USD	123,675,626	120,675,626	100	100	4,818,461,326	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						7,233,379,020	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						<u>5,037,375,255</u>	<u>4,932,645,255</u>

(Unit: Baht)

Company's name	Consolidated financial statements								
	Issued and paid up capital			Shareholding percentage		Cost		Carrying amounts based on equity method	
	Foreign currency	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 2007	31 December 2006	30 June 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	500,099,819	463,805,170
Translation adjustment						-	-	(60,516,184)	(42,290,963)
Total investments in associated company						<u>394,383,470</u>	<u>394,383,470</u>	<u>439,583,635</u>	<u>421,514,207</u>

(UNAUDITED BUT REVIEWED)

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 for the investment in new subsidiary in India, causing the investment in this subsidiary to increase from USD 121 million to USD 124 million. The Company already paid on 11 April 2007.

Assets, liabilities and the operating results of the subsidiaries of the Company, DET Video Technology Limited, Delta Energy Systems (Romania) S.R.L., Delta Energy Systems (Arizona) Inc. and Delta Power Solutions India Private Limited, which are included in the Company's consolidated financial statements based on figures prepared by the managements of those subsidiaries which have not yet been reviewed by their auditors. However, the figures for the assets, liabilities and the operating results of those subsidiaries are immaterial to the consolidated financial statements.

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.

9. INVESTMENTS IN OTHER PARTIES

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

(Unit: Baht)

	The Company's interest		Consolidated financial statements	
	in equity capital			
	<u>30 June 2007</u>	<u>31 December 2006</u>	<u>30 June 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			(143,294,084)	(135,027,026)
Translation adjustments			(51,835,815)	(42,398,846)
Investments in other parties - net			<u>202,349,488</u>	<u>220,053,515</u>

(UNAUDITED BUT REVIEWED)

10. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2007 are summarized 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	1,219,718,891	131,064,483
Disposals during period - net book value at disposal date	(121,465,772)	(16,963,886)
Depreciation for period	(854,309,386)	(384,443,123)
Allowance for loss on impairment of assets	(118,078,874)	(118,078,874)
Translation adjustments	(2,096,526)	-
Net book value as at 30 June 2007	<u>3,724,192,178</u>	<u>2,664,995,997</u>

The Company recorded allowance for loss on impairment of assets amounting to approximately Baht 118 million for plant and equipment related to video display production, since the Company has decided to reduce its production volume of video display in line with its long term business strategy of not manufacturing products which generate low profit margins. Production of video displays generated net sales for the six-month period ended 30 June 2007 amounting to approximately of Baht 1,881 million and had a profit margin of approximately 8 percent (for the six-month period ended 30 June 2006: sales of approximately Baht 3,832 million and gross profit margin at approximately of 11 percent).

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

Bank overdrafts and short-term loans from financial institutions as at 30 June 2007 and 31 December 2006 consist of

		(Unit: Baht)	
	Interest rate	<u>Consolidated financial statements</u>	
	<u>(percent per annum)</u>	<u>30 June 2007</u>	<u>31 December 2006</u>
			(Audited)
Bank overdrafts	8.25 - 10.00	229,270,469	191,251,081
Short-term loans from financial institutions	4.87 - 9.75	<u>1,592,954,846</u>	<u>1,649,418,861</u>
Total		<u>1,822,225,315</u>	<u>1,840,669,942</u>

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

(UNAUDITED BUT REVIEWED)

12. ACCRUED EXPENSES

The balance as at 30 June 2007 mainly represented accrued expenses and provisions, totaling approximately Baht 1,144 million related to employee costs, product sales of the Company and its subsidiaries and claims (Separate financial statement: Baht 639 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.

13. PROVISIONS

The outstanding balances as at 30 June 2007 and 31 December 2006 are as follows:

	Consolidated financial statements					Separate financial
	Pension	Restructuring	Warranty	Other	Total	Warranty
		costs		provisions		
						(Unit: Million Baht)
						statements
Balance as at 31 December 2006 (Audited)	921	175	233	161	1,490	65
Add: Arising during period	31	21	42	32	126	37
Less: Decrease during period	(25)	(101)	(35)	(58)	(219)	(32)
Less: Reversal during period	-	-	(17)	(21)	(38)	(16)
Translation adjustments/ unrealized gain on exchange rate	(24)	(5)	(7)	(5)	(41)	(3)
Balance as at 30 June 2007	903	90	216	109	1,318	51
Current liabilities	5	88	52	46	191	51
Non-current liabilities	898	2	164	63	1,127	-
Balance as at 30 June 2007	903	90	216	109	1,318	51
Current liabilities	4	173	76	41	294	65
Non-current liabilities	917	2	157	120	1,196	-
Balance as at 31 December 2006 (Audited)	921	175	233	161	1,490	65

(UNAUDITED BUT REVIEWED)

14. 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 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 and listed its warrants on the stock Exchange of Thailand on 28 December 2005.

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	Increase in paid up share capital from warrant exercise	Date of registration of additional shares from warrant exercise with the Ministry of Commerce
	(Unit)	(Baht)	
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
Exercised during April 2007	(700)	757	14 May 2007
Outstanding as at 30 June 2007	<u>55,700</u>	<u>59,207,069</u>	

As of 30 June 2007 the issued and paid-up share capital of the Company has increased by Baht 1,256,358 as a result of the exercise of the above warrants, to Baht 1,247,323,809 (1,247,323,809 ordinary shares of Baht 1 each)

(UNAUDITED BUT REVIEWED)

15. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	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	603,962,426	596,198,900	1,247,323,559	1,241,864,696	0.48	0.48
Effect of dilutive potential ordinary shares						
Warrants	-	-	57,253	5,071,235		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>603,962,426</u>	<u>596,198,900</u>	<u>1,247,380,812</u>	<u>1,246,935,931</u>	<u>0.48</u>	<u>0.48</u>

	Consolidated financial statements					
	For the six-month periods ended 30 June					
	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	1,412,649,021	1,048,073,792	1,247,108,259	1,231,869,149	1.13	0.85
Effect of dilutive potential ordinary shares						
Warrants	-	-	270,616	14,943,054		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,412,649,021</u>	<u>1,048,073,792</u>	<u>1,247,378,875</u>	<u>1,246,812,203</u>	<u>1.13</u>	<u>0.84</u>

(UNAUDITED BUT REVIEWED)

	Separate financial statements					
	For the three-month periods ended 30 June					
	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	
	(Restated)				(Restated)	
Basic earnings per share						
Net income	446,235,099	518,052,663	1,247,323,559	1,241,864,696	0.36	0.42
Effect of dilutive potential ordinary shares						
Warrants	-	-	57,253	5,071,235		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>446,235,099</u>	<u>518,052,663</u>	<u>1,247,380,812</u>	<u>1,246,935,931</u>	<u>0.36</u>	<u>0.42</u>

	Separate financial statements					
	For the six-month periods ended 30 June					
	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	
	(Restated)				(Restated)	
Basic earnings per share						
Net income	1,111,311,297	881,837,459	1,247,108,259	1,231,869,149	0.89	0.72
Effect of dilutive potential ordinary shares						
Warrants	-	-	270,616	14,943,054		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,111,311,297</u>	<u>881,837,459</u>	<u>1,247,378,875</u>	<u>1,246,812,203</u>	<u>0.89</u>	<u>0.71</u>

(UNAUDITED BUT REVIEWED)

16. DIVIDENDS

Dividends declared in 2007 and 2006 consisted of the followings:

<u>Dividends</u>	<u>Approved by</u>	(Unit: Baht)	
		<u>Total Dividends</u>	<u>Dividend per share</u>
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>

17. CASH FLOWS STATEMENTS

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

	(Unit: Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June		30 June	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	7,178,914,998	4,260,906,240	4,953,039,465	3,225,407,862
Unrealised (gain) loss on exchange rate	<u>(40,863,440)</u>	<u>331,164,576</u>	<u>(40,855,027)</u>	<u>331,522,377</u>
Cash and cash equivalents in the statements of cash flows	<u>7,138,051,558</u>	<u>4,592,070,816</u>	<u>4,912,184,438</u>	<u>3,556,930,239</u>

(UNAUDITED BUT REVIEWED)

18. 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 2007 and 2006 is as follow:

(Unit : Million Baht)

Consolidated financial statements														
For the three-month periods ended 30 June														
	Thailand		Asia		America		Europe		Total		Eliminated		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers	4,144	4,869	674	527	2,187	3,698	1,439	1,808	8,444	10,902	-	-	8,444	10,902
Inter-segment revenues	1,294	2,426	-	-	113	1,323	1,254	1,170	2,661	4,919	(2,661)	(4,919)	-	-
Total revenues	<u>5,438</u>	<u>7,295</u>	<u>674</u>	<u>527</u>	<u>2,300</u>	<u>5,021</u>	<u>2,693</u>	<u>2,978</u>	<u>11,105</u>	<u>15,821</u>	<u>(2,661)</u>	<u>(4,919)</u>	<u>8,444</u>	<u>10,902</u>
Segment operation profit (loss)	365	568	130	12	153	12	(73)	(16)	575	576			671	639
Unallocated income (expenses):														
Other income													69	75
Share of profit from investment in associated company													15	-
Amortisation of intangible assets													(21)	(26)
Loss on diminution in value of investment in other company													(8)	-
Loss from disposal of investment in subsidiary													-	(60)
Gain on disposal of property, plant and equipment													4	-
Interest expenses													(80)	(36)
Corporate income tax													(46)	4
Net income													<u>604</u>	<u>596</u>

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Consolidated financial statements														
For the six-month periods ended 30 June														
	Thailand		Asia		America		Europe		Total		Eliminated		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers	8,594	9,790	1,038	885	4,941	6,052	2,851	3,595	17,424	20,322	-	-	17,424	20,322
Inter-segment revenues	3,593	5,193	-	-	974	1,730	2,376	2,710	6,943	9,633	(6,943)	(9,633)	-	-
Total revenues	12,187	14,983	1,038	885	5,915	7,782	5,227	6,305	24,367	29,955	(6,943)	(9,633)	17,424	20,322
Segment operating profit (loss)	1,099	1,092	164	13	112	(38)	(255)	(151)	1,120	916			1,290	964
Unallocated income (expenses):														
Compensation income from cancellation order													188	-
Other income													156	269
Share of gain from investment in associated company													26	13
Amortisation of intangible assets													(41)	(50)
Loss on diminution in value of investment in other company													(8)	-
Loss from disposal of investment in subsidiary													-	(60)
Loss on disposal of property, plant and equipment													-	(11)
Interest expenses													(136)	(77)
Corporate income tax													(62)	-
Net income													1,413	1,048

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

19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 Capital commitments

As at 30 June 2007, the Company and its subsidiaries had capital commitments amounting to Baht 14 million, EUR 0.2 million and INR 7.3 million for the purchase of machinery and equipments and had operating lease commitments amounting to CHF 1 million, GBP 0.3 million, EUR 7.3 million and INR 69.6 million.

19.2 Letters of guarantee

As at 30 June 2007 the Company and its subsidiary companies have the following outstanding significant letters of guarantee required in the ordinary course of their business:

19.2.1 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 19.3.1 to the financial statement), INR 193 million, SKK 8 million, USD 0.4 million, EUR 0.4 million and CHF 0.6 million have been issued by banks to meet requirements of the Company and its subsidiary companies.

19.2.2 Outstanding letters of guarantee for totals of approximately SKK 450 million, INR 55 million and USD 58 million issued by the Company to meet requirements of its subsidiary companies.

19.2.3 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 and USD 0.1 million.

19.3 Tax assessment

19.3.1 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.

19.3.2 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.

(UNAUDITED BUT REVIEWED)

19.3.3 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 2004-2005. 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.

19.4 Litigation

As at 30 June 2007, a lawsuit had been filed against an overseas subsidiary company, claiming a total of INR 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.

20. FINANCIAL DERIVATIVES

20.1 Interest rate swap transaction agreement

As at 30 June 2007, the outstanding interest rate swap transaction agreement for managing the exposure to interest rate risk is 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.

However, on 5 July 2007 the subsidiary terminated this agreement and is obliged to pay termination fees of approximately USD 2.4 million to that financial institution as a result. This obligation has been reflected in the second quarter of the current year.

(UNAUDITED BUT REVIEWED)

20.2 Forward contracts / Option contract

As at 30 June 2007, outstanding significant balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets (Million)	Financial liabilities (Million)
Brazil real	11	3
Chinese yuan	21	-
Czech koruna	27	-
US dollar	174	60
EURO	22	6
New Taiwan dollar	89	-
Sweden Kronor	17	5
Japanese Yen	32	251

As at 30 June 2007, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:-

20.2.1 Forward contracts

	Amount	Forward rate	Maturity date
	(Unit: Million unit of foreign currency)	(Baht per unit of foreign currency)	
Forward contracts to "Sell"			
USD/THB	110	34.4000 - 36.3950	Jul-Sep 2007

20.2.2 Option contract

A subsidiary of the Company has entered into one buy/sell "call/put special-condition option" contract with an overseas financial institution, whereby the subsidiary agrees to purchase a maximum of USD 3 million against INR. The contract matures in August 2007. However, the amount under such contract may vary, dependent up on conditions stipulated in the contract.

21. SUBSEQUENT EVENTS

- 21.1 During July 2007, 29,652 warrants were exercised to purchase 32,082 new ordinary shares and leaving 26,048 warrants unexercised.
- 21.2 The meeting of the Board of Directors of the Company held on 8 August 2007 approved resolutions to increase the Company's investment in DET International Holding Limited by approximately of USD 12 million, in order for these funds to be invested in Delta Power Solutions India Private Limited for use in acquisition of plant and equipment, and also used as working capital of this subsidiary.

22. 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.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

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