

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2013

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2013, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 18.3.1 to the financial statements regarding the Company's receipt of notice of a corporate income tax assessment from the Revenue Department, covering the years 1997 through 2004. My conclusion is not qualified in respect of this matter.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 6 November 2013

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		13,696,975,142	12,781,778,448	8,384,491,773	8,697,360,220
Trade and other receivables	3	8,141,532,176	7,026,770,421	5,999,697,663	4,563,147,818
Inventories	4	5,993,969,697	5,466,383,275	3,297,502,281	3,266,905,390
Other current assets	5	1,032,219,265	851,605,907	147,590,340	126,994,668
Total current assets		28,864,696,280	26,126,538,051	17,829,282,057	16,654,408,096
Non-current assets					
Deposits at bank with restrictions		116,953,238	151,437,826	-	-
Investment in associated company	1.2.3, 6	186,888,693	-	-	-
Investments in subsidiary companies	1.2.3, 7	-	-	10,750,923,813	9,870,976,026
Other long-term investments	1.2.3, 8	947,415	411,601,908	-	-
Property, plant and equipment	9	4,627,830,367	4,984,384,258	2,594,333,300	2,821,423,476
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	10	651,660,199	687,604,760	21,366,740	26,316,767
Deferred tax assets		391,040,561	319,049,149	-	-
Other non-current assets		48,327,675	87,291,643	4,636,850	4,829,169
Total non-current assets		6,330,406,119	6,948,127,515	13,371,260,703	12,723,545,438
Total assets		35,195,102,399	33,074,665,566	31,200,542,760	29,377,953,534

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		463,152,877	660,694,307	-	-
Trade and other payables	11	9,059,430,845	8,143,951,270	6,088,510,056	5,076,642,819
Income tax payable		88,683,164	74,547,237	-	-
Short-term provisions	14	103,212,896	244,690,620	-	-
Other current liabilities	12	240,626,989	240,691,644	30,935,811	61,645,450
Total current liabilities		9,955,106,771	9,364,575,078	6,119,445,867	5,138,288,269
Non-current liabilities					
Deferred tax liabilities		145,860,498	48,946,045	-	-
Provision for long-term employee benefits	13	931,524,962	866,459,789	125,917,996	116,588,932
Long-term provisions	14	295,517,029	258,531,053	58,179,335	19,821,278
Other non-current liabilities		8,419,302	39,521,379	1,050,000	6,766,464
Total non-current liabilities		1,381,321,791	1,213,458,266	185,147,331	143,176,674
Total liabilities		11,336,428,562	10,578,033,344	6,304,593,198	5,281,464,943
Shareholders' equity					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid-up					
1,247 million ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Retained earnings					
Appropriated - Statutory reserve		125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		23,002,691,421	21,676,381,221	22,030,755,448	21,231,294,477
Other component of shareholders' equity		(2,009,211,698)	(2,044,943,113)	-	-
Equity attributable to owners of the Company		23,858,673,837	22,496,632,222	24,895,949,562	24,096,488,591
Total shareholders' equity		23,858,673,837	22,496,632,222	24,895,949,562	24,096,488,591
Total liabilities and shareholders' equity		35,195,102,399	33,074,665,566	31,200,542,760	29,377,953,534
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income**

For the three-month period ended 30 September 2013

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Sales and service income		11,294,063,399	11,276,931,256	7,970,458,572	7,896,863,625
Other income					
Interest income		42,587,957	50,139,338	35,938,034	42,450,810
Gain on exchange rate		100,741,013	5,565,164	88,891,152	-
Dividend income from other long-term investments	8	13,273,987	3,732,779	-	-
Others		47,409,034	105,482,912	38,349,769	41,215,720
Total revenues		11,498,075,390	11,441,851,449	8,133,637,527	7,980,530,155
Expenses					
Cost of sales and services		8,218,778,889	7,798,283,258	5,630,936,416	5,471,424,790
Selling expenses		656,895,845	696,601,034	227,240,393	243,265,276
Administrative expenses		430,122,990	442,095,895	291,214,420	313,333,564
Research and development expenses		463,521,631	474,809,812	346,511,735	410,747,125
Loss on exchange rate		-	-	-	24,308,158
Other expenses		63,214,741	43,225,087	18,971,961	3,390,469
Total expenses		9,832,534,096	9,455,015,086	6,514,874,925	6,466,469,382
Profit before share of loss from investment					
in associated company, finance cost and					
income tax expenses					
		1,665,541,294	1,986,836,363	1,618,762,602	1,514,060,773
Share of loss from investment					
in associated company		(1,269,521)	-	-	-
Profit before finance cost and					
income tax expenses		1,664,271,773	1,986,836,363	1,618,762,602	1,514,060,773
Finance cost		(14,817,381)	(22,966,010)	-	-
Profit before income tax expenses		1,649,454,392	1,963,870,353	1,618,762,602	1,514,060,773
Income tax expenses	16	(6,500,313)	(43,153,991)	-	-
Profit for the period		1,642,954,079	1,920,716,362	1,618,762,602	1,514,060,773
Other comprehensive income:					
Exchange differences on translation of					
financial statements in foreign currency		79,722,797	(48,799,143)	-	-
Other comprehensive income for the period		79,722,797	(48,799,143)	-	-
Total comprehensive income for the period		1,722,676,876	1,871,917,219	1,618,762,602	1,514,060,773

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit attributable to:				
Equity holders of the Company	<u>1,642,954,079</u>	<u>1,920,716,362</u>	<u>1,618,762,602</u>	<u>1,514,060,773</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,722,676,876</u>	<u>1,871,917,219</u>	<u>1,618,762,602</u>	<u>1,514,060,773</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.32</u>	<u>1.54</u>	<u>1.30</u>	<u>1.21</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income**

For the nine-month period ended 30 September 2013

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Sales and service income		30,498,955,485	30,353,109,937	21,415,933,649	21,122,193,146
Other income					
Interest income		140,985,485	138,963,913	121,056,208	118,587,562
Gain on exchange rate		202,992,091	99,052,457	265,256,502	90,747,264
Gain on sales of investment in subsidiary	1.2.3	258,650,176	-	-	-
Dividend income from other long-term investments	8	13,273,987	49,898,033	-	-
Others		247,830,584	233,850,556	126,272,392	123,524,125
Total revenues		31,362,687,808	30,874,874,896	21,928,518,751	21,455,052,097
Expenses					
Cost of sales and services		22,316,554,516	22,065,230,199	15,486,342,921	15,066,608,200
Selling expenses		1,866,958,122	2,090,366,958	628,951,527	670,823,436
Administrative expenses		1,252,264,223	1,278,387,310	886,999,845	859,339,217
Research and development expenses		1,339,194,939	1,451,380,129	1,092,260,924	1,214,272,389
Other expenses		169,017,581	320,711,962	40,786,689	35,779,614
Total expenses		26,943,989,381	27,206,076,558	18,135,341,906	17,846,822,856
Profit before share of profit from investment in associated company, finance cost and income tax expenses					
		4,418,698,427	3,668,798,338	3,793,176,845	3,608,229,241
Share of profit from investment in associated company	6	18,463,589	-	-	-
Profit before finance cost and income tax expenses					
		4,437,162,016	3,668,798,338	3,793,176,845	3,608,229,241
Finance cost		(47,003,599)	(74,785,530)	-	-
Profit before income tax expenses					
		4,390,158,417	3,594,012,808	3,793,176,845	3,608,229,241
Income tax expenses	16	(70,132,343)	(60,760,718)	-	-
Profit for the period		4,320,026,074	3,533,252,090	3,793,176,845	3,608,229,241
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		35,731,415	(166,948,704)	-	-
Other comprehensive income for the period		35,731,415	(166,948,704)	-	-
Total comprehensive income for the period		4,355,757,489	3,366,303,386	3,793,176,845	3,608,229,241

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit attributable to:				
Equity holders of the Company	<u>4,320,026,074</u>	<u>3,533,252,090</u>	<u>3,793,176,845</u>	<u>3,608,229,241</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>4,355,757,489</u>	<u>3,366,303,386</u>	<u>3,793,176,845</u>	<u>3,608,229,241</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>3.46</u>	<u>2.83</u>	<u>3.04</u>	<u>2.89</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2013

(Unit: Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other component of shareholders' equity	
Balance as at 31 December 2011 (Audited)	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
Profit for the period	-	-	-	3,533,252,090	-	-	3,533,252,090
Other comprehensive income for the period	-	-	-	-	(166,948,704)	(166,948,704)	(166,948,704)
Total comprehensive income for the period	-	-	-	3,533,252,090	(166,948,704)	(166,948,704)	3,366,303,386
Dividend paid (Note 15)	-	-	-	(1,496,857,937)	-	-	(1,496,857,937)
Balance as at 30 September 2012	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>20,862,249,749</u>	<u>(1,998,908,150)</u>	<u>(1,998,908,150)</u>	<u>21,728,535,713</u>
Balance as at 31 December 2012 (Audited)	1,247,381,614	1,491,912,500	125,900,000	21,676,381,221	(2,044,943,113)	(2,044,943,113)	22,496,632,222
Profit for the period	-	-	-	4,320,026,074	-	-	4,320,026,074
Other comprehensive income for the period	-	-	-	-	35,731,415	35,731,415	35,731,415
Total comprehensive income for the period	-	-	-	4,320,026,074	35,731,415	35,731,415	4,355,757,489
Dividend paid (Note 15)	-	-	-	(2,993,715,874)	-	-	(2,993,715,874)
Balance as at 30 September 2013	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>23,002,691,421</u>	<u>(2,009,211,698)</u>	<u>(2,009,211,698)</u>	<u>23,858,673,837</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2013

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2011 (Audited)	1,247,381,614	1,491,912,500	125,900,000	18,321,617,397	21,186,811,511
Total comprehensive income for the period	-	-	-	3,608,229,241	3,608,229,241
Dividend paid (Note 15)	-	-	-	(1,496,857,937)	(1,496,857,937)
Balance as at 30 September 2012	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>20,432,988,701</u>	<u>23,298,182,815</u>
Balance as at 31 December 2012 (Audited)	1,247,381,614	1,491,912,500	125,900,000	21,231,294,477	24,096,488,591
Total comprehensive income for the period	-	-	-	3,793,176,845	3,793,176,845
Dividend paid (Note 15)	-	-	-	(2,993,715,874)	(2,993,715,874)
Balance as at 30 September 2013	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>22,030,755,448</u>	<u>24,895,949,562</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2013**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:				
Profit before tax	4,390,158,417	3,594,012,808	3,793,176,845	3,608,229,241
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	608,625,833	596,673,001	423,491,800	406,645,418
Amortisation of other intangible assets	65,473,064	91,354,988	9,375,509	6,068,774
Record allowance for doubtful accounts (reversal)	(2,241,872)	4,781,250	(7,889,719)	(6,958,830)
Decrease of inventory to net realisable value (reversal)	(69,859,143)	(179,090,125)	(71,135,927)	(145,490,008)
Increase in provision for long-term employee benefits	70,443,550	77,302,146	19,282,478	34,201,034
Record the increase in provisions	44,354,949	80,114,380	38,358,057	151,938
Share of profit from investment in associated company	(18,463,589)	-	-	-
Loss from dissolution of a subsidiary (Note 1.2.4)	28,783,162	-	-	-
Dividend income from other long-term investments	(13,273,987)	(49,898,033)	-	-
Gain on sales of investment in subsidiary	(258,650,176)	-	-	-
(Gain) loss on disposal of property, plant and equipment	(3,179,754)	23,355,456	(4,001,412)	22,132,124
Loss on disposal of other intangible assets	12,121,259	1,402,413	-	220,898
Unrealised (gain) loss on exchange rate	(109,354,773)	108,650,813	(152,365,114)	95,325,381
Interest income	(140,985,485)	(138,963,913)	(121,056,208)	(118,587,562)
Interest expenses	47,003,599	74,785,530	-	-
Profit from operating activities before changes in operating assets and liabilities	4,650,955,054	4,284,480,714	3,927,236,309	3,901,938,408
Decrease (increase) in operating assets:				
Trade and other receivables	(1,075,797,095)	(1,302,305,895)	(1,393,240,012)	(1,003,147,542)
Inventories	(457,727,279)	(141,341,453)	40,539,036	101,153,466
Other current assets	(94,147,940)	(180,257,702)	(808,355)	(35,280,112)
Other non-current assets	38,963,968	(8,125,043)	192,320	(3,546,884)
Increase (decrease) in operating liabilities:				
Trade and other payables	913,771,283	2,660,649,190	1,006,684,007	1,482,589,861
Other current liabilities	(1,438,417)	(93,715,500)	(31,653,969)	(66,019,633)
Provision for long-term employee benefits	(40,637,338)	(40,635,522)	(9,953,414)	(6,216,840)
Provisions	(167,469,609)	(18,037,232)	-	-
Other non-current liabilities	(31,102,077)	30,254,979	(5,716,464)	1,032,744
Cash flows from operating activities	3,735,370,550	5,190,966,536	3,533,279,458	4,372,503,468
Cash received from interest income	121,650,388	136,845,452	102,421,703	116,811,513
Cash paid for interest expenses	(43,770,588)	(70,109,023)	-	-
Cash paid for corporate income tax	(109,185,226)	(54,754,673)	(1,153,130)	(1,206,197)
Net cash flows from operating activities	3,704,065,124	5,202,948,292	3,634,548,031	4,488,108,784

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the nine-month period ended 30 September 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	34,484,588	2,471,400	-	-
Increase in investments in subsidiary companies	-	-	(879,947,787)	(455,045,262)
Dividend received from other long-term investments	13,273,987	49,898,033	-	-
Cash received from sales of investment in subsidiary	439,141,581	-	-	-
Acquisition of property, plant and equipment	(285,034,641)	(936,927,310)	(202,531,412)	(428,073,003)
Proceeds from disposal of property, plant and equipment	20,263,379	28,590,515	10,131,200	2,464,624
Increase in other intangible assets	(28,637,411)	(67,537,383)	(4,425,482)	(34,545,527)
Net cash flows from (used in) investing activities	<u>193,491,483</u>	<u>(923,504,745)</u>	<u>(1,076,773,481)</u>	<u>(915,199,168)</u>
Cash flows from financing activities:				
Decrease in bank overdrafts and short-term loans from financial institutions	(198,627,626)	(104,390,458)	-	-
Dividend paid (Note 15)	(2,993,715,874)	(1,496,857,937)	(2,993,715,874)	(1,496,857,937)
Net cash flows used in financing activities	<u>(3,192,343,500)</u>	<u>(1,601,248,395)</u>	<u>(2,993,715,874)</u>	<u>(1,496,857,937)</u>
Increase (decrease) in translation adjustments	<u>133,056,442</u>	<u>(124,331,034)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	838,269,549	2,553,864,118	(435,941,324)	2,076,051,679
Unrealised gain on exchange rate for cash and cash equivalents	76,927,145	38,252,820	123,072,877	37,196,560
Cash and cash equivalents at beginning of period	<u>12,781,778,448</u>	<u>9,512,594,932</u>	<u>8,697,360,220</u>	<u>6,009,434,156</u>
Cash and cash equivalents at end of period	<u>13,696,975,142</u>	<u>12,104,711,870</u>	<u>8,384,491,773</u>	<u>8,122,682,395</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2013

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2012. However, there were the following changes in the composition of the Group during the current period:

1.2.1 On 14 March 2013, the meeting of the Board of Directors of Delta Greentech International Holding Limited passed a resolution to enter into an agreement to sell its investment in Delta Greentech (Netherlands) Cooperatie U.A. to Delta Energy Systems (Singapore) Pte. Ltd. at a price of approximately USD 29.7 million, or approximately Baht 932 million. The sale was now completed. However, the resulting change in the composition of the Group has no impact on the Company's proportionate interests in this group of subsidiary companies and has no significant impact on the financial statements.

1.2.2 The meeting of the Board of Directors of the Company, held on 11 May 2012, passed a resolution approving the dissolution of Delta Greentech (Hong Kong) Limited and this company registered its dissolution on 4 January 2013. There is no significant impact on the financial statements.

- 1.2.3 On 2 April 2013, Delta Greentech International Holding Limited completed the sale of an investment in Delta Greentech SGP Pte. Ltd. to a related company at a price of approximately USD 15 million, or approximately Baht 440 million, with a gain on the sale of approximately USD 8.5 million, or approximately Baht 259 million. As a result of the sale, the subsidiary's shareholding in Delta Greentech SGP Pte. Ltd. decreased to 45 percent. The remaining balance of this investment has been therefore classified as investment in associated company and, due to this classification, the 8% investment in Delta Greentech (China) Company Limited held by Delta Greentech SGP Pte. Ltd. has been excluded from the Company's consolidated financial statements.
- 1.2.4 The meeting of the Board of Directors of the Company, held on 11 May 2012, passed a resolution approving the dissolution of Delta Energy Systems (Slovakia) s.r.o. and this company registered its dissolution on 12 September 2013 and the Company had loss from dissolution of the subsidiary amounting to USD 1 million or approximately Baht 29 million and recorded this loss under the caption of "Other expenses" in the statement of comprehensive income.
- 1.2.5 The Company's Board of Directors meeting, held on 13 August 2013, passed a resolution approving the establishment of a new subsidiary company in Germany, Delta Energy Systems Property (Germany) GmbH, with EUR 25,000 registered capital (25,000 ordinary shares of EUR 1 each) and all shares of this subsidiary company are held by Delta Energy Systems (Germany) GmbH. This new subsidiary was registered on 6 September 2013.

1.3 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

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

Accounting standards:

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

Financial Reporting Standard:

IFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

(Unaudited but reviewed)

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements. However, the Company and its subsidiaries have early adopted TAS No. 12 "Income Taxes" before the effective date.

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

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014

(Unaudited but reviewed)

The management of the Company and its subsidiaries have assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries, except for TAS 12 (revised 2012) and TFRIC 10, which the management believes will not have any significant impact on the financial statements for the year when they are initially applied, and TFRIC 4, of which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012.

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,537	2,676	With reference to market prices
Purchase of raw materials	-	-	12	81	With reference to market prices
Commission paid	-	-	93	57	Contract prices
Marketing fee	-	-	53	71	Contract prices
Design and engineering fee	-	-	213	277	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	510	390	472	378	With reference to market prices
Purchase of goods and raw materials	665	209	49	74	With reference to market prices
Commission paid	71	83	71	83	Contract prices
Commission received	18	17	-	-	Contract prices
Service income	12	20	-	-	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	7,074	7,444	With reference to market prices
Purchase of raw materials	-	-	56	171	With reference to market prices
Commission paid	-	-	267	166	Contract prices
Marketing fee	-	-	197	214	Contract prices
Design and engineering fee	-	-	672	822	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	1,238	1,033	1,198	1,010	With reference to market prices
Purchase of goods and raw materials	1,928	1,017	116	237	With reference to market prices
Commission paid	203	249	203	249	Contract prices
Commission received	47	54	-	-	Contract prices
Service income	83	65	-	-	Contract prices

The balances of the accounts as at 30 September 2013 and 31 December 2012 between the Company, its subsidiaries and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(Audited)		(Audited)
<u>Trade accounts receivables, related parties (Note 3)</u>				
Subsidiary companies	-	-	2,398	1,915
Other related companies (under common control)	531	362	469	311
Total trade accounts receivables, related parties	<u>531</u>	<u>362</u>	<u>2,867</u>	<u>2,226</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
		(Audited)		(Audited)
<u>Trade accounts payables, related parties (Note 11)</u>				
Subsidiary companies	-	-	18	63
Other related companies (under common control)	803	1,008	49	48
Total trade accounts payables, related parties	803	1,008	67	111
<u>Amounts due to related parties (Note 11)</u>				
Subsidiary companies	-	-	113	154
Other related companies (under common control)	76	215	69	73
Total amounts due to related parties	76	215	182	227

Directors and management's benefits

For the nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Short-term employee benefits	160	206	66	62
Post-employment benefits	9	13	1	1
Termination benefits	2	-	-	-
Total	171	219	67	63

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
		(Audited)		(Audited)
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	519	354	2,736	2,048
Past due 1 - 3 months	11	8	131	178
Past due 3 - 6 months	1	-	-	-
Total	531	362	2,867	2,226
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	6,760	5,750	2,989	2,139
Past due 1 - 3 months	803	846	144	199
Past due 3 - 6 months	65	69	1	3
Past due 6 - 12 months	45	19	-	-
Past due over 12 months	26	32	-	-
Total	7,699	6,716	3,134	2,341
Total trade accounts receivables	8,230	7,078	6,001	4,567
Less: Allowance for doubtful accounts	(139)	(141)	(4)	(12)
Total trade receivables - net	8,091	6,937	5,997	4,555
<u>Other receivables</u>				
Other receivables	51	90	3	8
Total other receivables	51	90	3	8
Trade and other receivables - net	8,142	7,027	6,000	4,563

(Unaudited but reviewed)

4. Reduce cost to net realisable value of inventories

Movement in the reduce cost to net realisable value of inventory account during the nine-month period ended 30 September 2013 is summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	1,021	502
Add: Reduce cost to net realisable value of inventories increase during the period	135	-
Less: Reversal of reduce cost to net realisable value of inventory account during the period	(205)	(71)
Balance as at 30 September 2013	<u>951</u>	<u>431</u>

5. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(Audited)		(Audited)
Input tax refundable	541	494	57	71
Advance payments	79	53	12	11
Prepaid expenses	84	65	48	27
Prepaid tax	189	174	-	-
Forward contracts receivable	40	24	3	10
Others	99	42	28	8
Total other current assets	<u>1,032</u>	<u>852</u>	<u>148</u>	<u>127</u>

(Unaudited but reviewed)

6. Investment in associated company

Details of investment in associated company

(Unit: Million Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investment in associated company for the nine-month periods ended 30 September	
			30 September	31 December	30 September	31 December	30 September	31 December	2013	2012
			2013	2012	2013	2012	2013	2012	2013	2012
			%	%						
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding Business	Singapore	45	-	157	-	176	-	18	-
Translation adjustment					-	-	11	-	-	-
Total investment in associated company					157	-	187	-	18	-

(Unaudited but reviewed)

7. Investments in subsidiary companies

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

Company's name	Cost	
	30 September 2013	31 December 2012
	(Audited)	
DET International Holding Limited	9,450	9,450
Delta Energy Systems (Switzerland) AG	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	190	190
Delta Energy Systems (Singapore) Private Limited	892	12
Subtotal	12,947	12,067
Less: Loss on impairment of investments in subsidiary companies	(2,196)	(2,196)
Investments in subsidiary companies - net	10,751	9,871

No dividend was received from the above subsidiary companies during the nine-month periods ended 30 September 2013 and 2012.

8. Other long-term investments

Company's name	Shareholding percentage		Consolidated financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
	%		(Audited)	
IP Fund One, L.P. (owned by DET International Holding Limited)	3.84	3.84	241	241
Delta Greentech (China) Company Limited (owned by Delta Greentech SGP Pte. Ltd., Note 1.2.3)	-	8.21	-	457
Total other long-term investments			241	698
Less: Allowance for diminution in value of investments in other long-term investments			(178)	(178)
Translation adjustment			(62)	(108)
Other long-term investments - net			1	412

(Unaudited but reviewed)

During the current period, the Company received dividend amounting to approximately USD 0.5 million or approximately Baht 13 million from IP Fund One, L.P. (the nine-month period ended 30 September 2012: received dividend amounting to USD 1.49 million or approximately Baht 50 million from Delta Greentech (China) Company Limited).

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2013	4,984	2,821
Acquisitions during period - cost	285	202
Disposals during period - net book value at disposal date	(17)	(6)
Depreciation for the period	(609)	(423)
Translation adjustment	(15)	-
Net book value as at 30 September 2013	4,628	2,594

10. Other intangible assets

Movement of the other intangible asset account during the nine-month period ended 30 September 2013 are summarised below.

	Consolidated financial statements				Separate
	Computer				financial statements
	Patent rights	software	Others	Total	Computer software
Net book value as at 1 January 2013	600	86	2	688	26
Increase during period	-	22	7	29	4
Disposals during period - net book value at disposal date	-	(8)	(4)	(12)	-
Amortisation for the period	(37)	(28)	-	(65)	(9)
Translation adjustment	14	(1)	(1)	12	-
Net book value as at 30 September 2013	577	71	4	652	21

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
		(Audited)		(Audited)
Trade payables - related parties	803	1,008	67	111
Trade payables - unrelated parties	5,201	4,407	4,032	3,407
Amount due to related parties	76	215	182	227
Other payables	379	484	264	400
Accrued expenses	2,384	1,840	1,421	810
Advance received	216	190	123	122
Total trade and other payables	9,059	8,144	6,089	5,077

12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
		(Audited)		(Audited)
Forward contracts payable	17	4	6	-
Withholding tax payable	33	89	5	51
Value added tax payable	133	70	-	-
Others	58	78	20	11
Total other current liabilities	241	241	31	62

(Unaudited but reviewed)

13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2013	866	117
Add: Recognition during period	70	19
Less: Decrease during period	(41)	(10)
Translation adjustment	37	-
Balance as at 30 September 2013	<u>932</u>	<u>126</u>

(Unaudited but reviewed)

14. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring	Warranty	Other	Total	Warranty	Total
	costs		provisions			
Balance as at 31 December 2012 (Audited)	153	260	91	504	20	20
Recognition during period	4	193	99	296	38	38
Decrease during period	(139)	(1)	(27)	(167)	-	-
Reversal during period	(1)	(186)	(65)	(252)	-	-
Translation adjustment	7	6	5	18	-	-
Balance as at 30 September 2013	24	272	103	399	58	58
Short-term provisions	152	23	70	245	-	-
Long-term provisions	1	237	21	259	20	20
Balance as at 31 December 2012 (Audited)	153	260	91	504	20	20
Short-term provisions	24	29	50	103	-	-
Long-term provisions	-	243	53	296	58	58
Balance as at 30 September 2013	24	272	103	399	58	58

(Unaudited but reviewed)

15. Dividends

Dividends declared in 2013 and 2012 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 2012	Annual General Meeting of the shareholders on 29 March 2013	2,994	2.40
Final dividend for year 2011	Annual General Meeting of the shareholders on 30 March 2012	1,497	1.20

16. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2013 and 2012 are made up as follows:

	(Unit: Million Baht)	
	For the three-month periods ended 30 September	
	<u>2013</u>	<u>2012</u>
Current income tax:		
Current income tax charge	(17)	(16)
Adjustment in respect of current income tax to previously year	(2)	-
Deferred tax:		
Increase (decrease) in deferred tax assets	45	(22)
Increase in deferred tax liabilities	(29)	(3)
Translation adjustment	(4)	(2)
Income tax expenses reported in the statement of comprehensive income	<u>(7)</u>	<u>(43)</u>
		(Unit: Million Baht)
	For the nine-month periods ended 30 September	
	<u>2013</u>	<u>2012</u>
Current income tax:		
Current income tax charge	(45)	(66)
Adjustment in respect of current income tax to previously year	(2)	-
Deferred tax:		
Increase (decrease) in deferred tax assets	72	(8)
Decrease (increase) in deferred tax liabilities	(97)	7
Translation adjustment	2	6
Income tax expenses reported in the statement of comprehensive income	<u>(70)</u>	<u>(61)</u>

(Unaudited but reviewed)

17. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2013 and 2012 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

(Unit: Million Baht)

	For the three-month periods ended 30 September								Consolidated financial statements	
	Power electronics segment ¹⁾		Energy management segment ²⁾		Smart green life segment ³⁾		Others			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>		
Revenue										
Revenue from external customers	8,049	7,890	2,792	3,086	74	93	379	208	11,294	11,277
Total revenue	<u>8,049</u>	<u>7,890</u>	<u>2,792</u>	<u>3,086</u>	<u>74</u>	<u>93</u>	<u>379</u>	<u>208</u>	<u>11,294</u>	<u>11,277</u>
Segment profit (loss)	1,556	1,762	74	371	(11)	(15)	(95)	(254)	1,525	1,864
Unallocated income (expenses):										
Interest income									43	50
Gain on exchange rate									101	6
Dividend income from other long-term investments									13	4
Other income									47	106
Other expenses									(63)	(43)
Finance cost									(15)	(23)
Share of loss from investment in associated company									(2)	-
Profit before income tax expenses									1,649	1,964
Income tax expenses									(6)	(43)
Profit for the period									<u>1,643</u>	<u>1,921</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Power electronics segment ¹⁾		Energy management segment ²⁾		Smart green life segment ³⁾		Others		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue										
Revenue from external customers	21,702	21,548	7,748	7,972	346	246	703	587	30,499	30,353
Total revenue	<u>21,702</u>	<u>21,548</u>	<u>7,748</u>	<u>7,972</u>	<u>346</u>	<u>246</u>	<u>703</u>	<u>587</u>	<u>30,499</u>	<u>30,353</u>
Segment profit (loss)	4,120	4,364	250	(133)	35	(70)	(681)	(693)	3,724	3,468
Unallocated income (expenses):										
Interest income									141	139
Gain on exchange rate									203	99
Gain on sales of investment in subsidiary									259	-
Dividend income from other long-term investments									13	50
Other income									248	234
Other expenses									(169)	(321)
Finance cost									(47)	(75)
Share of profit from investment in associated company									18	-
Profit before income tax expenses									4,390	3,594
Income tax expenses									(70)	(61)
Profit for the period									<u>4,320</u>	<u>3,533</u>

1) The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances and automotive electronic products. The main products are DC-DC Converter, Power supply for Computer & Server, DES product, Automotive electronic product, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.

2) The energy management segment is a business segment which designs, manufactures, and sales of power supplies/converters and electromechanical products applied to communication, information, network and renewable energy. The main products are Telecom Power System, Industrial Power System, Uninterruptible Power Supplies (UPS), Photovoltaic Inverter (PIV) and Industrial automation product etc.

3) The smart green life segment is a business segment which designs, manufactures, and sales of LED lighting product and display solutions.

18. Commitments and contingent liabilities

18.1 Capital commitments and operating lease commitments

18.1.1 As at 30 September 2013, the Company and its subsidiaries had significant capital commitments amounting to Baht 62 million and EUR 0.13 million or approximately Baht 6 million in respect of the purchase of machinery and equipment (31 December 2012: Baht 95 million and INR 3 million or approximately Baht 2 million).

18.1.2 As at 30 September 2013, the subsidiaries had significant operating lease commitments amounting to CHF 0.6 million or approximately Baht 22 million, EUR 4 million or approximately Baht 178 million, INR 94 million or approximately Baht 47 million and SEK 2 million or approximately Baht 9 million (31 December 2012: CHF 0.8 million or approximately Baht 29 million, EUR 5 million or approximately Baht 184 million and INR 145 million or approximately Baht 81 million).

18.2 Guarantee obligations

As at 30 September 2013, the Company and its subsidiaries had the following outstanding significant letters of guarantee required in the ordinary course of their businesses:

18.2.1 Outstanding letters of guarantee totaling approximately Baht 1,161 Million (31 December 2012: Baht 1,161 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (31 December 2012: Baht 1,135 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 18.3.1 to the financial statements).

18.2.2 Outstanding letters of guarantee for totals of approximately INR 189 million or approximately Baht 95 million, EUR 1 million or approximately Baht 61 million, USD 1 million or approximately Baht 35 million and BRL 3 million or approximately Baht 35 million have been issued by banks to meet requirements of its subsidiaries (31 December 2012: INR 142 million or approximately Baht 79 million, EUR 2 million or approximately Baht 87 million and USD 2 million or approximately Baht 62 million).

18.3 Tax assessment

18.3.1 In 2006, the Company received notice of corporate income tax assessment by the Revenue Department, covering the years 1997 through 2000, and assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department ("the Committee"), and in 2011, the Committee decided to reduce the assessment to approximately Baht 734 million (including penalties and surcharges). However, the Company petitioned the Central Tax Court to consider revoking this tax assessment and, during the year 2012, the Central Tax Court ordered a 50% reduction of the penalties, while the Company's remaining petitions were dismissed. The Company therefore submitted a letter appealing the judgment of the Central Tax Court to the Tax Division of the Supreme Court. The appeal is currently under the consideration of the Supreme Court.

In addition, during the year 2012, the Company received notice of corporate income tax assessment covering the years 2001 through 2004 from the Revenue Department, assessing tax amounting to approximately Baht 401 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. During the current period, the Committee rejected the Company's appeal. However, on 3 October 2013, the Company petitioned the Central Tax Court to consider revoking this tax assessment. The appeal is currently under the consideration of the Central Tax Court.

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

18.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 78 million or approximately Baht 39 million, covering the years 2003 - 2013, and sales tax and excise duties of approximately INR 64 million or approximately Baht 32 million, covering the years 2005 - 2010, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 30 September 2013, those subsidiaries had recorded prepaid tax amounting to approximately INR 271 million or approximately Baht 136 million and income tax payable amounting to INR 93 million or approximately Baht 46 million in their books of accounts. The management of the Company and the subsidiaries believe that no significant losses will be incurred as a result of this matter and the subsidiaries have therefore not recorded provision for this tax assessment.

19. Financial derivatives

As at 30 September 2013 and 31 December 2012, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	218	133	59	120	31.3907	30.6316
Euro	14	14	5	7	42.3605	40.5563
Japanese yen	134	47	130	76	0.3211	0.3545
Czech koruna	17	-	-	-	1.6507	-
Polish zloty	3	23	1	1	10.0518	9.9557

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 30 September 2013 and 31 December 2012, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

As at 30 September 2013						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	133 million	31.06600 - 32.71500	THB/USD	October 2013 - January 2014	
USD/CHF	USD	4 million	0.90925 - 0.92680	CHF/USD	October 2013	
EUR/USD	EUR	3 Million	1.34980 - 1.35004	USD/EUR	October 2013	
USD/TRY	USD	4 million	2.00750 - 2.01820	TRY/USD	October 2013	
PLN/CHF	PLN	5 million	3.39750 - 3.46400	PLN/CHF	October 2013	
USD/BRL	USD	5 million	2.21360 - 2.28890	BRL/USD	October 2013	
EUR/SEK	EUR	1 Million	8.62620 - 8.67760	SEK/EUR	October 2013	
Forward contracts to "Buy"						
USD/RUB	USD	5 million	32.40170 - 32.95290	RUB/USD	October 2013	
USD/INR	USD	15 million	62.60500 - 68.54000	INR/USD	October - December 2013	
USD/AUD	USD	1 Million	0.91470	USD/AUD	October 2013	
EUR/CHF	EUR	3 million	1.22290 - 1.22970	CHF/EUR	October 2013	
EUR/USD	EUR	2 Million	1.33015 - 1.33149	USD/EUR	October 2013	

(Unaudited but reviewed)

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

20. Approval of interim financial statements

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