

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month period ended 31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 18.3.1 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 conclusion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate statement of financial position of Delta Electronics (Thailand) Public Company Limited as at 31 December 2013, presented herein as comparative information, were audited by another auditor of our firm who expressed an unqualified opinion on those statements and drew attention to the Company's receipt of notice of a corporate income tax assessment under his report dated 17 February 2014. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2013 of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 3 May 2013, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting* and drew attention to the Company's receipt of notice of a corporate income tax assessment.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 28 April 2014

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)	<u>31 March 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		16,077,851	14,952,793	10,738,360	9,591,930
Trade and other receivables	3	8,446,623	8,254,122	6,283,115	6,746,881
Inventories	4	5,998,709	5,949,113	3,592,829	3,256,402
Other current assets	5	1,208,496	1,018,140	172,732	112,778
Total current assets		<u>31,731,679</u>	<u>30,174,168</u>	<u>20,787,036</u>	<u>19,707,991</u>
Non-current assets					
Deposits at bank with restrictions		106,616	120,848	-	-
Investment in associated company	6	174,089	194,473	-	-
Investments in subsidiary companies	7	-	-	10,750,924	10,750,924
Investment properties	8	282,859	288,799	-	-
Property, plant and equipment	9	4,751,171	4,766,817	2,464,984	2,481,024
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	10	619,314	644,380	18,297	20,472
Deferred tax assets		303,755	317,783	-	-
Other non-current assets		66,972	50,669	10,814	4,218
Total non-current assets		<u>6,611,534</u>	<u>6,690,527</u>	<u>13,245,019</u>	<u>13,256,638</u>
Total assets		<u>38,343,213</u>	<u>36,864,695</u>	<u>34,032,055</u>	<u>32,964,629</u>

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 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
		806,292	666,700	-	-
		806,292	666,700	-	-
Trade and other payables	11	9,048,653	8,969,013	6,496,146	6,559,907
Income tax payable		51,198	51,140	-	-
Short-term provisions	14	184,838	246,676	-	-
Dividend payable	15	3,367,930	-	3,367,930	-
Other current liabilities	12	310,529	386,644	54,619	120,480
Total current liabilities		13,769,440	10,320,173	9,918,695	6,680,387
Non-current liabilities					
Deferred tax liabilities		46,165	35,925	-	-
Provision for long-term employee benefits	13	993,339	985,552	132,530	126,838
Long-term provisions	14	191,124	189,983	74,387	68,082
Other non-current liabilities		7,140	7,381	1,190	1,050
Total non-current liabilities		1,237,768	1,218,841	208,107	195,970
Total liabilities		15,007,208	11,539,014	10,126,802	6,876,357
Shareholders' equity					
Share capital					
Registered					
		1,259,000,000 ordinary shares of Baht 1 each	1,259,000	1,259,000	1,259,000
		1,259,000,000 ordinary shares of Baht 1 each	1,259,000	1,259,000	1,259,000
Issued and fully paid-up					
		1,247,381,614 ordinary shares of Baht 1 each	1,247,382	1,247,382	1,247,382
		1,247,381,614 ordinary shares of Baht 1 each	1,247,382	1,247,382	1,247,382
Share premium		1,491,912	1,491,912	1,491,912	1,491,912
Retained earnings					
		Appropriated - Statutory reserve	125,900	125,900	125,900
		Unappropriated	22,129,134	24,098,351	23,223,078
Other components of shareholders' equity		(1,658,323)	(1,637,864)	-	-
Equity attributable to owners of the Company		23,336,005	25,325,681	23,905,253	26,088,272
Total shareholders' equity		23,336,005	25,325,681	23,905,253	26,088,272
Total liabilities and shareholders' equity		38,343,213	36,864,695	34,032,055	32,964,629
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2014**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and service income		10,770,510	9,539,381	7,026,612	6,576,932
Other income					
Interest income		55,646	54,211	48,742	48,037
Gain on exchange		74,914	8,016	3,251	-
Others		86,216	70,501	43,251	79,129
Total revenues		10,987,286	9,672,109	7,121,856	6,704,098
Expenses					
Cost of sales and services		7,855,392	6,964,269	4,972,885	4,820,947
Selling expenses		691,955	592,187	215,474	181,855
Administrative expenses		456,212	398,272	298,264	290,121
Research and development expenses		479,605	429,622	435,885	395,955
Loss on exchange rate		-	-	-	28,362
Other expenses		40,537	55,605	14,437	12,129
Total expenses		9,523,701	8,439,955	5,936,945	5,729,369
Profit before share of profit from investment in an associated company, finance cost and income tax expenses					
		1,463,585	1,232,154	1,184,911	974,729
Share of profit from investment in an associated company		63	-	-	-
Profit before finance cost and income tax expenses		1,463,648	1,232,154	1,184,911	974,729
Finance cost		(20,329)	(16,134)	-	-
Profit before income tax expenses		1,443,319	1,216,020	1,184,911	974,729
Income tax expenses	16	(44,606)	(292)	-	-
Profit for the period		1,398,713	1,215,728	1,184,911	974,729
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(20,459)	(307,566)	-	-
Other comprehensive income for the period		(20,459)	(307,566)	-	-
Total comprehensive income for the period		1,378,254	908,162	1,184,911	974,729

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	<u>1,398,713</u>	<u>1,215,728</u>	<u>1,184,911</u>	<u>974,729</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,378,254</u>	<u>908,162</u>	<u>1,184,911</u>	<u>974,729</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.12</u>	<u>0.97</u>	<u>0.95</u>	<u>0.78</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
Balance as at 31 December 2012 (Audited)	1,247,382	1,491,912	125,900	21,676,381	(2,044,943)	(2,044,943)	22,496,632
Profit for the period	-	-	-	1,215,728	-	-	1,215,728
Other comprehensive income for the period	-	-	-	-	(307,566)	(307,566)	(307,566)
Total comprehensive income for the period	-	-	-	1,215,728	(307,566)	(307,566)	908,162
Dividend paid (Note 15)	-	-	-	(2,993,716)	-	-	(2,993,716)
Balance as at 31 March 2013	1,247,382	1,491,912	125,900	19,898,393	(2,352,509)	(2,352,509)	20,411,078
Balance as at 31 December 2013 (Audited)	1,247,382	1,491,912	125,900	24,098,351	(1,637,864)	(1,637,864)	25,325,681
Profit for the period	-	-	-	1,398,713	-	-	1,398,713
Other comprehensive income for the period	-	-	-	-	(20,459)	(20,459)	(20,459)
Total comprehensive income for the period	-	-	-	1,398,713	(20,459)	(20,459)	1,378,254
Dividend paid (Note 15)	-	-	-	(3,367,930)	-	-	(3,367,930)
Balance as at 31 March 2014	1,247,382	1,491,912	125,900	22,129,134	(1,658,323)	(1,658,323)	23,336,005

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand 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 2012 (Audited)	1,247,382	1,491,912	125,900	21,231,294	24,096,488
Total comprehensive income for the period	-	-	-	974,729	974,729
Dividend paid (Note 15)	-	-	-	(2,993,716)	(2,993,716)
Balance as at 31 March 2013	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>19,212,307</u>	<u>22,077,501</u>
Balance as at 31 December 2013 (Audited)	1,247,382	1,491,912	125,900	23,223,078	26,088,272
Total comprehensive income for the period	-	-	-	1,184,911	1,184,911
Dividend paid (Note 15)	-	-	-	(3,367,930)	(3,367,930)
Balance as at 31 March 2014	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>21,040,059</u>	<u>23,905,253</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:				
Profit before tax	1,443,319	1,216,020	1,184,911	974,729
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	192,114	213,590	131,383	138,480
Amortisation of other intangible assets	26,083	21,439	3,542	2,923
Recording of allowance for doubtful accounts (reversal)	(7,475)	(7,827)	(3,187)	(9,301)
Decrease of inventory to net realisable value (reversal)	63,060	(88,645)	18,488	(61,889)
Increase in provision for long-term employee benefits	28,793	18,474	8,393	2,333
Recording of the increase in provisions (reversal)	(47,527)	101,345	6,306	3,294
Share of profit from investment in an associated company	(63)	-	-	-
Gain from disposal of property, plant and equipment	(1,322)	(1,124)	(1,113)	(3,109)
Loss on disposal of other intangible assets	4,715	2,304	-	-
Unrealised (gain) loss on exchange	170,981	(7,313)	189,178	7,692
Interest income	(55,646)	(54,211)	(48,742)	(48,037)
Interest expenses	20,329	16,134	-	-
Income from operating activities before changes in operating assets and liabilities	1,837,361	1,430,186	1,489,159	1,007,115
Decrease (increase) in operating assets:				
Trade and other receivables	(424,124)	(121,717)	230,119	(113,894)
Inventories	(112,656)	316,779	(354,915)	74,240
Other current assets	(166,135)	11,670	(39,413)	(18,918)
Other non-current assets	(16,303)	8,599	(6,596)	(645)
Increase (decrease) in operating liabilities:				
Trade and other payables	206,893	(743,436)	32,983	29,161
Other current liabilities	(78,701)	(648)	(63,501)	(11,297)
Provision for long-term employee benefits	(13,817)	(9,650)	(2,701)	-
Provisions	(13,641)	(220,384)	(2,909)	-
Other non-current liabilities	(274)	(14,078)	140	-
Cash flows from operating activities	1,218,603	657,321	1,282,366	965,762
Cash received from interest income	35,458	52,336	28,802	46,356
Cash paid for interest expenses	(16,012)	(16,976)	-	-
Cash paid for corporate income tax	(21,004)	(24,082)	(602)	(474)
Net cash flows from operating activities	1,217,045	668,599	1,310,566	1,011,644

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	14,232	34,532	-	-
Acquisition of property, plant and equipment	(179,101)	(182,361)	(118,199)	(78,544)
Proceeds from disposal of property, plant and equipment	5,894	12,871	3,969	7,841
Increase in other intangible assets	(12,433)	(1,541)	(1,367)	-
Net cash flows used in investing activities	(171,408)	(136,499)	(115,597)	(70,703)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	140,344	(6,548)	-	-
Net cash flows from (used in) financing activities	140,344	(6,548)	-	-
Decrease in translation adjustment	(1,531)	(161,283)	-	-
Net increase in cash and cash equivalents	1,184,450	364,269	1,194,969	940,941
Unrealised gain (loss) on exchange for cash and cash equivalents	(59,392)	40,454	(48,539)	43,419
Cash and cash equivalents at beginning of period	14,952,793	12,781,778	9,591,930	8,697,360
Cash and cash equivalents at end of period	16,077,851	13,186,501	10,738,360	9,681,720
	-	-	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2014

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013.

1.3 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company and its subsidiaries disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to the consolidated financial statements for the year ended 31 December 2013.

The Company and its subsidiaries' management have assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believe that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact on the Company and its subsidiaries' financial statements.

(b) Accounting standards that will become effective in the future

The Company and its subsidiaries have disclosed the financial reporting standard that will be effective in the future in the notes to the consolidated financial statements for the year ended 31 December 2013.

The Company and its subsidiaries' management have assessed the effect of this financial reporting standard and believe that it is not relevant to the business of the Company and its' subsidiaries.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

2. Related party transactions

During the periods, 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)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,183	2,060	With reference to market prices
Purchase of raw materials	-	-	15	35	With reference to market prices
Commission paid	-	-	24	47	Contract prices
Marketing fee	-	-	80	85	Contract prices
Design and engineering fee	-	-	313	287	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	341	325	265	323	With reference to market prices
Purchase of goods and raw materials	690	548	41	32	With reference to market prices
Commission paid	89	66	89	66	Contract prices
Commission received	16	18	-	-	Contract prices
Services income	49	27	-	-	Contract prices
Service paid	15	36	15	36	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2014 and 31 December 2013 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade accounts receivables, related parties (Note 3)</u>				
Subsidiary companies	-	-	2,891	3,339
Other related companies (under common control)	424	428	275	360
Total trade accounts receivables, related parties	<u>424</u>	<u>428</u>	<u>3,166</u>	<u>3,699</u>
<u>Trade accounts payables, related parties (Note 11)</u>				
Subsidiary companies	-	-	16	15
Other related companies (under common control)	823	878	39	32
Total trade accounts payables, related parties	<u>823</u>	<u>878</u>	<u>55</u>	<u>47</u>
<u>Amounts due to related parties (Note 11)</u>				
Subsidiary companies	-	-	682	957
Other related companies (under common control)	115	198	85	85
Total amounts due to related parties	<u>115</u>	<u>198</u>	<u>767</u>	<u>1,042</u>

Directors and management's benefits

For the three-month periods ended 31 March 2014 and 2013, 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	
	2014	2013	2014	2013
Short-term employee benefits	57	56	23	19
Post-employment benefits	5	12	2	9
Other long-term benefits	1	-	-	-
Termination benefits	-	2	-	-
Total	<u>63</u>	<u>70</u>	<u>25</u>	<u>28</u>

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	416	419	2,474	3,461
Past due 1 - 3 months	7	9	684	238
Past due 3 - 6 months	1	-	8	-
Total	424	428	3,166	3,699
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	7,120	6,918	2,880	2,851
Past due 1 - 3 months	858	828	233	201
Past due 3 - 6 months	48	76	8	1
Past due 6 - 12 months	42	34	-	1
Past due over 12 months	54	58	-	-
Total	8,122	7,914	3,121	3,054
Total trade accounts receivable	8,546	8,342	6,287	6,753
Less: Allowance for doubtful accounts	(149)	(156)	(9)	(12)
Total trade receivables - net	8,397	8,186	6,278	6,741
<u>Other receivables</u>				
Other receivables	50	68	5	6
Total other receivables	50	68	5	6
Trade and other receivables - net	8,447	8,254	6,283	6,747

(Unaudited but reviewed)

4. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the three-month period ended 31 March 2014 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2014	946	403
Add: Reduce cost to net realisable value of inventories increase during the period	46	-
Less: Reversal of reduce cost to net realisable value of inventory account during the period	(24)	(8)
Balance as at 31 March 2014	<u>968</u>	<u>395</u>

5. Other current assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Input tax refundable	538	525	73	56
Advance payments	96	88	26	20
Prepaid expenses	274	179	39	24
Prepaid tax	134	147	-	-
Forward contracts receivable	51	2	2	-
Others	115	77	33	13
Total other current assets	<u>1,208</u>	<u>1,018</u>	<u>173</u>	<u>113</u>

(Unaudited but reviewed)

6. Investment in associated company

(Unit: Million Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investment in associated company for the three-month periods ended 31 March	
			31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	2014	2013
			%	%						
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding Business	Singapore	45	45	157	157	175	175	0.06	-
Translation adjustment					-	-	(1)	19	-	-
Total investment in associated company					157	157	174	194	0.06	-

(Unaudited but reviewed)

7. Investments in subsidiary companies

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

Company's name	Cost	
	31 March 2014	31 December 2013
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Energy Systems (Switzerland) AG	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	190	190
Delta Energy Systems (Singapore) Pte. Ltd.	892	892
Subtotal	12,947	12,947
Less: Loss on impairment of investments in subsidiary companies	(2,196)	(2,196)
Investments in subsidiary companies - net	10,751	10,751

No dividend was received from the above subsidiary companies during the three-month periods ended 31 March 2014 and 2013.

8. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2014 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Office building		Total
Land for rent	for rent		
Net book value as at 1 January 2014	44	245	289
Depreciation for the period	-	(3)	(3)
Translation adjustment	(1)	(2)	(3)
Net book value as at 31 March 2014	43	240	283

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2014 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2014	4,767	2,481
Acquisitions during period - cost	179	118
Disposals during period - net book value at disposal date	(5)	(3)
Depreciation for the period	(189)	(131)
Translation adjustment	(1)	-
Net book value as at 31 March 2014	<u>4,751</u>	<u>2,465</u>

10. Other intangible assets

Movements of the other intangible asset account during the three-month period ended 31 March 2014 are summarised below.

	Consolidated financial statements				Separate
	Computer				financial statements
	Patent rights	software	Others	Total	Computer software
Net book value as at 1 January 2014	589	50	5	644	20
Increase during period	-	9	3	12	1
Disposals during period - net book value at disposal date	-	(4)	(1)	(5)	-
Amortisation for the period	(13)	(12)	(1)	(26)	(3)
Translation adjustment	(7)	1	-	(6)	-
Net book value as at 31 March 2014	<u>569</u>	<u>44</u>	<u>6</u>	<u>619</u>	<u>18</u>

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Trade payables - related parties	823	878	55	47
Trade payables - unrelated parties	5,236	4,945	3,985	3,798
Amount due to related parties	115	198	767	1,042
Other payables	381	329	309	294
Accrued expenses	2,251	2,321	1,247	1,236
Advance received	243	298	133	143
Total trade and other payables	9,049	8,969	6,496	6,560

12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Forward contracts payable	18	147	1	62
Withholding tax payable	126	81	45	45
Value added tax payable	126	98	-	-
Others	41	61	9	13
Total other current liabilities	311	387	55	120

13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the three-month period ended 31 March 2014 are summarised below.

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2014	986	127
Add: Recognition during period	31	9
Less: Decrease during period	(14)	(3)
Less: Reversal during period	(2)	-
Translation adjustment	(8)	-
Balance as at 31 March 2014	993	133

(Unaudited but reviewed)

14. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring	Warranty	Other	Total	Warranty	Total
	costs		provisions			
Balance as at 31 December 2013 (Audited)	28	194	215	437	68	68
Recognition during period	-	33	12	45	8	8
Decrease during period	(4)	(2)	(5)	(11)	-	-
Reversal during period	(1)	(29)	(63)	(93)	(2)	(2)
Translation adjustment	-	(1)	(1)	(2)	-	-
Balance as at 31 March 2014	23	195	158	376	74	74
Short-term provisions	28	40	179	247	-	-
Long-term provisions	-	154	36	190	68	68
Balance as at 31 December 2013 (Audited)	28	194	215	437	68	68
Short-term provisions	23	45	117	185	-	-
Long-term provisions	-	150	41	191	74	74
Balance as at 31 March 2014	23	195	158	376	74	74

(Unaudited but reviewed)

15. Dividends

Dividends declared in 2014 and 2013 consisted of the followings:

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividend for year 2013	Annual General Meeting of the shareholders on 31 March 2014	3,368	2.70
Final dividend for year 2012	Annual General Meeting of the shareholders on 29 March 2013	2,994	2.40

16. Income tax

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Current income tax charge	(21)	(9)
Deferred tax:		
Increase (decrease) in deferred tax assets	(14)	29
Increase in deferred tax liabilities	(10)	(25)
Translation adjustment	-	5
Income tax expenses reported in the statement of comprehensive income	(45)	-

(Unaudited but reviewed)

17. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month periods ended 31 March 2014 and 2013 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

(Unit: Million Baht)

	Power electronics segment		Energy management segment		Smart green life segment		Others		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue										
Revenue from external customers	7,271	6,701	3,041	2,326	149	154	310	358	10,771	9,539
Total revenue	<u>7,271</u>	<u>6,701</u>	<u>3,041</u>	<u>2,326</u>	<u>149</u>	<u>154</u>	<u>310</u>	<u>358</u>	<u>10,771</u>	<u>9,539</u>
Segment profit (loss)	1,425	1,312	221	125	(4)	31	(354)	(313)	1,288	1,155
Unallocated income (expenses):										
Interest income									56	54
Gain on exchange rate									75	8
Other income									86	71
Other expenses									(41)	(56)
Finance cost									(20)	(16)
Profit before income tax expenses									1,444	1,216
Income tax expenses									(45)	-
Profit for the period									<u>1,399</u>	<u>1,216</u>

18. Commitments and contingent liabilities

18.1 Capital commitments and operating lease commitments

18.1.1 As at 31 March 2014, the Company and its subsidiaries had significant capital commitments amounting to Baht 117 million, EUR 0.2 million or approximately Baht 9 million and INR 10 million or approximately Baht 5 million in respect of the purchase of machinery and equipment (31 December 2013: Baht 87 million, EUR 0.2 million or approximately Baht 7 million and INR 10 million or approximately Baht 5 million).

18.1.2 As at 31 March 2014, the subsidiaries had significant operating lease commitments amounting to SEK 1.6 million or approximately Baht 8 million, PLN 1.2 million or approximately Baht 13 million, CHF 0.8 million or approximately Baht 31 million, GBP 0.5 million or approximately Baht 25 million, INR 81 million or approximately Baht 44 million and EUR 5.4 million or approximately Baht 241 million (31 December 2013: SEK 2 million or approximately Baht 9 million, PLN 1 million or approximately Baht 13 million, CHF 1 million or approximately Baht 21 million, GBP 0.4 million or approximately Baht 24 million, INR 87 million or approximately Baht 46 million and EUR 6 million or approximately Baht 260 million).

18.2 Guarantee obligations

As at 31 March 2014, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

18.2.1 Outstanding letters of guarantee totaling approximately Baht 1,160 million (31 December 2013: Baht 1,160 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (31 December 2013: Baht 1,135 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 18.3.1 to the financial statements).

18.2.2 Outstanding letters of guarantee for totals of approximately INR 369 million or approximately Baht 199 million, EUR 1 million or approximately Baht 66 million, USD 1 million or approximately Baht 30 million and BRL 1 million or approximately Baht 17 million have been issued by banks to meet requirements of its subsidiaries (31 December 2013: INR 226 million or approximately Baht 119 million, EUR 1 million or approximately Baht 61 million, USD 1 million or approximately Baht 37 million and BRL 3 million or approximately Baht 35 million).

18.3 Tax assessment

18.3.1 In 2006, the Company received a corporate income tax assessment notice from 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 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 a 50% reduction of the penalties (reduced to Baht 121 million from the amount of Baht 241 million previously calculated by the Revenue Department), while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court's order and therefore submitted a letter appealing the judgment of the Central Tax Court to the Tax Division of the Supreme 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. During 2013, the Committee rejected the Company’s appeal. However, on 3 October 2013, the Company petitioned the Central Tax Court to consider revoking this tax assessment. The appeal is currently under the consideration of the Central Tax Court.

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.

18.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 95 million or approximately Baht 51 million, covering the years 2003 - 2014, and sales tax and excise duties of approximately INR 102 Million or approximately Baht 55 million, covering the years 2005 - 2012, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 31 March 2014, those subsidiaries had recorded prepaid tax amounting to approximately INR 167 million or approximately Baht 90 million and income tax payable amounting to INR 5 million or approximately Baht 3 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.

19. Financial derivatives

As at 31 March 2014 and 31 December 2013, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	177	245	119	146	32.4432	32.8136
Euro	18	13	4	5	44.6075	45.0217
Japanese yen	145	147	250	121	0.3155	0.3130
Czech koruna	6	-	-	-	1.6263	-
Polish zloty	2	4	-	-	10.6943	10.8565

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 31 March 2014 and 31 December 2013, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

As at 31 March 2014						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	110 million	32.34200 - 33.46000	THB/USD	April - July 2014	
USD/CHF	USD	9 million	0.87275 - 0.88292	CHF/USD	April 2014	
EUR/CHF	EUR	1 Million	1.21805 - 1.21846	CHF/EUR	April 2014	
EUR/TRY	EUR	1 million	3.05200 - 3.11460	TRY/EUR	April 2014	
USD/TRY	USD	6 million	2.21350 - 2.24800	TRY/USD	April 2014	
PLN/CHF	PLN	1 million	3.46910	PLN/CHF	April 2014	
USD/BRL	USD	1 million	2.29450 - 2.38180	BRL/USD	April 2014	
EUR/SEK	EUR	1 Million	8.85800 - 8.86860	SEK/EUR	April 2014	
Forward contracts to "Buy"						
USD/RUB	USD	1 million	36.75610	RUB/USD	April 2014	
USD/INR	USD	12 million	61.02000 - 64.08000	INR/USD	April - June 2014	
USD/AUD	USD	1 million	0.89900 - 0.91060	USD/AUD	April 2014	

(Unaudited but reviewed)

As at 31 December 2013						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	117	million	31.20200 - 33.11000	THB/USD	January - April 2014
USD/CHF	USD	7	million	0.88722 - 0.91605	CHF/USD	January 2014
EUR/USD	EUR	2	million	1.34202 - 1.37385	USD/EUR	January 2014
USD/TRY	USD	4	million	2.02200 - 2.02320	TRY/USD	January 2014
PLN/CHF	PLN	3	million	3.43450 - 3.43470	PLN/CHF	January 2014
USD/BRL	USD	2	million	2.30000 - 2.30860	BRL/USD	January 2014
EUR/SEK	EUR	1	Million	8.92800 - 9.06020	SEK/EUR	January 2014
Forward contracts to “Buy”						
USD/RUB	USD	5	million	32.95580 - 33.32480	RUB/USD	January 2014
USD/INR	USD	6	million	61.80500 - 63.55250	INR/USD	January - March 2014
EUR/CHF	EUR	2	Million	1.22390 - 1.23100	CHF/EUR	January 2014
USD/AUD	USD	1	million	0.90370	USD/AUD	January 2014

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 28 April 2014.