

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2008 and 2007

Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 December 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of certain overseas subsidiaries as at 31 December 2008 and for the year then ended were audited by the subsidiaries' auditors, whose reports have been furnished to me. My opinion on the consolidated financial statements, insofar as they relate to the amounts included for these subsidiaries, is based solely on the reports of those other auditors. These financial statements reflect total assets of those subsidiaries as at 31 December 2008 of approximately Baht 5,906 million, total revenues for the year ended 31 December 2008 of approximately Baht 11,816 million and net loss for the year ended 31 December 2008 of approximately Baht 250 million. The consolidated financial statements and the separate financial statements of Delta Electronics (Thailand) Public Company Limited as at 31 December 2007 and for the year then ended, as presented herein for comparative purposes, were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 15 February 2008, expressed an unqualified opinion on those financial statements, and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the reports of the other auditors referred to in the aforementioned paragraph provide a reasonable basis for my opinion.

In my opinion, based on my audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2008, and the results of their operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 28.3.1 to the financial statements regarding the Company's receipt of notice of a corporate income tax assessment from the Revenue Department covering the years 1997-2000.

Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited
Bangkok: 13 February 2009

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2008 and 2007

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Assets					
Current assets					
Cash and cash equivalents		9,131,391,349	9,181,580,042	6,551,478,418	6,542,961,639
Investments in available-for-sale securities	7	52,462,379	79,876,068	-	-
Trade accounts receivable					
Related parties	6	281,715,072	302,754,418	1,413,589,819	1,385,744,065
Unrelated parties		5,777,550,472	6,617,949,480	2,492,028,654	3,689,398,887
Less: Allowance for doubtful accounts		(77,241,495)	(48,537,093)	(23,696,645)	(23,347,363)
Trade accounts receivable - net	8	5,982,024,049	6,872,166,805	3,881,921,828	5,051,795,589
Amounts due from related parties	6	4,227,360	43,045,411	-	41,678,550
Inventories - net	9	4,257,876,422	3,423,255,044	1,970,124,841	1,335,310,372
Other current assets					
Input tax refundable		187,863,848	223,400,029	51,549,589	71,415,008
Advance payments		72,113,265	130,241,674	28,444,212	16,582,703
Forward contracts receivable	29	57,981,085	29,215,226	-	24,055,600
Prepaid expenses		64,934,724	57,493,043	18,567,966	10,405,403
Prepaid tax		257,365,180	192,863,448	-	-
Other accounts receivable		79,130,414	46,209,310	13,319,090	-
Others		110,930,894	60,573,636	3,633,375	11,974,727
Total current assets		20,258,300,969	20,339,919,736	12,519,039,319	13,106,179,591
Non-current assets					
Deposits at bank with restrictions	10	235,808,133	265,687,580	-	-
Investments in subsidiary companies - net	11	-	-	6,485,376,731	5,450,535,255
Investment in associated company	12	587,422,891	505,632,220	-	-
Other long-term Investments - net	13	642,158,992	185,436,978	-	-
Property, plant and equipment - net	14	3,869,630,706	3,643,647,017	2,305,195,979	2,494,617,971
Intangible assets - net	15	916,067,142	941,508,693	-	-
Other non-current assets					
Consolidation goodwill		306,757,971	306,757,971	-	-
Others		67,018,291	66,125,629	1,765,469	2,050,903
Total non-current assets		6,624,864,126	5,914,796,088	8,792,338,179	7,947,204,129
Total assets		26,883,165,095	26,254,715,824	21,311,377,498	21,053,383,720

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	16	2,338,848,575	1,966,830,061	-	-
Trade accounts payable					
Related parties	6	440,675,318	419,492,099	104,060,983	27,493,104
Unrelated parties		3,924,385,283	4,530,635,189	2,948,103,942	3,644,967,831
Total trade accounts payable		4,365,060,601	4,950,127,288	3,052,164,925	3,672,460,935
Amounts due to related parties	6	60,289,857	56,370,040	186,691,154	246,000,896
Short-term provisions	17	131,702,450	198,895,453	4,407,084	35,426,342
Other current liabilities					
Accrued expenses	18	1,162,211,054	1,331,183,360	392,601,606	583,934,782
Advance received		128,523,910	161,454,504	78,718,970	119,406,993
Other accounts payable		186,186,853	151,239,308	129,730,195	129,638,100
VAT payable		29,696,443	42,632,252	-	-
Corporate income tax payable		185,180,388	205,032,804	-	-
Others		187,903,529	119,339,186	136,399,793	54,890,704
Total current liabilities		8,775,603,660	9,183,104,256	3,980,713,727	4,841,758,752
Non-current liabilities					
Long-term provisions	17	1,252,298,968	1,188,946,251	67,300,395	42,443,350
Other non-current liabilities		9,329,539	7,158,636	1,045,000	1,075,000
Total non-current liabilities		1,261,628,507	1,196,104,887	68,345,395	43,518,350
Total liabilities		10,037,232,167	10,379,209,143	4,049,059,122	4,885,277,102

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2008 and 2007

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Shareholders' equity					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each		<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>
Issued and fully paid					
1,247.38 million ordinary shares of Baht 1 each (2007: 1,247.38 million ordinary shares of Baht 1 each)	19	1,247,380,634	1,247,378,396	1,247,380,634	1,247,378,396
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised loss					
Revaluation deficit on changes in value of investments in available-for-sale securities	7	(19,729,022)	(4,833,983)	-	-
Translation adjustment		(1,044,166,184)	(1,121,618,967)	-	-
Retained earnings					
Appropriated - Statutory reserve	20	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		<u>14,983,303,425</u>	<u>14,081,620,220</u>	<u>14,397,125,242</u>	<u>13,302,915,722</u>
Equity attributable					
to the Company's shareholders		16,784,601,353	15,820,358,166	17,262,318,376	16,168,106,618
Minority interest - equity attributable to minority shareholders of subsidiary					
		<u>61,331,575</u>	<u>55,148,515</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>16,845,932,928</u>	<u>15,875,506,681</u>	<u>17,262,318,376</u>	<u>16,168,106,618</u>
Total liabilities and shareholders' equity		<u>26,883,165,095</u>	<u>26,254,715,824</u>	<u>21,311,377,498</u>	<u>21,053,383,720</u>
		-	-	-	-

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 years ended 31 December 2008 and 2007

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues					
Sales and services income		32,851,352,965	33,766,024,521	21,349,481,803	23,567,880,908
Other income					
Interest income		210,373,341	255,817,556	146,608,775	152,017,561
Dividend income		44,021,696	47,784,110	-	-
Gain on exchange rate	23	-	274,063,735	276,106,013	26,720,164
Gain on disposal of property, plant and equipment		2,189,111	-	1,708,580	-
Compensation income from cancellation order		-	186,487,802	-	-
Others		187,804,715	183,485,498	103,031,910	153,873,204
Total revenues		<u>33,295,741,828</u>	<u>34,713,663,222</u>	<u>21,876,937,081</u>	<u>23,900,491,837</u>
Expenses					
Cost of sales and services		24,834,526,485	26,247,690,894	15,984,021,575	18,477,114,125
Selling expenses		2,170,351,692	1,823,818,516	1,633,607,165	1,817,665,642
Administrative expenses		1,107,956,114	1,128,298,293	544,802,007	622,080,150
Research and development expenses		1,667,804,338	1,575,725,318	495,615,382	440,095,525
Loss on exchange rate	23	62,475,555	-	-	-
Loss on disposal of property, plant and equipment		-	61,465,248	-	56,015,045
Loss on disposal of investments in available-for-sale securities		31,811,267	-	-	-
Amortisation of intangible assets		55,707,726	57,015,236	-	-
Amortisation of consolidation goodwill		-	25,106,672	-	-
Restructuring expenses		35,863,868	99,819,991	-	-
Loss on impairment of assets		-	45,871,467	-	45,871,467
Others		335,529,184	221,365,312	128,886,309	64,937,641
Total expenses		<u>30,302,026,229</u>	<u>31,286,176,947</u>	<u>18,786,932,438</u>	<u>21,523,779,595</u>
Income before finance cost and corporate income tax		2,993,715,599	3,427,486,275	3,090,004,643	2,376,712,242
Finance cost		(132,108,126)	(173,205,713)	-	-
Share of income from investments in associated company	12	61,270,158	77,232,357	-	-
Income before corporate income tax		<u>2,922,877,631</u>	<u>3,331,512,919</u>	<u>3,090,004,643</u>	<u>2,376,712,242</u>
Corporate income tax		(25,039,491)	(176,301,013)	-	-
Net income for the year		<u>2,897,838,140</u>	<u>3,155,211,906</u>	<u>3,090,004,643</u>	<u>2,376,712,242</u>
Net income attributable to:					
Equity holders of the parent		2,897,478,328	3,155,416,740	3,090,004,643	2,376,712,242
Minority interests of the subsidiary (loss)		359,812	(204,834)	-	-
		<u>2,897,838,140</u>	<u>3,155,211,906</u>		
Earnings per share					
25					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>2.32</u>	<u>2.53</u>	<u>2.48</u>	<u>1.91</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>2.32</u>	<u>2.53</u>	<u>2.48</u>	<u>1.91</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 years ended 31 December 2008 and 2007

(Unit: Baht)

Consolidated financial statements									
Equity attributable to the parent's shareholders									
	Issued and paid-up		Revaluation surplus (deficit) on changes in value of investments	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	Minority interest-equity attributable to minority shareholders of subsidiary	Total
	share capital	Share premium			Appropriated	Unappropriated			
Balance as at 31 December 2006	1,246,067,451	1,491,912,500	5,344,092	(887,053,299)	125,900,000	12,547,711,602	14,529,882,346	55,190,166	14,585,072,512
Income and expenses recognised directly in equity:									
Investments in available-for-sale securities									
Loss recognised in shareholders' equity	-	-	(10,178,075)	-	-	-	(10,178,075)	-	(10,178,075)
Translation adjustment	-	-	-	(234,565,668)	-	-	(234,565,668)	163,183	(234,402,485)
Net income and expenses recognised directly in equity	-	-	(10,178,075)	(234,565,668)	-	-	(244,743,743)	163,183	(244,580,560)
Net income for the year	-	-	-	-	-	3,155,416,740	3,155,416,740	(204,834)	3,155,211,906
Total income and expenses for the year	-	-	(10,178,075)	(234,565,668)	-	3,155,416,740	2,910,672,997	(41,651)	2,910,631,346
Dividend paid (Note 21)	-	-	-	-	-	(1,621,519,968)	(1,621,519,968)	-	(1,621,519,968)
Dividend return	-	-	-	-	-	11,846	11,846	-	11,846
Share capital issued	1,310,945	-	-	-	-	-	1,310,945	-	1,310,945
Balance as at 31 December 2007	<u>1,247,378,396</u>	<u>1,491,912,500</u>	<u>(4,833,983)</u>	<u>(1,121,618,967)</u>	<u>125,900,000</u>	<u>14,081,620,220</u>	<u>15,820,358,166</u>	<u>55,148,515</u>	<u>15,875,506,681</u>
Balance as at 31 December 2007	1,247,378,396	1,491,912,500	(4,833,983)	(1,121,618,967)	125,900,000	14,081,620,220	15,820,358,166	55,148,515	15,875,506,681
Income and expenses recognised directly in equity:									
Investments in available-for-sale securities									
Loss recognised in shareholders' equity	-	-	(14,895,039)	-	-	-	(14,895,039)	-	(14,895,039)
Translation adjustment	-	-	-	77,452,783	-	-	77,452,783	5,823,248	83,276,031
Net income and expenses recognised directly in equity	-	-	(14,895,039)	77,452,783	-	-	62,557,744	5,823,248	68,380,992
Net income for the year	-	-	-	-	-	2,897,478,328	2,897,478,328	359,812	2,897,838,140
Total income and expenses for the year	-	-	(14,895,039)	77,452,783	-	2,897,478,328	2,960,036,072	6,183,060	2,966,219,132
Dividend paid (Note 21)	-	-	-	-	-	(1,995,795,123)	(1,995,795,123)	-	(1,995,795,123)
Share capital issued (Note 19)	2,238	-	-	-	-	-	2,238	-	2,238
Balance as at 31 December 2008	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>(19,729,022)</u>	<u>(1,044,166,184)</u>	<u>125,900,000</u>	<u>14,983,303,425</u>	<u>16,784,601,353</u>	<u>61,331,575</u>	<u>16,845,932,928</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 years ended 31 December 2008 and 2007

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 31 December 2006	1,246,067,451	1,491,912,500	125,900,000	12,547,711,602	15,411,591,553
Net income for the year	-	-	-	2,376,712,242	2,376,712,242
Dividend paid (Note 21)	-	-	-	(1,621,519,968)	(1,621,519,968)
Dividend return	-	-	-	11,846	11,846
Share capital issued	1,310,945	-	-	-	1,310,945
Balance as at 31 December 2007	<u>1,247,378,396</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>13,302,915,722</u>	<u>16,168,106,618</u>
					-
Balance as at 31 December 2007	1,247,378,396	1,491,912,500	125,900,000	13,302,915,722	16,168,106,618
Net income for the year	-	-	-	3,090,004,643	3,090,004,643
Dividend paid (Note 21)	-	-	-	(1,995,795,123)	(1,995,795,123)
Share capital issued (Note 19)	2,238	-	-	-	2,238
Balance as at 31 December 2008	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>14,397,125,242</u>	<u>17,262,318,376</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 years ended 31 December 2008 and 2007

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:				
Net income before tax	2,922,877,631	3,331,512,919	3,090,004,643	2,376,712,242
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation	758,458,103	853,899,041	569,588,439	695,111,040
Amortisation in premium/discount of forward contracts	(8,112,255)	5,957,613	(5,965,937)	5,957,613
Amortisation of consolidation goodwill	-	25,106,672	-	-
Amortisation of intangible assets	55,707,726	57,015,236	-	-
Allowance for doubtful accounts (reversal)	28,704,402	(55,792,990)	349,282	7,248,288
Allowance for diminution in value of inventory (reversal)	62,267,544	(101,061,473)	15,416,849	15,766,576
Accrual of provisions	144,506,023	198,609,765	6,979,927	61,086,358
Loss from disposal of investments				
in available-for-sale securities	31,811,267	-	-	-
Share dividend received from investments				
in available-for-sale securities	(1,929,070)	(5,832,663)	-	-
(Gain) loss from disposal of property, plant and equipment	(2,189,111)	61,465,248	(1,708,580)	56,015,045
Allowance for impairment loss of assets	-	45,871,467	-	45,871,467
Share of income from investments				
in associated company	(61,270,158)	(77,232,357)	-	-
Allowance for diminution in value of other long-term investments	-	8,271,277	-	-
Unrealised gain on exchange rate (Note 23)	(168,148,811)	(167,493,651)	(134,109,322)	(162,562,317)
Interest income	(210,373,341)	(255,817,556)	(146,608,775)	(152,017,561)
Interest expenses	132,108,126	173,205,713	-	-
Income from operating activities before changes in operating assets and liabilities	3,684,418,076	4,097,684,261	3,393,946,526	2,949,188,751
Decrease (increase) in operating assets:				
Trade accounts receivable	937,547,224	1,501,137,864	1,245,633,349	1,618,939,695
Amounts due from related parties	38,818,051	(43,045,411)	41,678,550	(41,678,550)
Inventories	(896,888,922)	1,275,037,724	(650,231,318)	531,082,134
Other current assets	(5,725,262)	(122,485,951)	(17,213,459)	16,426,419
Other non-current assets	34,595,456	(24,002,881)	285,434	(16,295)
Increase (decrease) in operating liabilities:				
Trade accounts payable	(617,250,457)	(1,232,234,520)	(652,479,780)	(743,400,623)
Amounts due to related parties	2,379,833	(6,232,903)	(60,849,726)	97,374,406
Other current liabilities	(160,984,157)	(39,200,717)	(170,313,110)	(298,107,267)
Provisions	(180,165,242)	(350,844,673)	(13,665,255)	(44,835,268)
Other non-current liabilities	2,170,903	(23,148,248)	(30,000)	(536,000)
Cash flow from operating activities	2,838,915,503	5,032,664,545	3,116,761,211	4,084,437,402
Cash received from interest income	215,900,695	250,134,659	149,512,671	149,113,665
Cash paid for interest expenses	(121,913,724)	(186,476,625)	-	-
Cash paid for corporate income tax	(145,049,333)	(161,790,586)	(422,555)	(971,284)
Net cash flows from operating activities	2,787,853,141	4,934,531,993	3,265,851,327	4,232,579,783

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 years ended 31 December 2008 and 2007

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from investing activities:				
Increase in investments in available-for-sale securities	(34,459,945)	-	-	-
Proceed from disposal in investments in available-for-sale securities	15,424,972	-	-	-
Decrease in short-term loans to related parties	-	22,808,019	-	-
(Increase) decrease in deposits at bank with restrictions	29,879,447	(39,920,797)	-	-
Increase in investments in subsidiary company	-	-	(1,034,841,476)	(517,890,000)
Dividend received from investment in associated company	-	10,933,365	-	-
Increase in other long-term investments	(456,586,926)	-	-	-
Net proceeds from return fund of other long-term investments	18,078,723	12,355,365	-	-
Acquisition of property, plant and equipment	(933,025,453)	(1,086,168,181)	(395,754,942)	(292,269,160)
Proceeds from disposal of property, plant and equipment	23,301,474	108,781,967	17,297,075	54,071,034
Increase in intangible assets	(361,462)	(101,825)	-	-
Net cash flows used in investing activities	(1,337,749,170)	(971,312,087)	(1,413,299,343)	(756,088,126)
Cash flows from financing activities:				
Increase in bank overdrafts and short-term loan from financial institutions	372,018,514	126,160,119	-	-
Dividend paid (Note 21)	(1,995,795,123)	(1,621,519,968)	(1,995,795,123)	(1,621,519,968)
Returned dividend	-	11,846	-	11,846
Proceeds from increase in share capital	2,238	1,310,945	2,238	1,310,945
Net cash flows used in financing activities	(1,623,774,371)	(1,494,037,058)	(1,995,792,885)	(1,620,197,177)
Decrease in translation adjustment	(28,653,417)	(139,442,894)	-	-
Net increase (decrease) in cash and cash equivalents	(202,323,817)	2,329,739,954	(143,240,901)	1,856,294,480
Unrealised gain on exchange rate for cash and cash equivalents	152,135,124	53,820,875	151,757,680	53,790,571
Cash and cash equivalents at beginning of year	9,181,580,042	6,798,019,213	6,542,961,639	4,632,876,588
Cash and cash equivalents at end of year	9,131,391,349	9,181,580,042	6,551,478,418	6,542,961,639

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

Delta Electronics (Thailand) Public Company Limited

and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2008 and 2007

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 its registered address is 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

1.2 Global economic crisis

The financial crisis experienced by the United States of America over the past year has had far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, tight squeeze on credit including interbank lending, failures of large overseas financial institutions and reduced consumer confidence. The crisis has affected substantially business and financial plans of Thailand enterprises and asset value. Despite considerable efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to its normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the early adoption of Accounting Standard No. 56 “Accounting for Income Tax” which is in line with International Accounting Standard (IAS) No. 12 “Income Taxes” (revised 1996).

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, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

2.2.1 The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2008	2007	2008	2007	2008	2007
			Percent	Percent	Percent	Percent	Percent	Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100	40.39	34.56	33.88	35.14
Delta Energy Systems (Switzerland) AG	Holding business, manufacture, trading, research and development of electronic products	Switzerland	100	100	6.71	9.09	12.31	12.50

The subsidiaries that the Company invested through DET International Holding Limited are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2008</u> Percent	<u>2007</u> Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Trading of electronic products	The British Virgin Islands	100	100
Delta Energy Systems (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH.	Research, development and trading of electronic products	Germany	100	100
Delta Energy Systems (India) Private Limited	Manufacture and trading of electronic products	India	100	100
Delta Power Solutions (India) Private Limited (DET International Holding Limited and Delta Greentech SGP Pte. Ltd. having shareholdings of 51 percent and 49 percent respectively)	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L. (DET International Holding Limited and DET Video Technology Limited having shareholdings of 95 percent and 5 percent respectively)	Research and development of electronic products	Romania	100	100
Delta Energy Systems (Arizona) Inc.	Research and development of electronic products	USA	100	100
Delta Electronics Europe Limited	Trading of electronic products	Scotland	100	100
DET SGP Pte. Ltd.	Holding business and marketing and after sales services	Singapore	100	100
Delta Greentech International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Greentech (Hong Kong) Limited. (owned by Delta Greentech SGP Pte. Ltd.)	Trading of electronic products	Hong Kong	100	-
Delta Greentech (Netherlands) Cooperatie U.A. (owned by Delta Greentech International Holding Limited)	Holding business	The Netherlands	100	-
Delta Greentech (Netherlands) BV. (owned by Delta Greentech (Netherlands) Cooperatie U.A.)	Holding business	The Netherlands	100	-
Delta Greentech Electronics Industry LLC. (owned by Delta Greentech (Netherlands) BV.)	Manufacturing, marketing and distribution of electronic products	Turkey	100	-
Delta India Electronis Private Limited (owned by DET SGP Pte. Ltd.)	Manufacture and trading of electronic parts	India	100	-

The subsidiaries that the Company invested through Delta Energy Systems (Switzerland) A.G. are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2008</u> Percent	<u>2007</u> Percent
Delta Energy Systems (Czech republic) spol.s.r.o.	Trading of electronic products	Czech Republic	100	100
Delta Energy Systems (Spain) S.L.	Trading of electronic products	Spain	100	100
Delta Energy Systems (France) S.A.	Trading of electronic products	France	100	100
Delta Energy Systems (Italy) s.r.l.	Trading of electronic products	Italy	100	100
Delta Energy Systems (Sweden) AB.	Trading of electronic products	Sweden	100	100
Delta Energy Systems (Finland) Oy.	Manufacture and trading of electronic products	Finland	100	100
Delta Energy Systems (Brazil) S.A.	Manufacture and trading of electronic products	Brazil	100	100
Delta Systems Energia (Curitiba) Limited (owned by Delta Energy Systems (Brazil) S.A.)	Engineering	Brazil	100	100
Delta Energy Systems (Guangzhou) Limited	Trading of electronic products	The People's Republic of China	51	51
Delta Energy Systems (Poland) Sp.zo.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC.	Trading of electronic products	Russia	100	100

2.2.2 Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.3 The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

2.2.4 The financial statements of overseas subsidiary companies are translated into Thai Baht at the closing exchange rates as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.

2.2.5 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.2.6 Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiary companies presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 9/2550, 38/2550 and 62/2550 mandating the use of new accounting standards as follows.

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these standards and believes that TAS 29, TAS 33 and TAS 49 are not relevant to the business of the Company, while TAS 25, TAS 31, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current year.

The following accounting standard has an impact to the financial statements for the current year.

TAS 43 (revised 2007) “Business Combinations”

TAS 43 (revised 2007) does not require the amortisation of goodwill acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Company discontinuing the amortisation of the goodwill and instead testing for impairment, as from the beginning of the first fiscal year starting on or after 1 January 2008.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notification No. 86/2551 mandating the use of the following new accounting standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

4.1 Revenue Recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of standard cost (which approximates actual cost) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in available-for-sale securities which are marketable securities are stated at fair value. The fair value is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the gain or loss from disposal of securities are then included in determining income.
- b) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiary companies are accounted for in the separated financial statements using the cost method.
- d) Investments in the ordinary and preference shares of other companies, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and less allowance for loss on impairment of property, plant and equipment (if any). Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Building	20 - 50 years
Land improvement	10 - 20 years
Machinery and equipment	5 - 10 years
Molds and toolings	2 - 5 years
Installation	5 - 20 years
Furniture, fixtures and office equipment	5 years
Computer	3 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

4.7 Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged in the income statement.

The useful life of patents is approximately 20 years.

4.8 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised as income in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange rate are included in determining income.

4.11 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the income statement.

4.12 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

The Company and its subsidiaries recognise post-retirement benefits as liabilities in their financial statements in accordance with the bases and conditions stipulated in the regulations of these companies.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.14 Corporate income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Tax currently payable is based on the taxable income for the year, using the tax rate enacted at the balance sheet date. Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Tax rates enacted, or substantially enacted, by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

4.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale equity investments and other investments as impaired when the management judgment that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company and its subsidiaries’ plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Post-retirement benefits

Post-retirement benefit costs are based on actuarial calculations. Inherent within these calculations are assumptions as to salary increases and discount rate, among others.

Litigation

The subsidiary of the Company has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded in the financial statements.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing policy
	financial statements		financial statements		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	3,618	5,628	With reference to market price
Purchase of raw materials	-	-	49	44	With reference to market price
Commission paid	-	-	147	451	Contract price
Marketing fee	-	-	233	116	Contract price
Design and engineering fee	-	-	875	652	Contract price
<u>Transactions with associated company</u>					
Sales of goods	5	4	5	4	With reference to market price
<u>Transactions with related parties</u>					
Sales of goods and raw materials	930	1,104	927	1,093	With reference to market price
Purchase of goods and raw materials	1,740	248	97	89	With reference to market price
Commission paid	255	252	238	252	Contract price
Commission received	54	83	-	-	Contract price
Services income	31	53	-	-	Agreed upon basis
Lending (Average balance of loans outstanding during year)	-	11	-	-	Interest at a rate reference to LIBOR+1%

The balances of the accounts as at 31 December 2008 and 2007 between the Company and these related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
(Unit: Baht)				
<u>Trade accounts receivable, related parties</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	891,876,682	798,224,811
Delta Energy Systems (Switzerland) AG	-	-	92,023,943	101,810,397
Delta Energy Systems (Germany) GmbH.	-	-	5,499,610	10,310,170
Delta Energy Systems (India) Private Limited	-	-	27,543,419	181,517,913
Delta Electronics (Slovakia) s.r.o.	-	-	47,639,533	8,485,617
Delta Power Solutions (India) Private Limited	-	-	117,848,559	13,046,379
Others	-	-	11,280,985	763,180
	-	-	1,193,712,731	1,114,158,467
<u>Associated company</u>				
Delta Green (Tianjin) Industries Company Limited	31,325,922	1,969,289	31,168,724	1,969,289
	31,325,922	1,969,289	31,168,724	1,969,289
<u>Other related parties</u>				
Delta Electronics Inc.	54,513,246	28,664,499	6,042,154	12,463,872
Delta Electronics (Japan) Inc.	3,668,256	3,964,661	3,538,464	3,964,661
Delta Products Corporation Limited	127,995,555	169,956,913	127,946,911	169,609,470
Delta Electronics International Limited	31,167,091	35,296,230	31,079,582	31,963,517
Delta Network International Limited	18,506,750	14,890,412	17,959,883	14,890,412
Delta Electronics (Jiangsu) Limited	1,475,773	35,125,096	1,471,003	35,005,740
Deltronics (Netherlands) BV	8,141,929	6,504,336	-	-
Delta Electronics (Hong Kong) Limited	3,597,748	4,310,422	-	-
Others	1,322,802	2,072,560	670,367	1,718,637
	250,389,150	300,785,129	188,708,364	269,616,309
Total trade accounts receivable, related parties	<u>281,715,072</u>	<u>302,754,418</u>	<u>1,413,589,819</u>	<u>1,385,744,065</u>
<u>Amounts due from related parties</u>				
Delta Electronics Inc.	4,227,360	-	-	-
Delta Products Corporation Limited	-	41,678,550	-	41,678,550
Deltronics (Netherlands) BV	-	1,366,861	-	-
Total amounts due from related parties	<u>4,227,360</u>	<u>43,045,411</u>	<u>-</u>	<u>41,678,550</u>

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Trade accounts payable, related parties</u>				
<u>Subsidiary companies</u>				
Delta Energy Systems (Germany) GmbH.	-	-	4,022,285	7,783,469
Delta Electronics (Slovakia) s.r.o.	-	-	730,257	2,544,791
Delta Power Solutions (India) Private Limited	-	-	21,254,657	-
Delta Energy Systems (India) Private Limited	-	-	1,597,828	-
Others	-	-	373,893	83,224
	-	-	27,978,920	10,411,484
<u>Other related parties</u>				
Delta Electronics Inc.	22,916,215	17,459,732	3,992,464	1,150,352
Delta Electronics (Japan) Inc.	6,051,298	4,659,640	6,051,298	4,659,640
Delta Electronics International Limited	324,286,751	376,599,286	59,001,110	6,552,157
Delta Electronics International Limited (Macao)	48,002,134	8,040,699	-	-
Delta Electronics (Jiangsu) Limited	5,013,421	-	5,013,421	-
Others	34,405,499	12,732,742	2,023,770	4,719,471
	440,675,318	419,492,099	76,082,063	17,081,620
Total trade accounts payable, related parties	440,675,318	419,492,099	104,060,983	27,493,104
<u>Amounts due to related parties</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	3,677,115	13,487,254
Delta Energy Systems (Germany) GmbH.	-	-	124,184,985	150,068,564
Delta Energy Systems (Switzerland) AG	-	-	216,028	6,660,043
Delta Energy Systems (India) Private Limited	-	-	6,051,836	7,093,488
Delta Energy Systems (Arizona) Inc.	-	-	-	16,011,916
Delta Electronics Europe Limited	-	-	3,926,366	4,916,866
Delta Energy Systems (France) S.A.	-	-	2,366,378	-
Others	-	-	4,163,666	884,841
	-	-	144,586,374	199,122,972
<u>Other related parties</u>				
Delta Electronics Inc.	19,660,973	14,069,966	11,633,616	8,688,135
Delta Electronics (Japan) Inc.	2,644,936	7,921,134	2,644,936	7,921,134
Delta Products Corporation Limited	21,243,557	28,254,922	21,243,557	28,254,922
Delta Electronics International Limited	4,366,205	387,573	4,366,205	387,573
Others	12,374,186	5,736,445	2,216,466	1,626,160
	60,289,857	56,370,040	42,104,780	46,877,924
Total amounts due to related parties	60,289,857	56,370,040	186,691,154	246,000,896

Directors and management's remuneration

In 2008 the Company paid salaries, bonuses and meeting allowances to its directors and management totaling approximately Baht 15 million (2007: approximately Baht 15 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 28.2.2 to the financial statements.

7. Investments in available-for-sale securities

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

Company's name	(Unit: Baht)	
	2008	2007
Cyntec Company Limited	83,792,507	47,363,716
Loyalty Founder Enterprise Company Limited	-	59,083,034
Total	83,792,507	106,446,750
Revaluation deficit on changes in value of investments	(19,729,022)	(4,833,983)
Translation adjustments	(11,601,106)	(21,736,699)
Total investments in available-for-sale securities	<u>52,462,379</u>	<u>79,876,068</u>

During 2008, DET International Holding Limited, sold all of its investments in Loyalty Founder Enterprise Company Limited.

8. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2008 and 2007, aged on the basis of due dates, are summarised below.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Trade accounts receivable, related parties</u>				
Current	279,134,918	290,407,384	1,058,116,202	1,341,804,144
Past due 1 - 3 months	20,828	7,586,991	335,756,844	22,788,847
Past due 3 - 6 months	-	1,732,265	8,501,814	2,546,746
Past due 6 - 12 months	-	1,106,167	6,206,219	6,296,756
Past due over 12 months	2,559,326	1,921,611	5,008,740	12,307,572
Total	<u>281,715,072</u>	<u>302,754,418</u>	<u>1,413,589,819</u>	<u>1,385,744,065</u>
<u>Trade accounts receivable, unrelated parties</u>				
Current	4,541,185,920	5,712,049,652	1,996,621,709	3,170,381,594
Past due 1 - 3 months	1,085,506,243	765,272,546	447,770,621	413,185,513
Past due 3 - 6 months	100,754,434	93,162,982	6,870,908	73,186,036
Past due 6 - 12 months	23,799,950	29,447,288	18,502,046	26,194,303
Past due over 12 months	26,303,925	18,017,012	22,263,370	6,451,441
Total	<u>5,777,550,472</u>	<u>6,617,949,480</u>	<u>2,492,028,654</u>	<u>3,689,398,887</u>
Total trade accounts receivable	6,059,265,544	6,920,703,898	3,905,618,473	5,075,142,952
Less: Allowance for doubtful accounts	(77,241,495)	(48,537,093)	(23,696,645)	(23,347,363)
Trade accounts receivable - net	<u>5,982,024,049</u>	<u>6,872,166,805</u>	<u>3,881,921,828</u>	<u>5,051,795,589</u>

9. Inventories

(Unit: Baht)

Consolidated financial statements								
Allowance of diminution in value of inventory								
Reduction cost to net realisable								
	Cost		value		stock obsolescence		Inventories-net	
	2008	2007	2008	2007	2008	2007	2008	2007
Finished goods	1,685,445,992	1,114,238,902	(63,178,365)	(89,652,780)	(130,603,674)	(91,465,091)	1,491,663,953	933,121,031
Work in process	414,474,814	420,718,259	(4,611,113)	(5,224,984)	-	-	409,863,701	415,493,275
Raw materials	2,308,317,814	2,144,376,112	(41,347,877)	(68,200,681)	(494,810,182)	(417,740,131)	1,772,159,755	1,658,435,300
Goods in transit	584,189,013	416,205,438	-	-	-	-	584,189,013	416,205,438
Total	4,992,427,633	4,095,538,711	(109,137,355)	(163,078,445)	(625,413,856)	(509,205,222)	4,257,876,422	3,423,255,044

(Unit: Baht)

Separate financial statements						
	Cost		Allowance for stock obsolescence		Inventories-net	
	2008	2007	2008	2007	2008	2007
Finished goods	968,782,067	370,427,782	(56,085,109)	(57,019,957)	912,696,958	313,407,825
Work in process	207,888,923	268,984,291	-	-	207,888,923	268,984,291
Raw materials	983,920,291	886,136,622	(215,784,008)	(199,432,311)	768,136,283	686,704,311
Goods in transit	81,402,677	66,213,945	-	-	81,402,677	66,213,945
Total	2,241,993,958	1,591,762,640	(271,869,117)	(256,452,268)	1,970,124,841	1,335,310,372

10. Deposits at bank with restrictions

The balance as at 31 December 2008 mainly represented bank deposits of approximately RMB 26 million (2007: approximately RMB 26 million) of a subsidiary in the Republic of China which are subject to restrictions under the laws of the People's Republic of China, and bank deposits of approximately EUR 1.3 million (2007: approximately EUR 1.6 million) of a subsidiary in Germany which are subject to pension fund restrictions.

1 **Investments in subsidiary companies**

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

(Unit: Baht)

Company's name	Issued and paid up capital			Shareholding percentage		Cost	
	Foreign currency	2008	2007	2008	2007	2008	2007
				%	%		
DET International Holding Limited	USD	166,595,350	135,675,626	100	100	6,266,462,802	5,231,621,326
Delta Energy Systems (Switzerland) AG	CHF	20,000,000	20,000,000	100	100	2,414,917,694	2,414,917,694
Subtotal						8,681,380,496	7,646,539,020
Less: Loss on impairment of investments in subsidiary companies						(2,196,003,765)	(2,196,003,765)
Net investments in subsidiary companies						<u>6,485,376,731</u>	<u>5,450,535,255</u>

No dividend was received from the subsidiary companies for the year ended 31 December 2008 and 2007.

12. Investment in associated company

12.1 Details of investments in associated company:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method		Share of income from investment in associate during the year	
			2008	2007	2008	2007	2008	2007	2008	2007
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	591,321,462	529,568,950	61,270,158	77,232,357
Translation adjustment					-	-	(3,898,571)	(23,936,730)	-	-
Total investment in associated company					<u>394,383,470</u>	<u>394,383,470</u>	<u>587,422,891</u>	<u>505,632,220</u>	<u>61,270,158</u>	<u>77,232,357</u>

During 2007, DET International Holding Limited received dividend amounting to USD 0.3 million from Delta Green (Tianjin) Industries Company Limited.

12.2 Summarised financial information of associated company:

Financial information of the associated company is summarized below.

(Unit: Million RMB)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the year ended 31 December		Net income for the year ended 31 December	
	as at 31 December		as at 31 December		as at 31 December		December		31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Delta Green (Tianjin) Industries Company Limited	185	185	273	268	25	47	249	287	27	33

1 Other long-term investments

Company's name	Shareholding percentage		Consolidated financial statements	
	2008	2007	2008	2007
	%	%		
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	316,463,295	334,542,018
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	-	456,586,926	-
Total other long-term investments			823,632,224	385,124,021
Less: Allowance for diminution in value of investments in other long-term investemnts			(143,107,900)	(143,107,900)
Translation adjustments			(38,365,332)	(56,579,143)
Other long-term investments – net			642,158,992	185,436,978

1 **Property, plant and equipment – net**

(Unit: Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2007	461,280,040	1,855,183,796	5,059,970,310	800,480,522	901,372,924	15,574,498	759,707,984	350,294,359	10,203,864,433
Purchase/transfer in	-	236,178,632	362,060,990	74,494,089	21,442,327	48,160,272	103,858,104	140,763,986	986,958,400
Disposal/write-off/transfer out	-	-	(175,643,416)	(19,761,820)	(29,880,806)	(28,754,653)	(59,809,131)	(68,346,086)	(382,195,912)
Translation adjustment	(5,671,104)	77,378,502	77,278,390	1,562,502	266,747	(8,703,113)	13,377,845	(15,238,967)	140,250,802
31 December 2008	455,608,936	2,168,740,930	5,323,666,274	856,775,293	893,201,192	26,277,004	817,134,802	407,473,292	10,948,877,723
Accumulated depreciation:									
31 December 2007	-	276,116,157	4,029,671,296	703,975,488	551,068,506	-	678,605,528	274,908,974	6,514,345,949
Depreciation for the year	-	40,259,605	460,951,068	89,577,659	61,794,376	-	70,244,966	35,630,429	758,458,103
Depreciation – disposal/write-off	-	-	(166,308,498)	(12,096,348)	(29,282,511)	-	(58,411,268)	(41,200,626)	(307,299,251)
Translation adjustment	-	2,774,949	55,265,385	1,312,904	1,552,162	-	17,605,001	(10,639,652)	67,870,749
31 December 2008	-	319,150,711	4,379,579,251	782,769,703	585,132,533	-	708,044,227	258,699,125	7,033,375,550
Allowance for impairment loss:									
31 December 2007	-	38,756,892	-	-	6,138,942	-	35,848	939,785	45,871,467
31 December 2008	-	38,756,892	-	-	6,138,942	-	35,848	939,785	45,871,467
Net book value:									
As at 31 December 2007	461,280,040	1,540,310,747	1,030,299,014	96,505,034	344,165,476	15,574,498	81,066,608	74,445,600	3,643,647,017
As at 31 December 2008	455,608,936	1,810,833,327	944,087,023	74,005,590	301,929,717	26,277,004	109,054,727	147,834,382	3,869,630,706
Depreciation charge (included in income statement):									
Year 2007 (Baht 685 million include in manufacturing cost, and the balance in selling and administrative expenses)									853,899,041
Year 2008 (Baht 580 million include in manufacturing cost, and the balance in selling and administrative expenses)									758,458,103

1 **Property, plant and equipment – net (continued)**

(Unit: Baht)

Separate financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2007	312,646,818	1,205,626,049	3,768,698,026	760,940,719	799,785,837	2,233,634	268,130,767	100,346,505	7,218,408,355
Purchase/transfer in	-	-	211,492,905	72,561,820	18,497,023	33,176,928	35,643,127	78,316,086	449,687,889
Disposal/write-off/transfer out	-	-	(69,416,390)	(16,050,549)	(28,893,283)	(28,954,669)	(39,428,720)	(29,424,313)	(212,167,924)
31 December 2008	312,646,818	1,205,626,049	3,910,774,541	817,451,990	789,389,577	6,455,893	264,345,174	149,238,278	7,455,928,320
Accumulated depreciation:									
31 December 2007	-	256,989,115	2,964,425,475	671,154,242	481,062,527	-	230,449,018	73,838,540	4,677,918,917
Depreciation for the year	-	19,402,655	374,327,613	85,276,142	53,721,218	-	28,222,067	8,638,744	569,588,439
Depreciation – disposal/write-off	-	-	(62,619,920)	(8,770,200)	(28,417,954)	-	(39,250,387)	(3,588,021)	(142,646,482)
31 December 2008	-	276,391,770	3,276,133,168	747,660,184	506,365,791	-	219,420,698	78,889,263	5,104,860,874
Allowance for impairment loss:									
31 December 2007	-	38,756,892	-	-	6,138,942	-	35,848	939,785	45,871,467
31 December 2008	-	38,756,892	-	-	6,138,942	-	35,848	939,785	45,871,467
Net book value:									
As at 31 December 2007	312,646,818	909,880,042	804,272,551	89,786,477	312,584,368	2,233,634	37,645,901	25,568,180	2,494,617,971
As at 31 December 2008	312,646,818	890,477,387	634,641,373	69,791,806	276,884,844	6,455,893	44,888,628	69,409,230	2,305,195,979
Depreciation charge (included in income statement):									
Year 2007 (Baht 604 million include in manufacturing cost, and the balance in selling and administrative expenses)									695,111,040
Year 2008 (Baht 494 million include in manufacturing cost, and the balance in selling and administrative expenses)									569,588,439

As at 31 December 2008, certain machinery and equipment items of the Company had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 2,990 million (2007: Baht 2,497 million).

The outstanding balance of allowance for loss on impairment of assets, amounting to approximately Baht 46 million, was made against plant and equipment relevant to video display production, since the Company has decided to reduce its production video displays in line with its long-term business strategy of not manufacturing products that generate low profit margins. In the current year, the Company had no sales of this product.

1 Intangible assets

	(Unit: Baht)					
	Patent rights		Others		Total	
	2008	2007	2008	2007	2008	2007
Balance – beginning of year	939,157,240	1,062,987,491	2,351,453	2,486,411	941,508,693	1,065,473,902
Increase during year	192,456	101,825	169,006	-	361,462	101,825
Amortisation	(54,947,772)	(56,739,396)	(759,954)	(275,840)	(55,707,726)	(57,015,236)
Translation adjustment	30,111,063	(67,192,680)	(206,350)	140,882	29,904,713	(67,051,798)
Balance – end of year	<u>914,512,987</u>	<u>939,157,240</u>	<u>1,554,155</u>	<u>2,351,453</u>	<u>916,067,142</u>	<u>941,508,693</u>
Remaining useful lives	<u>15 years 11 months</u>	<u>16 years 11 months</u>	<u>7 months</u>	<u>1 year 7 months</u>		

1 Bank overdrafts and short-term loans from financial institutions

	(Unit: Baht)			
	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	2008	2007	2008	2007
Bank overdrafts	10.00 – 11.50	9.75 – 11.00	110,216,197	310,164,216
Short-term loans from financial institutions	4.02 – 13.50	5.05 – 9.50	2,228,632,378	1,656,665,845
Total			<u>2,338,848,575</u>	<u>1,966,830,061</u>

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

1 Provisions

These comprise the following:

(Unit: Baht)

	Consolidated financial statements					Separate financial statements		
	Post-retirement benefit costs	Restructuring costs	Warranty	Other provisions	Total	Post-retirement benefit costs	Warranty	Total
Balance as at 31 December 2007	1,004,324,268	104,163,985	221,349,808	58,003,643	1,387,841,704	42,443,350	35,426,342	77,869,692
Add: Recognition during year	112,520,659	41,847,418	99,805,917	64,078,749	318,252,743	5,672,553	17,621,972	23,294,525
Less: Decrease during year	(57,084,110)	(69,641,517)	(26,935,035)	(26,504,580)	(180,165,242)	-	(13,665,255)	(13,665,255)
Less: Reversal during year	(18,699,643)	(17,733,789)	(103,931,425)	(33,381,863)	(173,746,720)	-	(16,314,598)	(16,314,598)
Translation adjustment/ unrealized loss on exchange rate	14,845,852	2,090,031	14,046,231	836,819	31,818,933	-	523,115	523,115
Balance as at 31 December 2008	<u>1,055,907,026</u>	<u>60,726,128</u>	<u>204,335,496</u>	<u>63,032,768</u>	<u>1,384,001,418</u>	<u>48,115,903</u>	<u>23,591,576</u>	<u>71,707,479</u>
Short-term provisions	4,937,722	96,863,688	46,800,854	50,293,189	198,895,453	-	35,426,342	35,426,342
Long-term provisions	<u>999,386,546</u>	<u>7,300,297</u>	<u>174,548,954</u>	<u>7,710,454</u>	<u>1,188,946,251</u>	<u>42,443,350</u>	-	<u>42,443,350</u>
Balance as at 31 December 2007	<u>1,004,324,268</u>	<u>104,163,985</u>	<u>221,349,808</u>	<u>58,003,643</u>	<u>1,387,841,704</u>	<u>42,443,350</u>	<u>35,426,342</u>	<u>77,869,692</u>
Short-term provisions	54,975,903	27,848,595	8,960,503	39,917,449	131,702,450	-	4,407,084	4,407,084
Long-term provisions	<u>1,000,931,123</u>	<u>32,877,533</u>	<u>195,374,993</u>	<u>23,115,319</u>	<u>1,252,298,968</u>	<u>48,115,903</u>	<u>19,184,492</u>	<u>67,300,395</u>
Balance as at 31 December 2008	<u>1,055,907,026</u>	<u>60,726,128</u>	<u>204,335,496</u>	<u>63,032,768</u>	<u>1,384,001,418</u>	<u>48,115,903</u>	<u>23,591,576</u>	<u>71,707,479</u>

18. Accrued expenses

The balances as at 31 December 2008 mainly represent accrued expenses and provisions, totaling approximately Baht 911 million relating to employee costs, product sales of the Company and its subsidiaries and claims (Separate financial statements: Baht 308 million). The management of the Company and its subsidiaries believe that actual expenditures will be close to the amounts estimated and accrued in the records of the Company and its subsidiaries (the balance as at 31 December 2007 for the consolidated financial statement and for the separate financial statements: Baht 1,116 million and Baht 483 million, respectively).

1 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 15 February 2008 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 1.123 ordinary shares at a price of Baht 1 per share, effective from 11 March 2008.

During 2008, warrants were exercised to purchase new ordinary shares as follows:

	Number of warrants (Unit)	Increase in paid up share capital from warrant exercise (Baht)	Date of registration of additional shares from warrant exercise with the Ministry of Commerce
Outstanding as at 31 December 2007	5,248	59,261,656	
Exercised during January 2008	(1,550)	1,677	13 February 2008
Exercised during April 2008	(500)	561	13 May 2008
Outstanding as at 31 December 2008	<u>3,198</u>	<u>59,263,894</u>	

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Dividend payment

During year 2008 and 2007, the Company declared dividends to its shareholders as follow:

(Unit: Baht)			
<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividend for year 2007	Annual General Meeting of the shareholders on 3 April 2008	1,995,795,123	1.60
Final dividend for year 2006	Annual General Meeting of the shareholders on 29 March 2007	1,621,519,968	1.30

22. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Salary and wages and other employee benefits	4,486,836,219	4,562,457,241	1,834,171,137	1,984,145,158
Purchase and raw materials and consumables used	17,895,892,370	20,477,478,810	13,775,154,888	15,482,594,846
Changes in inventories of finished goods and work in progress	564,963,645	(385,923,530)	537,258,917	(35,325,733)
Depreciation	758,458,103	853,899,041	569,588,439	695,111,040
Commission expenses	417,026,413	401,279,766	415,234,027	762,922,208
Marketing fee	-	-	233,009,567	116,050,373
Design and engineering fee	-	-	875,437,900	651,512,186
Loss on exchange rate	62,475,555	-	-	-
Loss from disposal of property, plant and equipment	-	61,465,248	-	56,015,045
Amortisation of intangible assets	55,707,726	57,015,236	-	-
Amortisation of consolidation goodwill	-	25,106,672	-	-
Loss from disposal of investment in available-for-sale securities	31,811,267	-	-	-
Restructuring expenses	35,863,868	99,819,991	-	-
Loss on impairment of property, plant and equipment	-	45,871,467	-	45,871,467

23. Gain (loss) on exchange rate

(Unit: Baht)

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Realised gain (loss) on exchange rate	(230,624,366)	106,570,084	141,996,691	(135,842,153)
Unrealised gain on exchange rate	168,148,811	167,493,651	134,109,322	162,562,317
Gain (loss) on exchange rate	(62,475,555)	274,063,735	276,106,013	26,720,164

24. Promotional privileges

The Company has been granted promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520 subject to certain significant conditions. Significant privileges of the Company are as follows:

Details								
1. Certificate No.	1404(1)/2544	1523/2543	7030(1)/Aor. Yor.2544	7008(2)/Yor./ 2545	1776(4)/2547	1777(4)/2547	1571(2)/2549	1710(2)/2549
2. Promotional privileges for	Manufacturing of DC FAN	Manufacturing of EMI FILTER	Manufacturing of DC FAN	Manufacturing of EMI FILTER	Manufacturing of monitors and televisions	Manufacturing of electro –magnetic products	Manufacturing of monitors and televisions	Manufacturing of electro – magnetic products
3. The significant privileges are								
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	7 years	7 years	7 years	7 years	7 years	7 years	5 years	5 years
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Granted	Granted	Granted	Granted	Non – granted	Non – granted	Non – granted	Non – granted
3.4 Allowance to additionally deduct 5% of any increment in export income over the preceding year for ten years, providing that the export income of that year is not lower than the average export earnings of the three preceding years, except during the first two years.	Non – granted	Granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted
4. Date of first earning operating income	12 December 2006	7 January 2004	7 February 2002	17 July 2002	23 May 2005	Applying for to commence operation approval	Waiting for approval to commence operation	Waiting for approval to commence operation

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Separate financial statements</u>						
Sales and services income						
Domestic sales	460,207,020	709,295,353	-	-	460,207,020	709,295,353
Export sales	20,762,785,914	22,727,637,567	126,488,869	123,771,342	20,889,274,783	22,851,408,909
Services income	-	-	-	7,176,646	-	7,176,646
Total	<u>21,222,992,934</u>	<u>23,436,932,920</u>	<u>126,488,869</u>	<u>130,947,988</u>	<u>21,349,481,803</u>	<u>23,567,880,908</u>

25. Earnings per share

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date that the potential ordinary shares were issued.

Calculation of basic earnings per share and diluted earnings per share is presented below:

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(Baht)	(Baht)	(shares)	(shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	2,897,478,328	3,155,416,740	1,247,380,306	1,247,234,129	2.32	2.53
Effect of dilutive potential ordinary shares						
Warrants	-	-	3,727	147,281		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>2,897,478,328</u>	<u>3,155,416,740</u>	<u>1,247,384,033</u>	<u>1,247,381,410</u>	2.32	2.53

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	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(Baht)	(Baht)	(shares)	(shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	3,090,004,643	2,376,712,242	1,247,380,306	1,247,234,129	2.48	1.91
Effect of dilutive potential ordinary shares						
Warrants	-	-	3,727	147,281		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>3,090,004,643</u>	<u>2,376,712,242</u>	<u>1,247,384,033</u>	<u>1,247,381,410</u>	2.48	1.91

26. 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 carried on both in Thailand and overseas. Financial information of the Company and its subsidiaries by geographical segment, as at 31 December 2008 and 2007, and for the years then ended, is as follows:

	(Unit: Million Baht)												Consolidated	
	Thailand		Asia		America		Europe		Total		Eliminated		financial statements	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue from external customers	17,731	17,933	4,091	2,538	4,362	6,846	6,666	6,449	32,850	33,766	-	-	32,850	33,766
Inter-segment revenues	3,618	5,635	66	5	68	994	5,775	5,691	9,527	12,325	(9,527)	(12,325)	-	-
Total revenues	<u>21,349</u>	<u>23,568</u>	<u>4,157</u>	<u>2,543</u>	<u>4,430</u>	<u>7,840</u>	<u>12,441</u>	<u>12,140</u>	<u>42,377</u>	<u>46,091</u>	<u>(9,527)</u>	<u>(12,325)</u>	<u>32,850</u>	<u>33,766</u>
Segment income(loss)	2,810	2,407	2	396	(39)	98	(218)	(35)	2,555	2,866			2,642	3,044
Unallocated income and expenses:														
Other income													437	394
Compensation income from cancellation order													-	186
Share of income from investment in associated company													61	77
Gain (loss) on disposal of property, plant and equipment													2	(61)
Loss from disposal of investment in available-for-sale securities													(32)	-
Amortisation of intangible assets													(56)	(57)
Amortisation of consolidation goodwill													-	(25)
Loss from diminution in value of long-term investments													-	(8)
Loss on impairment of assets													-	(46)
Financial cost													(132)	(173)
Corporate income tax													(25)	(176)
Net income													<u>2,897</u>	<u>3,155</u>

	(Unit Million Baht)												Consolidated financial statements	
	Thailand		Asia		America		Europe		Total		Eliminated			
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Property, plant and equipment – net	2,305	2,495	451	165	14	11	1,110	987	3,880	3,658	(11)	(14)	3,869	3,644
Unallocated assets													23,014	22,611
Total assets													26,883	26,255

Transfer prices between business segments are as set out in Note 6 to the financial statements.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 5 percent of basic salary. The fund, which is managed by Thai Military Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. During the year 2008, the Company has contributed Baht 18,472,805 (2007: Baht 21,337,704) to the fund.

28. Commitments and contingent liabilities

28.1 Capital commitments and operating lease commitments

28.1.1 As at 31 December 2008, the Company and its subsidiaries had significant capital commitments amounting to Baht 231 million and INR 21 million in respect of the purchase of machinery and equipment.

28.1.2 As at 31 December 2008, the subsidiaries had significant operating lease commitments amounting to CHF 0.7 million, GBP 0.3 million, EUR 6 million and INR 126 million.

28.2 Letters of guarantee

As at 31 December 2008 the Company and its subsidiary companies had the following outstanding letters of guarantee required in the ordinary course of their businesses:

28.2.1 Outstanding letters of guarantee totaling approximately Baht 767 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 28.3.1 to the financial statements), and outstanding letters of guarantee for totals of approximately INR 301 million, EUR 0.3 million, USD 0.4 million, and SKK 11.7 million have been issued by banks to meet requirements of the subsidiary companies.

28.2.2 Outstanding letters of guarantee totaling approximately SKK 450 Million, INR 500 million and USD 53 million issued by the Company to meet requirements of its subsidiary companies.

28.3 Tax assessment

28.3.1 During the year 2006, the Company received a corporate income tax assessment letter from the 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. In view of 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.

28.3.2 A foreign subsidiary was subject to a duty inspection by the Customs Department of that country in relation to an export permit. The legal counselor of the subsidiary estimated the maximum assessment at not more than EUR 3.57 million. However, the subsidiary has not recorded a provision since there is still uncertainty as to such assessment of duty.

28.3.3 Corporate income tax assessment of approximately INR 79 million was made against an overseas subsidiary, covering the years 2004-2006. 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.

28.4 Litigation

As at 31 December 2008, a lawsuit had been filed against an overseas subsidiary, claiming a total 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.

29. Financial instruments

29.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, investments, short-term loans, accounts payable and other accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable and other receivable as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relating primarily to their cash at banks, bank overdrafts, and short-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2008 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
	(Million baht)						
Financial Assets							
Cash and cash equivalents	28	-	-	8,727	376	9,131	0-4.76
Trade accounts receivable	-	-	-	-	5,982	5,982	-
Amounts due from related parties	-	-	-	-	4	4	-
Other accounts receivable	-	-	-	-	79	79	-
Deposits at bank with restrictions	81	-	-	155	-	236	0.10-4.76
Total	109	-	-	8,882	6,441	15,432	
Financial liabilities							
Bank overdraft and short term loans from financial institutions	1,971	-	-	368	-	2,339	2.92-13.50
Trade accounts payable	-	-	-	-	4,365	4,365	-
Amount due to related parties	-	-	-	-	60	60	-
Other accounts payable	-	-	-	-	181	181	-
Total	1,971	-	-	368	4,606	6,945	

Separate financial statements

	Fixed interest rates						Interest rate (% p.a.)
	Within		Over	Floating	Non-interest	Total	
	1 year	1-5 years	5 years	Interest rate	bearing		
(Million baht)							
Financial Assets							
Cash and cash equivalents	-	-	-	6,551	-	6,551	0.02-2.00
Trade accounts receivable	-	-	-	-	3,882	3,882	-
Other accounts receivable	-	-	-	-	13	13	-
Total	-	-	-	6,551	3,895	10,446	
Financial liabilities							
Trade accounts payable	-	-	-	-	3,052	3,052	-
Amount due to related parties	-	-	-	-	187	187	-
Other accounts payable	-	-	-	-	130	130	-
Total	-	-	-	-	3,369	3,369	

Foreign currency risk

The Company and its subsidiaries have significant foreign currency risk in respect of the purchase and sales transactions, lending and borrowing, and investments in foreign companies. As at 31 December 2008, outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2008 (Baht per foreign currency)
Brazil real	17	6	14.5908
US dollar	99	68	34.9438
Euro	8	10	49.2662
New Taiwan dollar	51	0.2	1.0578
Japanese yen	39	126	0.3864
Renminbi	26	-	5.1029
Slovakia Koruna	23	-	1.6523
Swiss Franc	3	0.4	33.1587

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate (except for the foreign currency risk arising from investments in foreign countries, which the Company and its subsidiaries consider to have an insignificant effect to the financial statements).

As at 31 December 2008, the outstanding derivatives are as follows:

Forward contracts

	Amount		Forward rate		Maturity date
Forward contracts to "Sell"					
USD/THB	USD	69 million	33.9200 – 36.2500	THB/USD	January 2009 – March 2009
USD/CHF	USD	15 million	1.0684 – 1.1897	CHF/USD	January 2009
EUR/USD	EUR	10 million	1.3900 – 1.4381	USD/EUR	January 2009
EUR/CHF	EUR	6 million	1.5316 – 1.5462	CHF/EUR	January 2009
PLN/CHF	PLN	3.5 million	2.5585	PLN/CHF	January 2009
Forward contracts to "Buy"					
USD/BRL	USD	6 million	2.3812 – 2.5399	BRL/USD	January 2009
USD/RUB	USD	2 million	29.1000	RUB/USD	January 2009
USD/INR	USD	4 million	47.67 – 48.15	INR/USD	January 2009

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2008, the Group's debt-to-equity ratio was 0.59:1 (2007: 0.65:1) and the Company's was 0.23:1 (2007: 0.30:1).

31. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 13 February 2009.