

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2012

Report of Independent Auditor

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

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, 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 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 27.3.1 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 2004. My opinion is not qualified in respect of this matter.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 6 February 2013

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	<u>Notes</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets					
Current assets					
Cash and cash equivalents		12,781,778,448	9,512,594,932	8,697,360,220	6,009,434,156
Trade and other receivables	7	7,026,770,421	6,859,442,163	4,563,147,818	4,833,962,450
Inventories	8	5,466,383,275	5,952,441,716	3,266,905,390	3,558,894,811
Other current assets	9	851,605,907	944,178,434	126,994,668	137,929,270
Total current assets		26,126,538,051	23,268,657,245	16,654,408,096	14,540,220,687
Non-current assets					
Deposits at bank with restrictions		151,437,826	116,396,027	-	-
Investments in subsidiary companies	10	-	-	9,870,976,026	8,901,796,746
Other long-term investments	11	411,601,908	425,839,291	-	-
Property, plant and equipment	12	4,984,384,258	4,723,750,388	2,821,423,476	2,845,437,185
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	13	687,604,760	753,214,764	26,316,767	1,069,334
Deferred tax assets	14	319,049,149	260,537,449	-	-
Other non-current assets		87,291,643	43,662,674	4,829,169	1,296,870
Total non-current assets		6,948,127,515	6,630,158,564	12,723,545,438	11,749,600,135
Total assets		33,074,665,566	29,898,815,809	29,377,953,534	26,289,820,822

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	660,694,307	1,022,144,521	-	-
Trade and other payables	16	8,143,951,270	7,172,665,919	5,076,642,819	4,908,568,174
Income tax payable		74,547,237	191,380,062	-	-
Short-term provisions	19	244,690,620	255,873,004	-	-
Other current liabilities	17	240,691,644	261,776,766	61,645,450	91,252,138
Total current liabilities		<u>9,364,575,078</u>	<u>8,903,840,272</u>	<u>5,138,288,269</u>	<u>4,999,820,312</u>
Non-current liabilities					
Deferred tax liabilities	14	48,946,045	32,803,092	-	-
Provision for long-term employee benefits	18	866,459,789	851,818,248	116,588,932	80,879,055
Long-term provisions	19	258,531,053	225,524,893	19,821,278	16,576,224
Other non-current liabilities		39,521,379	25,739,040	6,766,464	5,733,720
Total non-current liabilities		<u>1,213,458,266</u>	<u>1,135,885,273</u>	<u>143,176,674</u>	<u>103,188,999</u>
Total liabilities		<u>10,578,033,344</u>	<u>10,039,725,545</u>	<u>5,281,464,943</u>	<u>5,103,009,311</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-up					
1,247 million ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Retained earnings					
Appropriated - Statutory reserve	20	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		21,676,381,221	18,825,855,596	21,231,294,477	18,321,617,397
Other components of shareholders' equity		(2,044,943,113)	(1,831,959,446)	-	-
Equity attributable					
to owners of the Company		<u>22,496,632,222</u>	<u>19,859,090,264</u>	<u>24,096,488,591</u>	<u>21,186,811,511</u>
Total shareholders' equity		<u>22,496,632,222</u>	<u>19,859,090,264</u>	<u>24,096,488,591</u>	<u>21,186,811,511</u>
Total liabilities and shareholders' equity		<u>33,074,665,566</u>	<u>29,898,815,809</u>	<u>29,377,953,534</u>	<u>26,289,820,822</u>

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

Directors

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit or loss:					
Revenues					
Sales and service income		40,779,099,958	38,433,604,854	27,689,561,920	26,295,912,534
Other income					
Interest income		193,704,315	124,578,747	168,942,925	108,070,185
Gain on exchange		152,456,455	138,623,364	136,528,174	360,187,617
Gain on sales of investment in associated company		-	84,333,155	-	-
Dividend income from other long-term investments	11	49,682,889	114,290,318	-	-
Others		352,913,482	254,916,639	166,005,042	78,520,946
Total revenues		<u>41,527,857,099</u>	<u>39,150,347,077</u>	<u>28,161,038,061</u>	<u>26,842,691,282</u>
Expenses					
Cost of sales and services		29,984,063,535	29,392,340,055	20,015,743,188	19,914,825,859
Selling expenses		2,938,672,254	2,804,700,893	907,242,081	815,846,248
Administrative expenses		1,706,788,640	1,589,133,802	1,137,687,753	848,358,974
Research and development expenses		1,962,988,694	2,080,066,816	1,644,995,427	1,690,626,699
Other expenses		484,216,826	283,939,578	48,834,595	97,493,201
Total expenses		<u>37,076,729,949</u>	<u>36,150,181,144</u>	<u>23,754,503,044</u>	<u>23,367,150,981</u>
Profit before share of profit from investment in associated company, finance cost and income tax expenses					
		4,451,127,150	3,000,165,933	4,406,535,017	3,475,540,301
Share of profit from investment in an associated company		-	16,807,280	-	-
Profit before finance cost and income tax expenses		<u>4,451,127,150</u>	<u>3,016,973,213</u>	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Finance cost		(94,561,488)	(97,501,975)	-	-
Profit before income tax expenses		<u>4,356,565,662</u>	<u>2,919,471,238</u>	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Income tax expenses	14	(9,182,100)	(55,259,701)	-	-
Profit for the year		<u>4,347,383,562</u>	<u>2,864,211,537</u>	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(212,983,667)	(88,310,746)	-	-
Other comprehensive income for the year		<u>(212,983,667)</u>	<u>(88,310,746)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>4,134,399,895</u>	<u>2,775,900,791</u>	<u>4,406,535,017</u>	<u>3,475,540,301</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2012

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit attributable to:					
Equity holders of the Company		4,347,383,562	2,864,333,728	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Non-controlling interests of the subsidiary (loss)		-	(122,191)		
		<u>4,347,383,562</u>	<u>2,864,211,537</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		4,134,399,895	2,769,271,844	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Non-controlling interests of the subsidiary		-	6,628,947		
		<u>4,134,399,895</u>	<u>2,775,900,791</u>		
Earnings per share					
	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>3.49</u>	<u>2.30</u>	<u>3.53</u>	<u>2.79</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements									
Equity attributable to shareholders of the Company									
	Equity attributable to shareholders of the Company				Other components of shareholders' equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Other comprehensive income	Exchange differences on translation of financial statements in foreign currency			
	Issued and fully paid-up share capital	Share premium	Retained earnings		in foreign currency	Total other components of shareholders' equity	the Company	the subsidiaries	equity
			Appropriated	Unappropriated					
Balance as at 31 December 2010	1,247,381,614	1,491,912,500	125,900,000	18,082,070,611	(1,736,897,562)	(1,736,897,562)	19,210,367,163	87,140,051	19,297,507,214
Profit for the year	-	-	-	2,864,333,728	-	-	2,864,333,728	(122,191)	2,864,211,537
Other comprehensive income for the year	-	-	-	-	(95,061,884)	(95,061,884)	(95,061,884)	6,751,138	(88,310,746)
Total comprehensive income for the year	-	-	-	2,864,333,728	(95,061,884)	(95,061,884)	2,769,271,844	6,628,947	2,775,900,791
Dividend paid (Note 21)	-	-	-	(2,120,548,743)	-	-	(2,120,548,743)	-	(2,120,548,743)
Derecognises the amount of non-controlling interest due to dissolution of a subsidiary	-	-	-	-	-	-	-	(93,768,998)	(93,768,998)
Balance as at 31 December 2011	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>18,825,855,596</u>	<u>(1,831,959,446)</u>	<u>(1,831,959,446)</u>	<u>19,859,090,264</u>	<u>-</u>	<u>19,859,090,264</u>
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,825,855,596	(1,831,959,446)	(1,831,959,446)	19,859,090,264	-	19,859,090,264
Profit for the year	-	-	-	4,347,383,562	-	-	4,347,383,562	-	4,347,383,562
Other comprehensive income for the year	-	-	-	-	(212,983,667)	(212,983,667)	(212,983,667)	-	(212,983,667)
Total comprehensive income for the year	-	-	-	4,347,383,562	(212,983,667)	(212,983,667)	4,134,399,895	-	4,134,399,895
Dividend paid (Note 21)	-	-	-	(1,496,857,937)	-	-	(1,496,857,937)	-	(1,496,857,937)
Balance as at 31 December 2012	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>21,676,381,221</u>	<u>(2,044,943,113)</u>	<u>(2,044,943,113)</u>	<u>22,496,632,222</u>	<u>-</u>	<u>22,496,632,222</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2010	1,247,381,614	1,491,912,500	125,900,000	16,966,625,839	19,831,819,953
Total comprehensive income for the year	-	-	-	3,475,540,301	3,475,540,301
Dividend paid (Note 21)	-	-	-	(2,120,548,743)	(2,120,548,743)
Balance as at 31 December 2011	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>18,321,617,397</u>	<u>21,186,811,511</u>
					-
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,321,617,397	21,186,811,511
Total comprehensive income for the year	-	-	-	4,406,535,017	4,406,535,017
Dividend paid (Note 21)	-	-	-	(1,496,857,937)	(1,496,857,937)
Balance as at 31 December 2012	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>21,231,294,477</u>	<u>24,096,488,591</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash flows from operating activities:					
Profit before tax		4,356,565,662	2,919,471,238	4,406,535,017	3,475,540,301
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation	12	798,323,497	745,937,316	545,016,925	490,988,013
Amortisation of other intangible assets	13	111,811,140	75,428,888	9,077,195	845,949
Recorded allowance for doubtful accounts		35,217,267	27,569,311	806,385	1,353,470
Reduction of inventory to net realisable value (reversal)		(194,749,019)	414,756,131	(115,340,573)	221,844,867
Increase in provision for long-term employee benefits	18	97,508,426	104,244,527	45,617,077	11,265,126
Recorded the increase in provisions (reversal)		142,309,730	97,726,543	3,245,054	(5,845,544)
Allowance for diminution in value of investment in other long-term investment (reversal)		-	(13,639,461)	-	-
Gain from disposal of investment in an associated company		-	(84,333,155)	-	-
Share of profit from investment in an associated company		-	(16,807,280)	-	-
Loss from dissolution of a subsidiary		-	7,007,636	-	-
Loss from disposal of investment in a subsidiary		29,551,676	-	-	-
Dividend income from other long-term investments	11	(49,682,889)	(114,290,318)	-	-
(Gain) loss from disposal of property, plant and equipment		41,668,116	(1,193,209)	35,488,075	(2,055,991)
Loss on disposal of other intangible assets		2,670,570	1,071,015	220,898	-
Unrealised (gain) loss on exchange		4,165,012	(219,899,722)	(34,860,323)	(248,723,469)
Interest income		(193,704,315)	(124,578,747)	(168,942,925)	(108,070,185)
Interest expenses		94,561,488	97,501,975	-	-
Income from operating activities before changes in operating assets and liabilities		5,276,216,361	3,915,972,688	4,726,862,805	3,837,142,537
Decrease (increase) in operating assets:					
Trade and other receivables		(410,731,175)	(517,128,061)	110,673,308	(145,425,862)
Inventories		675,592,033	100,797,072	407,329,994	(253,858,943)
Other current assets		(39,642,222)	(32,939,095)	12,795,786	(54,449,962)
Other non-current assets		(47,810,310)	276,238	(3,532,300)	479,000
Increase (decrease) in operating liabilities:					
Trade and other payables		1,064,307,364	(371,932,594)	232,799,451	120,748,803
Other current liabilities		(25,191,486)	2,452,421	(29,443,839)	27,347,800
Provision for long-term employee benefits		(75,858,163)	(136,249,253)	(9,907,200)	(6,430,766)
Provisions		(115,404,537)	-	-	-
Other non-current liabilities		13,782,339	11,534,287	1,032,744	4,683,720
Cash flow from operating activities		6,315,260,204	2,972,783,703	5,448,610,749	3,530,236,327
Cash received from interest income		192,919,355	140,428,388	168,827,353	108,808,453
Cash paid for interest expenses		(84,888,866)	(90,189,404)	-	-
Cash paid for corporate income tax		(49,828,176)	(91,961,672)	(1,743,844)	(1,100,122)
Net cash flows from operating activities		6,373,462,517	2,931,061,015	5,615,694,258	3,637,944,658

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 year ended 31 December 2012

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities:					
Increase in deposits at bank with restrictions		(35,041,799)	(20,995,330)	-	-
Increase in investments in subsidiary companies		-	-	(969,179,280)	(432,588,350)
Decrease in other long-term investments		-	17,110,596	-	-
Net cash received from dissolution of a subsidiary		-	25,999,604	-	-
Net cash from outstanding cash of subsidiary as at the disposal date		(14,473,416)	-	-	-
Proceeds from disposal of investment in an associated company		-	489,685,419	-	-
Dividend received from investment in an associated company		-	138,750,305	-	-
Dividend received from other long-term investments	11	49,682,889	114,290,318	-	-
Acquisition of property, plant and equipment		(1,205,688,005)	(1,271,011,148)	(558,970,916)	(820,363,667)
Proceeds from disposal of property, plant and equipment		53,941,010	7,896,349	2,479,625	3,451,790
Increase in other intangible assets		(74,147,075)	(69,733,379)	(34,545,526)	(737,763)
Net cash flows used in investing activities		(1,225,726,396)	(568,007,266)	(1,560,216,097)	(1,250,237,990)
Cash flows from financing activities:					
Decrease in bank overdrafts and short-term loans from financial institutions		(358,965,927)	(124,081,645)	-	-
Dividend paid	21	(1,496,857,937)	(2,120,548,743)	(1,496,857,937)	(2,120,548,743)
Net cash flows used in financing activities		(1,855,823,864)	(2,244,630,388)	(1,496,857,937)	(2,120,548,743)
Increase (decrease) in translation adjustment		(124,898,707)	14,310,274	-	-
Net increase in cash and cash equivalents		3,167,013,550	132,733,635	2,558,620,224	267,157,925
Unrealised gain on exchange for cash and cash equivalents		102,169,966	173,062,348	129,305,840	176,088,777
Cash and cash equivalents at beginning of year		9,512,594,932	9,206,798,949	6,009,434,156	5,566,187,454
Cash and cash equivalents at end of year		12,781,778,448	9,512,594,932	8,697,360,220	6,009,434,156
		-	-	-	-
Supplemental cash flow information:					
Non-cash transactions					
Transfer deposit for purchase of land to property, plant and equipment		-	100,258,186	-	-

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 year ended 31 December 2012

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 registered office of the Company is at 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

The Company and its subsidiaries are principally engaged in the manufacture and distribution of electronic products, together with related research and development.

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 TAS No. 12 “Income Taxes”.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, 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 the Thai language financial statements.

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 Delta Electronics (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2012</u> Percent	<u>2011</u> Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, manufacture, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and distribution of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Private Limited	Holding business	Singapore	100	100

The subsidiaries which the Company owns through DET International Holding Limited are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u> Percent	<u>2011</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 Renewable Energy Systems (Switzerland) AG (owned by Delta Energy Systems (Germany) GmbH.)	Engineering and Marketing	Switzerland	-	100
Delta Energy Systems (India) Private Limited	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	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 India Electronics Private Limited (owned by DET SGP Pte. Ltd.)	Manufacture and trading of electronic products	India	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	100
Delta Greentech International (Singapore) Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Power Solutions (India) Private Limited (owned by Delta Greentech International (Singapore) Pte. Ltd.)	Manufacture and trading of electronic products	India	100	100
Delta Greentech (Netherlands) Cooperatie U.A. (owned by Delta Greentech International Holding Limited)	Holding business	The Netherlands	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
Delta Greentech (Netherlands) BV. (owned by Delta Greentech (Netherlands) Cooperatie U.A.)	Holding business	The Netherlands	100	100
Delta Greentech Electronics Industry LLC. (owned by Delta Greentech (Netherlands) BV.)	Manufacture, marketing and distribution of electronic products	Turkey	100	100
Delta Greentech (USA) Corporation (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	USA	100	100
Delta Greentech (Brazil) S.A. (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	Brazil	100	100
Delta Greentech (Curitiba) Limited (owned by Delta Greentech (Brazil) S.A.)	Engineering	Brazil	100	100

The subsidiaries which the Company owns through Delta Energy Systems (Switzerland) AG are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	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 (Poland) Sp.z.o.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC.	Trading of electronic products	Russia	100	100

The subsidiary which the Company owns through Delta Energy Systems (Singapore) Private Limited is as follow:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100

- 2.2.2 Subsidiaries are fully consolidated, 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 using the same significant accounting policies as the Company.
 - 2.2.4 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes 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 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - 2.2.7 During the year 2012, Delta Energy Systems (Germany) GmbH entered into an agreement to dispose of its investment in Delta Renewable Energy Systems (Switzerland) AG, to an individual. The sale of this investment has now been completed and loss on disposal of this investments amounting to EUR 0.7 million (or approximately of Baht 30 million) recorded under the caption of “Other expenses” in the statement of comprehensive income.
 - 2.2.8 During the year 2012, Delta Greentech International Holding Limited entered into an agreement to sell 50% of its investment in Delta Greentech SGP Pte. Ltd. to a related company. The transaction is currently in progress. However, the Company and its subsidiaries believe that they will not incur losses that would require them to consider recording impairment loss in respect of this investment.
- 2.3 The separate financial statements, which present investments in subsidiary companies under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company and its subsidiaries believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied. However, the Company and its subsidiaries have early adopted the new TAS NO. 12 "Incomes Taxes" before the effective date.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014

The management of the Company and its subsidiaries are evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

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 and 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 and other receivables

Trade and other receivables 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. Actual 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 subsidiary companies are accounted for in the separated financial statements using the cost method net of allowance for loss on diminution in value (if any).
- b) Investments in the ordinary shares of other companies, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (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	1 - 10 years
Machinery and equipment	5 - 20 years
Molds and toolings	2 - 10 years
Installation	1 - 20 years
Furniture, fixtures and office equipment	5 - 10 years
Computer	2 - 5 years
Motor vehicles	3 - 5 years

Depreciation is charged to profit or loss.

No depreciation is provided for land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that they 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 to profit or loss.

The useful life of patents is approximately 20 years.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). 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 in profit or loss. 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 and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel and

directors with authority in the planning and direction of the operations of the Company and its subsidiaries.

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 end of reporting period.

Gains and losses on exchange are charged to profit or loss.

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform 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 and its subsidiaries also carry 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised as income or expenses when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed 10% of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefits liability comprises the present value of the defined benefit obligation, less unrecognised actuarial gains or losses, unrecognized past service costs and the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the reporting entity, nor can they be paid directly to the reporting entity.

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 Research and development expenses

The Company and its subsidiaries record research and development costs as expenses when incurred.

4.15 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised 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 financial reporting standards 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 from these estimates. 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 subsidiaries treats other investments as impaired when 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 of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual 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 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 utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Tax assessment and litigation

The Company and its subsidiaries have contingent liabilities as a result of tax assessment and the litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will be resulted. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing policy
	financial statements		financial statements		
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	9,459	8,349	With reference to market price
Purchase of raw materials	-	-	218	359	With reference to market price
Commission paid	-	-	227	234	Contract price
Marketing fee	-	-	280	231	Contract price
Design and engineering fee	-	-	1,113	1,074	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,367	1,141	1,337	1,078	With reference to market price
Purchase of goods and raw materials	3,538	1,755	286	200	With reference to market price
Commission paid	331	314	331	314	Contract price
Commission received	73	48	-	-	Contract price
Services income	93	57	-	-	Agreed upon basis

The balances of the accounts as at 31 December 2012 and 2011 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade accounts receivables, related parties (Note 7)</u>				
Subsidiary companies	-	-	1,915	1,973
Other related companies (under common control)	362	261	311	204
Total trade accounts receivables, related parties	<u>362</u>	<u>261</u>	<u>2,226</u>	<u>2,177</u>

Trade accounts payables, related parties (Note 16)

Subsidiary companies	-	-	63	72
Other related companies (under common control)	1,008	591	48	41
Total trade accounts payables, related parties	<u>1,008</u>	<u>591</u>	<u>111</u>	<u>113</u>

Amounts due to related parties (Note 16)

Subsidiary companies	-	-	154	235
Other related companies (under common control)	215	126	73	118
Total amounts due to related parties	<u>215</u>	<u>126</u>	<u>227</u>	<u>353</u>

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	238	252	80	72
Post-employment benefits	14	16	1	-
Total	<u>252</u>	<u>268</u>	<u>81</u>	<u>72</u>

7. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	354	256	2,048	2,174
Past due 1 - 3 months	8	5	178	3
Total	<u>362</u>	<u>261</u>	<u>2,226</u>	<u>2,177</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	5,750	5,996	2,139	2,402
Past due 1 - 3 months	846	554	199	235
Past due 3 - 6 months	69	67	3	31
Past due 6 - 12 months	19	30	-	-
Past due over 12 months	32	32	-	-
Total	<u>6,716</u>	<u>6,679</u>	<u>2,341</u>	<u>2,668</u>
Total trade accounts receivable	7,078	6,940	4,567	4,845
Less: Allowance for doubtful accounts	(141)	(106)	(12)	(11)
Total trade receivables - net	<u>6,937</u>	<u>6,834</u>	<u>4,555</u>	<u>4,834</u>
<u>Other receivables</u>				
Other receivables	90	25	8	-
Total other receivables	<u>90</u>	<u>25</u>	<u>8</u>	<u>-</u>
Trade and other receivables - net	<u>7,027</u>	<u>6,859</u>	<u>4,563</u>	<u>4,834</u>

8. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	3,108	3,033	(394)	(388)	2,714	2,645
Work in process	459	561	-	-	459	561
Raw materials	2,495	3,030	(627)	(828)	1,868	2,202
Goods in transit	425	544	-	-	425	544
Total	6,487	7,168	(1,021)	(1,216)	5,466	5,952

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	1,712	1,854	(157)	(175)	1,555	1,679
Work in process	395	380	-	-	395	380
Raw materials	1,592	1,826	(345)	(442)	1,247	1,384
Goods in transit	70	116	-	-	70	116
Total	3,769	4,176	(502)	(617)	3,267	3,559

9. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Input tax refundable	494	342	71	69
Prepaid expenses	65	102	27	18
Prepaid tax	174	310	-	-
Forward contracts receivable	24	17	10	-
Others	95	173	19	51
Total other current assets	852	944	127	138

10. Investments in subsidiary companies

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

Company's name	(Unit: Million Baht)				
	Paid-up capital			Cost	
	Foreign currency	<u>2012</u> (Million)	<u>2011</u> (Million)	<u>2012</u>	<u>2011</u>
DET International Holding Limited	USD	264	237	9,450	8,615
Delta Energy Systems (Switzerland) AG	CHF	20	20	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	THB	190	60	190	60
Delta Energy Systems (Singapore) Private Limited	USD	0.40	0.25	12	8
Subtotal				12,067	11,098
Less: Loss on impairment of investments in subsidiary companies				(2,196)	(2,196)
Investments in subsidiary companies - net				<u>9,871</u>	<u>8,902</u>

During the year, there was no dividend received from the above subsidiary companies.

11. Other long-term investments

Company's name	(Unit: Million Baht)			
	Shareholding percentage		Consolidated financial statements	
	<u>2012</u> %	<u>2011</u> %	<u>2012</u>	<u>2011</u>
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	241	241
Delta Greentech (China) Company Limited (owned by Delta Greentech SGP Pte. Ltd.)	8.21	8.21	457	457
Total other long-term investments			698	698
Less: Allowance for diminution in value of investments in other long-term investments			(178)	(178)
Translation adjustment			(108)	(94)
Other long-term investments - net			<u>412</u>	<u>426</u>

During the year 2012, a subsidiary of the Company received dividend amounting to approximately USD 1.49 million or equivalent to Baht 46 million from Delta Greentech (China) Company Limited (2011: USD 3.76 million or equivalent to Baht 114 million)

and amounting to approximately USD 0.12 million or equivalent to Baht 4 million from IP Fund One, L.P. (2011: USD 0.01 million or equivalent to Baht 0.4 million).

12. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2011	513	2,365	6,424	1,065	993	182	515	490	12,547
Purchase/transfer in	-	540	474	67	41	126	41	37	1,326
Disposal/write-off/transfer out	(4)	-	(433)	(35)	(7)	(115)	(70)	(55)	(719)
Translation adjustment	(8)	(28)	(23)	(1)	(3)	(2)	(6)	(12)	(83)
31 December 2012	501	2,877	6,442	1,096	1,024	191	480	460	13,071
Accumulated depreciation:									
31 December 2011	-	454	4,948	967	707	-	416	285	7,777
Depreciation for the year	-	57	486	87	54	-	65	49	798
Depreciation - disposal/write-off	-	-	(367)	(34)	(7)	-	(69)	(27)	(504)
Translation adjustment	-	(3)	(15)	-	(1)	-	(5)	(6)	(30)
31 December 2012	-	508	5,052	1,020	753	-	407	301	8,041
Allowance for impairment loss:									
31 December 2011	-	39	-	-	6	-	-	1	46
31 December 2012	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2011	513	1,872	1,476	98	280	182	99	204	4,724
As at 31 December 2012	501	2,330	1,390	76	265	191	73	158	4,984
Depreciation charge									
Year 2011 (Baht 545 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									746
Year 2012 (Baht 580 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									798

12. Property, plant and equipment (continued)

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2010	431	2,354	5,880	973	923	33	500	458	11,552
Purchase/transfer in	88	90	713	95	71	198	75	64	1,394
Disposal/write-off/transfer out	-	(34)	(189)	(3)	(4)	(48)	(59)	(12)	(349)
Translation adjustment	(6)	(45)	20	-	3	(1)	(1)	(20)	(50)
31 December 2011	513	2,365	6,424	1,065	993	182	515	490	12,547
Accumulated depreciation:									
31 December 2010	-	402	4,662	893	660	-	416	248	7,281
Depreciation for the year	-	58	454	76	48	-	60	50	746
Depreciation - disposal/write-off	-	(2)	(187)	(2)	(3)	-	(58)	(9)	(261)
Translation adjustment	-	(4)	19	-	2	-	(2)	(4)	11
31 December 2011	-	454	4,948	967	707	-	416	285	7,777
Allowance for impairment loss:									
31 December 2010	-	39	-	-	6	-	-	1	46
31 December 2011	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2010	431	1,913	1,218	80	257	33	84	209	4,225
As at 31 December 2011	513	1,872	1,476	98	280	182	99	204	4,724
Depreciation charge									
Year 2010 (Baht 469 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									647
Year 2011 (Baht 545 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									746

12. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2011	313	1,300	4,956	1,015	863	65	252	125	8,889
Purchase/transfer in	-	43	348	63	26	55	17	7	559
Disposal/write-off/transfer out	-	-	(237)	(17)	(6)	-	(41)	(14)	(315)
31 December 2012	313	1,343	5,067	1,061	884	120	228	117	9,133
Accumulated depreciation:									
31 December 2011	-	343	3,801	931	623	-	209	91	5,998
Depreciation for the year	-	24	366	79	43	-	26	7	545
Depreciation - disposal/write-off	-	-	(210)	(17)	(5)	-	(41)	(4)	(277)
31 December 2012	-	367	3,957	993	661	-	194	94	6,266
Allowance for impairment loss:									
31 December 2011	-	39	-	-	6	-	-	1	46
31 December 2012	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2011	313	918	1,155	84	234	65	43	33	2,845
As at 31 December 2012	313	937	1,110	68	217	120	34	22	2,821
Depreciation charge									
Year 2011 (Baht 416 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									491
Year 2012 (Baht 474 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									545

12. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2010	313	1,247	4,557	935	835	24	263	110	8,284
Purchase/transfer in	-	53	568	82	32	41	27	17	820
Disposal/write-off/transfer out	-	-	(169)	(2)	(4)	-	(38)	(2)	(215)
31 December 2011	313	1,300	4,956	1,015	863	65	252	125	8,889
Accumulated depreciation:									
31 December 2010	-	320	3,649	863	587	-	217	86	5,722
Depreciation for the year	-	23	320	70	40	-	31	7	491
Depreciation – disposal/write-off	-	-	(168)	(2)	(4)	-	(39)	(2)	(215)
31 December 2011	-	343	3,801	931	623	-	209	91	5,998
Allowance for impairment loss:									
31 December 2010	-	39	-	-	6	-	-	1	46
31 December 2011	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2010	313	888	908	72	242	24	46	23	2,516
As at 31 December 2011	313	918	1,155	84	234	65	43	33	2,845
Depreciation charge									
Year 2010 (Baht 339 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									409
Year 2011 (Baht 416 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									491

As at 31 December 2012, certain machinery and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 6,125 million (2011: Baht 6,043 million).

13. Other intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

	Consolidated financial statements				Separate financial statements
					Computer software
	Patent rights	Computer software	Others	Total	Computer software
(Unit: Million Baht)					
Cost:					
31 December 2011	1,040	260	3	1,303	37
Purchase	-	71	3	74	35
Disposals	-	(12)	(3)	(15)	(2)
Translation adjustment	(35)	(8)	-	(43)	-
31 December 2012	1,005	311	3	1,319	70
Accumulated amortisation:					
31 December 2011	368	181	1	550	36
Amortisation for the year	51	61	-	112	9
Disposals	-	(12)	-	(12)	(1)
Translation adjustment	(14)	(5)	-	(19)	-
31 December 2012	405	225	1	631	44
Net book value:					
31 December 2011	672	79	2	753	1
31 December 2012	600	86	2	688	26

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
Cost:					
31 December 2010	990	212	3	1,205	36
Purchase	-	70	-	70	1
Disposals	-	(23)	-	(23)	-
Translation adjustment	50	1	-	51	-
31 December 2011	1,040	260	3	1,303	37
Accumulated amortisation:					
31 December 2010	300	177	1	478	35
Amortisation for the year	50	25	-	75	1
Disposals	-	(22)	-	(22)	-
Translation adjustment	18	1	-	19	-
31 December 2011	368	181	1	550	36
Net book value:					
31 December 2010	690	35	2	727	1
31 December 2011	672	79	2	753	1

14. Income tax

Income tax expenses for the years ended 31 December 2012 and 2011 are made up as follows:

(Unit: Million Baht)

	2012	2011
Current income tax:		
Current income tax charge	50	(76)
Adjustment in respect of current income tax of previous year	(21)	(2)
Deferred tax:		
Increase (decrease) in deferred tax assets	(22)	30
Increase in deferred tax liabilities	(16)	(8)
Translation adjustment	-	1
Income tax expenses reported in the statement of comprehensive income	(9)	(55)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2012 and 2011.

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Accounting profit before tax	4,357	2,919
Income tax at Thai corporate income tax rate of 23% (2554: 30%)	(1,002)	(876)
Adjust in respect to current income tax of previous years	(21)	(2)
Tax savings from investment promotion	1,080	1,053
Difference in tax rates of subsidiaries in overseas countries	4	(17)
Tax effect of loss for the current year	(46)	(246)
Write off deferred tax assets	-	(54)
Others	(24)	87
Income tax expenses reported in the statement of comprehensive income	<u>(9)</u>	<u>(55)</u>

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries are 0% to 41%.

As of 31 December 2012 and 2011, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Deferred tax assets		
Allowance for doubtful accounts	11	-
Allowance for diminution in value of inventories	83	50
Bonus payable	19	39
Provision for warranty	46	28
Tax savings from promotional privileges	119	121
Others	41	23
Total	<u>319</u>	<u>261</u>
Deferred tax liabilities		
Difference depreciation for tax purpose	49	33
Total	<u>49</u>	<u>33</u>

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The changes in tax rates do not significantly impact the Company's deferred tax calculation because the Company has been granted tax privileges by the Board of Investment for the manufacture of its products.

As at 31 December 2012 the Company and its subsidiaries have unused tax losses totaling Baht 28 million, INR 151 million and EUR 61 million (2011: Baht 44 million, INR 617 million and EUR 67 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

15. Bank overdrafts and short-term loans from financial institutions

(Unit: Million Baht)

	Interest rates		Consolidated	
	(percent per annum)		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Bank overdrafts	-	11.00	-	9
Short-term loans from financial institutions	0.86 – 12.50	1.03 - 15.36	661	1,013
Total			661	1,022

16. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related parties	1,008	591	111	113
Trade payables - unrelated parties	4,407	4,369	3,407	3,403
Amount due to related parties	215	126	227	353
Other payables	484	536	400	364
Accrued expenses	1,840	1,364	810	575
Advance received	190	187	122	101
Total trade and other payables	8,144	7,173	5,077	4,909

17. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Forward contracts payable	4	58	-	24
Withholding tax payable	89	86	51	59
Value added tax payable	70	64	-	-
Others	78	54	11	8
Total other current liabilities	241	262	62	91

18. Provision for long-term employee benefits

The amount related to long-term employee benefits recognised in the statements of comprehensive income and the statements of financial position are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current service cost	57	50	19	7
Interest cost	68	70	7	4
Expected return on plan assets	(29)	(29)	-	-
Recognised actuarial losses	23	13	20	-
Recognised service costs	(21)	-	-	-
Long-term employee benefit expenses for the year	98	104	46	11

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligation	(2,163)	(1,978)	(222)	(206)
Fair value of plan assets	729	733	-	-
	(1,434)	(1,245)	(222)	(206)
Unrecognised actuarial losses	568	393	105	125
Provisions for long-term employee benefits as at 31 December	(866)	(852)	(117)	(81)

The changes in the present value of the defined benefit obligation are as follow:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligation at beginning of year	(1,978)	(1,845)	(206)	(96)
Current service cost	(57)	(50)	(19)	(7)
Interest cost	(68)	(70)	(7)	(4)
Contribution by plan participants	(19)	(20)	-	-
Benefits paid during the year	112	171	10	6
Actuarial losses	(187)	(97)	-	(105)
Past service costs	21	-	-	-
Translation adjustments	13	(67)	-	-
Defined benefit obligation at end of year	<u>(2,163)</u>	<u>(1,978)</u>	<u>(222)</u>	<u>(206)</u>

The change in the fair value of plan assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Fair value of plan assets at beginning of year	733	684	-	-
Expected return from plan assets	29	29	-	-
Contributions by employer	24	22	-	-
Contribution by plan participants	19	20	-	-
Benefits paid during the year	(60)	(57)	-	-
Actuarial losses	(13)	(1)	-	-
Translation adjustments	(3)	36	-	-
Fair value of plan assets at end of year	<u>729</u>	<u>733</u>	<u>-</u>	<u>-</u>

The amount of each major category constitutes of the fair value of the total plan assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Debt securities	118	126	-	-
Equity securities	178	148	-	-

Properties	302	334	-	-
Others	32	125	-	-

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rates	1.8 - 8.8	2.6 - 7.5	3.7	3.7
Expected rates of return on plan assets	4.0 - 8.5	4.0 - 8.5	-	-
Future salary increase rates				
(dependent on age)	1.0 - 8.5	2.0 - 8.5	8.0	8.0
Future pension increase rates	0.5 - 2.0	0.5 - 2.0	-	-
Staff turnover rates	0.0 - 26.0	0.5 - 23.3	3.0 - 12.0	3.0 - 12.0

Amounts for the current and previous four years of long-term employee benefits are as follows:

	Consolidated financial statements				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Defined benefit obligation	(2,163)	(1,978)	(1,845)	(1,897)	(1,828)
Fair value of plan assets	729	733	684	672	725
Deficit	(1,434)	(1,245)	(1,161)	(1,225)	(1,103)
Loss from experience adjustments					
on plan Liabilities	(1)	(33)	(15)	(3)	(14)
Loss from experience adjustments					
on plan assets	-	(1)	(7)	(16)	(14)

(Unit: Million Baht)

	Separate financial statements				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Defined benefit obligation	(222)	(206)	(96)	(85)	(83)
Loss from experience adjustments on					
plan Liabilities	-	(81)	-	-	(47)

19. Provisions

These comprise the following:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
Balance as at 31 December 2010	9	238	131	378	22	22
Recognition during year	19	1,215	311	1,545	5	5
Reversal during year	(8)	(1,254)	(185)	(1,447)	(11)	(11)
Translation adjustment/unrealised loss on exchange rate	-	6	-	6	1	1
Balance as at 31 December 2011	20	205	257	482	17	17
Recognition during year	186	222	112	520	20	20
Decrease during year	(49)	-	(66)	(115)	-	-
Reversal during year	(6)	(165)	(207)	(378)	(17)	(17)
Translation adjustment	2	(2)	(5)	(5)	-	-
Balance as at 31 December 2012	153	260	91	504	20	20
Short-term provisions	18	14	224	256	-	-
Long-term provisions	2	191	33	226	17	17
Balance as at 31 December 2011	20	205	257	482	17	17
Short-term provisions	152	23	70	245	-	-
Long-term provisions	1	237	21	259	20	20
Balance as at 31 December 2012	153	260	91	504	20	20

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 profit 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. At present, the statutory reserve has fully been set aside.

21. Dividends

Dividends declared in 2012 and 2011 consisted of the followings:

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for year 2011	Annual General Meeting of the shareholders on 30 March 2012	1,497	1.20
Final dividend for year 2010	Annual General Meeting of the shareholders on 1 April 2011	2,121	1.70

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Salaries, wages and other employee benefits	6,831	6,460	3,245	2,876
Raw materials used and purchase of finished goods	24,881	25,102	16,304	16,674
Changes in inventories of finished goods and work in progress	(27)	(319)	(127)	(318)
Depreciation	798	746	545	491
Commission expenses	657	538	633	600
Marketing fee	5	12	285	231
Design and engineering fee	258	356	1,113	1,074
Amortisation of intangible assets	112	75	9	1
Restructuring expenses	180	11	-	-

23. Promotional privileges

The Company was granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company are as follows:

Details								
1. Certificate No.	1404(1)/2544	1571(2)/2549	1710(2)/2549	1541(2)/2552	1494(2)/2552	2113(2)/2553	2061(1)/2553	2062(1)/2553
2. Promotional privileges for	Manufacturing of DC FAN	Manufacturing of monitors and televisions	Manufacturing of SPS and electro - magnetic products	Manufacturing of electro-magnetic products	Manufacturing of DC FAN	Manufacturing of monitors	Manufacturing of telecommunication and electronics products for vehicle	Manufacturing of telecommunication
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	5 years	5 years	7 years	7 years	5 years	8 years	8 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	Non – granted	Non – granted	Granted	Granted	Non – granted	Non – granted	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	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted
4. Date of first earning operating income	2 June 2006	Waiting for close certificate	27 January 2009	4 January 2010	Waiting for approval to commence operation	Waiting for approval to commence operation	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: Million Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Separate financial statements</u>						
Sales						
Domestic sales	647	596	-	-	647	596
Export sales	26,946	25,591	97	109	27,043	25,700
Total	<u>27,593</u>	<u>26,187</u>	<u>97</u>	<u>109</u>	<u>27,690</u>	<u>26,296</u>

Significant tax privileges which were granted to subsidiaries of the Company are as follows:-

-Delta Green Industrial (Thailand) Company Limited was granted promotional privileges by the Board of Investment for the manufacture of Inverters, pursuant to the promotion certificate No. 1813(2)/2554 issued on 10 May 2012, and the manufacture of Electric light bulbs and Display monitors, pursuant to the promotion certificate No. 1814(2)/2554 issued on 24 May 2012. Subject to certain imposed conditions, the privileges include the followings:-

- 1) an exemption from corporate income tax on all profit from the promoted operations for a period of seven years from the date those operations commence generating revenues, with the exemption capped at 100 percent of investment, excluding land costs and working capital.
- 2) an exemption from import duty on machinery as approved by the Board of Investment.
- 3) an exemption from import duty on raw materials and significant supplies used in export production.

The subsidiary is in the process of applying for approval to commence the operations.

-Delta Electronics (Slovakia) s.r.o. was granted tax privileges by the Government of Slovakia for the manufacture of Power Supply and Solar inverters on 22 December 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 10 years from the year in which the promoted operations commenced, which was 2010. The exemption is capped at EUR 6.2 million.

-Delta Power Solutions (India) Private Limited was granted tax privileges by the Government of India for the manufacture of Telecom Power Systems and Un-interrupted Power Solutions on 1 April 2008. The privileges include exemption from corporate income tax for a period of five years from the date the promoted operations commence generating revenues and a 30% reduction of corporate income tax on income derived from the promoted operations for a period of five years after the tax-exemption period ends.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares		2012	2011	
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
4,347	2,864	1,247	1,247	3.49	2.30	
Separate financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares		2012	2011	
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
4,407	3,476	1,247	1,247	3.53	2.79	

25. 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 years ended 31 December 2012 and 2011 is as follows:

	Thailand		Asia		Australia		America		Europe		Total		Eliminated		Consolidated financial statements		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	(Unit: Million Baht)																
Revenue from external customers	18,241	17,947	2,495	2,765	-	-	12,716	9,991	7,327	7,731	40,779	38,434	-	-	40,779	38,434	
Inter-segment revenues	9,469	8,349	172	324	31	11	75	62	5,310	5,278	15,057	14,024	(15,057)	(14,024)	-	-	
Total revenues	<u>27,710</u>	<u>26,296</u>	<u>2,667</u>	<u>3,089</u>	<u>31</u>	<u>11</u>	<u>12,791</u>	<u>10,053</u>	<u>12,637</u>	<u>13,009</u>	<u>55,836</u>	<u>52,458</u>	<u>(15,057)</u>	<u>(14,024)</u>	<u>40,779</u>	<u>38,434</u>	
Segment profit (loss)	3,906	3,159	(66)	(182)	-	1	(22)	(1)	59	(456)	3,877	2,521			3,854	2,422	
Unallocated income (expenses):																	
Others																597	595
Finance cost																(95)	(98)
Income tax expenses																(9)	(55)
Profit for the year - attributable to equity holders of the Company																<u>4,347</u>	<u>2,864</u>

	Thailand		Asia		Australia		America		Europe		Total		Eliminated		Consolidated financial statements		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	(Unit: Million Baht)																
Property, plant and equipment	2,895	2,859	691	789	1	-	35	46	1,362	1,030	4,984	4,724	-	-	4,984	4,724	
Unallocated assets																28,091	25,175
Total assets																<u>33,075</u>	<u>29,899</u>

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

26. 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 6 percent of basic salary. The fund, which is managed by TMB 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 2012, the Company contributed Baht 25,423,353 (2011: Baht 22,804,747) to the fund.

27. Commitments and contingent liabilities

27.1 Capital commitments and operating lease commitments

27.1.1 As at 31 December 2012, the Company and its subsidiaries had significant capital commitments amounting to Baht 0.2 million in respect of the building construction (2011: Baht 45 million) and amounting to Baht 95 million and INR 3 million in respect of the purchase of machinery and equipment (2011: Baht 152 million, INR 10 million and EUR 0.5 million).

27.1.2 As at 31 December 2012, the subsidiaries had significant operating lease commitments amounting to CHF 0.8 million, EUR 5 million and INR 145 million (2011: CHF 1.2 million, EUR 4.4 million and INR 179 million).

27.2 Guarantee obligations

As at 31 December 2012, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

27.2.1 Outstanding letters of guarantee totaling approximately Baht 1,161 million (2011: Baht 758 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (2011: Baht 734 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 27.3.1 to the financial statements).

27.2.2 Outstanding letters of guarantee for totals of approximately INR 142 million, EUR 2 million and USD 2 million have been issued by banks to meet requirements of its subsidiaries (2011: INR 159 million, EUR 1 million and USD 2 million).

27.3 Tax assessment

27.3.1 In 2006, the Company received notice of corporate income tax assessment by the Revenue Department, covering the years 1997 through 2000, and assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department (“the Committee”), and in 2011, the Committee’s decided to reduce the assessment to approximately Baht 734 million (including penalties and surcharges). However, the Company petitioned the Central Tax Court to consider revoking this tax assessment and during the year 2012, the Central Tax Court ordered the revocation only that part of the tax assessment made by the Revenue Department and the appeal judgment of the Committee relating to penalties, which it ordered be reduced by 50%. The Company’s remaining petitions were dismissed. The independent legal counselor of the Company believes that the Company will win all the case, and the Company therefore submitted a letter appealing the judgment of the Central Tax Court’s to the Tax Division of the Supreme Tax Court. The appeal is currently under the consideration of the Supreme Court.

In addition, during the year 2012, the Company received notice of corporate income tax assessment covering the years 2001 through 2004 from the Revenue Department, assessing tax amounting to approximately Baht 401 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. The appeal is currently under consideration by the Committee.

However, the independent legal counselor of the Company believes that no significant losses will be incurred by the Company and the Company has therefore not recorded provision for these tax assessments.

27.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 102 million, covering the years 2003 - 2012, and sales tax and excise duties of approximately INR 222 million, covering the years 2005 - 2010, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 31 December 2012, those subsidiaries had recorded prepaid tax amounting to approximately INR 246 million and income tax payable amounting to INR 89 million in their books of accounts. The management of the Company and the subsidiaries believe that no significant losses will be incurred as a result of this matter and the subsidiaries have therefore not recorded provision for this tax assessment.

27.4 Litigation

As at 31 December 2012, two lawsuits had been filed against an overseas subsidiary, claiming a total of INR 5 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 the subsidiary and no provision for the contingent liability has therefore been set aside in the accounts.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "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 statement of financial position.

Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans. 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 classified by type of interest rates are summarised 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

As at 31 December 2012

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over		Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	473	-	-	10,879	1,430	12,782	0.01 - 3.58
Trade receivables	-	-	-	-	6,937	6,937	-
Other receivables	-	-	-	-	90	90	-
Deposits at bank with restrictions	149	-	-	2	-	151	0.52
Total	622	-	-	10,881	8,457	19,960	
Financial liabilities							
Bank overdraft and short-term loans from financial institutions	661	-	-	-	-	661	0.86 - 12.50
Trade payables	-	-	-	-	5,415	5,415	-
Amount due to related parties	-	-	-	-	215	215	-
Other payables	-	-	-	-	484	484	-
Total	661	-	-	-	6,114	6,775	

Consolidated financial statements

As at 31 December 2011

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over		Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	362	-	-	8,237	914	9,513	0.01 - 8.25
Trade receivables	-	-	-	-	6,834	6,834	-
Other receivables	-	-	-	-	25	25	-
Deposits at bank with restrictions	114	-	-	2	-	116	0.52
Total	476	-	-	8,239	7,773	16,488	
Financial liabilities							
Bank overdraft and short-term loans from financial institutions	1,022	-	-	-	-	1,022	1.03 - 15.36
Trade payables	-	-	-	-	4,960	4,960	-
Amount due to related parties	-	-	-	-	126	126	-
Other payables	-	-	-	-	536	536	-

Total	1,022	-	-	-	5,622	6,644
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Separate financial statements

As at 31 December 2012

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	8,697	-	8,697	0.10 - 2.45
Trade receivables	-	-	-	-	4,555	4,555	-
Other receivables	-	-	-	-	8	8	-
Total	-	-	-	8,697	4,563	13,260	

Financial liabilities

Trade payables	-	-	-	-	3,518	3,518	-
Amount due to related parties	-	-	-	-	227	227	-
Other payables	-	-	-	-	400	400	-
Total	-	-	-	-	4,145	4,145	

Separate financial statements

As at 31 December 2011

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	6,009	-	6,009	0.02 - 2.95
Trade receivables	-	-	-	-	4,834	4,834	-
Total	-	-	-	6,009	4,834	10,843	

Financial liabilities

Trade payables	-	-	-	-	3,516	3,516	-
Amount due to related parties	-	-	-	-	353	353	-
Other payables	-	-	-	-	364	364	-
Total	-	-	-	-	4,233	4,233	

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 2012 and 2011, outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	As at 31 December					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	133	125	120	97	30.6316	31.6912
Euro	14	32	7	5	40.5563	41.0274
Japanese yen	47	45	76	156	0.3545	0.4084
Czech koruna	-	22	-	-	-	1.5947
Russian ruble	-	53	-	1	-	0.9868
Polish zloty	23	14	1	3	9.9557	9.3180

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 2012 and 2011, the outstanding derivatives are as follows:

Forward contracts

	As at 31 December 2012					
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	101	million	30.71000 - 31.19500	THB/USD	January - April 2013
USD/CHF	USD	3	million	0.93140 - 0.93210	CHF/USD	January 2013
USD/TRY	USD	5	million	1.78770 - 1.81250	TRY/USD	January 2013
EUR/CHF	EUR	8	million	1.20375 - 1.21142	CHF/EUR	January 2013
PLN/CHF	PLN	4	million	3.38870 - 3.50000	PLN/CHF	January 2013
USD/BRL	USD	4	million	2.04900 - 2.09750	BRL/USD	January 2013
Forward contracts to "Buy"						
USD/RUB	USD	5	million	31.09110 - 32.01540	RUB/USD	January 2013
USD/INR	USD	2	million	54.60000 - 55.17000	INR/USD	January 2013
EUR/USD	EUR	2	Million	1.28165 - 1.31060	USD/EUR	January 2013
USD/CHF	USD	2	million	0.91140 - 0.91150	CHF/USD	January 2013

As at 31 December 2011

	Amount		Forward rate		Maturity date
Forward contracts to "Sell"					
USD/THB	USD	98 million	30.83500 - 31.56000	THB/USD	January – March 2012
USD/CHF	USD	4 million	0.91600 - 0.93600	CHF/USD	January 2012
EUR/USD	EUR	6 million	1.30130 - 1.34688	USD/EUR	January 2012
EUR/CHF	EUR	10 million	1.21730 - 1.23890	CHF/EUR	January 2012
PLN/CHF	PLN	7 million	3.60250 - 3.70650	PLN/CHF	January 2012
USD/TRY	USD	3 million	1.82600 - 1.87200	TRY/USD	January 2012
Forward contracts to "Buy"					
EUR/USD	EUR	1 million	1.30790	USD/EUR	January 2012
USD/RUB	USD	4 million	31.22590 - 32.04380	RUB/USD	January 2012
USD/INR	USD	5 million	51.91500 - 53.90000	INR/USD	January – March 2012
USD/BRL	USD	1 million	1.88310	BRL/USD	January 2012
USD/CHF	USD	1 million	0.93590	CHF/USD	January 2012

28.2 Fair values of financial instruments

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.

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 statements of financial position.

29. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 0.47:1 (2011: 0.50:1) and the Company's was 0.22:1 (2011: 0.24:1).

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 6 February 2013.