

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 2010

## **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 2010, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2010, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. The consolidated interim financial statements of certain overseas subsidiary companies for the three-month and six-month periods ended 30 June 2010 were reviewed by the subsidiary companies' 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 2010, insofar as they relate to the amounts included for these subsidiary companies, are based solely on the reports of those other auditors. These financial statements reflect total assets as at 30 June 2010 of approximately Baht 5,364 million, total revenues for the three-month and six-month periods ended 30 June 2010 of approximately Baht 2,861 million and Baht 5,596 million, respectively and net loss for the three-month and six-month periods ended 30 June 2010 of approximately Baht 54 million and Baht 97 million, respectively.

I conducted my review 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 review 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 through 2000.

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 2009 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 23 February 2010, expressed an unqualified opinion on those statements, and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2009, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2009 of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the three-month and six-month periods ended 30 June 2009, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 13 August 2009, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department.

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited  
Bangkok: 6 August 2010

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Balance sheets

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	8,917,181,394	10,552,858,435	5,553,925,523	7,545,051,143
Investments in available-for-sale securities	3	-	178,516,270	-
Trade accounts receivable				
Related parties	2	332,895,110	266,562,291	2,087,149,005
Unrelated parties		5,882,991,190	5,274,245,565	2,798,310,355
Less: Allowance for doubtful accounts		(59,161,509)	(55,541,098)	(8,032,534)
Trade accounts receivable - net	4	6,156,724,791	5,485,266,758	4,877,426,826
Amounts due from related parties	2	9,412,218	-	-
Inventories - net	5	5,844,177,688	3,829,213,794	3,458,988,235
Other current assets				
Input tax refundable		301,210,538	276,004,959	53,212,158
Forward contracts receivable	19	15,188,768	11,678,483	1,535,760
Prepaid expenses		60,789,391	50,219,724	10,906,941
Prepaid tax		306,382,363	294,736,006	-
Other accounts receivable		98,592,469	48,191,951	-
Others		54,313,180	68,487,563	9,019,158
<b>Total current assets</b>		<b>21,763,972,800</b>	<b>20,795,173,943</b>	<b>13,965,014,601</b>
<b>Non-current assets</b>				
Deposits at bank with restrictions	6	202,276,885	209,427,887	-
Investments in subsidiary companies - net	7	-	-	8,199,084,104
Investment in associated company	8	585,375,212	591,494,276	-
Other long-term Investments - net	9	461,634,133	495,970,767	-
Property, plant and equipment - net	10	3,611,517,215	3,644,142,844	2,210,308,136
Intangible assets - net	11	771,293,054	820,691,801	-
Deferred tax assets		65,505,858	75,075,130	-
Other non-current assets				
Consolidation goodwill		306,757,971	306,757,971	-
Deposit for purchase of land and advance payment for construction	12	339,362,059	109,479,977	-
Others		24,855,258	29,690,551	1,775,869
<b>Total non-current assets</b>		<b>6,368,577,645</b>	<b>6,282,731,204</b>	<b>10,411,168,109</b>
<b>Total assets</b>		<b>28,132,550,445</b>	<b>27,077,905,147</b>	<b>24,376,182,710</b>

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)

Notes	Consolidated financial statements		Separate financial statements			
	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)		
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
	from financial institutions	13	872,368,868	1,318,607,054	-	-
Trade accounts payable						
	Related parties	2	485,117,686	421,610,599	157,861,511	95,843,576
	Unrelated parties		5,597,566,101	4,223,536,964	4,571,339,039	3,288,504,587
	Total trade accounts payable		6,082,683,787	4,645,147,563	4,729,200,550	3,384,348,163
	Amounts due to related parties	2	72,283,800	142,942,626	161,730,361	227,961,664
	Short-term provisions	14	141,790,782	114,460,921	5,230,144	4,428,913
Other current liabilities						
	Accrued expenses		1,338,232,902	1,070,959,018	634,780,323	345,809,346
	Advance received		205,483,417	180,005,727	160,156,333	116,851,764
	Other accounts payable		392,435,556	266,982,794	345,136,765	154,533,231
	Value added tax payable		100,789,694	103,301,479	-	-
	Income tax payable		193,759,016	193,035,749	-	-
	Others		130,586,549	182,753,530	24,089,314	91,280,057
	<b>Total current liabilities</b>		<b>9,530,414,371</b>	<b>8,218,196,461</b>	<b>6,060,323,790</b>	<b>4,325,213,138</b>
<b>Non-current liabilities</b>						
	Long-term provisions	14	1,027,680,716	1,196,398,948	87,735,963	82,340,577
	Other non-current liabilities		25,548,713	15,088,546	1,045,000	1,035,000
	<b>Total non-current liabilities</b>		<b>1,053,229,429</b>	<b>1,211,487,494</b>	<b>88,780,963</b>	<b>83,375,577</b>
	<b>Total liabilities</b>		<b>10,583,643,800</b>	<b>9,429,683,955</b>	<b>6,149,104,753</b>	<b>4,408,588,715</b>

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)

	Consolidated financial statements		Separate financial statements		
	Notes	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 June 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid-up					
1,247 million ordinary shares of Baht 1 each	15	1,247,380,634	1,247,380,634	1,247,380,634	1,247,380,634
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised gain on changes in value of					
available-for-sale securities	3	-	105,636,106	-	-
Translation adjustments		(1,327,447,341)	(1,183,016,585)	-	-
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		15,927,918,226	15,800,567,230	15,361,884,823	15,540,973,771
Equity attributable					
to the Company's shareholders		17,465,664,019	17,588,379,885	18,227,077,957	18,406,166,905
Minority interest - equity attributable to minority					
shareholders of subsidiary		83,242,626	59,841,307	-	-
<b>Total shareholders' equity</b>		<b>17,548,906,645</b>	<b>17,648,221,192</b>	<b>18,227,077,957</b>	<b>18,406,166,905</b>
<b>Total liabilities and shareholders' equity</b>		<b>28,132,550,445</b>	<b>27,077,905,147</b>	<b>24,376,182,710</b>	<b>22,814,755,620</b>
		-	-	-	-

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

## Income statements

For the three-month periods ended 30 June 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2010	2009	2010	2009
<b>Revenues</b>					
Sales and services income		8,544,101,520	6,063,326,494	5,939,048,182	3,948,136,917
Other income					
Interest income		12,786,083	14,265,703	9,676,440	8,618,656
Gain on exchange rate		5,334,261	-	51,865,442	-
Others		39,415,023	25,892,662	31,537,855	10,735,094
<b>Total revenues</b>		<b>8,601,636,887</b>	<b>6,103,484,859</b>	<b>6,032,127,919</b>	<b>3,967,490,667</b>
<b>Expenses</b>					
Cost of sales and services		6,115,647,997	4,401,458,558	4,340,328,801	2,848,048,246
Selling expenses		516,413,957	502,695,873	358,963,220	349,871,398
Administrative expenses		296,388,182	218,775,927	163,478,847	123,701,909
Research and development expenses		397,828,910	423,487,555	149,227,943	134,392,802
Management benefit expenses		50,469,383	96,678,868	5,856,466	4,920,809
Loss on exchange rate		-	40,525,862	-	99,703,739
Other expenses		72,457,915	96,513,244	17,565,740	28,560,594
<b>Total expenses</b>		<b>7,449,206,344</b>	<b>5,780,135,887</b>	<b>5,035,421,017</b>	<b>3,589,199,497</b>
<b>Income before share of income from investment</b>					
<b>in associated company, finance cost and</b>					
<b>corporate income tax</b>					
		1,152,430,543	323,348,972	996,706,902	378,291,170
Share of income from investment					
in associated company		5,038,855	4,971,868	-	-
<b>Income before finance cost and</b>		<b>1,157,469,398</b>	<b>328,320,840</b>	<b>996,706,902</b>	<b>378,291,170</b>
<b>corporate income tax</b>					
Finance cost		(9,230,147)	(8,286,545)	-	-
<b>Income before corporate income tax</b>		<b>1,148,239,251</b>	<b>320,034,295</b>	<b>996,706,902</b>	<b>378,291,170</b>
Corporate income tax		(15,724,584)	(19,069,147)	-	-
<b>Net income for the period</b>		<b>1,132,514,667</b>	<b>300,965,148</b>	<b>996,706,902</b>	<b>378,291,170</b>
<b>Net income attributable to:</b>					
Equity holders of the parent		1,104,821,828	300,942,081	996,706,902	378,291,170
Minority interests of the subsidiary		27,692,839	23,067		
		<u>1,132,514,667</u>	<u>300,965,148</u>		
<b>Earnings per share</b>					
17					
Basic earnings per share					
Net income attributable to equity holders of the parent		0.89	0.24	0.80	0.30
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.89	0.24	0.80	0.30

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

## Delta Electronics (Thailand) Public Company Limited and its subsidiaries

## Income statements

For the six-month periods ended 30 June 2010 and 2009

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Sales and services income		16,089,563,419	12,422,164,497	11,054,313,896	8,141,019,253
Other income					
Interest income		26,620,820	40,745,405	21,731,666	31,729,231
Gain on exchange rate		36,801,339	-	18,319,927	-
Gain on sales of investments in available-for-sale securities	3	102,765,525	-	-	-
Others		82,399,340	84,775,631	41,133,884	17,606,745
<b>Total revenues</b>		<b>16,338,150,443</b>	<b>12,547,685,533</b>	<b>11,135,499,373</b>	<b>8,190,355,229</b>
<b>Expenses</b>					
Cost of sales and services		11,572,660,056	9,116,029,454	8,087,401,874	5,872,814,315
Selling expenses		993,537,185	921,222,622	712,253,159	684,730,471
Administrative expenses		596,411,814	440,795,646	312,681,277	227,042,553
Research and development expenses		830,690,241	802,524,016	289,869,004	261,747,950
Management benefit expenses	2	125,342,422	183,546,468	12,420,720	8,521,625
Loss on exchange rate		-	25,700,274	-	3,734,198
Other expenses		141,876,349	182,044,415	28,891,336	69,964,375
<b>Total expenses</b>		<b>14,260,518,067</b>	<b>11,671,862,895</b>	<b>9,443,517,370</b>	<b>7,128,555,487</b>
<b>Income before share of income from investment in associated company, finance cost and corporate income tax</b>		<b>2,077,632,376</b>	<b>875,822,638</b>	<b>1,691,982,003</b>	<b>1,061,799,742</b>
Share of income from investment in associated company	8	10,334,832	13,145,033	-	-
<b>Income before finance cost and corporate income tax</b>		<b>2,087,967,208</b>	<b>888,967,671</b>	<b>1,691,982,003</b>	<b>1,061,799,742</b>
Finance cost		(21,489,250)	(39,904,551)	-	-
<b>Income before corporate income tax</b>		<b>2,066,477,958</b>	<b>849,063,120</b>	<b>1,691,982,003</b>	<b>1,061,799,742</b>
Corporate income tax		(40,455,420)	(36,794,379)	-	-
<b>Net income for the period</b>		<b>2,026,022,538</b>	<b>812,268,741</b>	<b>1,691,982,003</b>	<b>1,061,799,742</b>
<b>Net income attributable to:</b>					
Equity holders of the parent		1,998,421,947	812,302,710	1,691,982,003	1,061,799,742
Minority interests of the subsidiary (loss)		27,600,591	(33,969)	-	-
		<u>2,026,022,538</u>	<u>812,268,741</u>	<u>1,691,982,003</u>	<u>1,061,799,742</u>
<b>Earnings per share</b> 17					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>1.60</u>	<u>0.65</u>	<u>1.36</u>	<u>0.85</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>1.60</u>	<u>0.65</u>	<u>1.36</u>	<u>0.85</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

For the six-month periods ended 30 June 2010 and 2009

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to the parent's shareholders						Total equity attributable to the parent's shareholders	Minority interest-equity attributable to minority shareholders of subsidiary	Total
	Issued and fully paid-up share capital	Share premium	Unrealised gain on changes in value of available-for-sale securities	Translation adjustments	Retained earnings				
					Appropriated	Unappropriated			
<b>Balance as at 31 December 2008 (Audited)</b>	1,247,380,634	1,491,912,500	(19,729,022)	(1,044,166,184)	125,900,000	14,983,303,425	16,784,601,353	61,331,575	16,845,932,928
<b>Income and expenses recognised directly in equity:</b>									
Unrealised gain on changes in value of available-for-sale securities	-	-	36,493,343	-	-	-	36,493,343	-	36,493,343
Translation adjustments	-	-	-	(95,538,501)	-	-	(95,538,501)	(3,088,328)	(98,626,829)
<b>Net income and expenses recognised directly in equity</b>	-	-	36,493,343	(95,538,501)	-	-	(59,045,158)	(3,088,328)	(62,133,486)
Net income for the period	-	-	-	-	-	812,302,710	812,302,710	(33,969)	812,268,741
<b>Total income and expenses for the period</b>	-	-	36,493,343	(95,538,501)	-	812,302,710	753,257,552	(3,122,297)	750,135,255
Dividend paid (Note 16)	-	-	-	-	-	(1,372,118,697)	(1,372,118,697)	-	(1,372,118,697)
<b>Balance as at 30 June 2009</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>16,764,321</u>	<u>(1,139,704,685)</u>	<u>125,900,000</u>	<u>14,423,487,438</u>	<u>16,165,740,208</u>	<u>58,209,278</u>	<u>16,223,949,486</u>
<b>Balance as at 31 December 2009 (Audited)</b>	1,247,380,634	1,491,912,500	105,636,106	(1,183,016,585)	125,900,000	15,800,567,230	17,588,379,885	59,841,307	17,648,221,192
<b>Income and expenses recognised directly in equity:</b>									
Transferred to income due to sales of investments in available-for-sale securities	-	-	(105,636,106)	-	-	-	(105,636,106)	-	(105,636,106)
Translation adjustments	-	-	-	(144,430,756)	-	-	(144,430,756)	(4,199,272)	(148,630,028)
<b>Net income and expenses recognised directly in equity</b>	-	-	(105,636,106)	(144,430,756)	-	-	(250,066,862)	(4,199,272)	(254,266,134)
Net income for the period	-	-	-	-	-	1,998,421,947	1,998,421,947	27,600,591	2,026,022,538
<b>Total income and expenses for the period</b>	-	-	(105,636,106)	(144,430,756)	-	1,998,421,947	1,748,355,085	23,401,319	1,771,756,404
Dividend paid (Note 16)	-	-	-	-	-	(1,871,070,951)	(1,871,070,951)	-	(1,871,070,951)
<b>Balance as at 30 June 2010</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>-</u>	<u>(1,327,447,341)</u>	<u>125,900,000</u>	<u>15,927,918,226</u>	<u>17,465,664,019</u>	<u>83,242,626</u>	<u>17,548,906,645</u>

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 changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2010 and 2009

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 31 December 2008 (Audited)</b>	1,247,380,634	1,491,912,500	125,900,000	14,397,125,242	17,262,318,376
Net income for the period	-	-	-	1,061,799,742	1,061,799,742
<b>Total income and expenses for the period</b>	-	-	-	1,061,799,742	1,061,799,742
Dividend paid (Note 16)	-	-	-	(1,372,118,697)	(1,372,118,697)
<b>Balance as at 30 June 2009</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>14,086,806,287</u>	<u>16,951,999,421</u>
<b>Balance as at 31 December 2009 (Audited)</b>	1,247,380,634	1,491,912,500	125,900,000	15,540,973,771	18,406,166,905
Net income for the period	-	-	-	1,691,982,003	1,691,982,003
<b>Total income and expenses for the period</b>	-	-	-	1,691,982,003	1,691,982,003
Dividend paid (Note 16)	-	-	-	(1,871,070,951)	(1,871,070,951)
<b>Balance as at 30 June 2010</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>15,361,884,823</u>	<u>18,227,077,957</u>

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

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries****Cash flow statements****For the six-month periods ended 30 June 2010 and 2009**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>				
Net income before tax	2,066,477,958	849,063,120	1,691,982,003	1,061,799,742
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation	299,580,091	342,817,072	196,287,159	253,022,471
Amortisation of premium/discount of forward contracts	(564,139)	2,290,672	(38,596)	(71,589)
Amortisation of intangible assets	26,930,211	28,558,569	-	-
Allowance for doubtful accounts (reversal)	3,620,411	(40,291,419)	322,157	(13,246,267)
Allowance for diminution in value of inventory (reversal)	(79,428,362)	25,134,911	1,763,522	56,083,557
Increase in provisions	100,361,014	28,903,059	7,401,176	1,674,644
Gain on sales of investments in available-for-sale securities	(102,765,525)	-	-	-
Share of income from investment in associated company	(10,334,832)	(13,145,033)	-	-
(Gain) loss from disposal of property, plant and equipment	3,453,494	(173,853)	(24,936)	239,485
Unrealised (gain) loss on exchange rate	(19,878,738)	58,742,914	(15,957,410)	39,191,305
Interest income	(26,620,820)	(40,745,405)	(21,731,666)	(31,729,231)
Interest expense	21,489,250	39,904,551	-	-
Income from operating activities before changes in operating assets and liabilities	2,282,320,013	1,281,059,158	1,860,003,409	1,366,964,117
Decrease (increase) in operating assets:				
Trade accounts receivable	(668,235,746)	1,062,466,271	(1,132,610,182)	350,614,634
Amounts due from related parties	(9,412,218)	4,227,360	-	-
Inventories	(1,935,535,532)	489,446,432	(1,555,100,217)	250,293,181
Other current assets	(75,227,173)	140,570,464	(5,410,063)	53,623,431
Other non - current assets	(225,046,464)	(130,097,120)	-	(11,000)
Increase (decrease) in operating liabilities:				
Trade accounts payable	1,433,630,011	(1,157,341,743)	1,340,946,174	(706,140,806)
Amounts due to related parties	(78,914,909)	28,142,395	(74,487,386)	125,170,470
Other current liabilities	355,834,375	(52,851,795)	458,199,536	(20,115,668)
Provisions	(43,141,221)	(58,690,880)	(718,887)	(811,607)
Other non-current liabilities	10,460,167	19,872,654	10,000	(10,000)
Cash flows from operating activities	1,046,731,303	1,626,803,196	890,832,384	1,419,576,752
Cash received from interest income	31,075,944	43,137,370	21,983,048	31,409,997
Cash paid for interest expense	(21,134,329)	(63,266,690)	-	-
Cash paid for corporate income tax	(36,151,043)	(73,631,560)	(210,037)	(360,860)
<b>Net cash flows from operating activities</b>	<b>1,020,521,875</b>	<b>1,533,042,316</b>	<b>912,605,395</b>	<b>1,450,625,889</b>

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

## Delta Electronics (Thailand) Public Company Limited and its subsidiaries

## Cash flow statements (continued)

For the six-month periods ended 30 June 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from investing activities:</b>				
Proceeds from disposal of investments				
in available-for-sale securities	177,229,952	-	-	-
Decrease in deposits at bank with restrictions	7,151,002	15,488,609	-	-
Increase in investments in subsidiary company	-	-	(718,694,677)	(894,654,596)
Decrease in other long-term investments	20,570,429	-	-	-
Acquisition of property, plant and equipment	(458,199,508)	(235,272,758)	(334,498,110)	(129,741,001)
Proceeds from disposal of property, plant and equipment	7,551,113	3,834,937	303,486	1,915,927
Increase in intangible assets	(150,155)	(293,934)	-	-
<b>Net cash flows used in investing activities</b>	<b>(245,847,167)</b>	<b>(216,243,146)</b>	<b>(1,052,889,301)</b>	<b>(1,022,479,670)</b>
<b>Cash flows from financing activities:</b>				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(446,238,186)	(1,026,785,265)	-	-
Dividend paid (Note 16)	(1,871,070,951)	(1,372,118,697)	(1,871,070,951)	(1,372,118,697)
<b>Net cash flows used in financing activities</b>	<b>(2,317,309,137)</b>	<b>(2,398,903,962)</b>	<b>(1,871,070,951)</b>	<b>(1,372,118,697)</b>
<b>Decrease in translation adjustments</b>	<b>(110,782,023)</b>	<b>(21,756,246)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,653,416,452)</b>	<b>(1,103,861,038)</b>	<b>(2,011,354,857)</b>	<b>(943,972,478)</b>
Unrealised gain on exchange for cash and cash equivalents	17,739,411	32,066,888	20,229,237	32,068,583
<b>Cash and cash equivalents at beginning of period</b>	<b>10,552,858,435</b>	<b>9,131,391,349</b>	<b>7,545,051,143</b>	<b>6,551,478,418</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,917,181,394</b>	<b>8,059,597,199</b>	<b>5,553,925,523</b>	<b>5,639,574,523</b>
	-	-	-	-

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

**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 2010**

**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 is incorporated in the Channel Islands. The Company is principally engaged in the manufacture and distribution of electronic products and has a registered address 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 Standard No. 34 (revised 2007) "Interim Financial Reporting", 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.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Basis of consolidation**

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009.

#### 1.4 Adoption of new accounting standards

During the current period, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below. These standards are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

	<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (revised 2009)	Immediately effective
TAS 1 (revised 2009) Presentation of Financial Statements	1 January 2011
TAS 2 (revised 2009) Inventories	1 January 2011
TAS 7 (revised 2009) Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009) Events after the Reporting Period	1 January 2011
TAS 11 (revised 2009) Construction Contracts	1 January 2011
TAS 12 Income Taxes	1 January 2013
TAS 17 (revised 2009) Leases	1 January 2011
TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 23 (revised 2009) Borrowing Costs	1 January 2011
TAS 24 (revised 2009) Related Party Disclosures	1 January 2011
TAS 27 (revised 2009) Consolidated and Separate Financial Statements	1 January 2011
TAS 28 (revised 2009) Investments in Associates	1 January 2011
TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2011
TAS 31 (revised 2009) Interests in Joint Ventures	1 January 2011
TAS 33 (revised 2009) Earnings per Share	1 January 2011
TAS 34 (revised 2009) Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009) Impairment of Assets	1 January 2011
TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009) Intangible Assets	1 January 2011
TAS 40 (revised 2009) Investment Property	1 January 2011
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations	1 January 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2011

(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	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<b><u>Transactions with related parties</u></b>					
Sales of goods and raw materials	310	177	305	173	With reference to market prices
Purchase of goods and raw materials	419	113	109	9	With reference to market prices
Commission paid	60	76	61	76	Contract prices
Commission received	13	15	-	-	Contract prices
Services income	6	8	-	-	Contract prices

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	3,407	2,815	With reference to market prices
Purchase of raw materials	-	-	112	67	With reference to market prices
Commission paid	-	-	76	78	Contract prices
Marketing fee	-	-	100	101	Contract prices
Design and engineering fee	-	-	319	353	Contract prices
<b><u>Transactions with associated company</u></b>					
Sales of goods	-	3	-	3	With reference to market prices

**Transactions with related parties**

Sales of goods and raw materials	585	329	568	323	With reference to market prices
Purchase of goods and raw materials	678	437	190	45	With reference to market prices
Commission paid	121	152	122	152	Contract prices
Commission received	26	24	-	-	Contract prices
Services income	7	12	-	-	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2010 and 31 December 2009 between the Company and these related companies are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<b><u>Trade accounts receivable, related parties</u></b>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	1,166,367,332	915,336,255
Delta Power Solutions (India) Private Limited	-	-	319,342,616	316,489,660
Delta Energy Systems (Switzerland) AG	-	-	125,246,429	133,886,972
Delta Energy Systems (India) Private Limited	-	-	1,332,155	3,709,269
Delta Electronics (Slovakia) s.r.o.	-	-	143,452,411	20,463,399
Delta Energy Systems (Germany) GmbH.	-	-	14,775,589	10,248,824
Delta Energy Systems (Brasil) S.A.	-	-	5,694,143	789,303
Others	-	-	6,798,933	1,305,429
	-	-	1,783,009,608	1,402,229,111
<u>Associated company</u>				
Delta Green (Tianjin) Industries Company Limited	1,801,473	3,575,225	1,801,473	3,575,225
	1,801,473	3,575,225	1,801,473	3,575,225
<u>Other related parties</u>				
Delta Products Corporation Limited	182,747,480	140,896,068	171,758,199	140,893,947
Delta Electronics International Limited	64,212,143	55,273,360	64,141,632	53,746,164
Delta Network International Limited	30,732,524	23,744,555	28,301,035	20,572,755
Delta Electronics Inc.	13,974,150	14,670,776	7,526,919	7,738,787
Delta Electronics (Jiangsu) Limited	2,852,089	2,289,631	2,732,915	2,264,225
Deltronics (Netherlands) BV	9,614,905	9,122,377	1,120,969	454,280
Delta Networks Inc.	16,769,107	5,939,536	16,769,107	5,939,536
Delta Greentech (China) Company Limited	5,357,860	6,041,438	5,357,860	6,041,438
Delta Electronics (Japan), Inc.	4,043,996	2,289,509	4,043,996	2,289,509
Others	789,383	2,719,816	585,292	580,645
	331,093,637	262,987,066	302,337,924	240,521,286
Total trade accounts receivable, related parties	332,895,110	266,562,291	2,087,149,005	1,646,325,622
<b><u>Amounts due from related parties</u></b>				
Delta Electronics Inc.	9,412,218	-	-	-
Total amounts due from related parties	9,412,218	-	-	-



(Unaudited but reviewed)

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<b><u>Trade accounts payable, related parties</u></b>				
<u>Subsidiary companies</u>				
Delta Power Solutions (India) Private Limited	-	-	34,953,750	23,214,340
Delta Energy Systems (Germany) GmbH.	-	-	10,380,058	5,156,484
Delta Electronics (Slovakia) s.r.o.	-	-	17,962,622	5,876,982
Delta India Electronics Private Limited	-	-	-	3,136,716
Others	-	-	-	207,563
	-	-	63,296,430	37,592,085
<u>Other related parties</u>				
Delta Electronics International Limited	340,466,511	304,715,444	61,892,257	42,021,920
Delta Electronics (Shanghai) Limited	33,705,654	26,048,332	-	-
Delta Electronics Inc.	71,741,419	43,061,174	8,318,783	6,707,115
Delta Product Corporation Limited	24,256,717	7,472,587	17,736,530	4,298,011
Deltronics (Netherlands) BV	15,408	20,352,674	-	-
Delta Greentech (China) Company Limited	5,491,229	12,745,290	-	-
Others	9,440,748	7,215,098	6,617,511	5,224,445
	485,117,686	421,610,599	94,565,081	58,251,491
Total trade accounts payable, related parties	485,117,686	421,610,599	157,861,511	95,843,576
<b><u>Amounts due to related parties</u></b>				
<u>Subsidiary companies</u>				
Delta Energy Systems (Germany) GmbH.	-	-	87,971,907	87,498,576
DET Logistics (USA) Corporation	-	-	3,659,686	10,024,485
Delta Electronics Europe Limited	-	-	3,701,134	25,868
Delta Energy Systems (Switzerland) AG	-	-	628,078	12,352,723
Delta Energy System (Arizona)	-	-	7,102,493	318,074
Others	-	-	5,400,522	4,051,316
	-	-	108,463,820	114,271,042
<u>Other related parties</u>				
Delta Electronics Inc.	28,764,311	81,107,756	28,764,311	80,873,844
Delta Products Corporation Limited	19,869,563	21,346,160	18,089,578	21,346,160
Deltronics (Netherlands) BV	3,108,399	23,551,395	3,108,399	2,283,240
Others	20,541,527	16,937,315	3,304,253	9,187,378
	72,283,800	142,942,626	53,266,541	113,690,622
Total amounts due to related parties	72,283,800	142,942,626	161,730,361	227,961,664

(Unaudited but reviewed)

### **Directors and management's remuneration**

For the six-month period ended 30 June 2010, the Company and its subsidiaries had expenses related to the salaries, bonuses and meeting allowances to their directors and management totaling approximately of Baht 125 million (Separate financial statements: approximately of Baht 12 million) (30 June 2009: approximately of Baht 184 million, separate financial statements: approximately of Baht 9 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.

### **3. Investments in available-for-sale securities**

The available-for-sale securities were owned by DET International Holding Limited are as follows:

Company's name	(Unit: Baht)	
	30 June 2010	31 December 2009
		(Audited)
Cyntec Company Limited	-	86,276,438
Unrealised gain on changes in value of available-for-sales securities	-	105,636,106
Translation adjustment	-	(13,396,274)
Total investments in available-for-sale securities	-	178,516,270

During the first quarter of 2010, DET International Holding Limited sold all of its investments in available-for-sales securities through the Stock Exchange of Taiwan. The subsidiary had gain on sales of these investments in available-for-sale securities approximately of Baht 103 million and presented this amount separately in the income statement.

(Unaudited but reviewed)

#### 4. Trade accounts receivable

The balances of trade accounts receivable as at 30 June 2010 and 31 December 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<u>Trade accounts receivable, related parties</u>				
Current	330,045,736	262,431,211	2,062,421,368	1,601,319,064
Past due 1 - 3 months	1,092,700	2,322,074	22,965,789	43,197,552
Past due over 12 months	1,756,674	1,809,006	1,761,848	1,809,006
Total	332,895,110	266,562,291	2,087,149,005	1,646,325,622
<u>Trade accounts receivable, unrelated parties</u>				
Current	5,343,263,748	4,704,388,703	2,624,917,359	1,980,150,872
Past due 1 - 3 months	465,796,917	498,685,866	173,392,996	119,529,987
Past due 3 - 6 months	31,152,812	65,064,733	-	-
Past due 6 - 12 months	42,360,861	5,830,222	-	-
Past due over 12 months	416,852	276,041	-	-
Total	5,882,991,190	5,274,245,565	2,798,310,355	2,099,680,859
Total trade accounts receivable	6,215,886,300	5,540,807,856	4,885,459,360	3,746,006,481
Less: Allowance for doubtful accounts	(59,161,509)	(55,541,098)	(8,032,534)	(7,710,377)
Trade accounts receivable - net	6,156,724,791	5,485,266,758	4,877,426,826	3,738,296,104

(Unaudited but reviewed)

## 5. Allowance for diminution in value of inventory

Movement in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2010 is summarised below.

	(Unit: Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2010	710,311,546	279,763,922
Add: Allowance increase during the period	8,892,617	1,763,522
Less: Reversal of allowance during the period	<u>(88,320,979)</u>	<u>-</u>
Balance as at 30 June 2010	<u><u>630,883,184</u></u>	<u><u>281,527,444</u></u>

## 6. Deposits at bank with restrictions

The balance as at 30 June 2010 mainly represented bank deposits of approximately RMB 26 million (31 December 2009: approximately RMB 26 million) of a subsidiary in the People's Republic of China. During the current quarter, the government unit of the People's Republic of China approved its liquidation of this subsidiary. However this subsidiary is currently in its liquidation process. The management of the subsidiary believed that the deposits at bank with restrictions will be able to normally be withdrawn within 1 year and bank deposits of approximately EUR 1.6 million (31 December 2009: approximately EUR 1.2 million) of a subsidiary in the Federal Republic of Germany which are subject to pension fund restrictions.

(Unaudited but reviewed)

## 7. Investments in subsidiary companies

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Foreign currency	Paid-up capital		Shareholding percentage		Cost	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
				%	%		(Audited)
DET International Holding Limited	USD	216,912,850	194,776,350	100	100	7,980,170,175	7,261,475,498
Delta Energy Systems (Switzerland) AG	CHF	20,000,000	20,000,000	100	100	2,414,917,694	2,414,917,694
Subtotal						10,395,087,869	9,676,393,192
Less: Allowance for impairment of investments in subsidiary companies						(2,196,003,765)	(2,196,003,765)
<b>Net investments in subsidiary companies</b>						<b>8,199,084,104</b>	<b>7,480,389,427</b>

No dividend was received from the above subsidiary companies during the six-month period ended 30 June 2010.

(Unaudited but reviewed)

## 8. Investment in associated company

Details of investment in associated company.

(Unit: Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of income from investment in associated company for the six-month periods ended 30 June	
			30 June	31 December	30 June	31 December	30 June	31 December	2010	2009
			2010	2009	2010	2009	2010	2009	2010	2009
			%	%		(Audited)		(Audited)		
Delta Green (Tianjin) Industries Company Limited (owned by DET SGP Pte. Ltd.)	Manufacturing and trading of electronic products	The People's Republic of China	50	50	394,383,470	394,383,470	634,296,219	624,034,559	10,334,832	13,145,033
Translation adjustments					-	-	(48,921,007)	(32,540,283)	-	-
<b>Total investment in associated company</b>					<u>394,383,470</u>	<u>394,383,470</u>	<u>585,375,212</u>	<u>591,494,276</u>	<u>10,334,832</u>	<u>13,145,033</u>

(Unaudited but reviewed)

**9. Other long-term investments**

(Unit: Baht)

Company's name	Shareholding percentage		Consolidated financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	%	%	(Audited)	
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	278,754,562	299,324,991
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	16.49	50,582,003	50,582,003
Delta Greentech (China) Company Limited (owned by Delta Greentech SGP Pte. Ltd.)	8.21	8.21	456,586,926	456,586,926
Total other long-term investments			785,923,491	806,493,920
Less: Allowance for diminution in value of in other long-term investments			(243,786,250)	(243,786,250)
Translation adjustments			(80,503,108)	(66,736,903)
<b>Other long-term investments - net</b>			<u>461,634,133</u>	<u>495,970,767</u>

**10. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2010</b>	3,644,142,844	2,072,375,735
Acquisitions during period - cost	458,199,508	334,498,110
Disposals during period - net book value at disposal date	(11,004,607)	(278,550)
Depreciation for period	(299,580,091)	(196,287,159)
Translation adjustments	(180,240,439)	-
<b>Net book value as at 30 June 2010</b>	<u>3,611,517,215</u>	<u>2,210,308,136</u>

(Unaudited but reviewed)

## 11. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements		
	Patent rights	Others	Total
<b>Net book value as at 1 January 2010</b>	818,636,426	2,055,375	820,691,801
Increase during period	77,098	73,057	150,155
Amortisation for period	(26,570,973)	(359,238)	(26,930,211)
Translation adjustments	(22,577,456)	(41,235)	(22,618,691)
<b>Net book value as at 30 June 2010</b>	<b>769,565,095</b>	<b>1,727,959</b>	<b>771,293,054</b>

**Remaining useful lives** 14 years 5 months

## 12. Deposit for purchase of land and advance payment for construction

The balance as at 30 June 2010 represented the deposit for purchase of land of a subsidiary, namely Delta India Electronics Pvt. Ltd., of approximately INR 150 million or approximately Baht 104 million for its purchase of land in India for office building construction (31 December 2009: approximately INR 12 million or approximately Baht 8 million), and represented the advance payment for construction of the building of approximately INR 338 million or approximately Baht 235 million (31 December 2009: approximately INR 141 million or approximately Baht 101 million).

## 13. Bank overdrafts and short-term loans from financial institutions

(Unit: Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
Bank overdrafts	10.00 - 11.00	10.00 - 11.50	26,386,543	9,820,579
Short-term loans from financial institutions	1.19 - 8.20	1.21 - 7.75	845,982,325	1,308,786,475
Total			872,368,868	1,318,607,054

(Audited)

Bank overdrafts and short-term loans from financial institutions of the subsidiaries are guaranteed by the Company, as described in Note 19.2.2 to the financial statements.



(Unaudited but reviewed)

## 14. Provisions

These comprise the following:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Post-retirement benefit costs	Restructuring costs	Warranty	Other provisions	Total	Post-retirement benefit costs	Warranty	Total
<b>Balance as at 31 December 2009</b>	996	48	179	88	1,311	65	22	87
Add: Recognition during period	33	-	63	101	197	7	10	17
Less: Decrease during period	(26)	(6)	(3)	(8)	(43)	(1)	-	(1)
Less: Reversal during period	(5)	-	(36)	(55)	(96)	-	(9)	(9)
Translation adjustments / unrealised gain on exchange rate	(150)	(8)	(23)	(19)	(200)	-	(1)	(1)
<b>Balance as at 30 June 2010</b>	<b>848</b>	<b>34</b>	<b>180</b>	<b>107</b>	<b>1,169</b>	<b>71</b>	<b>22</b>	<b>93</b>
Short-term provisions	6	20	7	81	114	-	4	4
Long-term provisions	990	28	172	7	1,197	65	18	83
<b>Balance as at 31 December 2009</b>	<b>996</b>	<b>48</b>	<b>179</b>	<b>88</b>	<b>1,311</b>	<b>65</b>	<b>22</b>	<b>87</b>
Short-term provisions	6	14	22	100	142	-	5	5
Long-term provisions	842	20	158	7	1,027	71	17	88
<b>Balance as at 30 June 2010</b>	<b>848</b>	<b>34</b>	<b>180</b>	<b>107</b>	<b>1,169</b>	<b>71</b>	<b>22</b>	<b>93</b>

**15. Share capital / warrants**

The Annual General Meeting of the 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 of the Board of Directors of the Company held on 24 February 2010 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 1.231 ordinary shares at a price of Baht 1 per share, effective from 10 March 2010.

During the current period, no warrants were exercised to purchase new ordinary shares, leaving 3,198 warrants unexercised as at 30 June 2010.

**16. Dividends**

Dividends declared in 2010 and 2009 consisted of the followings:

(Unit: Baht)			
<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividend for year 2009	Annual General Meeting of the shareholders on 5 April 2010	<u>1,871,070,951</u>	<u>1.50</u>
Final dividend for year 2008	Annual General Meeting of the shareholders on 3 April 2009	<u>1,372,118,697</u>	<u>1.10</u>

(Unaudited but reviewed)

**17. 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Baht	Baht	Shares	Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net income attributable to						
equity holders of the parent	1,104,821,828	300,942,081	1,247,380,634	1,247,380,634	0.89	0.24
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
Warrants	-	-	3,751	3,444		
<b>Diluted earnings per share</b>						
Net income of ordinary						
shareholders assuming						
the conversion of warrants to						
ordinary shares	<u>1,104,821,828</u>	<u>300,942,081</u>	<u>1,247,384,385</u>	<u>1,247,384,078</u>	0.89	0.24
Consolidated financial statements						
For the six-month periods ended 30 June						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Baht	Baht	Shares	Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net income attributable to						
equity holders of the parent	1,998,421,947	812,302,710	1,247,380,634	1,247,380,634	1.60	0.65
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
Warrants	-	-	3,739	3,415		
<b>Diluted earnings per share</b>						
Net income of ordinary						
shareholders assuming						
the conversion of warrants to						
ordinary shares	<u>1,998,421,947</u>	<u>812,302,710</u>	<u>1,247,384,373</u>	<u>1,247,384,049</u>	1.60	0.65

(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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent						
996,706,902	378,291,170	1,247,380,634	1,247,380,634	0.80	0.30	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
-	-	3,751	3,444			
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>996,706,902</u>	<u>378,291,170</u>	<u>1,247,384,385</u>	<u>1,247,384,078</u>	0.80	0.30	

Separate financial statements						
For the six-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent						
1,691,982,003	1,061,799,742	1,247,380,634	1,247,380,634	1.36	0.85	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
-	-	3,739	3,415			
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>1,691,982,003</u>	<u>1,061,799,742</u>	<u>1,247,384,373</u>	<u>1,247,384,049</u>	1.36	0.85	

(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 servicing 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 2010 and 2009 are as follow:

(Unit : Million Baht)

	Consolidated financial statements													
	For the three-month periods ended 30 June													
	Thailand		Asia		America		Europe		Total		Eliminated		Total	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
Revenue from external customers	4,090	2,533	836	960	1,607	1,178	2,012	1,393	8,545	6,064	-	-	8,545	6,064
Inter-segment revenues	1,849	1,415	72	56	20	22	1,129	1,050	3,070	2,543	(3,070)	(2,543)	-	-
Total revenues	<u>5,939</u>	<u>3,948</u>	<u>908</u>	<u>1,016</u>	<u>1,627</u>	<u>1,200</u>	<u>3,141</u>	<u>2,443</u>	<u>11,615</u>	<u>8,607</u>	<u>(3,070)</u>	<u>(2,543)</u>	<u>8,545</u>	<u>6,064</u>
Segment income (loss)	985	413	13	(25)	(8)	(8)	143	(75)	1,133	305			1,117	297
Unallocated income (expenses):														
Other income													53	41
Share of income from investment in associated company													5	5
Amortisation of intangible assets													(14)	(15)
Loss on disposal of property, plant and equipment													(3)	-
Finance cost													(10)	(8)
Corporate income tax													(15)	(19)
Minority interests of the subsidiary													(28)	-
Net income for the period - Attributable to equity holders of the parent													<u>1,105</u>	<u>301</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	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	7,647	5,326	1,787	2,023	3,017	2,382	3,639	2,691	16,090	12,422	-	-	16,090	12,422
Inter-segment revenues	3,407	2,815	128	110	40	42	2,340	2,217	5,915	5,184	(5,915)	(5,184)	-	-
Total revenues	11,054	8,141	1,915	2,133	3,057	2,424	5,979	4,908	22,005	17,606	(5,915)	(5,184)	16,090	12,422
Segment income (loss)	1,732	954	(35)	(22)	(9)	38	212	(180)	1,900	790			1,896	779
Unallocated income (expenses):														
Other income													109	126
Share of income from investment in associated company													10	13
Amortisation of intangible assets													(27)	(29)
Gain on sales of investments in available-for-sale securities													103	-
Loss on disposal of property, plant and equipment													(3)	-
Finance cost													(22)	(40)
Corporate income tax													(40)	(37)
Minority interests of the subsidiary													(28)	-
Net income for the period - Attributable to equity holders of the parent													1,998	812

Transfer prices between business segments are as set out in Note 2 to the financial statements.

## **19. Commitments and contingent liabilities**

### **19.1 Capital commitments and operating lease commitments**

19.1.1 As at 30 June 2010, the Company and its subsidiaries had significant capital commitments amounting to INR 289 million in respect of the building construction and amounting to Baht 62 million and EUR 0.5 million in respect of the purchase of machinery and equipment.

19.1.2 As at 30 June 2010, the subsidiaries had significant operating lease commitments amounting to CHF 1.4 million, GBP 0.2 million, EUR 4 million and INR 93 million.

### **19.2 Guarantee obligations**

As at 30 June 2010, the Company and its subsidiary companies had the following outstanding significant letters of guarantee required in the ordinary course of their businesses:

19.2.1 Outstanding letters of guarantee totaling approximately Baht 759 million have been issued by banks to meet requirements of the Company (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 statements), and outstanding letters of guarantee for totals of approximately INR 232 million, USD 1.6 million and EUR 0.8 million have been issued by banks to meet requirements of the subsidiary companies.

19.2.2 Outstanding letters of guarantee totaling approximately EUR 15 million and USD 23 million issued by the Company to meet requirements of its subsidiary companies.

### **19.3 Tax assessment**

19.3.1 In 2006, the Company received a corporate income tax assessment letter from Revenue Department covering the years 1997 through 2000, assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company has submitted a letter appealing the assessment. The independent legal counselor of the Company believes that no significant losses will be incurred by the Company. The Company therefore has not recorded provision for this tax assessment.

(Unaudited but reviewed)

19.3.2 Corporate income tax assessment of approximately INR 70 million were made against an overseas subsidiary, covering the years 2004 - 2006 and sales tax assessment of approximately INR 45 million, covering the years 2005 - 2007. 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. The subsidiary therefore has not recorded provision for this tax assessment.

#### 19.4 Litigation

As at 30 June 2010, two lawsuits had been filed against an overseas subsidiary company, claiming a totaling of INR 6 million. The case is currently being heard by the Court. However, the management of the Company and the subsidiary believe that no significant damage will be suffered by the Company and its subsidiary and no provision for the contingent liability has therefore been set aside in such accounts.

#### 20. Financial derivatives

As at 30 June 2010, outstanding significant balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 30 June 2010</u>
	(Million)	(Million)	(Baht per foreign currency)
Brazil real	14	8	18.0002
US dollar	132	125	32.4440
Euro	20	6	39.5895
New Taiwan dollar	179	-	1.0055
Czech Koruna	30	-	1.5304
Japanese Yen	31	180	0.3664
Russian Ruble	11	7	1.0337
Polish Zloty	5	1	9.4886
Swedish Krona	11	1	4.1637



(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 30 June 2010, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	69	million	32.3000 - 32.6300	THB/USD	July - September 2010
USD/CHF	USD	1	million	1.1039	CHF/USD	July 2010
EUR/USD	EUR	11	million	1.2278 - 1.2395	USD/EUR	July 2010
EUR/CHF	EUR	6	million	1.3775 - 1.3870	CHF/EUR	July 2010
PLN/CHF	PLN	4	million	2.9745 - 3.0160	PLN/CHF	July 2010
EUR/TRY	EUR	0.5	million	1.9320 - 1.9330	TRY/EUR	July 2010
<b>Forward contracts to "Buy"</b>						
USD/RUB	USD	2.5	million	31.1000 - 31.2463	RUB/USD	July 2010
USD/CHF	USD	0.2	million	1.0886	CHF/USD	July 2010
USD/INR	USD	13	million	44.7600 - 47.5800	INR/USD	July - September 2010
USD/BRL	USD	0.6	million	1.8873	BRL/USD	July 2010

## 21. Subsequent events

A meeting of the Board of Directors of the Company held on 6 August 2010 passed a resolution to issue warrants to executive directors and other employees of the Company and its subsidiaries and approved a resolution to decrease the remaining registered capital from the exercise of the warrants of the prior project (DELTA – W2) and increase the registered capital for the exercise of the warrants of the new project.

The Company will propose the resolutions of the above mentioned meeting of the Board of Directors to the Annual General Meeting of the shareholders for adoption.

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 August 2010.