

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

Review Report of Independent Auditor

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

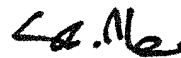
I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2006, the related consolidated statements of earnings for the three-month and nine-month periods ended 30 September 2006 and 2005, changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 three overseas subsidiaries and an overseas group of subsidiary companies for the three-month and nine-month periods ended 30 September 2006 and 2005 were reviewed by the subsidiaries' auditors, whose reports have been furnished to me. My report on the consolidated and the Company's financial statements for the three-month and nine-month periods ended 30 September 2006 and 2005, 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 September 2006 of approximately Baht 6,694 million, total revenues for the three-month and nine-month periods ended 30 September 2006 of approximately Baht 4,787 million and Baht 13,063 million respectively, net loss for the three-month period ended 30 September 2006 of approximately Baht 0.5 million and net profit for the nine-month period ended 30 September 2006 of approximately Baht 184 million (for the three-month and nine-month period ended 30 September 2005: revenues of approximately Baht 4,904 million and Baht 14,490 million, respectively and net loss of approximately Baht 120 million and Baht 340 million, respectively). In addition, the Company's financial statements include investments in these subsidiaries and the group of subsidiary companies stated under the equity method amounting to Baht 905 million as at 30 September 2006, share of loss for the three-month period ended 30 September 2006 amounting to Baht 0.5 million and share of profit for the nine-month period ended 30 September 2006 amounting to Baht 184 million (for the three-month and nine-month periods ended 30 September 2005: share of loss of approximately Baht 120 million and Baht 340 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 18.2.2 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 subsidiaries' 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: 7 November 2006

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated		The Company Only	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	5,203,400,862	7,145,819,576	3,592,363,520	5,309,825,378
Investments in available-for-sale securities	3	69,917,124	91,273,764	-	-
Accounts receivable - trade					
Related parties	16	329,148,984	643,388,168	3,291,110,716	2,943,821,584
Unrelated parties		8,628,087,164	8,036,658,591	4,439,193,945	4,914,135,153
Less : Allowance for doubtful accounts		(100,157,428)	(363,059,219)	(12,622,206)	(261,695,236)
Accounts receivable - trade, net	4	8,857,078,720	8,316,987,540	7,717,682,455	7,596,261,501
Short-term loan to and amounts due from related parties	16	68,790,799	53,210,802	-	-
Inventories - net	5	5,623,413,815	4,244,370,304	2,598,929,273	1,891,567,045
Other current assets					
Input tax refundable		155,087,125	114,900,964	52,929,834	22,642,995
Advance payments		46,191,055	29,429,346	26,893,392	21,748,453
Forward contracts receivable	11	-	29,898,873	-	-
Other accounts receivable		39,156,102	49,672,266	-	-
Others		314,883,841	181,524,756	39,452,129	31,050,094
TOTAL CURRENT ASSETS		20,377,919,443	20,257,088,191	14,028,250,603	14,873,095,466
NON - CURRENT ASSETS					
Investments accounted for under equity method	6	426,412,165	547,056,485	4,384,618,743	2,818,944,021
Investments in other parties	7	234,456,142	257,322,436	-	-
Property, plant and equipment - net	8	3,437,038,698	3,795,044,499	3,117,013,331	3,396,080,738
Intangible assets					
Consolidation goodwill	9	342,178,667	1,055,292,092	-	-
Other intangible assets		1,123,617,174	1,278,137,915	-	-
Other non-current assets		276,497,174	307,358,386	2,122,845	2,197,431
TOTAL NON-CURRENT ASSETS		5,840,200,020	7,240,211,813	7,503,754,919	6,217,222,190
TOTAL ASSETS		26,218,119,463	27,497,300,004	21,532,005,522	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 September 2006	31 December 2005	30 September 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	463,496,650	216,312,363	-	-
Accounts payable - trade				
Related parties	16	304,373,538	122,519,334	143,814,723
Unrelated parties		7,223,867,107	5,525,748,824	4,745,801,603
Total accounts payable - trade		7,528,240,645	5,648,268,158	4,889,616,326
Short-term loan from and amounts due to related parties	16	115,055,500	157,588,437	128,668,278
Other current liabilities				
Accrued expenses	10	1,409,996,442	843,708,551	630,521,459
Advance received		236,646,597	150,120,986	166,392,805
Forward contract payable	11	757,100	757,100	-
Other accounts payable		255,672,400	229,427,291	161,447,720
VAT payable		69,123,342	-	-
Provisions	12	308,154,173	69,656,152	133,258,147
Others		176,812,295	63,996,057	18,310,031
TOTAL CURRENT LIABILITIES		10,563,955,144	7,163,522,732	6,128,214,766
NON-CURRENT LIABILITIES				
Long-term loan from financial institutions	13	-	-	-
Provisions	12	1,200,457,009	-	-
Other non-current liabilities		29,074,961	-	-
TOTAL NON-CURRENT LIABILITIES		1,229,531,970	-	-
TOTAL LIABILITIES		11,793,487,114	7,163,522,732	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 September 2006	31 December 2005	30 September 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	14	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid					
1,244.72 million ordinary shares of Baht 1 each (2005: 1,188.12 million ordinary shares of Baht 1 each)	14	1,244,720,193	1,188,116,740	1,244,720,193	1,188,116,740
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 loss on investments in available-for-sale securities		(16,598,005)	(13,122,460)	(16,598,005)	(13,122,460)
Translation adjustments		(721,266,527)	97,195,102	(721,266,527)	97,195,102
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		12,243,814,629	12,072,101,008	12,243,814,629	12,072,101,008
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		14,368,482,790	14,962,102,890	14,368,482,790	14,962,102,890
MINORITY INTEREST - equity attributable to minority shareholders of subsidiaries		56,149,559	58,269,739	-	-
TOTAL SHAREHOLDERS' EQUITY		14,424,632,349	15,020,372,629	14,368,482,790	14,962,102,890
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,218,119,463	27,497,300,004	21,532,005,522	21,090,317,656
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The accompanying notes are an integral part of the financial statements.

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DIRECTORS

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DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

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

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales and services income		11,539,944,378	11,973,202,295	8,667,954,491	9,487,115,727
Other income					
Interest income		56,527,670	37,103,852	47,769,405	25,584,290
Dividend income		11,203,328	8,891,510	-	-
Gain from disposal of investment in associated company		1,967,564	-	-	-
Others		107,685,063	23,603,965	21,419,029	16,079,077
Share of profit from investments accounted for under equity method		11,765,536	-	-	-
TOTAL REVENUES		11,729,093,539	12,042,801,622	8,737,142,925	9,528,779,094
EXPENSES					
Cost of sales and services		9,552,524,312	9,456,176,621	6,875,583,050	7,519,517,385
Selling and administrative expenses		1,407,364,939	1,642,874,177	953,542,786	1,045,652,218
Directors' remuneration		1,225,000	1,134,990	1,225,000	1,134,990
Loss on exchange rate		73,038,100	95,811,270	98,973,155	28,482,236
Amortisation of intangible assets		30,001,340	35,547,865	-	-
Restructuring expenses		33,300	2,614,529	-	-
Share of loss from investments accounted for under equity method		-	14,611,301	198,079,383	211,417,551
TOTAL EXPENSES		11,064,186,991	11,248,770,753	8,127,403,374	8,806,204,380
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		664,906,548	794,030,869	609,739,551	722,574,714
INTEREST EXPENSES		(19,561,024)	(49,700,459)	-	-
CORPORATE INCOME TAX		(35,039,530)	(22,257,719)	-	-
EARNINGS AFTER CORPORATE INCOME TAX		610,305,994	722,072,691	609,739,551	722,574,714
MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES		(566,443)	502,023	-	-
NET EARNINGS FOR THE PERIOD		609,739,551	722,574,714	609,739,551	722,574,714
EARNINGS PER SHARE					
15					
Basic earnings per share					
Net earnings		0.49	0.61	0.49	0.61
Diluted earnings per share					
Net earnings		0.49	0.61	0.49	0.61

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Baht)

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales and services income		31,862,150,888	32,857,430,189	23,583,034,079	26,161,562,699
Other income					
Interest income		193,549,132	146,473,155	137,560,529	63,184,071
Gain on exchange rate		-	45,995,207	-	569,038,118
Gain from disposal of fixed asset		-	109,896,347	-	-
Dividend income		11,863,847	35,083,679	-	-
Gain from disposal of investment in associated company		1,967,564	-	-	-
Others		237,752,998	56,987,159	42,502,252	33,509,269
Share of profit from investments accounted for under equity method		25,264,146	-	-	-
TOTAL REVENUES		32,332,548,575	33,251,865,736	23,763,096,860	26,827,294,157
EXPENSES					
Cost of sales and services		25,793,332,092	26,590,438,556	18,706,895,980	21,447,867,076
Selling and administrative expenses		4,197,507,929	4,820,127,374	2,697,261,412	3,024,013,868
Loss on exchange rate		390,884,062	-	639,806,166	-
Loss from disposal of fixed asset		10,721,421	-	9,081,491	28,149,915
Directors' remuneration		6,295,063	3,255,010	6,295,064	3,255,010
Amortisation of intangible assets		79,629,033	98,931,435	-	-
Restructuring expenses		5,268,904	122,441,817	-	-
Loss from disposal of investment in subsidiary		59,684,913	-	-	-
Share of loss from investments accounted for under equity method		-	39,093,720	31,843,050	919,108,140
TOTAL EXPENSES		30,543,323,417	31,674,287,912	22,091,183,163	25,422,394,009
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		1,789,225,158	1,577,577,824	1,671,913,697	1,404,900,148
INTEREST EXPENSES		(96,408,511)	(118,343,761)	(14,100,354)	-
CORPORATE INCOME TAX		(34,885,744)	(56,571,889)	-	(1,471,410)
EARNINGS AFTER CORPORATE INCOME TAX		1,657,930,903	1,402,662,174	1,657,813,343	1,403,428,738
MINORITY INTEREST IN NET LOSS (EARNINGS) OF SUBSIDIARIES		(117,560)	766,564	-	-
NET EARNINGS FOR THE PERIOD		1,657,813,343	1,403,428,738	1,657,813,343	1,403,428,738
EARNINGS PER SHARE					
<i>15</i>					
Basic earnings per share					
Net earnings		1.34	1.18	1.34	1.18
Diluted earnings per share					
Net earnings		1.33	1.18	1.33	1.18

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Cash flows from (used in) operating activities:				
Net earnings	1,657,813,343	1,403,428,738	1,657,813,343	1,403,428,738
Adjustments to reconcile net earnings to net cash from (used in) operating activities:				
Depreciation	782,759,670	881,703,994	620,682,308	662,535,148
Amortisation in premium/discount of forward contracts	2,927,031	(1,794,668)	2,769	(767)
Amortisation of goodwill	20,576,395	114,506,337	-	-
Amortisation of other intangible assets	59,052,638	49,159,945	-	-
Allowance for doubtful accounts (reversal)	(262,901,792)	3,346,420	(249,073,030)	(3,199,234)
Provision for obsolete inventories (reversal)	(434,841,038)	(142,831,074)	(40,428,593)	38,986,922
Accrual of provisions	49,015,478	70,087,624	29,280,826	5,829,436
Loss from disposal of investments in available-for-sales securities	439,330	1,793,801	-	-
Share dividend received from investment in available-for-sale securities	(3,065,173)	(6,698,086)	-	-
Loss from disposal of investment in subsidiary	59,684,913	-	-	-
Gain from disposal of investment in associated company	(1,967,564)	-	-	-
(Gain) loss from disposal of fixed assets	10,721,421	(109,896,348)	9,081,492	28,149,915
Share of (profit) loss from investments accounted for under equity method	(25,264,146)	39,093,720	31,843,050	919,108,140
Unrealised (gain) loss on exchange rate	370,024,783	89,841,135	351,440,983	(204,404,810)
Minority interest in net earnings (loss) of subsidiaries	117,560	(766,564)	-	-
Earnings from operating activities before changes in operating assets and liabilities	2,285,092,849	2,390,974,974	2,410,643,148	2,850,433,488
(Increase) Decrease in operating assets:				
Accounts receivable - trade	(320,931,541)	1,540,601,392	93,700,983	890,733,557
Amounts due from related parties	15,853,824	(28,733,742)	-	-
Inventories	(944,202,473)	568,880,671	(666,933,635)	(40,717,052)
Other current assets	(182,821,637)	114,846,690	(44,976,739)	7,622,201
Other non - current assets	30,861,212	(122,149,181)	74,586	(292,669)
Increase (decrease) in operating liabilities:				
Accounts payable - trade	1,447,077,947	(859,744,212)	785,289,917	(606,189,146)
Amounts due to related parties	28,006,032	(50,911,601)	29,188,169	(42,921,361)
Other current liabilities	205,757,421	439,359,311	347,483,557	338,858,800
Provisions	(366,081,951)	(167,054,163)	(86,589,462)	-
Other non-current liabilities	2,200,085	(4,900,818)	-	-
Net cash flows from operating activities	2,200,811,768	3,821,169,321	2,867,880,524	3,397,527,818

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Cash flows from (used in) investing activities:				
Increase in investments in available-for-sales securities	-	(26,216,684)	-	-
Proceeds from disposal of investments in available-for-sales securities	10,270,438	15,103,799	-	-
Increase in short-term loans to related parties	(31,433,821)	-	-	-
Net proceeds from disposal of investment in subsidiary	3,933,778	-	-	-
Increase in investments in subsidiaries	-	-	(2,580,681,180)	-
Decrease in consolidation goodwill (Note 9)	622,173,570	-	-	-
(Increase) decrease in other intangible assets	(13,137,702)	14,461	-	-
Proceeds from return fund of investment in subsidiary company	-	-	161,226,234	-
Proceeds from return fund of investment in associated company	100,176,153	-	-	-
Proceeds from return fund of investment in other parties	710,003	11,624,515	-	-
Acquisition of fixed assets	(469,613,251)	(506,812,522)	(352,550,719)	(386,952,755)
Proceeds from sales of fixed assets	12,378,107	326,836,056	1,854,326	19,463,580
Net cash flows from (used) in investing activities	235,457,275	(179,450,375)	(2,770,151,339)	(367,489,175)
Cash flows from (used in) financing activities:				
Increase in bank overdrafts and short-term loans from financial institutions	247,184,287	73,217,080	-	-
Decrease in short-term loan from related parties	(23,945,224)	(10,828,621)	-	-
Decrease in long-term loans from related party	-	-	-	(1,663,282,064)
Repayment in long-term loan from financial institutions	(2,136,087,200)	(1,763,477,300)	-	-
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	56,603,453	14,625	56,603,453	14,625
Net cash flows used in financing activities	(3,342,344,406)	(2,651,545,758)	(1,429,496,269)	(2,613,738,981)
Decrease in translation adjustments	(650,998,037)	(7,742,447)	-	-
Net increase (decrease) in cash and cash equivalents	(1,557,073,400)	982,430,741	(1,331,767,084)	416,299,662
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 19)	5,588,746,176	4,815,958,003	3,978,058,294	2,834,212,983
Supplemental cash flows information:				
Cash paid during the period for:				
Interest	135,766,753	133,369,915	14,100,354	-
Corporate income tax	90,767,281	1,374,087	802,117	1,374,087

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Unit: Baht)

	Consolidated						Minority interest-equity attributable to minority shareholders of subsidiaries	Total
	Issued and paid-up share capital	Premium on share capital	Unrealised loss on investments in available-for-sales securities	Translation adjustments	Retained earnings			
					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-sales securities	-	-	2,448,398	-	-	-	-	2,448,398
Translation adjustments	-	-	-	210,769,853	-	-	-	210,769,853
Unrealised items in earnings statement	-	-	2,448,398	210,769,853	-	-	-	213,218,251
Net earnings for the period	-	-	-	-	-	1,403,428,738	-	1,403,428,738
Dividend paid (Note 20)	-	-	-	-	-	(950,491,571)	-	(950,491,571)
Dividend return	-	-	-	-	-	20,029	-	20,029
Increase share capital (Note 14)	14,625	-	-	-	-	-	-	14,625
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(3,013,519)	(3,013,519)
Balance as at 30 September 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(38,553,470)</u>	<u>60,528,180</u>	<u>120,000,000</u>	<u>11,196,749,649</u>	<u>58,255,320</u>	<u>14,077,008,919</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-sales securities	-	-	(3,475,545)	-	-	-	-	(3,475,545)
Translation adjustments	-	-	-	(818,461,629)	-	-	-	(818,461,629)
Unrealised items in earnings statement	-	-	(3,475,545)	(818,461,629)	-	-	-	(821,937,174)
Net earnings for the period	-	-	-	-	-	1,657,813,343	-	1,657,813,343
Dividend paid (Note 20)	-	-	-	-	-	(1,486,302,528)	-	(1,486,302,528)
Dividend return	-	-	-	-	-	202,806	-	202,806
Increase share capital (Note 14)	56,603,453	-	-	-	-	-	-	56,603,453
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(2,120,180)	(2,120,180)
Balance as at 30 September 2006	<u>1,244,720,193</u>	<u>1,491,912,500</u>	<u>(16,598,005)</u>	<u>(721,266,527)</u>	<u>125,900,000</u>	<u>12,243,814,629</u>	<u>56,149,559</u>	<u>14,424,632,349</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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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-sales 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-sales securities	-	-	2,448,398	-	-	-	2,448,398
Translation adjustments	-	-	-	210,769,853	-	-	210,769,853
Unrealised items in earnings statement	-	-	2,448,398	210,769,853	-	-	213,218,251
Net earnings for the period	-	-	-	-	-	1,403,428,738	1,403,428,738
Dividend paid (Note 20)	-	-	-	-	-	(950,491,571)	(950,491,571)
Dividend return	-	-	-	-	-	20,029	20,029
Increase share capital (Note 14)	14,625	-	-	-	-	-	14,625
Balance as at 30 September 2005	<u>1,188,116,740</u>	<u>1,491,912,500</u>	<u>(38,553,470)</u>	<u>60,528,180</u>	<u>120,000,000</u>	<u>11,196,749,649</u>	<u>14,018,753,599</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-sales securities	-	-	(3,475,545)	-	-	-	(3,475,545)
Translation adjustments	-	-	-	(818,461,629)	-	-	(818,461,629)
Unrealised items in earnings statement	-	-	(3,475,545)	(818,461,629)	-	-	(821,937,174)
Net earnings for the period	-	-	-	-	-	1,657,813,343	1,657,813,343
Dividend paid (Note 20)	-	-	-	-	-	(1,486,302,528)	(1,486,302,528)
Dividend return	-	-	-	-	-	202,806	202,806
Increase share capital (Note 14)	56,603,453	-	-	-	-	-	56,603,453
Balance as at 30 September 2006	<u>1,244,720,193</u>	<u>1,491,912,500</u>	<u>(16,598,005)</u>	<u>(721,266,527)</u>	<u>125,900,000</u>	<u>12,243,814,629</u>	<u>14,368,482,790</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 was incorporated in Channel Islands. 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 changes 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.

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.

(UNAUDITED BUT REVIEWED)

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.

1.3.3 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 in Slovakia, Delta Electronics (Slovakia) s.r.o. with a registered capital of SKK 200,000, with DET International Holding Limited and Delta Energy Systems (Slovakia) s.r.o. having shareholdings of 85 percent and 15 percent, respectively. This new subsidiary company was incorporated on 8 July 2006 but it has yet to call up its share capital.

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 94 million as at 30 September 2006. Most of this amount is in 3 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 September 2006		31 December 2005	
	Book value	Fair value	Book value	Fair value
			(Audited)	
Available-for-sale securities				
a) Cyntec Company Limited	41,323,649	46,866,473	48,009,064	45,130,885
b) Loyalty Founder Enterprise Company Limited	59,043,807	36,902,978	60,060,509	49,816,228
Total	100,367,456	83,769,451	108,069,573	94,947,113
Unrealised loss on investments in available-for-sale securities	(16,598,005)		(13,122,460)	
Translation adjustments	(13,852,327)		(3,673,349)	
Net investments in available-for-sale securities	<u>69,917,124</u>		<u>91,273,764</u>	

(UNAUDITED BUT REVIEWED)

4. ACCOUNTS RECEIVABLE - TRADE

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

	Consolidated		The Company Only	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Audited)		(Audited)
<u>Accounts receivable - trade, related parties</u>				
Current	279,221,136	556,744,809	2,877,576,401	2,548,445,303
Past due 1 - 3 months	2,652,636	83,057,337	368,832,998	395,145,835
Past due 3 - 6 months	36,771,440	3,577,075	19,967,652	230,446
Past due 6 - 12 months	10,494,973	8,947	24,733,665	-
Past due over 12 months	8,799	-	-	-
Total	<u>329,148,984</u>	<u>643,388,168</u>	<u>3,291,110,716</u>	<u>2,943,821,584</u>
<u>Accounts receivable - trade, unrelated parties</u>				
Current	7,715,192,222	6,993,799,066	3,845,181,767	4,094,156,827
Past due 1 - 3 months	767,232,743	685,778,340	555,034,130	510,755,728
Past due 3 - 6 months	64,880,890	73,034,378	30,454,374	39,719,527
Past due 6 - 12 months	45,981,416	25,122,592	4,362,025	19,738,368
Past due over 12 months	34,799,893	258,924,215	4,161,649	249,764,703
Total	<u>8,628,087,164</u>	<u>8,036,658,591</u>	<u>4,439,193,945</u>	<u>4,914,135,153</u>
Total Accounts receivable - Trade	8,957,236,148	8,680,046,759	7,730,304,661	7,857,956,737
Less : Allowance for doubtful accounts	<u>(100,157,428)</u>	<u>(363,059,219)</u>	<u>(12,622,206)</u>	<u>(261,695,236)</u>
Accounts receivable - trade, net	<u>8,857,078,720</u>	<u>8,316,987,540</u>	<u>7,717,682,455</u>	<u>7,596,261,501</u>

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 second quarter of the current year.

5. ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY

Movement in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 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	<u>(434,841,038)</u>	<u>(40,428,593)</u>
Balance as at 30 September 2006	<u>609,354,791</u>	<u>207,505,704</u>

6. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

These represent investments in ordinary shares of the following companies:

Investment	Nature of business	Issued and paid up capital				Percentage owned		Consolidated				The Company Only			
		Foreign currency	30 September		31 December		By the Company		Investment		Investment		Investment		
			2006	2005	2006	2005	Cost method		Equity method		Cost method		Equity method		
			Million	Million	%	%	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	
Subsidiary companies															
DET International Holding Limited	Holding business	USD	121	54	100	100	-	-	-	-	4,714	2,133	3,850	1,364	
Delta Energy Systems (Switzerland) AG	Trading, research and developments for electronic products	CHF	20	20	100	100	-	-	-	-	2,415	2,576	1,273	1,371	
Unrealised loss on investments in available- for-sale securities of a subsidiary							-	-	-	-	-	-	(17)	(13)	
Translation adjustments							-	-	-	-	-	-	(721)	97	
Total investments in subsidiary companies							-	-	-	-	7,129	4,709	4,385	2,819	
Associated companies (owned by DET International Holding Limited)															
Huada Holding Company Limited	Holding business	USD	-	16	-	45	-	266	-	88	-	-	-	-	
Delta Green (Tianjin) Industries Company Limited	Manufacturing to electronic products	USD	20	20	50	50	394	394	452	431	-	-	-	-	
Translation adjustments							-	-	(26)	28	-	-	-	-	
Total investments in associated companies							394	660	426	547	-	-	-	-	
Total investments accounted for under equity method							394	660	426	547	7,129	4,709	4,385	2,819	

(UNAUDITED BUT REVIEWED)

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.

The meeting of the Board of Directors of the Company held on 9 February 2006 approved resolutions to increase the registered share capital of a subsidiary, DET International Holding Limited, from USD 54 million to USD 106 million, while the meeting of the Board of Directors of the Company held on 1 August 2006 approved resolutions to increase the registered share capital of the same subsidiary from USD 106 million to USD 121 million. The Company acquired all of such additional share capital and 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 dispose of its investment in an associated company, Huada Holding Company Limited, by dissolving and liquidating such company. In July 2006, the associated company completed its dissolution and is in the liquidation process.

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 September 2006	31 December 2005	30 September 2006	31 December 2005
	%	%		(Audited)
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	352,254,100	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			402,836,103	403,546,107
Less : Provision for diminution in value of investment in other parties			(135,027,026)	(135,027,026)
Translation adjustments			(33,352,935)	(11,196,645)
Investments in other parties - net			<u>234,456,142</u>	<u>257,322,436</u>

(UNAUDITED BUT REVIEWED)

8. PROPERTY, PLANT AND EQUIPMENT - NET

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

	(Unit: Baht)	
	<u>Consolidated</u>	<u>The Company only</u>
Net book value as at 1 January 2006	3,795,044,499	3,396,080,738
Acquisitions during period - cost	469,613,250	352,550,719
Disposals during period - net book value at disposal date	(23,099,527)	(10,935,818)
Leaving the scope from disposal investment in subsidiary	(11,883,468)	-
Depreciation for period	(782,759,670)	(620,682,308)
Translation adjustments	(9,876,386)	-
Net book value as at 30 September 2006	<u>3,437,038,698</u>	<u>3,117,013,331</u>

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.

10. ACCRUED EXPENSES

The balance as at 30 September 2006 mainly represented accrued expenses and provisions, totaling approximately Baht 1,251 million related to employee costs, product sales of the Company and its subsidiaries and claims (the Company only: Baht 786 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.

(UNAUDITED BUT REVIEWED)

11. FORWARD CONTRACTS

The Company has entered into forward exchange contacts with local financial institutions. The outstanding balances under the contracts as at 30 September 2006 and 31 December 2005 are as follows:

	30 September 2006			31 December 2005		
	Amount (Unit: Million unit of foreign currency)	Forward rate (Baht per unit of foreign currency)	Maturity date	Amount (Unit: Million unit of foreign currency)	Forward rate (Baht per unit of foreign currency)	Maturity date
Forward contracts to "Sell"						
USD/THB	11	37.35 - 37.58	October 2006	85	41.30 - 41.37	March 2006

The Company has recorded the foreign currency assets and liabilities arising from its entering into these contracts in the balance sheets, under the captions of "Forward contracts receivable/payable".

12. PROVISIONS

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

	Consolidated					(Unit: Million Baht) The Company Only
	Pension	Restructuring costs	Warranty	Other provisions	Total	Warranty
Balance as at 31 December 2005	939	465	317	152	1,873	133
Add: Arising during period	41	8	43	11	103	29
Less: Decrease during period	(37)	(211)	(101)	(17)	(366)	(86)
Less: Reversal during period	(3)	(23)	(6)	(22)	(54)	-
Translation adjustments/ unrealized gain on exchange rate	(20)	(10)	(12)	(5)	(47)	(6)
Balance as at 30 September 2006	<u>920</u>	<u>229</u>	<u>241</u>	<u>119</u>	<u>1,509</u>	<u>70</u>
Current liabilities	4	222	79	3	308	70
Non-current liabilities	916	7	162	116	1,201	-
Balance as at 30 September 2006	<u>920</u>	<u>229</u>	<u>241</u>	<u>119</u>	<u>1,509</u>	<u>70</u>
Current liabilities	4	458	141	128	731	133
Non-current liabilities	935	7	176	24	1,142	-
Balance as at 31 December 2005	<u>939</u>	<u>465</u>	<u>317</u>	<u>152</u>	<u>1,873</u>	<u>133</u>

13. 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.

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 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.

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.

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 2005	59,000,000	-	
Exercised during January 2006	(50,468,700)	50,468,700	8 February 2006
Exercised during April 2006	(4,522,500)	4,662,692	9 May 2006
Exercised during July 2006	(1,427,800)	1,472,061	4 August 2006
Outstanding as at 30 September 2006	<u>2,581,000</u>	<u>56,603,453</u>	

As of 30 September 2006 the issued and paid-up share capital of the Company has increased by Baht 56,603,453 as a result of the exercise of the above warrants, to Baht 1,244,720,193.

(UNAUDITED BUT REVIEWED)

Subsequent event

During October 2006, 1,306,750 warrants were exercised to purchase 1,347,258 new ordinary shares and leaving 1,274,250 warrants unexercised.

15. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	609,739,551	722,574,714	1,243,058,925	1,188,116,740	0.49	0.61
Effect of dilutive potential ordinary shares						
Warrants	-	-	3,689,500	-		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>609,739,551</u>	<u>722,574,714</u>	<u>1,246,748,425</u>	<u>1,188,116,740</u>	<u>0.49</u>	<u>0.61</u>
For the nine-month periods ended 30 September						
Net earnings		Weighted average number of ordinary shares		Earnings per share		
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net earnings	1,657,813,343	1,403,428,738	1,236,038,139	1,188,115,442	1.34	1.18
Effect of dilutive potential ordinary shares						
Warrants	-	-	10,639,526	-		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,657,813,343</u>	<u>1,403,428,738</u>	<u>1,246,677,665</u>	<u>1,188,115,442</u>	<u>1.33</u>	<u>1.18</u>

(UNAUDITED BUT REVIEWED)

16. 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)			
		For the three-month periods ended 30 September			
		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	-	-	2,644,262,201	2,444,680,494
Sales of raw materials	With reference to market prices	-	-	10,994,557	10,786,374
Purchase of raw materials	With reference to market prices	-	-	30,967,380	17,289,284
Commission paid	Contract prices	-	-	272,898,465	149,908,978
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	-	1,190,765,148
Transactions with related parties					
Sales of goods	With reference to market prices	288,198,283	530,430,567	284,744,023	514,390,791
Sales of raw materials	With reference to market prices	8,823,696	11,282,941	8,823,696	11,282,941
Purchase of raw materials	With reference to market prices	192,239,606	92,915,341	56,783,651	92,915,341
Commission paid	Contract prices	169,688,513	218,359,999	169,688,513	218,359,999
Inspection received	Contract prices	-	29,763,945	-	-
Service income	Agreed upon basis	17,733,453	2,367,512	-	-
Lending (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	46,103,584	-	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	7,099,875	44,561,517	-	-
		(Unit : Baht)			
		For the nine-month periods ended 30 September			
		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	-	-	7,636,386,942	7,732,375,206
Sales of raw materials	With reference to market prices	-	-	211,937,448	21,225,025
Purchase of raw materials	With reference to market prices	-	-	103,998,203	74,835,663
Commission paid	Contract prices	-	-	700,782,562	409,325,267
Inspection paid	Contract prices	-	-	-	52,512,388
Borrowing (Average balance of loan outstanding during period)	No interest charge	-	-	-	1,570,849,648

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

		For the nine-month periods ended 30 September			
		Consolidated		The Company Only	
		2006	2005	2006	2005
	Pricing policies				
Transactions with related parties					
Sales of goods	With reference to market prices	880,250,080	1,413,761,968	871,594,087	1,374,698,370
Sales of raw materials	With reference to market prices	54,485,034	26,994,437	50,442,691	26,994,437
Purchase of raw materials	With reference to market prices	493,489,012	282,502,023	177,770,406	282,502,023
Commission paid	Contract prices	513,702,223	748,061,959	513,702,223	748,061,959
Inspection received	Contract prices	76,898,913	40,168,537	-	-
Service income	Agreed upon basis	56,259,124	31,942,018	-	-
Lending (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	41,286,799	-	-	-
Borrowing (Average balance of loans outstanding during period)	Interest at a rate reference to LIBOR	16,813,303	50,333,941	-	-

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	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
		(Audited)		(Audited)	
	Relationship				
Accounts receivable - trade, related parties					
Subsidiary companies					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	1,567,375,216	2,044,128,543
DET International Holding Ltd.	Subsidiary Company	-	-	-	2,316,066
Delta Energy Systems (Switzerland) AG	Subsidiary Company	-	-	142,305,579	87,770,889
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	37,485,662	105,788,786
Delta Energy Systems (India) Private Ltd.	Subsidiary Company	-	-	87,212,549	33,175,309
Delta Energy Systems (Brazil) S.A.	Subsidiary Company	-	-	3,860,561	6,225,174
Delta Energy Systems (Slovakia) s.r.o.	Subsidiary Company	-	-	4,893,000	2,471,736
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	-	11,919,940
DET Video Technology Limited	Subsidiary Company	-	-	1,174,517,890	88,219,350
Others		-	-	87,624	62,998
		-	-	3,017,738,081	2,382,078,791

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Relationship	Consolidated		The Company Only	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
			(Audited)		(Audited)
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	11,472,937	40,456,357	5,988,020	10,733,124
Delta Electronics (Japan) Ltd.	Common shareholder	7,103,464	19,209,882	7,103,464	19,209,882
Delta Products Corporation Ltd.	Common shareholder	162,093,043	164,064,630	162,040,205	161,854,752
Delta Electronics International Ltd.	Common shareholder	48,684,705	52,762,836	47,922,872	36,550,924
Delta Video Technology Ltd.	Common shareholder	-	235,535,231	-	235,535,231
Delta Network International Ltd.	Common shareholder	12,112,255	22,207,041	12,112,255	22,207,041
Delta Electronics (Jiangsu) Limited	Common shareholder	24,183,623	21,514,146	22,584,860	9,279,920
Addtron Technology (Japan) Limited	Common shareholder	12,065,387	63,398,383	12,065,387	63,398,383
Deltronics (Netherlands) BV	Common shareholder	36,264,134	8,711,012	-	-
Delta Green (Tianjin) Industries Co., Ltd.	Common shareholder	2,823,454	-	2,823,454	-
Delta Electronics (Hong Kong) Ltd.	Common shareholder	6,355,570	12,505,072	-	-
Delta Electronics Europe Ltd. (Netherlands)	Common shareholder	5,115,817	-	-	-
Others		874,595	3,023,578	732,118	2,973,536
		<u>329,148,984</u>	<u>643,388,168</u>	<u>273,372,635</u>	<u>561,742,793</u>
Total accounts receivable - trade, related parties		<u>329,148,984</u>	<u>643,388,168</u>	<u>3,291,110,716</u>	<u>2,943,821,584</u>
<u>Short-term loan to and amounts due from related parties</u>					
Deltronics (Netherlands) BV	Common shareholder	64,519,905	50,283,624	-	-
Others		4,270,894	2,927,178	-	-
		<u>68,790,799</u>	<u>53,210,802</u>	<u>-</u>	<u>-</u>
Total short-term loan to and amounts due from related parties		<u>68,790,799</u>	<u>53,210,802</u>	<u>-</u>	<u>-</u>
<u>Accounts payable - trade, related parties</u>					
<u>Subsidiary companies</u>					
Delta Energy Systems (Germany) GmbH.	Subsidiary company	-	-	45,732,092	18,300,267
Delta Energy Systems (Switzerland) AG	Subsidiary company	-	-	952,557	555,939
Delta Energy Systems (Slovakia) s.r.o.	Subsidiary company	-	-	2,462,335	6,807,958
Delta Energy Systems (Finland) Oy	Subsidiary company	-	-	786,828	323,100
Delta Energy Systems (Arizona) Inc.	Subsidiary company	-	-	-	1,029,365
Others		-	-	425,010	568,363
		<u>-</u>	<u>-</u>	<u>50,358,822</u>	<u>27,584,992</u>

(UNAUDITED BUT REVIEWED)

(Unit: Baht)

	Relationship	Consolidated		The Company Only	
		30 September 2006	31 December 2005	30 September 2006	31 December 2005
			(Audited)		(Audited)
Other related parties					
Delta Electronics Inc.	Shareholder	168,023,194	330,957,674	18,026,827	88,917,560
Delta Products Corporation Ltd.	Common shareholder	8,570,802	15,295,640	8,968,326	15,077,380
Deltronics (Netherland) BV	Common shareholder	44,479,837	5,115,723	-	-
Delta Electronics (Shanghai) Co. Ltd.	Common shareholder	3,976,557	-	-	-
Cyntec Company Limited	Common shareholder	2,081,023	1,155,680	2,081,023	1,155,680
Delta Video Technology Ltd.	Common shareholder	33,516,336	8,219,224	-	-
Delta Electronics International Ltd.	Common shareholder	38,754,407	1,541,754	38,219,733	208,189
Others		4,971,382	15,558,590	4,864,603	10,870,922
		<u>304,373,538</u>	<u>377,844,285</u>	<u>72,160,512</u>	<u>116,229,731</u>
Total accounts payable - trade, related parties		<u>304,373,538</u>	<u>377,844,285</u>	<u>122,519,334</u>	<u>143,814,723</u>
Short-term loan from and amounts due to related parties					
Subsidiary companies					
DET Logistics (USA) Corporation	Subsidiary Company	-	-	13,747,696	15,922,753
Delta Energy Systems (Germany) GmbH.	Subsidiary Company	-	-	72,919,770	20,787,892
Delta Energy Systems (Arizona) Inc.	Subsidiary Company	-	-	-	7,411,428
Delta Electronics Europe Ltd.	Subsidiary Company	-	-	12,596,616	7,785,540
Others		-	-	1,339,745	185
		<u>-</u>	<u>-</u>	<u>100,603,827</u>	<u>51,907,798</u>
Other related parties					
Delta Electronics (Japan) Ltd.	Common shareholder	10,113,143	31,479	10,113,143	31,479
Delta Electronics (Scotland) Ltd.	Common shareholder	11,344,259	34,502,221	-	-
Delta Products Corporation Ltd.	Common shareholder	46,422,978	74,989,922	46,422,978	74,989,922
Deltronics (Netherland) BV	Common shareholder	46,726,631	-	-	-
Others		448,489	1,739,079	448,489	1,739,079
		<u>115,055,500</u>	<u>111,262,701</u>	<u>56,984,610</u>	<u>76,760,480</u>
Total short-term loan from and amounts due to related parties		<u>115,055,500</u>	<u>111,262,701</u>	<u>157,588,437</u>	<u>128,668,278</u>

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 and are cancellable.

17. FINANCIAL INSTRUMENTS

17.1 Financial derivatives

17.1.1 Special-condition option agreements

A subsidiary of the Company has entered into various buy/sell “call/put special-condition option” agreements with overseas financial institutions. The amounts of foreign currency to be bought or sold under these contracts depend on conditions stipulated in the contracts, with the maximum amount being USD 83.5 million. Most of those agreements will be matured in November 2006.

As at 30 September 2006, based on the conditions stipulated in the above contracts, the subsidiary has “buy put option agreements” amounting to USD 60 million and contractual exchange rate are 37.23 - 37.70 Baht per USD. However the subsidiary has not estimated its contingent losses under those agreements since it is unable to make an estimate of such losses.

17.1.2 “Special-condition forward” contracts

The Company has entered into various Special-condition forward sales contracts with local financial institutions, under which the amount of foreign currency depends on conditions stipulated in the contracts, with the maximum amount being USD 21 million. Most of those contracts will be matured in December 2006.

As at 30 September 2006, based on the conditions stipulated in the above contracts, the amount of foreign currency to be sold under the contracts totals USD 2 million. Contractual exchange rate is 37.85 Baht per USD.

17.1.3 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:

- a. 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.

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- b. 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.

17.2 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 September 2006, most of which are current balances, are summarised below.

	<u>Amount</u>	
Assets		
Assets denominated in US Dollar	USD	273 million
Assets denominated in YEN	YEN	75 million
Assets denominated in EURO	EUR	9 million
Assets denominated in New Taiwan Dollar	NTD	89 million
Assets denominated in Hungarian Forint	HUF	43 million
Liabilities		
Liabilities denominated in US Dollar	USD	102 million
Liabilities denominated in YEN	YEN	385 million
Liabilities denominated in EURO	EUR	4 million
Liabilities denominated in Slovak Koruna	SKK	6 million
Liabilities denominated in Hungarian Forint	HUF	523 million

18. COMMITMENTS AND CONTINGENT LIABILITIES

18.1 Capital commitments

As at 30 September 2006, the Company and its subsidiaries had capital commitments amounting to Baht 145 million for the purchase of machinery and equipments (31 December 2005: Baht 99 million) and had operating lease commitments amounting to CHF 0.3 million, GBP 0.3 million, EUR 8 million and INR 15 million (31 December 2005: CHF 10 million).

18.2 Tax assessment

- 18.2.1 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.
- 18.2.2 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.
- 18.2.3 During the third quarter of 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 CHF 2.2 million. However, the Company has not recorded a provision since there is still uncertainty as to such assessment of duty.

18.3 Litigation

As at 30 September 2006, a lawsuit had been filed against an overseas subsidiary company, claiming a total of INR 4.7 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.

18.4 Letters of guarantee

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

- 18.4.1 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 18.2.2 to the financial statement), INR 116 million, EUR 0.3 million and CHF 0.3 million have been issued by banks to meet requirements of the Company and its subsidiary companies.

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18.4.2 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.

19. 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 September		30 September	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	5,203,400,862	4,629,959,673	3,592,363,520	2,648,488,939
Unrealised loss on exchange rate	<u>385,345,314</u>	<u>185,998,330</u>	<u>385,694,774</u>	<u>185,724,044</u>
Cash and cash equivalents in the statements of cash flows	<u><u>5,588,746,176</u></u>	<u><u>4,815,958,003</u></u>	<u><u>3,978,058,294</u></u>	<u><u>2,834,212,983</u></u>

20. 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)

21. 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 nine-month periods ended 30 September 2006 and 2005 is as follow:

(Unit : Million Baht)

	Consolidated													
	For the three-month periods ended 30 September													
	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	6,013	7,045	429	310	3,654	2,788	1,444	1,830	11,540	11,973	-	-	11,540	11,973
Inter-segment revenues	2,655	2,455	-	2	1,926	-	1,333	1,411	5,914	3,868	(5,914)	(3,868)	-	-
Total revenues	8,668	9,500	429	312	5,580	2,788	2,777	3,241	17,454	15,841	(5,914)	(3,868)	11,540	11,973
Segment operation profit (loss)	773	858	12	25	60	(93)	(209)	(23)	636	767			506	773
Unallocated income (expenses):														
Other income													175	70
Share of gain (loss) from investments accounted for under equity method													12	(15)
Amortisation of intangible assets													(30)	(36)
Gain from disposal of investment in associate company													2	-
Gain on disposal of fixed assets													-	3
Interest expenses													(20)	(50)
Corporate income tax													(35)	(22)
Net earnings													610	723

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

	Consolidated													
	For the nine-month periods ended 30 September													
	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	15,802	18,507	1,314	850	9,706	7,803	5,040	5,698	31,862	32,858	-	-	31,862	32,858
Inter-segment revenues	7,848	7,753	-	54	3,656	-	4,043	4,287	15,547	12,094	(15,547)	(12,094)	-	-
Total revenues	<u>23,650</u>	<u>26,260</u>	<u>1,314</u>	<u>904</u>	<u>13,362</u>	<u>7,803</u>	<u>9,083</u>	<u>9,985</u>	<u>47,409</u>	<u>44,952</u>	<u>(15,547)</u>	<u>(12,094)</u>	<u>31,862</u>	<u>32,858</u>
Segment operation profit (loss)	1,865	1,834	25	39	22	(57)	(360)	(245)	1,552	1,571			1,469	1,366
Unallocated income (expenses):														
Other income													443	239
Share of gain (loss) from investments														
accounted for under equity method													25	(39)
Amortisation of intangible assets													(79)	(99)
Loss from disposal of investment in subsidiary													(60)	-
Gain from disposal of investment in associate company													2	-
Gain (loss) on disposal of fixed assets													(11)	110
Interest expenses													(96)	(118)
Corporate income tax													(35)	(57)
Minority interest in net loss of subsidiaries													-	1
Net earnings													<u>1,658</u>	<u>1,403</u>

The Company and its subsidiaries have applied the pricing policies described in Note 16 to set the transfer prices.

22. SUBSEQUENT EVENT

On 11 October 2006, the Federation of Accounting Professions (“FAP”) issued the Notification No. 26/2006 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006, can continue to use the equity method through to the end of 2006 and adopt the cost method as from 1 January 2007.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

23. 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 nine-month periods ended 30 September 2005 have been reclassified to conform to the current period’s classifications, with no effect on previously reported net earnings or shareholders' equity.

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s Board of Directors on 7 November 2006.