

August 15, 2006

To: The President

The Stock Exchange of Thailand

Re: Explanation on the operating results in Q2-06

Delta Electronics (Thailand) Public Co.,Ltd., would like to inform the Company's operating results in the second quarter of 2006 based on its reviewed consolidated financial statements ended 30 June 2006 as follows.

Sales revenue in Q2-06 slightly grew by 1.7% from Baht 10,719 million in Q2-05 to Baht 10,902 million. The major contribution in the sales growth was the sales revenues of CPBG (mainly DC fan and EMI) and PSBG2 (mainly DCDC converters and networking power supplies) which were satisfactory grew by approx 52% and 20%, respectively while those of DES (mainly high end power supplies and Telecom power systems) grew by 8% over Q2-05. However, PSBG1 (mainly standard power supplies and adapters) and VDBG (mainly LCD TV) sales revenues reduced by around 14% and 13%, respectively. Following the supply chain consolidation in China, the Company will focus more on the higher end products.

Gross profit in Q2-06 increased by 3% from Baht 2,059 million to Baht 2,121 million due to its improved margin from 19.2% in Q2-05 to 19.5% in Q2-06, particularly from PSBG2 and also its high sales growth as mentioned above.

Selling and admin expenses (SG&A) in Q2-06 significantly reduced by around 15% from Baht 1,700 million to Baht 1,437 million or 16% of sales in Q2-05 to 13% because of the decrease in provision for obsolete stocks and bad debt allowance which were substantially incurred during Q2-05. Following the improved gross margin together with the significant lower in SG&A as mentioned earlier, the operating profit margin was satisfactorily improved from Baht 359 million or 3% of sales in Q2-05 to Baht 683 million or 6% of sales in Q2-06, resulting in a substantial growth in operating profit of about 90%.

In spite of the higher non operating loss partly incurred by the unrealized foreign exchange loss because of strong Baht appreciation since the beginning of the year, net profit in Q2-06 grew from Baht 497 million in Q2-05 to Baht 596 million, representing an increase of 20%.

Yours sincerely,

---

Wang, Ming-Cheng /Niramol Tantipuntum

Vice Chairman / Director