

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2011 and 2010

Report of Independent Auditor

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

I have audited the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The consolidated financial statements of certain overseas subsidiaries as at 31 December 2011 and 2010 and for the years then ended were audited by the subsidiaries' auditors, whose reports have been furnished to me. My opinion on the consolidated financial statements, insofar as they relate to the amounts included for these subsidiaries, are based solely on the reports of those other auditors. These financial statements reflect total assets of those subsidiaries as at 31 December 2011 and 2010 of approximately Baht 5,027 million and Baht 5,357 million, respectively, total revenues for the years ended 31 December 2011 and 2010 of approximately Baht 13,455 million and Baht 12,035 million, respectively, and net loss for the year ended 31 December 2011 and 2010 of approximately Baht 336 million and Baht 209 million, respectively.

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

In my opinion, based on my audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 32.3.1 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 and Note 3 to the financial statements, during the current year, the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in their preparation and presentation of the financial statements.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 10 February 2012

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets					
Current assets					
Cash and cash equivalents		9,512,594,932	9,206,798,949	6,009,434,156	5,566,187,454
Trade and other receivables	8	6,859,442,163	6,223,258,693	4,833,962,450	4,550,061,697
Inventories	9	5,952,441,716	6,467,994,919	3,558,894,811	3,526,880,735
Other current assets	10	928,927,540	916,153,821	137,929,270	83,115,746
Total current assets		23,253,406,351	22,814,206,382	14,540,220,687	13,726,245,632
Non-current assets					
Deposits at bank with restrictions	11	116,396,027	210,192,801	-	-
Investment in associated company	12	-	544,770,800	-	-
Investments in subsidiary companies	13	-	-	8,901,796,746	8,469,208,396
Other long-term Investments	14	425,839,291	408,449,899	-	-
Property, plant and equipment	15	4,726,530,198	4,224,759,078	2,845,284,482	2,516,703,548
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	16	750,434,954	727,319,551	1,222,037	1,931,301
Deferred tax assets	17	260,537,449	230,148,872	-	-
Other non-current assets					
Deposit for purchase of land	18	-	100,258,186	-	-
Others		43,662,674	43,897,482	1,296,870	1,775,869
Total non-current assets		6,630,158,564	6,796,554,640	11,749,600,135	10,989,619,114
Total assets		29,883,564,915	29,610,761,022	26,289,820,822	24,715,864,746

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	1,022,144,521	1,144,753,044	-	-
Trade and other payables	20	7,172,665,919	7,454,809,369	4,908,568,174	4,726,691,105
Income tax payable		191,380,062	199,847,365	-	-
Short-term provisions	23	255,873,004	152,152,152	-	5,845,545
Other current liabilities	21	246,525,872	234,437,314	91,252,138	58,637,178
Total current liabilities		8,888,589,378	9,185,999,244	4,999,820,312	4,791,173,828
Non-current liabilities					
Deferred tax liabilities	17	32,803,092	24,452,634	-	-
Provision for long-term employee benefits	22	851,818,248	862,917,364	80,879,055	76,044,694
Long-term provisions	23	225,524,893	225,679,815	16,576,224	15,776,271
Other non-current liabilities		25,739,040	14,204,751	5,733,720	1,050,000
Total non-current liabilities		1,135,885,273	1,127,254,564	103,188,999	92,870,965
Total liabilities		10,024,474,651	10,313,253,808	5,103,009,311	4,884,044,793
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	24	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	25	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		18,825,855,596	18,082,070,611	18,321,617,397	16,966,625,839
Other components of shareholders' equity		(1,831,959,446)	(1,736,897,562)	-	-
Equity attributable					
to owners of the Company		19,859,090,264	19,210,367,163	21,186,811,511	19,831,819,953
Non-controlling interests of the subsidiary		-	87,140,051	-	-
Total shareholders' equity		19,859,090,264	19,297,507,214	21,186,811,511	19,831,819,953
Total liabilities and shareholders' equity		29,883,564,915	29,610,761,022	26,289,820,822	24,715,864,746
		-	-	-	-

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

Directors

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues					
Sales and service income		38,433,604,854	35,729,982,540	26,295,912,534	24,205,078,421
Other income					
Interest income		124,578,747	59,475,554	108,070,185	46,491,818
Gain on exchange		138,623,364	84,987,428	360,187,617	-
Gain on sales of investments in associated company	12	84,333,155	-	-	-
Gain on sales of investments in available-for-sale securities		-	99,892,326	-	-
Dividend income from other long-term investments		114,290,318	28,405,112	-	-
Others		254,916,639	200,388,274	78,520,946	70,341,709
Total revenues		39,150,347,077	36,203,131,234	26,842,691,282	24,321,911,948
Expenses					
Cost of sales and services		29,392,340,055	26,216,764,739	19,914,825,859	18,030,079,409
Selling expenses		2,790,971,703	2,340,326,446	1,890,344,916	1,587,712,581
Administrative expenses		1,564,213,315	1,435,204,279	848,358,974	775,029,329
Research and development expenses		2,093,256,087	1,784,651,301	616,128,031	618,012,064
Loss on exchange		-	-	-	2,211,954
Other expenses		309,399,984	262,223,904	97,493,201	12,143,592
Total expenses		36,150,181,144	32,039,170,669	23,367,150,981	21,025,188,929
Profit before share of income from investment in associated company, finance cost and corporate income tax					
		3,000,165,933	4,163,960,565	3,475,540,301	3,296,723,019
Share of income from investment in associated company	12	16,807,280	10,847,625	-	-
Profit before finance cost and corporate income tax		3,016,973,213	4,174,808,190	3,475,540,301	3,296,723,019
Finance cost		(97,501,975)	(61,072,637)	-	-
Profit before corporate income tax		2,919,471,238	4,113,735,553	3,475,540,301	3,296,723,019
Corporate income tax	17	(55,259,701)	66,595,984	-	-
Profit for the year		2,864,211,537	4,180,331,537	3,475,540,301	3,296,723,019
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(88,310,746)	(554,339,438)	-	-
Transferred to profit due to sales of investments in available-for-sales securities		-	(105,636,106)	-	-
Other comprehensive income for the year		(88,310,746)	(659,975,544)	-	-
Total comprehensive income for the year		2,775,900,791	3,520,355,993	3,475,540,301	3,296,723,019

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (Continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit attributable to:					
Equity holders of the Company		2,864,333,728	4,152,574,332	<u>3,475,540,301</u>	<u>3,296,723,019</u>
Non-controlling interests of the subsidiary (loss)		<u>(122,191)</u>	<u>27,757,205</u>		
		<u>2,864,211,537</u>	<u>4,180,331,537</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		2,769,271,844	3,493,057,249	<u>3,475,540,301</u>	<u>3,296,723,019</u>
Non-controlling interests of the subsidiary		<u>6,628,947</u>	<u>27,298,744</u>		
		<u>2,775,900,791</u>	<u>3,520,355,993</u>		
Earnings per share					
	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>2.30</u>	<u>3.33</u>	<u>2.79</u>	<u>2.64</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company			<u>3.33</u>		<u>2.64</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements											
Equity attributable to shareholders of the Company											
Other components of shareholders' equity											
Other comprehensive income											
Issued and fully paid-up share capital	Share premium	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of investment in available-for-sale securities	Total 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		
		Appropriated	Unappropriated								
Balance as at 31 December 2009	1,247,380,634	1,491,912,500	125,900,000	15,800,567,230	(1,183,016,585)	(1,077,380,479)	17,588,379,885	59,841,307	17,648,221,192		
Profit for the year	-	-	-	4,152,574,332	-	-	4,152,574,332	27,757,205	4,180,331,537		
Other comprehensive income for the year	-	-	-	(553,880,977)	(105,636,106)	(659,517,083)	(659,517,083)	(458,461)	(659,975,544)		
Total comprehensive income for the year	-	-	-	4,152,574,332	(105,636,106)	(659,517,083)	3,493,057,249	27,298,744	3,520,355,993		
Share capital issued (Note 24)	980	-	-	-	-	-	980	-	980		
Dividend paid (Note 26)	-	-	-	(1,871,070,951)	-	-	(1,871,070,951)	-	(1,871,070,951)		
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		
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 26)	-	-	-	(2,120,548,743)	-	-	(2,120,548,743)	-	(2,120,548,743)		
Derecognises the amount of non-controlling interest due to dissolution of the subsidiary (Note 2.2)	-	-	-	-	-	-	-	(93,768,998)	(93,768,998)		
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		

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 31 December 2009	1,247,380,634	1,491,912,500	125,900,000	15,540,973,771	18,406,166,905
Total comprehensive income for the year	-	-	-	3,296,723,019	3,296,723,019
Share capital issued (Note 24)	980	-	-	-	980
Dividend paid (Note 26)	-	-	-	(1,871,070,951)	(1,871,070,951)
Balance as at 31 December 2010	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>16,966,625,839</u>	<u>19,831,819,953</u>
	-	-	-	-	-
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 26)	-	-	-	(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>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:					
Profit before tax		2,919,471,238	4,113,735,553	3,475,540,301	3,296,723,019
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:					
Depreciation	15	746,084,275	647,234,761	490,690,934	408,670,572
Amortisation in premium/discount of forward contracts		(5,053,609)	(2,001,563)	(3,081,021)	(579,805)
Amortisation of intangible assets	16	75,281,929	60,395,753	1,143,028	1,309,301
Recorded allowance for doubtful accounts		27,569,311	22,807,558	1,353,470	1,646,538
Decrease of inventory to net realisable value		414,756,131	91,252,297	221,844,867	115,281,210
Increase in provision for long-term employee benefits	22	104,244,527	87,009,403	11,265,126	13,199,889
Recorded the increase in provisions (reversal)		97,726,543	138,577,572	(5,845,544)	1,416,632
Allowance for diminution in value of investment in other long-term investment (reversal)		(13,639,461)	-	-	-
Gain from disposal of investments in available-for-sale securities		-	(99,892,326)	-	-
Gain from disposal of investment in associated company		(84,333,155)	-	-	-
Share of income from investments in associated company	12	(16,807,280)	(10,847,625)	-	-
Loss from dissolution of the subsidiary		7,007,636	-	-	-
Dividend income from other long-term investments	14	(114,290,318)	(28,405,112)	-	-
(Gain) loss from disposal of property, plant and equipment		(1,193,209)	8,207,421	(2,055,991)	(2,093,270)
Unrealised gain on exchange		(166,559,630)	(26,201,794)	(222,053,469)	(137,319,571)
Interest income		(124,578,747)	(59,475,554)	(108,070,185)	(46,491,818)
Interest expenses		97,501,975	61,072,637	-	-
Income from operating activities before changes in operating assets and liabilities		3,963,188,156	5,003,468,981	3,860,731,516	3,651,762,697
Decrease (increase) in operating assets:					
Trade and other receivable		(517,128,061)	(713,078,906)	(145,425,862)	(806,276,527)
Inventories		100,797,072	(2,730,033,422)	(253,858,943)	(1,736,510,406)
Other current assets		(42,193,799)	(183,643,522)	(54,954,462)	(13,704,560)
Other non-current assets		276,238	(4,985,140)	-	-
Increase (decrease) in operating liabilities:					
Trade and other payables		(371,932,594)	1,136,065,556	120,748,803	396,006,725
Other current liabilities		(37,446,749)	(50,511,802)	4,742,321	58,624,312
Provision for long-term employee benefits		(136,249,253)	(73,579,607)	(6,430,766)	(1,976,608)
Provisions		-	(27,406,489)	-	(64,221)
Other non-current liabilities		11,534,287	(883,795)	4,683,720	15,000
Cash flow from operating activities		2,970,845,297	2,355,411,854	3,530,236,327	1,547,876,412
Cash received from interest income		140,428,388	49,099,740	108,808,453	46,286,416
Cash paid for interest expenses		(90,189,404)	(56,303,163)	-	-
Cash paid for corporate income tax		(91,961,672)	(96,190,755)	(1,100,122)	(449,217)
Net cash flows from operating activities		2,929,122,609	2,252,017,676	3,637,944,658	1,593,713,611

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities:					
Proceed from disposal in investments					
in available-for-sale securities		-	177,229,952	-	-
Increase in deposits at bank with restrictions		(20,995,330)	(764,914)	-	-
Increase in investments in subsidiary companies		-	-	(432,588,350)	(988,818,969)
Decrease in other long-term investments		17,110,596	41,197,144	-	-
Cash received from dissolution of the subsidiary		25,999,604	-	-	-
Proceeds from disposal of investment in associated company		489,685,419	-	-	-
Dividend received from investment in associated company	12	138,750,305	-	-	-
Dividend received from other long-term investments	14	114,290,318	28,405,112	-	-
Acquisition of property, plant and equipment		(1,274,521,195)	(1,444,455,072)	(820,667,666)	(857,514,906)
Proceeds from disposal of property, plant and equipment		7,896,349	7,238,197	3,451,790	3,385,789
Increase in other intangible assets		(65,152,316)	(21,464,940)	(433,764)	(16,600)
Net cash flows used in investing activities		(566,936,250)	(1,212,614,521)	(1,250,237,990)	(1,842,964,686)
Cash flows from financing activities:					
Decrease in bank overdrafts and short-term loans from financial institutions		(124,081,645)	(173,854,010)	-	-
Dividend paid	26	(2,120,548,743)	(1,871,070,951)	(2,120,548,743)	(1,871,070,951)
Proceeds from increase of share capital	24	-	980	-	980
Net cash flows used in financing activities		(2,244,630,388)	(2,044,923,981)	(2,120,548,743)	(1,871,069,971)
Increase (decrease) in translation adjustment		15,177,664	(370,669,226)	-	-
Net increase (decrease) in cash and cash equivalents		132,733,635	(1,376,190,052)	267,157,925	(2,120,321,046)
Unrealised gain on exchange for cash and cash equivalents		173,062,348	30,130,566	176,088,777	141,457,357
Cash and cash equivalents at beginning of year		9,206,798,949	10,552,858,435	5,566,187,454	7,545,051,143
Cash and cash equivalents at end of year		9,512,594,932	9,206,798,949	6,009,434,156	5,566,187,454
		-	-	-	-
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 years ended 31 December 2011 and 2010

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

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	
			2011 Percent	2010 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	-

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>2011</u> Percent	<u>2010</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	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	-
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
Delta Greentech (Netherlands) BV. (owned by Delta Greentech (Netherlands) Cooperatie U.A.)	Holding business	The Netherlands	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2011</u>	<u>2010</u>
			Percent	Percent
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>2011</u>	<u>2010</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 (Guangzhou) Limited	Dissolved and liquidated	The People's Republic of China	-	51
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>2011</u>	<u>2010</u>
			Percent	Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	-

2.2.2 During the current year, Delta Energy Systems (Guangzhou) Limited, a subsidiary, which the Company indirectly held 51% of its shares, was dissolved and liquidated.

2.2.3 The meeting of the Company's Board of Directors held on 14 February 2011 approved the incorporation of the following overseas subsidiaries.

- Delta Energy Systems (Singapore) Pte. Ltd., registered in Singapore with USD 250,000 registered capital and its registered capital is 100% held by the Company.
- Delta Energy Systems (Australia) Pty. Ltd., registered in Australia with AUD 200,000 registered capital and its registered capital is 100% held by Delta Energy Systems (Singapore) Pte. Ltd.
- Delta Greentech International (Singapore) Pte. Ltd., registered in Singapore with USD 27,203,800 registered capital and its registered capital is 100% held by Delta Greentech International Holding Limited.

All the above subsidiaries were registered their incorporation during the current year.

2.2.4 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.

2.2.5 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

2.2.6 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate 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.

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

2.2.8 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.

2.3 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. Adoption of new accounting standards during the year

During the current year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards do not have any significant impact on the financial statements.

However, during the current year, the Company and its subsidiaries have assessed the revised and new accounting standards issued by the Federation of Accounting Professions as listed below. They believe that these standards are not relevant to the business of the Company and its subsidiaries.

Accounting standards:

TAS 11 (revised 2009)	Construction Contracts
TAS 17 (revised 2009)	Leases
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 6	Exploration for and Evaluation of Mineral Resources
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Financial Reporting Standard Interpretation:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretation:

SIC 31	Revenue - Barter Transactions Involving Advertising Services
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4. New accounting standards issued during the years 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

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 has early adopted the new TAS NO. 12 "Incomes Taxes" before the effective date.

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 Investments

- a) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- b) 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).
- c) Investments in the ordinary shares of other companies, which the Company classifies 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.

5.6 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 on 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.

5.7 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.

5.8 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.

5.9 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 Company and its subsidiaries' operations.

5.10 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.

5.11 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.12 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 it 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.

The defined benefits liability comprises the present value of the defined benefit obligation, less unrecognised actuarial gains or losses 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 Group, nor can they be paid directly to the Group.

For the first-time adoption of TAS 19 Employee Benefits, the amount of the transitional liability and the amount of liability that had been recognised at the same date under the previous accounting policy are not materially different.

5.13 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.

5.14 Research and development expenses

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

5.15 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.

5.16 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.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ 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 Company and its subsidiaries treat 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 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 tax assessment and the litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	8,349	7,438	With reference to market price
Purchase of raw materials	-	-	359	232	With reference to market price
Commission paid	-	-	234	135	Contract price
Marketing fee	-	-	231	204	Contract price
Design and engineering fee	-	-	1,074	673	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,141	1,124	1,078	1,095	With reference to market price
Purchase of goods and raw materials	1,127	1,390	200	272	With reference to market price
Commission paid	314	236	314	236	Contract price
Commission received	48	18	-	-	Contract price
Services income	57	12	-	-	Agreed upon basis

The balances of the accounts as at 31 December 2011 and 2010 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Trade accounts receivables, related parties (Note 8)</u>				
Subsidiary companies	-	-	1,972,547	1,495,944
Associated company	70	726	70	726
Other related companies (under common control)	261,591	249,094	203,941	220,167
Total trade accounts receivables, related parties	<u>261,661</u>	<u>249,820</u>	<u>2,176,558</u>	<u>1,716,837</u>

Trade accounts payables, related parties (Note 20)

Subsidiary companies	-	-	72,303	61,979
Other related companies (under common control)	590,981	935,549	41,206	36,010
Total trade accounts payables, related parties	<u>590,981</u>	<u>935,549</u>	<u>113,509</u>	<u>97,989</u>

Amounts due to related parties (Note 20)

Subsidiary companies	-	-	235,296	139,724
Other related companies (under common control)	126,475	69,324	118,146	53,813
Total amounts due to related parties	<u>126,475</u>	<u>69,324</u>	<u>353,442</u>	<u>193,537</u>

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	343,907	274,087	71,884	69,839
Post-employment benefits	22,212	18,017	-	-
Other long-term benefits	4,166	16	-	-
Total	<u>370,285</u>	<u>292,120</u>	<u>71,884</u>	<u>69,839</u>

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	256,295	246,517	2,174,072	1,713,001
Past due 1 - 3 months	5,182	3,303	2,486	3,836
Past due 3 - 6 months	184	-	-	-
Total	<u>261,661</u>	<u>249,820</u>	<u>2,176,558</u>	<u>1,716,837</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	5,995,956	5,362,530	2,401,828	2,562,701
Past due 1 - 3 months	553,705	564,921	235,206	279,881
Past due 3 - 6 months	67,052	19,990	31,080	-
Past due 6 - 12 months	29,429	18,081	-	-
Past due over 12 months	32,225	25,751	-	-
Total	<u>6,678,367</u>	<u>5,991,273</u>	<u>2,668,114</u>	<u>2,842,582</u>
Total trade accounts receivable	6,940,028	6,241,093	4,844,672	4,559,419
Less: Allowance for doubtful accounts	<u>(105,918)</u>	<u>(78,349)</u>	<u>(10,710)</u>	<u>(9,357)</u>
Total trade receivables - net	<u>6,834,110</u>	<u>6,162,744</u>	<u>4,833,962</u>	<u>4,550,062</u>
<u>Other receivables</u>				
Other receivables	<u>25,332</u>	<u>60,515</u>	<u>-</u>	<u>-</u>
Total other receivables	<u>25,332</u>	<u>60,515</u>	<u>-</u>	<u>-</u>
Trade and other receivables - net	<u>6,859,442</u>	<u>6,223,259</u>	<u>4,833,962</u>	<u>4,550,062</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Decrease to net realisable value		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	3,033,302	2,794,992	(388,160)	(245,431)	2,645,142	2,549,561
Work in process	561,492	480,764	-	(1,307)	561,492	479,457
Raw materials	3,029,812	3,264,935	(828,160)	(554,826)	2,201,652	2,710,109
Goods in transit	544,156	728,868	-	-	544,156	728,868
Total	7,168,762	7,269,559	(1,216,320)	(801,564)	5,952,442	6,467,995

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Decrease to net realisable value		Inventories-net	
	2011	2010	2011	2010	2011	2010
Finished goods	1,854,210	1,539,693	(175,262)	(86,982)	1,678,948	1,452,711
Work in process	380,107	376,865	-	-	380,107	376,865
Raw materials	1,825,944	1,849,904	(441,628)	(308,063)	1,384,316	1,541,841
Goods in transit	115,524	155,464	-	-	115,524	155,464
Total	4,175,785	3,921,926	(616,890)	(395,045)	3,558,895	3,526,881

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	Input tax refundable	341,815	339,350	69,605
Prepaid expenses	102,119	31,678	17,611	6,196
Prepaid tax	310,264	317,026	-	-
Forward contracts receivable	1,282	10,537	-	983
Others	173,448	217,563	50,713	21,769
Total other current assets	928,928	916,154	137,929	83,116

11. Deposits at bank with restrictions

The balance as at 31 December 2011 mainly represented bank deposits of approximately EUR 2.8 million of a subsidiary in the Federal Republic of Germany which are subject to pension fund restrictions (31 December 2010: mainly represented bank deposits of approximately RMB 26 million of a subsidiary in the Republic of China which are subject to restrictions under the laws of the People's Republic of China, and bank deposits of approximately EUR 1.9 million of a subsidiary in the Federal Republic of Germany which are subject to pension fund restrictions).

12. Investment in associated company

12.1 Details of investments in associated company:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost	Carrying amounts based on equity method		Share of profit from investment in associate during the year		
			2011	2010		2011	2010			
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	-	394,383	-	635,085	16,807	10,848
Translation adjustment			-		-			(90,314)		
Total investment in associated company			-		-	394,383		544,771	16,807	10,848

12.2 Summarised financial information of associated company:

Financial information of the associated company is summarised below.

(Unit: Million RMB)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended		Profit for the year ended	
	2011	2010	2011	2010	2011	2010	31 December	2010	31 December	2010
Delta Green (Tianjin) Industries Company Limited	-	185	-	300	-	35	-	201	-	5

During the current year, the subsidiaries of the Company received dividend amounting to approximately USD 4.6 million from Delta Green (Tianjin) Industries Company Limited (2010: Nil).

However, during the current year, this subsidiary sold its investment in associated company to Delta Electronics (HK) Limited at a price of approximately USD 15 million, which was the value by estimated a financial advisor. The subsidiary had a gain on the sale of the investment amounting to approximately USD 2.8 million.

13. Investments in subsidiary companies

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

Company's name	Paid-up capital		(Unit: Thousand Baht) Cost		
	Foreign currency	2011	2010	2011	2010
		(Thousand)	(Thousand)		
DET International Holding Limited	USD	237,413	223,513	8,615,286	8,190,294
Delta Energy Systems (Switzerland) AG	CHF	20,000	20,000	2,414,918	2,414,918
Delta Green Industrial (Thailand) Company Limited	THB	60,000	60,000	60,000	60,000
Delta Energy Systems (Singapore) Private Limited	USD	250	-	7,596	-
Subtotal				<u>11,097,800</u>	<u>10,665,212</u>
Less: Loss on impairment of investments in subsidiary companies				<u>(2,196,004)</u>	<u>(2,196,004)</u>
Investments in subsidiary companies - net				<u><u>8,901,796</u></u>	<u><u>8,469,208</u></u>

No dividend was received from the above subsidiary companies for the year ended 31 December 2011 and 2010.

14. Other long-term investments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements	
	2011	2010	2011	2010
	%	%		
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	241,017	258,128
Delta Greentech (China) Company Limited (owned by Delta Greentech SGP Pte. Ltd.)	8.21	8.21	456,587	456,587
Total other long-term investments			697,604	714,715
Less: Allowance for diminution in value of investments in other long-term investments			(177,938)	(191,578)
Translation adjustment			(93,827)	(114,687)
Other long-term investments - net			425,839	408,450

During the current year, a subsidiary of the Company received dividend amounting to approximately USD 3.76 million from Delta Greentech (China) Company Limited (2010: USD 0.90 million).

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total	
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer		Others
Cost:									
31 December 2009	446,836	2,188,655	5,391,838	893,532	908,450	21,529	506,070	451,162	10,808,072
Purchase/transfer in	-	301,052	844,590	86,161	41,570	17,083	52,450	99,413	1,442,319
Disposal/write-off/transfer out	-	-	(160,345)	(2,249)	(14,266)	(1,163)	(21,264)	(55,835)	(255,122)
Translation adjustment	(15,755)	(135,483)	(195,805)	(4,313)	(12,499)	(4,032)	(24,679)	(36,737)	(429,303)
31 December 2010	431,081	2,354,224	5,880,278	973,131	923,255	33,417	512,577	458,003	11,565,966
Accumulated depreciation:									
31 December 2009	-	362,739	4,607,042	838,840	632,850	-	407,242	279,575	7,128,288
Depreciation for the year	-	49,794	375,704	61,447	49,560	-	70,912	39,817	647,234
Depreciation - disposal/write-off	-	-	(156,495)	(2,249)	(12,436)	-	(20,814)	(47,174)	(239,168)
Translation adjustment	-	(10,460)	(164,677)	(4,654)	(9,941)	-	(27,088)	(24,199)	(241,019)
31 December 2010	-	402,073	4,661,574	893,384	660,033	-	430,252	248,019	7,295,335
Allowance for impairment loss:									
31 December 2009	-	38,757	-	-	6,139	-	36	940	45,872
31 December 2010	-	38,757	-	-	6,139	-	36	940	45,872
Net book value:									
As at 31 December 2009	446,836	1,787,159	784,796	54,692	269,461	21,529	98,792	170,647	3,633,912
As at 31 December 2010	431,081	1,913,394	1,218,704	79,747	257,083	33,417	82,289	209,044	4,224,759

15. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Consolidated financial statements							Total	
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer		Others
Cost:									
31 December 2010	431,081	2,354,224	5,880,278	973,131	923,255	33,417	512,577	458,003	11,565,966
Purchase/transfer in	87,750	89,740	712,467	94,958	71,625	198,024	81,892	64,333	1,400,789
Disposal/write-off/transfer out	-	(33,519)	(188,972)	(3,184)	(4,227)	(48,742)	(58,455)	(12,394)	(349,493)
Translation adjustment	(5,966)	(44,954)	19,749	604	2,728	(812)	(4,883)	(19,945)	(53,479)
31 December 2011	512,865	2,365,491	6,423,522	1,065,509	993,381	181,887	531,131	489,997	12,563,783
Accumulated depreciation:									
31 December 2010	-	402,073	4,661,574	893,384	660,033	-	430,252	248,019	7,295,335
Depreciation for the year	-	58,359	454,174	75,921	47,736	-	59,913	49,981	746,084
Depreciation - disposal/write-off	-	(1,713)	(186,885)	(2,371)	(2,548)	-	(55,477)	(8,886)	(257,880)
Translation adjustment	-	(4,014)	19,023	357	1,699	-	(4,895)	(4,328)	7,842
31 December 2011	-	454,705	4,947,886	967,291	706,920	-	429,793	284,786	7,791,381
Allowance for impairment loss:									
31 December 2010	-	38,757	-	-	6,139	-	36	940	45,872
31 December 2011	-	38,757	-	-	6,139	-	36	940	45,872
Net book value:									
As at 31 December 2010	431,081	1,913,394	1,218,704	79,747	257,083	33,417	82,289	209,044	4,224,759
As at 31 December 2011	512,865	1,872,029	1,475,636	98,218	280,322	181,887	101,302	204,271	4,726,530
Depreciation charge									
Year 2010 (Baht 469 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									647,234
Year 2011 (Baht 545 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									746,084

15. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements							Total	
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer		Others
Cost:									
31 December 2009	312,647	1,226,652	4,009,753	856,622	803,027	3,519	256,435	103,265	7,571,920
Purchase/transfer in	-	20,316	667,378	79,853	35,596	20,459	25,667	8,245	857,514
Disposal/write-off/transfer out	-	-	(120,114)	(809)	(3,533)	-	(12,260)	(1,581)	(138,297)
31 December 2010	312,647	1,246,968	4,557,017	935,666	835,090	23,978	269,842	109,929	8,291,137
Accumulated depreciation:									
31 December 2009	-	298,110	3,514,089	807,228	550,745	-	205,489	81,236	5,456,897
Depreciation for the year	-	21,962	253,542	56,696	39,718	-	30,888	5,864	408,670
Depreciation – disposal/write-off	-	-	(119,125)	(809)	(3,533)	-	(12,009)	(1,530)	(137,006)
31 December 2010	-	320,072	3,648,506	863,115	586,930	-	224,368	85,570	5,728,561
Allowance for impairment loss:									
31 December 2009	-	38,757	-	-	6,139	-	36	940	45,872
31 December 2010	-	38,757	-	-	6,139	-	36	940	45,872
Net book value:									
As at 31 December 2009	312,647	889,785	495,664	49,394	246,143	3,519	50,910	21,089	2,069,151
As at 31 December 2010	312,647	888,139	908,511	72,551	242,021	23,978	45,438	23,419	2,516,704

15. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements							Total	
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer		Others
Cost:									
31 December 2010	312,647	1,246,968	4,557,017	935,666	835,090	23,978	269,842	109,929	8,291,137
Purchase/transfer in	-	52,478	567,832	82,675	32,597	40,620	27,719	16,746	820,667
Disposal/write-off/transfer out	-	-	(169,127)	(2,571)	(4,217)	-	(38,631)	(1,630)	(216,176)
31 December 2011	312,647	1,299,446	4,955,722	1,015,770	863,470	64,598	258,930	125,045	8,895,628
Accumulated depreciation:									
31 December 2010	-	320,072	3,648,506	863,115	586,930	-	224,368	85,570	5,728,561
Depreciation for the year	-	22,848	320,361	70,246	40,319	-	30,231	6,686	490,691
Depreciation – disposal/write-off	-	-	(168,454)	(1,874)	(4,218)	-	(38,630)	(1,604)	(214,780)
31 December 2011	-	342,920	3,800,413	931,487	623,031	-	215,969	90,652	6,004,472
Allowance for impairment loss:									
31 December 2010	-	38,757	-	-	6,139	-	36	940	45,872
31 December 2011	-	38,757	-	-	6,139	-	36	940	45,872
Net book value:									
As at 31 December 2010	312,647	888,139	908,511	72,551	242,021	23,978	45,438	23,419	2,516,704
As at 31 December 2011	312,647	917,769	1,155,309	84,283	234,300	64,598	42,925	33,453	2,845,284
Depreciation charge									
Year 2010 (Baht 339 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									408,670
Year 2011 (Baht 416 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									490,691

As at 31 December 2011, 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 6,043 million (2010: Baht 5,783 million).

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

16. Other intangible assets

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
		(Unit: Thousand Baht)			
Cost:					
31 December 2009	1,095,460	342,885	2,578	1,440,923	28,747
Purchase	146	33,440	165	33,751	17
Disposals	-	(161,460)	-	(161,460)	-
Translation adjustment	(105,650)	(18,166)	(173)	(123,989)	-
31 December 2010	989,956	196,699	2,570	1,189,225	28,764
Accumulated amortisation:					
31 December 2009	276,849	332,631	522	610,002	25,523
Amortisation for the year	52,084	7,635	677	60,396	1,310
Disposals	-	(161,142)	-	(161,142)	-
Translation adjustment	(29,285)	(18,010)	(55)	(47,350)	-
31 December 2010	299,648	161,114	1,144	461,906	26,833
Net book value:					
31 December 2009	818,611	10,254	2,056	830,921	3,224
31 December 2010	690,308	35,585	1,426	727,319	1,931

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
(Unit: Thousand Baht)					
Cost:					
31 December 2010	989,956	196,699	2,570	1,189,225	28,764
Purchase	65	66,126	32	66,223	434
Disposals	(270)	(22,985)	-	(23,255)	-
Translation adjustment	50,541	1,314	(40)	51,815	-
31 December 2011	1,040,292	241,154	2,562	1,284,008	29,198
Accumulated amortisation:					
31 December 2010	299,648	161,114	1,144	461,906	26,833
Amortisation for the year	49,822	24,990	470	75,282	1,143
Disposals	(39)	(22,145)	-	(22,184)	-
Translation adjustment	17,480	1,069	20	18,569	-
31 December 2011	366,911	165,028	1,634	533,573	27,976
Net book value:					
31 December 2010	690,308	35,585	1,426	727,319	1,931
31 December 2011	673,381	76,126	928	750,435	1,222

17. Income tax

Income tax expenses for the years ended 31 December 2011 and 2010 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
Current income tax:		
Current income tax charge	(75,820)	(76,227)
Adjustment in respect of current income tax of previous year	(2,060)	-
Deferred tax:		
Increase in deferred tax assets	30,388	148,021
Increase in deferred tax liabilities	(8,350)	(17,399)
Translation adjustment	582	12,201
Income tax expenses reported in the statement of comprehensive income	<u>(55,260)</u>	<u>66,596</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
Accounting profit before tax	<u>2,919,471</u>	<u>4,113,736</u>
Income tax at Thai corporate income tax rate of 30%	(875,841)	(1,234,121)
Adjust in respect to current income tax of previous years	(2,060)	-
Tax effect of intercompany transactions	(57,740)	26,708
Tax savings from investment promotion	1,052,659	1,112,126
Difference in tax rates of subsidiaries in overseas countries	(16,830)	137,973
Tax effect of loss for the current year	(246,069)	(101,645)
Write off deferred tax assets	(54,173)	-
Others	144,794	125,555
Income tax expenses reported in the statement of comprehensive income	<u>(55,260)</u>	<u>66,596</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 2011 and 2010, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
Deferred tax assets		
Allowance for doubtful accounts	-	3,526
Allowance for diminution in value of inventories	49,972	60,795
Bonus payable	39,465	20,227
Provision for warranty	27,889	30,717
Tax savings from promotional privileges	120,660	74,623
Difference depreciation for tax purpose	-	11,435
Others	22,551	28,826
Total	<u>260,537</u>	<u>230,149</u>
Deferred tax liabilities		
Difference depreciation for tax purpose	32,803	19,340
Others	-	5,113
Total	<u>32,803</u>	<u>24,453</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 2011 the Company and its subsidiaries have unused tax losses totaling Baht 44 million, INR 617 million and EUR 67 million (2010: Baht 32 million and EUR 63 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that they might not be used to offset taxable income in the future.

18. Deposit for purchase of land

The balance as at 31 December 2010 represented the deposit for purchase of land in India for office building construction by Delta India Electronics Pvt. Ltd., a subsidiary, of approximately INR 150 million or Baht 100 million.

However, during the current year, this subsidiary already completed its purchase of the land in India for office building construction.

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

(Unit: Thousand Baht)

	Interest rate		Consolidated	
	(percent per annum)		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Bank overdrafts	11.00	14.50 - 16.50	9,417	2,138
Short-term loans from financial institutions	1.03 - 15.36	1.67 - 14.00	1,012,728	1,142,615
Total			1,022,145	1,144,753

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payables - related parties	590,981	935,549	113,509	97,989
Trade payables - unrelated parties	4,369,206	4,428,953	3,403,151	3,330,234
Amount due to related parties	126,475	69,324	353,442	193,537
Other payables	535,792	463,414	364,383	347,217
Accrued expenses	1,363,961	1,430,666	574,997	677,296
Advance received	186,251	126,903	99,086	80,418
Total trade and other payables	7,172,666	7,454,809	4,908,568	4,726,691

21. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Forward contracts payable	34,708	2,117	19,865	-
Withholding tax payable	86,185	72,984	58,833	47,738
Value added tax payable	63,795	71,914	-	-
Others	61,838	87,422	12,554	10,899
Total other current liabilities	246,526	234,437	91,252	58,637

22. 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: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current service cost	49,934	40,946	7,507	9,069
Interest cost	69,766	68,788	3,758	4,131
Expected return on plan assets	(29,200)	(25,362)	-	-
Recognised actuarial losses	13,746	2,638	-	-
Long-term employee benefit expenses for the years	<u>104,246</u>	<u>87,010</u>	<u>11,265</u>	<u>13,200</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Defined benefit obligation	(1,978,363)	(1,844,602)	(206,496)	(96,369)
Fair value of plan assets	732,958	684,030	-	-
	<u>(1,245,405)</u>	<u>(1,160,572)</u>	<u>(206,496)</u>	<u>(96,369)</u>
Unrecognised actuarial losses	393,587	297,655	125,617	20,325
Provisions for long-term employee benefits as at 31 December	<u>(851,818)</u>	<u>(862,917)</u>	<u>(80,879)</u>	<u>(76,044)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Defined benefit obligation at beginning of year	(1,844,602)	(1,897,441)	(96,369)	(85,146)
Current service cost	(49,934)	(40,946)	(7,507)	(9,069)
Interest cost	(69,766)	(68,788)	(3,758)	(4,131)
Contribution by plan participants	(19,842)	(17,522)	-	-
Benefits paid during the year	171,183	96,098	6,431	1,977
Actuarial losses	(97,312)	(75,334)	(105,293)	-
Translation adjustments	(68,090)	159,331	-	-
Defined benefit obligation at end of year	<u>(1,978,363)</u>	<u>(1,844,602)</u>	<u>(206,496)</u>	<u>(96,369)</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Fair value of plan assets at beginning of year	684,030	672,613	-	-
Expected return from plan assets	29,200	25,362	-	-
Contributions by employer	22,466	20,903	-	-
Contribution by plan participants	19,842	17,522	-	-
Benefits paid during the year	(57,400)	(43,422)	-	-
Actuarial losses	(729)	(7,095)	-	-
Translation adjustments	35,549	(1,853)	-	-
Fair value of plan assets at end of year	<u>732,958</u>	<u>684,030</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: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Debt securities	126,102	99,100	-	-
Equity securities	147,706	196,194	-	-
Properties	333,987	272,585	-	-
Others	125,163	116,151	-	-

Principal actuarial assumptions at the valuation date were as follows:-

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.6 - 7.5	2.6 - 7.5	3.7	4.8
Expected rate of return on plan assets	4.0 - 8.5	4.0 - 8.5	-	-
Future salary increase rate (depending on age)	2.0 - 8.5	2.0 - 8.5	8.0	7.0
Future pension increase rate	0.5- 2.0	0.5 - 2.0	-	-
Staff turnover rate	0.5 - 23.3	0.0 - 21.7	3.0 - 12.0	0.0- 14.0

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Defined benefit obligation	(1,978,363)	(1,844,602)	(1,897,441)	(1,827,600)	(1,553,527)
Fair value of plan assets	732,958	684,030	672,613	724,882	416,349
Deficit	(1,245,405)	(1,160,572)	(1,224,828)	(1,102,718)	(1,137,178)
Loss from experience adjustments on plan Liabilities	(32,689)	(15,384)	(2,981)	(13,801)	8,971
Loss from experience adjustments on plan assets	(730)	(7,096)	(16,448)	(13,993)	-

(Unit: Thousand Baht)

	Separate financial statements				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Defined benefit obligation	(206,496)	(96,369)	(85,146)	(83,156)	(42,443)
Loss from experience adjustments on plan Liabilities	(80,726)	-	-	(47,229)	-

23. Provisions

These comprise the following:

	Consolidated financial statements			Separate financial statements		
	Restructuring costs	Warranty	Other provisions	Warranty	Warranty	Total
Balance as at 31 December 2010	8,521	237,676	131,635	21,622	21,622	21,622
Recognition during year	19,326	1,215,271	310,680	5,554	5,554	5,554
Reversal during year	(8,241)	(1,254,481)	(184,828)	(11,400)	(11,400)	(11,400)
Translation adjustment/ unrealised loss on exchange rate	100	6,116	(377)	800	800	800
Balance as at 31 December 2011	19,706	204,582	257,110	16,576	16,576	16,576
Short-term provisions	5,939	24,604	121,609	5,846	5,846	5,846
Long-term provisions	2,582	213,072	10,026	15,776	15,776	15,776
Balance as at 31 December 2010	8,521	237,676	131,635	21,622	21,622	21,622
Short-term provisions	17,807	13,568	224,498	-	-	-
Long-term provisions	1,899	191,014	32,612	16,576	16,576	16,576
Balance as at 31 December 2011	19,706	204,582	257,110	16,576	16,576	16,576

24. 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.

During December 2010, 799 warrants were exercised to purchase 980 new ordinary shares, the Company registered this capital increase with the Ministry of Commerce on 22 December 2010.

The final date for the exercise of the Company's warrants was 17 December 2010, after which the remaining warrants can no longer be exercised.

25. 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.

26. Dividends

Dividends declared in 2011 and 2010 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 2010	Annual General Meeting of the shareholders on 1 April 2011	2,121	1.70
Final dividend for year 2009	Annual General Meeting of the shareholders on 5 April 2010	1,871	1.50

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Salaries, wages and other employee benefits	6,460	5,793	2,876	2,764
Raw materials used and purchase of finished goods	25,102	24,183	16,674	15,484
Changes in inventories of finished goods and work in progress	(319)	(1,450)	(318)	(910)
Depreciation	746	647	491	408
Commission expenses	515	343	576	435
Marketing fee	12	-	231	204
Design and engineering fee	356	-	1,074	673
Amortisation of intangible assets	75	60	1	1
Restructuring expenses	18	-	-	-
Loss on exchange	-	-	-	2

28. 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		1404(1)/2544	1523/2543	1571(2)/2549	1710(2)/2549	1541(2)/2552	1494(2)/2552	2113(2)/2553	2061(1)/2553	2062(1)/2553
1. Certificate No.		Manufacturing of DC FAN	Manufacturing of EMI FILTER	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
2. Promotional privileges for		7 years	7 years	5 years	5 years	7 years	7 years	5 years	8 years	8 years
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.		Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.2 Exemption from import duty on machinery as approved by the board.		Granted	Granted	Non – granted	Non – granted	Granted	Granted	Non – granted	Non – granted	Non – granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.		Granted	Granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted
3.4 Allowance to additionally deduct 5% of any increment in export income over the preceding year for ten years, providing that the export income of that year is not lower than the average export earnings of the three preceding years, except during the first two years.		Non – granted	Granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted
4. Date of first earning operating income		12 December 2006	7 January 2004	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	
	2011	2010	2011	2010	2011	2010
<u>Separate financial statements</u>						
Sales						
Domestic sales	596	341	-	-	596	341
Export sales	25,591	23,724	109	140	25,700	23,864
Total	26,187	24,065	109	140	26,296	24,205

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 2011, and the manufacture of Electric light bulbs and Display monitors, pursuant to the promotion certificate No. 1814(2)/2554 issued on 24 May 2011. Subject to certain imposed conditions, the privileges include 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; exemption from import duty on machinery as approved by the Board of Investment; and 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.

29. 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	2,864,334	4,152,574	1,247,382	1,247,381	2.30	3.33
Effect of dilutive potential ordinary shares						
Warrants		-		3		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares		4,152,574		1,247,384		3.33

Separate financial statements

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,475,540	3,296,723	1,247,382	1,247,381	2.79	2.64
Effect of dilutive potential ordinary shares						
Warrants		-		3		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares		<u>3,296,723</u>		<u>1,247,384</u>		2.64

The final date for the exercise of the Company's warrants was 17 December 2010, after which the remaining warrants can no longer be exercised. As a result, the Company has not presented diluted earnings per share for the year ended 31 December 2011.

30. 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 2011 and 2010 is as follows:

	Thailand		Asia		Australia		America		Europe		Total		Eliminated		Consolidated financial statements		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
	(Unit: Million Baht)																
Revenue from external customers	17,947	16,767	2,765	3,471	-	-	9,991	6,690	7,731	8,802	38,434	35,730	-	-	38,434	35,730	
Inter-segment revenues	8,349	7,438	324	250	11	-	62	63	5,278	4,733	14,024	12,484	(14,024)	(12,484)	-	-	
Total revenues	26,296	24,205	3,089	3,721	11	-	10,053	6,753	13,009	13,535	52,458	48,214	(14,024)	(12,484)	38,434	35,730	
Segment profit (loss)	3,159	3,376	(182)	(102)	1	-	(1)	(1)	(456)	494	2,521	3,767			2,522	3,844	
Unallocated income (expenses):																	
Other income																229	201
Interest income																125	59
Dividend income from other long-term investments																114	28
Share of profit from investment in associated company																17	11
Amortisation of intangible assets																(75)	(60)
Gain on sales of investments in available-for-sale securities																-	100
Gain on sales of investments in associated company																84	-
Gain (loss) on disposal of property, plant and equipment																1	(8)
Finance cost																(98)	(61)
Corporate income tax																(55)	67
Profit for the year - attributable to non-controlling interest of the subsidiary																-	(28)
Profit for the year - attributable to equity holders of the Company																2,864	4,153

	(Unit: Million Baht)															
	Thailand		Asia		Australia		America		Europe		Total		Eliminated		Consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Property, plant and equipment	2,859	2,517	789	775	-	-	46	42	1,033	891	4,727	4,225	-	-	4,727	4,225
Unallocated assets															25,157	25,386
Total assets											4,727	4,225			29,884	29,611

Transfer prices between business segments are as set out in Note 7 to the financial statements.

31. 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 2011, the Company contributed Baht 22,804,747 (2010: Baht 12,713,994) to the fund.

32. Commitments and contingent liabilities

32.1 Capital commitments and operating lease commitments

32.1.1 As at 31 December 2011, the Company and its subsidiaries had significant capital commitments amounting to Baht 45 million in respect of the building construction and amounting to Baht 152 million, INR 10 million and EUR 0.5 million in respect of the purchase of machinery and equipment.

32.1.2 As at 31 December 2011, the subsidiaries had significant operating lease commitments amounting to CHF 1.2 million, EUR 4.4 million and INR 179 million.

32.2 Guarantee obligations

As at 31 December 2011, the Company and its subsidiaries had the following outstanding significant letters of guarantee required in the ordinary course of their businesses:

32.2.1 Outstanding letters of guarantee totaling approximately Baht 758 million have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately 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 32.3.1 to the financial statements).

32.2.2 Outstanding letters of guarantee for totals of approximately INR 159 million, EUR 1 million and USD 2 million have been issued by banks to meet requirements of its subsidiaries.

32.3 Tax assessment

32.3.1 In 2006, the Company received a corporate income tax assessment letter from the Revenue Department covering the years 1997 through 2000, 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. During the current year, the Committee subsequently reduced the amount approximately of Baht 734 million (including penalties and surcharges). However, the Company has currently requested the Central Tax Court to consider a revocation of this tax assessment. The independent legal counselor of the Company believed that no significant losses will be incurred by the Company and the Company has therefore not recorded provision for this tax assessment.

32.3.2 Corporate income tax assessment of approximately INR 85 million was made against an overseas subsidiaries, covering the years 2003 - 2005 and 2007 - 2009 and sales tax and excise duties assessment of approximately INR 99 million, covering the years 2005 - 2009. The subsidiaries have submitted a letter appealing the assessment and the management of the Company and the subsidiaries believe that no significant losses will be incurred. The subsidiaries therefore have not recorded provision for this tax assessment.

32.4 Litigation

As at 31 December 2011, two lawsuits had been filed against an overseas subsidiary, claiming a total of INR 7 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 such accounts.

33. Financial instruments

33.1 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 Company and its subsidiaries are exposed to interest rate risk relating 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 as at 31 December 2011 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						Interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	362	-	-	8,237	914	9,513	0.01 - 8.25
Trade accounts receivable	-	-	-	-	6,834	6,834	-
Other accounts receivable	-	-	-	-	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 accounts payable	-	-	-	-	4,960	4,960	-
Amount due to related parties	-	-	-	-	126	126	-
Other accounts payable	-	-	-	-	536	536	-
Total	1,022	-	-	-	5,622	6,644	

Separate financial statements

	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	-	-	-	6,009	-	6,009	0.02 - 2.95
Trade accounts receivable	-	-	-	-	4,834	4,834	-
Total	-	-	-	6,009	4,834	10,843	
Financial liabilities							
Trade accounts payable	-	-	-	-	3,517	3,517	-
Amount due to related parties	-	-	-	-	353	353	-
Other accounts payable	-	-	-	-	364	364	-
Total	-	-	-	-	4,234	4,234	

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

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
US dollar	125	97	31.6912
Euro	32	5	41.0274
Japanese yen	45	156	0.4084
Czech koruna	22	-	1.5947
Russian ruble	53	1	0.9868
Polish zloty	14	3	9.3180
Swedish krona	4	1	4.5906

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 2011, the outstanding derivatives are as follows:

Forward contracts

	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

33.2 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.

34. Capital management

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

The Group manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2011, the Group's debt-to-equity ratio was 0.50:1 (2010: 0.53:1) and the Company's was 0.24:1 (2010: 0.25:1).

35. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, following the adoption of presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development described in Note 2 and the adoption of new and revised accounting standards described in Note 3.

The reclassifications had no effect to previously reported profit or shareholders' equity.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2012.