

May 10, 2007

To: The President

The Stock Exchange of Thailand

Re: Explanation on the operating results in Q1-07

Delta Electronics (Thailand) Public Co.,Ltd., would like to inform on the Company and its subsidiaries operating results in the first quarter of 2007 (Jan-Mar 2007) as compared to the same period last year as follows.

1. Sales revenue in Q1-07 slightly decreased by 4.7% from Baht 9,420 million in Q1-06 to Baht 8,980 million. This was partly because of the Baht appreciation against USD with the average Baht/USD rate of around Baht 39/USD in Q1-06 against Baht 35/USD in Q1-07. The revenue in USD term slightly grew up around 3.3%. However, sales contribution in terms of USD of some product groups i.e. CPBG (mainly includes EMI filter and DC fan) and Display Product Group (mainly LCD TV) dropped by almost 8% and around 1% from those of in Q1-06, respectively.
2. Gross profit margin reduced from 20.8% in Q1-06 to 19.1% in Q1-07. Together with the decrease in sales as mentioned in item 1, gross profit as a result, fell from Baht 1,961 million to Baht 1,712 million or 12.7% decrease.
3. Selling and admin expenses (SG&A) in Q1-07 were improved from 14.5% of sales in Q1-06 to 13% of sales in Q1-07. This was because the Company and its subsidiaries have put their efforts to trim down its SG&A expenses, especially the selling expense which was down from 6.3% of sales in Q1-06 to 4.9% in Q1-07. R&D expense was also lower around 13% against that of the same period last year. However, due to the lower gross margin, the operating profit margin in Q1-07 was marginally affected and reduced to 6.1%, compared to 6.3% in the same period last year.
4. This quarter, the Company posted a foreign exchange gain of Baht 80.9 million, compared to a loss of Baht 275.9 million in Q1-06.
5. Net profit of the Company and its subsidiaries in Q1-07, as a results, substantially went up from Baht 451.9 million in Q1-06 to Baht 808.7 million, representing an increase of 79%.

Yours sincerely,

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Director / Vice Chairman