

Delta Electronics (Thailand) Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month period ended 31 March 2010

## **Review report of Independent Auditor**

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

I have reviewed the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2010, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2010, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. The consolidated interim financial statements of certain overseas subsidiary companies for the three-month period ended 31 March 2010 were reviewed by the subsidiary companies' auditors, whose reports have been furnished to me. My report on the consolidated financial statements for the three-month period ended 31 March 2010, insofar as they relate to the amounts included for these subsidiary companies, is based solely on the reports of those other auditors. These financial statements reflect total assets as at 31 March 2010 of approximately Baht 5,111 million, total revenues for the three-month period ended 31 March 2010 of approximately Baht 2,735 million and net loss for the three-month period ended 31 March 2010 of approximately Baht 43 million.

I conducted my review in accordance with the auditing standards applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review and the reports of the other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying the review report on the aforementioned financial statements, I draw attention to Note 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 2000.

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

The consolidated statements of income, changes in shareholders' equity and cash flows of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the three-month period ended 31 March 2009, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 7 May 2009, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 10 May 2010

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

**Balance sheets**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Notes</u>	<u>31 March 2010</u>	<u>31 December 2009</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		10,988,502,812	10,552,858,435	7,983,045,302	7,545,051,143
Investments in available-for-sale securities	3	-	178,516,270	-	-
Trade accounts receivable					
Related parties	2	306,256,106	266,562,291	1,791,050,871	1,646,325,622
Unrelated parties		5,204,492,315	5,274,245,565	2,177,358,264	2,099,680,859
Less: Allowance for doubtful accounts		(58,817,214)	(55,541,098)	(8,134,826)	(7,710,377)
Trade accounts receivable - net	4	5,451,931,207	5,485,266,758	3,960,274,309	3,738,296,104
Amounts due from related parties	2	10,423,295	-	66,069	-
Inventories - net	5	4,648,763,859	3,829,213,794	2,626,954,232	1,905,651,539
Other current assets					
Input tax refundable		281,556,961	276,004,959	52,387,992	51,411,720
Advance payments		202,840,386	114,344,157	5,469,897	1,294,996
Forward contracts receivable	19	59,036,185	11,678,483	3,699,200	3,499,050
Prepaid expenses		47,243,879	50,219,724	5,154,786	9,240,963
Prepaid tax		294,621,511	294,736,006	-	-
Other accounts receivable		60,520,864	48,191,951	-	-
Others		92,843,199	63,623,383	8,130,232	5,769,074
<b>Total current assets</b>		<b>22,138,284,158</b>	<b>20,904,653,920</b>	<b>14,645,182,019</b>	<b>13,260,214,589</b>
<b>Non-current assets</b>					
Deposits at bank with restrictions	6	197,846,830	209,427,887	-	-
Investments in subsidiary companies - net	7	-	-	7,480,389,427	7,480,389,427
Investment in associated company	8	579,059,740	591,494,276	-	-
Other long-term Investments - net	9	471,411,199	495,970,767	-	-
Property, plant and equipment - net	10	3,572,807,372	3,644,142,844	2,101,197,707	2,072,375,735
Intangible assets - net	11	782,988,696	820,691,801	-	-
Deferred tax assets		70,203,010	75,075,130	-	-
Other non-current assets					
Consolidation goodwill		306,757,971	306,757,971	-	-
Others		26,764,115	29,690,551	1,775,869	1,775,869
<b>Total non-current assets</b>		<b>6,007,838,933</b>	<b>6,173,251,227</b>	<b>9,583,363,003</b>	<b>9,554,541,031</b>
<b>Total assets</b>		<b>28,146,123,091</b>	<b>27,077,905,147</b>	<b>24,228,545,022</b>	<b>22,814,755,620</b>

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

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

**Balance sheets (continued)**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Notes</u>	<u>31 March 2010</u>	<u>31 December 2009</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	12	1,257,550,424	1,318,607,054	-	-
Trade accounts payable					
Related parties	2	343,699,811	421,610,599	149,956,382	95,843,576
Unrelated parties		4,819,029,058	4,223,536,964	3,873,833,974	3,288,504,587
Total trade accounts payable		5,162,728,869	4,645,147,563	4,023,790,356	3,384,348,163
Amounts due to related parties	2	48,365,852	142,942,626	153,066,650	227,961,664
Short-term provisions	13	165,874,791	114,460,921	4,511,353	4,428,913
Other current liabilities					
Accrued expenses		1,149,950,695	1,070,959,018	459,393,433	345,809,346
Advance received		140,532,789	180,005,727	98,197,872	116,851,764
Other accounts payable		286,186,774	266,982,794	203,731,088	154,533,231
Value added tax payable		112,687,435	103,301,479	-	-
Income tax payable		192,562,819	193,035,749	-	-
Others		207,539,045	182,753,530	98,317,655	91,280,057
<b>Total current liabilities</b>		<b>8,723,979,493</b>	<b>8,218,196,461</b>	<b>5,041,008,407</b>	<b>4,325,213,138</b>
<b>Non-current liabilities</b>					
Long-term provisions	13	1,093,058,130	1,196,398,948	85,059,609	82,340,577
Other non-current liabilities		25,181,452	15,088,546	1,035,000	1,035,000
<b>Total non-current liabilities</b>		<b>1,118,239,582</b>	<b>1,211,487,494</b>	<b>86,094,609</b>	<b>83,375,577</b>
<b>Total liabilities</b>		<b>9,842,219,075</b>	<b>9,429,683,955</b>	<b>5,127,103,016</b>	<b>4,408,588,715</b>

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

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

**Balance sheets (continued)**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Notes</u>	<u>31 March 2010</u>	<u>31 December 2009</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
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	14	1,247,380,634	1,247,380,634	1,247,380,634	1,247,380,634
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised gain on changes in value of available-for-sale securities					
	3	-	105,636,106	-	-
Translation adjustments		(1,311,877,244)	(1,183,016,585)	-	-
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		<u>16,694,167,349</u>	<u>15,800,567,230</u>	<u>16,236,248,872</u>	<u>15,540,973,771</u>
Equity attributable					
to the Company's shareholders		18,247,483,239	17,588,379,885	19,101,442,006	18,406,166,905
Minority interest - equity attributable to minority shareholders of subsidiary					
		<u>56,420,777</u>	<u>59,841,307</u>	-	-
<b>Total shareholders' equity</b>		<u>18,303,904,016</u>	<u>17,648,221,192</u>	<u>19,101,442,006</u>	<u>18,406,166,905</u>
<b>Total liabilities and shareholders' equity</b>		<u>28,146,123,091</u>	<u>27,077,905,147</u>	<u>24,228,545,022</u>	<u>22,814,755,620</u>
		-	-	-	-

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

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

## Income statements

For the three-month periods ended 31 March 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2010	2009	2010	2009
<b>Revenues</b>					
Sales and service income		7,545,461,899	6,358,838,003	5,115,265,714	4,192,882,336
Other income					
Interest income		13,834,737	26,479,702	12,055,226	23,110,575
Gain on exchange		31,467,078	14,825,588	-	95,969,541
Gain on sales of investments in available-for-sale securities	3	103,576,840	-	-	-
Others		42,173,002	58,882,969	9,596,029	6,871,651
<b>Total revenues</b>		<u>7,736,513,556</u>	<u>6,459,026,262</u>	<u>5,136,916,969</u>	<u>4,318,834,103</u>
<b>Expenses</b>					
Cost of sales and services		5,457,012,059	4,714,570,896	3,747,073,073	3,024,766,069
Selling expenses		477,123,228	418,526,749	353,289,939	334,859,073
Administrative expenses		300,023,632	222,019,719	149,202,430	103,340,644
Research and development expenses		432,861,331	379,036,461	140,641,061	127,355,148
Management benefit expenses	2	74,873,039	86,867,600	6,564,254	3,600,816
Loss on exchange		-	-	33,545,515	-
Other expenses		69,418,434	85,531,171	11,325,596	41,403,781
<b>Total expenses</b>		<u>6,811,311,723</u>	<u>5,906,552,596</u>	<u>4,441,641,868</u>	<u>3,635,325,531</u>
<b>Income before share of income from investment in associated company, finance cost and corporate income tax</b>					
		925,201,833	552,473,666	695,275,101	683,508,572
Share of income from investment in associated company	8	5,295,977	8,173,165	-	-
<b>Income before finance cost and corporate income tax</b>					
		930,497,810	560,646,831	695,275,101	683,508,572
Finance cost		(12,259,103)	(31,618,006)	-	-
<b>Income before corporate income tax</b>					
		918,238,707	529,028,825	695,275,101	683,508,572
Corporate income tax		(24,730,836)	(17,725,232)	-	-
<b>Net income for the period</b>					
		<u>893,507,871</u>	<u>511,303,593</u>	<u>695,275,101</u>	<u>683,508,572</u>
<b>Net income attributable to:</b>					
Equity holders of the parent		893,600,119	511,360,629	695,275,101	683,508,572
Minority interests of the subsidiary (loss)		(92,248)	(57,036)	-	-
		<u>893,507,871</u>	<u>511,303,593</u>		
<b>Earnings per share</b>					
16					
<b>Basic earnings per share</b>					
Net income attributable to equity holders of the parent		<u>0.72</u>	<u>0.41</u>	<u>0.56</u>	<u>0.55</u>
<b>Diluted earnings per share</b>					
Net income attributable to equity holders of the parent		<u>0.72</u>	<u>0.41</u>	<u>0.56</u>	<u>0.55</u>

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

(Unaudited but reviewed)

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

## Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2010 and 2009

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to the parent's shareholders						Total equity attributable to the parent's shareholders	Minority interest-equity attributable to minority shareholders of subsidiary	Total
	Issued and fully paid-up share capital	Share premium	Unrealised gain on changes in value of available-for-sale securities	Translation adjustments	Retained earnings				
					Appropriated	Unappropriated			
<b>Balance as at 31 December 2008 (Audited)</b>	1,247,380,634	1,491,912,500	(19,729,022)	(1,044,166,184)	125,900,000	14,983,303,425	16,784,601,353	61,331,575	16,845,932,928
<b>Income and expenses recognised directly in equity:</b>									
Unrealised gain on changes in value of available-for-sale securities	-	-	20,126,418	-	-	-	20,126,418	-	20,126,418
Translation adjustments	-	-	-	83,185,477	-	-	83,185,477	(4,050,378)	79,135,099
<b>Net income and expenses recognised directly in equity</b>	-	-	20,126,418	83,185,477	-	-	103,311,895	(4,050,378)	99,261,517
Net income for the period	-	-	-	-	-	511,360,629	511,360,629	(57,036)	511,303,593
<b>Total income and expenses of the period</b>	-	-	20,126,418	83,185,477	-	511,360,629	614,672,524	(4,107,414)	610,565,110
<b>Balance as at 31 March 2009</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>397,396</u>	<u>(960,980,707)</u>	<u>125,900,000</u>	<u>15,494,664,054</u>	<u>17,399,273,877</u>	<u>57,224,161</u>	<u>17,456,498,038</u>
<b>Balance as at 31 December 2009 (Audited)</b>	1,247,380,634	1,491,912,500	105,636,106	(1,183,016,585)	125,900,000	15,800,567,230	17,588,379,885	59,841,307	17,648,221,192
<b>Income and expenses recognised directly in equity:</b>									
Transferred to income due to sales of investments in available-for-sales securities	-	-	(105,636,106)	-	-	-	(105,636,106)	-	(105,636,106)
Translation adjustments	-	-	-	(128,860,659)	-	-	(128,860,659)	(3,328,282)	(132,188,941)
<b>Net income and expenses recognised directly in equity</b>	-	-	(105,636,106)	(128,860,659)	-	-	(234,496,765)	(3,328,282)	(237,825,047)
Net income for the period	-	-	-	-	-	893,600,119	893,600,119	(92,248)	893,507,871
<b>Total income and expenses of the period</b>	-	-	(105,636,106)	(128,860,659)	-	893,600,119	659,103,354	(3,420,530)	655,682,824
<b>Balance as at 31 March 2010</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>-</u>	<u>(1,311,877,244)</u>	<u>125,900,000</u>	<u>16,694,167,349</u>	<u>18,247,483,239</u>	<u>56,420,777</u>	<u>18,303,904,016</u>

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



(Unaudited but reviewed)

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

**Statements of changes in shareholders' equity (continued)**

**For the three-month periods ended 31 March 2010 and 2009**

(Unit: Baht)

	<b>Separate financial statements</b>				<b>Total</b>
	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		
			Appropriated	Unappropriated	
<b>Balance as at 31 December 2008 (Audited)</b>	1,247,380,634	1,491,912,500	125,900,000	14,397,125,242	17,262,318,376
Net income for the period	-	-	-	683,508,572	683,508,572
<b>Balance as at 31 March 2009</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>15,080,633,814</u>	<u>17,945,826,948</u>
<b>Balance as at 31 December 2009 (Audited)</b>	1,247,380,634	1,491,912,500	125,900,000	15,540,973,771	18,406,166,905
Net income for the period	-	-	-	695,275,101	695,275,101
<b>Balance as at 31 March 2010</b>	<u>1,247,380,634</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>16,236,248,872</u>	<u>19,101,442,006</u>
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The accompanying notes are an integral part of the financial statements.

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries****Cash flow statements****For the three-month periods ended 31 March 2010 and 2009**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>				
Net income before tax	918,238,707	529,028,825	695,275,101	683,508,572
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation	160,086,108	153,453,414	98,291,077	126,063,582
Amortisation in premium/discount of forward contracts	(21,237)	(948,249)	573,753	-
Amortisation of intangible assets	13,536,761	14,358,585	-	-
Allowance for doubtful accounts (reversal)	3,276,116	(23,305,483)	424,449	(13,845,920)
Allowance for diminution in value of inventory (reversal)	(104,960,490)	(24,334,467)	(21,387,684)	18,706,294
Increase (decrease) in provisions	75,648,145	(4,249,473)	3,382,413	529,653
Gain on sales of investments in available-for-sale securities	(103,576,840)	-	-	-
Share of income from investment in associated company	(5,295,977)	(8,173,165)	-	-
(Gain) loss from disposal of property, plant and equipment	(323,108)	119,799	(42,327)	84,744
Unrealised (gain) loss on exchange	(7,501,948)	(18,494,711)	34,357,703	(47,928,896)
Interest income	(13,834,737)	(26,479,702)	(12,055,226)	(23,110,575)
Interest expenses	12,259,103	31,618,006	-	-
Income from operating activities before changes in operating assets and liabilities	947,530,603	622,593,379	798,819,259	744,007,454
Decrease (increase) in operating assets:				
Trade accounts receivable	(38,116,706)	808,662,337	(290,578,795)	202,392,274
Amounts due from related parties	(10,423,295)	4,227,360	(66,069)	-
Inventories	(714,589,575)	262,008,752	(699,915,010)	53,230,422
Other current assets	(130,716,278)	24,415,819	(839,606)	29,772,533
Other non - current assets	(4,126,449)	1,019,076	-	-
Increase (decrease) in operating liabilities:				
Trade accounts payable	561,863,579	(921,938,941)	683,724,466	(542,641,859)
Amounts due to related parties	(102,476,122)	17,432,552	(82,794,362)	(20,476,754)
Other current liabilities	90,668,261	46,100,558	156,368,773	59,854,669
Provisions	(19,090,658)	(26,682,030)	(64,221)	(811,368)
Other non-current liabilities	3,241,702	(80,547)	-	(10,000)
Cash flows from operating activities	583,765,062	837,758,315	564,654,435	525,317,371
Cash received from interest income	12,982,012	29,284,803	9,436,731	21,922,212
Cash paid for interest expenses	(11,856,780)	(49,833,081)	-	-
Cash paid for corporate income tax	(6,751,546)	(39,149,184)	(91,262)	(267,342)
<b>Net cash flows from operating activities</b>	<b>578,138,748</b>	<b>778,060,853</b>	<b>573,999,904</b>	<b>546,972,241</b>

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

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

## Cash flow statements (continued)

For the three-month periods ended 31 March 2010 and 2009

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from investing activities:</b>				
Proceeds from disposal of investments				
in available-for-sale securities	177,229,951	-	-	-
Decrease in deposits at bank with restrictions	11,581,057	13,309,836	-	-
Increase in investments in subsidiary company	-	-	-	(491,437,028)
Decrease in other long-term investments	9,763,122	-	-	-
Acquisition of property, plant and equipment	(185,671,947)	(86,435,877)	(127,155,311)	(32,504,676)
Proceeds from disposal of property, plant and equipment	6,078,073	9,971,260	84,589	106,525
Increase in intangible assets	(116,840)	-	-	-
<b>Net cash flows from (used in) investing activities</b>	<u>18,863,416</u>	<u>(63,154,781)</u>	<u>(127,070,722)</u>	<u>(523,835,179)</u>
<b>Cash flows from financing activities:</b>				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(61,056,630)	(654,178,815)	-	-
<b>Net cash flows used in financing activities</b>	<u>(61,056,630)</u>	<u>(654,178,815)</u>	<u>-</u>	<u>-</u>
<b>(Decrease) increase in translation adjustments</b>	<u>(91,491,832)</u>	<u>75,160,678</u>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	444,453,702	135,887,935	446,929,182	23,137,062
Unrealised gain (loss) on exchange for cash and cash equivalents	(8,809,325)	34,299,283	(8,935,023)	34,251,346
<b>Cash and cash equivalents at beginning of period</b>	<u>10,552,858,435</u>	<u>9,131,391,349</u>	<u>7,545,051,143</u>	<u>6,551,478,418</u>
<b>Cash and cash equivalents at end of period</b>	<u>10,988,502,812</u>	<u>9,301,578,567</u>	<u>7,983,045,302</u>	<u>6,608,866,826</u>
	-	-	-	-

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

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

**Notes to consolidated interim financial statements**

**For the three-month period ended 31 March 2010**

**1. General information**

**1.1 Corporate information**

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Deltron Holding Limited, which is incorporated in the Channel Islands. The Company is principally engaged in the manufacture and distribution of electronic products and has a registered address at 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 Basis of consolidation**

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

**1.4 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 2009.

(Unaudited but reviewed)

## 2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	1,558	1,400	With reference to market prices
Purchase of raw materials	-	-	50	22	With reference to market prices
Commission paid	-	-	38	37	Contract prices
Marketing fee	-	-	45	39	Contract prices
Design and engineering fee	-	-	177	178	Contract prices
<b><u>Transactions with associated company</u></b>					
Sales of goods	-	3	-	3	With reference to market prices
<b><u>Transactions with related parties</u></b>					
Sales of goods and raw materials	275	152	263	150	With reference to market prices
Purchase of goods and raw materials	259	324	81	36	With reference to market prices
Commission paid	61	76	61	76	Contract prices
Commission received	13	9	-	-	Contract prices
Services income	10	4	-	-	Contract prices

(Unaudited but reviewed)

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

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<b><u>Trade accounts receivable, related parties</u></b>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	974,948,614	915,336,255
Delta Power Solutions (India) Private Limited	-	-	325,858,219	316,489,660
Delta Energy Systems (Switzerland) AG	-	-	153,222,040	133,886,972
Delta Energy Systems (India) Private Limited	-	-	1,352,539	3,709,269
Delta Electronics (Slovakia) s.r.o.	-	-	46,922,655	20,463,399
Delta Energy Systems (Germany) GmbH.	-	-	9,729,476	10,248,824
Delta Energy Systems (Brasil) S.A.	-	-	13,881,813	789,303
Others	-	-	449,623	1,305,429
	-	-	1,526,364,979	1,402,229,111
<u>Associated company</u>				
Delta Green (Tianjin) Industries Company Limited	1,798,581	3,575,225	1,798,581	3,575,225
	1,798,581	3,575,225	1,798,581	3,575,225
<u>Other related parties</u>				
Delta Products Corporation Limited	144,022,853	140,896,068	139,126,666	140,893,947
Delta Electronics International Limited	64,497,977	55,273,360	63,297,192	53,746,164
Delta Network International Limited	32,624,784	23,744,555	29,832,710	20,572,755
Delta Electronics Inc.	32,776,629	14,670,776	10,684,374	7,738,787
Delta Electronics (Jiangsu) Limited	2,949,902	2,289,631	2,925,957	2,264,225
Deltronics (Netherlands) BV	9,195,045	9,122,377	769,016	454,280
Delta Networks Inc.	8,243,882	5,939,536	8,243,882	5,939,536
Delta Greentech (China) Company Limited	4,036,682	6,041,438	4,036,682	6,041,438
Delta Electronics (Japan), Inc.	3,372,703	2,289,509	3,372,703	2,289,509
Others	2,737,068	2,719,816	598,129	580,645
	304,457,525	262,987,066	262,887,311	240,521,286
Total trade accounts receivable, related parties	306,256,106	266,562,291	1,791,050,871	1,646,325,622

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<b><u>Amounts due from related parties</u></b>				
Delta Energy Systems (Germany) GmbH.	-	-	66,069	-
Delta Electronics Inc.	10,423,295	-	-	-
Total amounts due from related parties	<u>10,423,295</u>	<u>-</u>	<u>66,069</u>	<u>-</u>
<b><u>Trade accounts payable, related parties</u></b>				
<u>Subsidiary companies</u>				
Delta Power Solutions (India) Private Limited	-	-	31,450,692	23,214,340
Delta Energy Systems (Germany) GmbH.	-	-	7,443,459	5,156,484
Delta Electronics (Slovakia) s.r.o.	-	-	8,715,391	5,876,982
Delta India Electronics Private Limited	-	-	1,342,544	3,136,716
Others	-	-	47,097	207,563
	<u>-</u>	<u>-</u>	<u>48,999,183</u>	<u>37,592,085</u>
<u>Other related parties</u>				
Delta Electronics International Limited	218,047,143	304,715,444	75,846,600	42,021,920
Delta Electronics (Shanghai) Limited	29,353,938	26,048,332	-	-
Delta Electronics Inc.	62,722,665	43,061,174	10,820,796	6,707,115
Delta Product Corporation Limited	17,848,650	7,472,587	8,880,023	4,298,011
Deltronics (Netherlands) BV	1,126,843	20,352,674	-	-
Delta Greentech (China) Company Limited	3,991,600	12,745,290	-	-
Delta Electronics (Japan), Inc.	6,050,956	6,203,685	5,405,314	5,205,194
Others	4,558,016	1,011,413	4,466	19,251
	<u>343,699,811</u>	<u>421,610,599</u>	<u>100,957,199</u>	<u>58,251,491</u>
Total trade accounts payable, related parties	<u>343,699,811</u>	<u>421,610,599</u>	<u>149,956,382</u>	<u>95,843,576</u>
<b><u>Amounts due to related parties</u></b>				
<u>Subsidiary companies</u>				
Delta Energy Systems (Germany) GmbH.	-	-	83,986,225	87,498,576
DET Logistics (USA) Corporation	-	-	9,637,599	10,024,485
Delta Electronics Europe Limited	-	-	3,586,254	25,868
Delta Energy Systems (Switzerland) AG	-	-	4,589	12,352,723
Others	-	-	9,472,476	4,369,390
	<u>-</u>	<u>-</u>	<u>106,687,143</u>	<u>114,271,042</u>

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<u>Other related parties</u>				
Delta Electronics Inc.	19,623,315	81,107,756	19,623,315	80,873,844
Delta Products Corporation Limited	17,888,131	21,346,160	17,888,131	21,346,160
Delta Electronics International Limited	2,958,157	9,385,165	2,958,157	5,341,140
Deltronics (Netherlands) BV	3,382,021	23,551,395	3,382,021	2,283,240
Delta Electronics (Japan), Inc.	2,268,419	3,216,921	2,268,419	3,216,921
Others	2,245,809	4,335,229	259,464	629,317
	<u>48,365,852</u>	<u>142,942,626</u>	<u>46,379,507</u>	<u>113,690,622</u>
Total amounts due to related parties	<u>48,365,852</u>	<u>142,942,626</u>	<u>153,066,650</u>	<u>227,961,664</u>

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

For the three-month period ended 31 March 2010, the Company and its subsidiaries had expenses related to the salaries, bonuses and meeting allowances to their directors and management totaling approximately of Baht 74.9 million (Separate financial statements: approximately of Baht 6.6 million) (31 March 2009: approximately of Baht 86.9 million, separate financial statements: approximately of Baht 3.6 million).

### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 18.2.2 to the financial statements.

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

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

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

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



(Unaudited but reviewed)

#### 4. Trade accounts receivable

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Audited)		(Audited)
<u>Trade accounts receivable, related parties</u>				
Current	298,213,925	262,431,211	1,771,583,983	1,601,319,064
Past due 1 - 3 months	6,269,154	2,322,074	17,668,696	43,197,552
Past due 3 - 6 months	21,911	-	47,075	-
Past due over 12 months	1,751,116	1,809,006	1,751,117	1,809,006
Total	<u>306,256,106</u>	<u>266,562,291</u>	<u>1,791,050,871</u>	<u>1,646,325,622</u>
<u>Trade accounts receivable, unrelated parties</u>				
Current	4,683,713,194	4,704,388,703	2,040,569,091	1,980,150,872
Past due 1 - 3 months	449,752,536	498,685,866	136,789,173	119,529,987
Past due 3 - 6 months	66,928,900	65,064,733	-	-
Past due 6 - 12 months	1,453,355	5,830,222	-	-
Past due over 12 months	2,644,330	276,041	-	-
Total	<u>5,204,492,315</u>	<u>5,274,245,565</u>	<u>2,177,358,264</u>	<u>2,099,680,859</u>
Total trade accounts receivable	5,510,748,421	5,540,807,856	3,968,409,135	3,746,006,481
Less: Allowance for doubtful accounts	<u>(58,817,214)</u>	<u>(55,541,098)</u>	<u>(8,134,826)</u>	<u>(7,710,377)</u>
Trade accounts receivable - net	<u>5,451,931,207</u>	<u>5,485,266,758</u>	<u>3,960,274,309</u>	<u>3,738,296,104</u>

(Unaudited but reviewed)

**5. Allowance for diminution in value of inventory**

Movement in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2010 is summarised below.

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2010	710,311,546	279,763,922
Add: Allowance increase during the period	1,835,710	-
Less: Reversal of allowance during the period	(106,796,200)	(21,387,684)
Balance as at 31 March 2010	<u>605,351,056</u>	<u>258,376,238</u>

**6. Deposits at bank with restrictions**

The balance as at 31 March 2010 mainly represented bank deposits of approximately RMB 26 million (31 December 2009: approximately RMB 26 million) of a subsidiary in the People's Republic of China which are subject to restrictions under the laws of the People's Republic of China and bank deposits of approximately EUR 1.4 million (31 December 2009: approximately EUR 1.2 million) of a subsidiary in Germany which are subject to pension fund restrictions.

(Unaudited but reviewed)

## 7. Investments in subsidiary companies

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

(Unit: Baht)

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

No dividend was received from the above subsidiary companies for the three-month period ended 31 March 2010.

(Unaudited but reviewed)

## 8. Investment in associated company

Details of investment in associated company.

(Unit: Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of income from investment in associated company for the three-month periods ended 31 March	
			31 March	31 December	31 March	31 December	31 March	31 December	2010	2009
			2010	2009	2010	2009	2010	2009	2010	2009
			%	%		(Audited)	(Audited)			
Delta Green (Tianjin) Industries Company Limited (owned by DET SGP Pte. Ltd.)	Manufacturing and trading of electronic products	The People's Republic of China	50	50	394,383,470	394,383,470	629,246,251	624,034,559	5,295,977	8,173,165
Translation adjustments					-	-	(50,186,511)	(32,540,283)	-	-
<b>Total investment in associated company</b>					<u>394,383,470</u>	<u>394,383,470</u>	<u>579,059,740</u>	<u>591,494,276</u>	<u>5,295,977</u>	<u>8,173,165</u>

(Unaudited but reviewed)

**9. Other long-term investments**

(Unit: Baht)

Company's name	Shareholding percentage		Consolidated financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
	%	%	(Audited)	
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	289,561,869	299,324,991
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	16.49	50,582,003	50,582,003
Delta Greentech (China) Company Limited (owned by Delta Greentech SGP Pte. Ltd.)	8.21	8.21	456,586,926	456,586,926
Total other long-term investments			796,730,798	806,493,920
Less: Allowance for diminution in value of investments in other long-term investments			(243,786,250)	(243,786,250)
Translation adjustments			(81,533,349)	(66,736,903)
<b>Other long-term investments - net</b>			<b>471,411,199</b>	<b>495,970,767</b>

**10. Property, plant and equipment**

Movements of the property, plant and equipment account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2010</b>	3,644,142,844	2,072,375,735
Acquisitions during period - cost	185,671,947	127,155,311
Disposals during period - net book value at disposal date	(5,754,965)	(42,262)
Depreciation for period	(160,086,108)	(98,291,077)
Translation adjustments	(91,166,346)	-
<b>Net book value as at 31 March 2010</b>	<b>3,572,807,372</b>	<b>2,101,197,707</b>

(Unaudited but reviewed)

## 11. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements		
	Patent rights	Others	Total
<b>Net book value as at 1 January 2010</b>	816,636,426	2,055,375	820,691,801
Increase during period	41,081	75,759	116,840
Amortisation for period	(13,316,745)	(220,016)	(13,536,761)
Translation adjustments	(24,219,769)	(63,415)	(24,283,184)
<b>Net book value as at 31 March 2010</b>	<b>781,140,993</b>	<b>1,847,703</b>	<b>782,988,696</b>

**Remaining useful lives** 14 years 8 months

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

(Unit: Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
				(Audited)
Bank overdrafts	10.00	10.00 - 11.50	6,790,189	9,820,579
Short-term loans from financial institutions	1.16 - 8.75	1.21 - 7.75	1,250,760,235	1,308,786,475
Total			<u>1,257,550,424</u>	<u>1,318,607,054</u>

Bank overdrafts and short-term loans from financial institutions of the subsidiaries are guaranteed by the Company, as described in Note 18.2.2 to the financial statements.

(Unaudited but reviewed)

### 13. Provisions

These comprise the following:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Post- retirement benefit costs	Restructuring costs	Warranty	Other provisions	Total	Post- retirement benefit costs	Warranty	Total
<b>Balance as at 31 December 2009</b>	996	48	179	88	1,311	65	22	87
Add: Recognition during period	17	-	17	78	112	3	4	7
Less: Decrease during period	(13)	(2)	-	(4)	(19)	-	-	-
Less: Reversal during period	(5)	-	(8)	(24)	(37)	-	(4)	(4)
Translation adjustments / unrealised gain on exchange rate	(81)	(4)	(12)	(11)	(108)	-	(1)	(1)
<b>Balance as at 31 March 2010</b>	<u>914</u>	<u>42</u>	<u>176</u>	<u>127</u>	<u>1,259</u>	<u>68</u>	<u>21</u>	<u>89</u>
Short-term provisions	6	20	7	81	114	-	4	4
Long-term provisions	990	28	171	7	1,196	65	18	83
<b>Balance as at 31 December 2009</b>	<u>996</u>	<u>48</u>	<u>178</u>	<u>88</u>	<u>1,310</u>	<u>65</u>	<u>22</u>	<u>87</u>
Short-term provisions	6	18	22	120	166	-	4	4
Long-term provisions	908	24	154	7	1,093	68	17	85
<b>Balance as at 31 March 2010</b>	<u>914</u>	<u>42</u>	<u>176</u>	<u>127</u>	<u>1,259</u>	<u>68</u>	<u>21</u>	<u>89</u>

#### **14. Share capital / warrants**

The Annual General Meeting of the shareholders held on 30 March 2005 approved a resolution to issue up to 59,000,000 warrants for offer to executive directors and other employees of the Company. The warrants can be exercised to subscribe to newly issued ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 1 each. They are a one-time issue and have a life of 5 years, with the exercise period commencing on the last business day of January 2006.

The Meeting of the Board of Directors of the Company held on 24 February 2010 approved resolutions to pay a dividend to shareholders. As a result the Company adjusted the exercise ratio of the warrants in the manner stated in the prospectus, such that 1 warrant can be exercised to purchase 1.231 ordinary shares at a price of Baht 1 per share, effective from 10 March 2010.

During the current period, no warrants were exercised to purchase new ordinary shares, leaving 3,198 warrants unexercised as at 31 March 2010.

#### **15. Dividends**

At the Annual General Meeting of the shareholders held on 5 April 2010, the meeting resolved that the Company pay a dividend of Baht 1.50 per share, totaling Baht 1,871 million to its shareholders, in respect of 2009 income.



(Unaudited but reviewed)

**16. Reconciliation of diluted earnings per share**

Consolidated financial statements						
For the three-month periods ended 31 March						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent						
893,600,119	511,360,629	1,247,380,634	1,247,380,634	0.72	0.41	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
-	-	3,723	3,366			
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>893,600,119</u>	<u>511,360,629</u>	<u>1,247,384,357</u>	<u>1,247,384,000</u>	0.72	0.41	
Separate financial statements						
For the three-month periods ended 31 March						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Baht	Baht	Shares	Shares	Baht	Baht	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent						
695,275,101	683,508,572	1,247,380,634	1,247,380,634	0.56	0.55	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants						
-	-	3,723	3,366			
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>695,275,101</u>	<u>683,508,572</u>	<u>1,247,384,357</u>	<u>1,247,384,000</u>	0.56	0.55	

(Unaudited but reviewed)

## 17. Financial information by segment

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture, distribution and servicing of electronic products and are mainly carried on both in Thailand and overseas. The financial information of the Company and its subsidiaries by geographical segment, for the three-month periods ended 31 March 2010 and 2009 are as follow:

(Unit: Million Baht)

	Consolidated financial statements													
	For the three-month periods ended 31 March													
	Thailand		Asia		America		Europe		Total		Eliminated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	3,557	2,793	951	1,063	1,410	1,204	1,627	1,298	7,545	6,358	-	-	7,545	6,358
Inter-segment revenues	1,558	1,400	56	54	20	20	1,211	1,167	2,845	2,641	(2,845)	(2,641)	-	-
Total revenues	5,115	4,193	1,007	1,117	1,430	1,224	2,838	2,465	10,390	8,999	(2,845)	(2,641)	7,545	6,358
Segment income (loss)	747	541	(48)	3	(1)	46	69	(105)	767	485			779	482
Unallocated income (expenses):														
Other income													56	85
Share of income from investment in associated company													5	8
Amortisation of intangible assets													(13)	(14)
Gain on sales of investments in available-for-sale securities													103	-
Finance cost													(12)	(32)
Corporate income tax													(25)	(18)
Net income for the period													893	511

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

## **18. Commitments and contingent liabilities**

### **18.1 Capital commitments and operating lease commitments**

18.1.1 As at 31 March 2010, the Company and its subsidiaries had significant capital commitments amounting to Baht 54 million, EUR 0.1 million and INR 147 million in respect of the purchase of machinery and equipment.

18.1.2 As at 31 March 2010, the subsidiaries had significant operating lease commitments amounting to CHF 1 million, GBP 0.2 million, EUR 4 million and INR 93 million.

### **18.2 Guarantee obligations**

As at 31 March 2010, the Company and its subsidiary companies had the following outstanding significant letters of guarantee required in the ordinary course of their businesses:

18.2.1 Outstanding letters of guarantee totalling approximately Baht 759 million have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 740 million issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in note 18.3.1 to the financial statements), and outstanding letters of guarantee for totals of approximately INR 264 million, USD 0.8 million and EUR 0.8 million have been issued by banks to meet requirements of the subsidiary companies.

18.2.2 Outstanding letters of guarantee totalling approximately EUR 15 million and USD 79 million issued by the Company to meet requirements of its subsidiary companies.

### **18.3 Tax assessment**

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

18.3.2 Corporate income tax assessment of approximately INR 70 million were made against an overseas subsidiary, covering the years 2004 - 2006 and sales tax assessment of approximately INR 26 million, covering the years 2005 - 2006. The subsidiary has submitted a letter appealing the assessment and the management of the Company and the subsidiary believe that no significant losses will be incurred. The subsidiary therefore has not recorded provision for this tax assessment.

#### 18.4 Litigation

As at 31 March 2010, two lawsuits had been filed against an overseas subsidiary company, claiming a totaling of INR 6 million. The case is currently being heard by the Court. However, the management of the Company and the subsidiary believe that no significant damage will be suffered by the Company and its subsidiary and no provision for the contingent liability has therefore been set aside in such accounts.

#### 19. Financial derivatives

As at 31 March 2010, outstanding significant 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 as at 31 March 2010
	(Million)	(Million)	(Baht per foreign currency)
Brazil real	13	5	18.1587
US dollar	114	89	32.3733
Euro	22	5	43.4116
New Taiwan dollar	179	-	1.0178
Czech Koruna	31	0.2	1.7109
Japanese Yen	52	112	0.3474
Renminbi	22	-	4.7462
Polish Zloty	5	0.2	11.1992
Swedish Krona	11	0.6	4.4523

(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 31 March 2010, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	71	million	32.3600 - 33.2600	THB/USD	April - June 2010
USD/CHF	USD	2	million	1.0615 - 1.0712	CHF/USD	April 2010
EUR/USD	EUR	13	million	1.3420 - 1.3805	USD/EUR	April 2010
EUR/CHF	EUR	12	million	1.4325 - 1.4624	CHF/EUR	April 2010
PLN/CHF	PLN	5	million	2.6876 - 2.7300	PLN/CHF	April 2010
EUR/TRY	EUR	1	million	2.0870 - 2.1040	TRY/EUR	April 2010
<b>Forward contracts to "Buy"</b>						
USD/RUB	USD	2	million	29.6780 - 29.8417	RUB/USD	April 2010
USD/TRY	USD	1	million	1.5425 - 1.5610	TRY/USD	April 2010
USD/INR	USD	12	million	45.1650 - 46.7700	INR/USD	April - June 2010

## 20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2010.