

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2014

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2014, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

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

Other matter

The consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate statement of financial position of Delta Electronics (Thailand) Public Company Limited as at 31 December 2013, presented herein as comparative information, were audited by another auditor of our firm who expressed an unqualified opinion on those statements and drew attention to the Company's receipt of notice of a corporate income tax assessment under his report dated 17 February 2014. The consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2013, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 13 August 2013, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting* and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 28 July 2014

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		14,070,603	14,952,793	8,537,243	9,591,930
Trade and other receivables	3	8,754,094	8,254,122	6,109,387	6,746,881
Inventories	4	5,777,936	5,949,113	3,573,120	3,256,402
Other current assets	5	1,028,515	1,018,140	99,983	112,778
Total current assets		29,631,148	30,174,168	18,319,733	19,707,991
Non-current assets					
Deposits at bank with restrictions		105,834	120,848	-	-
Investment in associated company	6	174,322	194,473	-	-
Investments in subsidiary companies	7	-	-	10,750,924	10,750,924
Investment properties	8	277,507	288,799	-	-
Property, plant and equipment	9	4,738,253	4,766,817	2,471,929	2,481,024
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	10	606,473	644,380	14,696	20,472
Deferred tax assets		327,606	317,783	-	-
Other non-current assets		56,622	50,669	7,520	4,218
Total non-current assets		6,593,375	6,690,527	13,245,069	13,256,638
Total assets		36,224,523	36,864,695	31,564,802	32,964,629

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 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		640,463	666,700	-	-
Trade and other payables	11	9,053,050	8,969,013	6,164,949	6,559,907
Income tax payable		55,208	51,140	-	-
Short-term provisions	14	156,132	246,676	-	-
Other current liabilities	12	204,696	386,644	46,237	120,480
Total current liabilities		10,109,549	10,320,173	6,211,186	6,680,387
Non-current liabilities					
Deferred tax liabilities		51,702	35,925	-	-
Provision for long-term employee benefits	13	1,002,677	985,552	138,305	126,838
Long-term provisions	14	188,572	189,983	81,545	68,082
Other non-current liabilities		12,028	7,381	1,191	1,050
Total non-current liabilities		1,254,979	1,218,841	221,041	195,970
Total liabilities		11,364,528	11,539,014	6,432,227	6,876,357
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 ordinary shares of Baht 1 each		1,259,000	1,259,000	1,259,000	1,259,000
Issued and fully paid-up					
1,247,381,614 ordinary shares of Baht 1 each		1,247,382	1,247,382	1,247,382	1,247,382
Share premium		1,491,912	1,491,912	1,491,912	1,491,912
Retained earnings					
Appropriated - Statutory reserve		125,900	125,900	125,900	125,900
Unappropriated		23,620,017	24,098,351	22,267,381	23,223,078
Other component of shareholders' equity		(1,625,216)	(1,637,864)	-	-
Equity attributable to owners of the Company		24,859,995	25,325,681	25,132,575	26,088,272
Total shareholders' equity		24,859,995	25,325,681	25,132,575	26,088,272
Total liabilities and shareholders' equity		36,224,523	36,864,695	31,564,802	32,964,629
		-	-	-	-

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

Directors

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2014

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and service income		10,985,697	9,664,967	7,372,674	6,867,999
Other income					
Interest income		44,022	44,187	38,209	37,081
Gain on exchange rate		58,493	94,235	55,775	204,727
Gain on sales of investment in subsidiary		-	254,053	-	-
Others		59,716	135,061	29,533	9,337
Total revenues		11,147,928	10,192,503	7,496,191	7,119,144
Expenses					
Cost of sales and services		8,030,152	7,133,506	5,304,995	5,034,459
Selling expenses		668,454	617,876	218,899	219,856
Administrative expenses		395,420	423,869	253,065	305,664
Research and development expenses		498,437	446,051	491,910	349,794
Other expenses		44,767	50,198	-	9,686
Total expenses		9,637,230	8,671,500	6,268,869	5,919,459
Profit before share of profit from investment in associated company, finance cost and income tax expenses		1,510,698	1,521,003	1,227,322	1,199,685
Share of profit from investment in associated company		169	19,733	-	-
Profit before finance cost and income tax expenses		1,510,867	1,540,736	1,227,322	1,199,685
Finance cost		(23,445)	(16,052)	-	-
Profit before income tax expenses		1,487,422	1,524,684	1,227,322	1,199,685
Income tax expenses	16	3,461	(63,340)	-	-
Profit for the period		1,490,883	1,461,344	1,227,322	1,199,685
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		33,107	263,574	-	-
Other comprehensive income for the period		33,107	263,574	-	-
Total comprehensive income for the period		1,523,990	1,724,918	1,227,322	1,199,685

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 June 2013

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	<u>1,490,883</u>	<u>1,461,344</u>	<u>1,227,322</u>	<u>1,199,685</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,523,990</u>	<u>1,724,918</u>	<u>1,227,322</u>	<u>1,199,685</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.20</u>	<u>1.17</u>	<u>0.98</u>	<u>0.96</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 six-month period ended 30 June 2014**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and service income		21,756,207	19,204,892	14,399,286	13,445,475
Other income					
Interest income		99,668	98,397	86,951	85,118
Gain on exchange rate		133,407	102,251	59,026	176,365
Gain on sales of investment in subsidiary		-	254,053	-	-
Others		145,932	205,019	72,784	87,923
Total revenues		22,135,214	19,864,612	14,618,047	13,794,881
Expenses					
Cost of sales and services		15,885,544	14,097,776	10,277,880	9,855,407
Selling expenses		1,360,409	1,210,062	434,360	401,711
Administrative expenses		851,632	822,141	551,329	595,785
Research and development expenses		978,042	875,673	927,795	745,749
Other expenses		85,304	105,803	14,450	21,815
Total expenses		19,160,931	17,111,455	12,205,814	11,620,467
Profit before share of profit from investment in associated company, finance cost and income tax expenses		2,974,283	2,753,157	2,412,233	2,174,414
Share of profit from investment in associated company		232	19,733	-	-
Profit before finance cost and income tax expenses		2,974,515	2,772,890	2,412,233	2,174,414
Finance cost		(43,774)	(32,186)	-	-
Profit before income tax expenses		2,930,741	2,740,704	2,412,233	2,174,414
Income tax expenses	16	(41,145)	(63,632)	-	-
Profit for the period		2,889,596	2,677,072	2,412,233	2,174,414
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		12,648	(43,991)	-	-
Other comprehensive income for the period		12,648	(43,991)	-	-
Total comprehensive income for the period		2,902,244	2,633,081	2,412,233	2,174,414

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 six-month period ended 30 June 2014

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	<u>2,889,596</u>	<u>2,677,072</u>	<u>2,412,233</u>	<u>2,174,414</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>2,902,244</u>	<u>2,633,081</u>	<u>2,412,233</u>	<u>2,174,414</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>2.32</u>	<u>2.15</u>	<u>1.93</u>	<u>1.74</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 six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other 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 2012 (Audited)	1,247,382	1,491,912	125,900	21,676,381	(2,044,943)	(2,044,943)	22,496,632
Total comprehensive income for the period	-	-	-	2,677,072	(43,991)	(43,991)	2,633,081
Dividend paid (Note 15)	-	-	-	(2,993,716)	-	-	(2,993,716)
Balance as at 30 June 2013	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>21,359,737</u>	<u>(2,088,934)</u>	<u>(2,088,934)</u>	<u>22,135,997</u>
Balance as at 31 December 2013 (Audited)	1,247,382	1,491,912	125,900	24,098,351	(1,637,864)	(1,637,864)	25,325,681
Total comprehensive income for the period	-	-	-	2,889,596	12,648	12,648	2,902,244
Dividend paid (Note 15)	-	-	-	(3,367,930)	-	-	(3,367,930)
Balance as at 30 June 2014	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>23,620,017</u>	<u>(1,625,216)</u>	<u>(1,625,216)</u>	<u>24,859,995</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 six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2012 (Audited)	1,247,382	1,491,912	125,900	21,231,294	24,096,488
Total comprehensive income for the period	-	-	-	2,174,414	2,174,414
Dividend paid (Note 15)	-	-	-	(2,993,716)	(2,993,716)
Balance as at 30 June 2013	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>20,411,992</u>	<u>23,277,186</u>
Balance as at 31 December 2013 (Audited)	1,247,382	1,491,912	125,900	23,223,078	26,088,272
Total comprehensive income for the period	-	-	-	2,412,233	2,412,233
Dividend paid (Note 15)	-	-	-	(3,367,930)	(3,367,930)
Balance as at 30 June 2014	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>22,267,381</u>	<u>25,132,575</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:				
Profit before tax	2,930,741	2,740,704	2,412,233	2,174,414
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	390,952	408,959	269,422	280,988
Amortisation of intangible assets	49,077	43,475	7,143	6,073
Recording of allowance for doubtful accounts (reversal)	594	(21,249)	(8,945)	(9,208)
Decrease of inventory to net realisable value (reversal)	152,939	(18,189)	67,122	(26,548)
Increase in provision for long-term employee benefits	48,184	37,386	16,787	4,469
Recording of the increase in provisions (reversal)	(71,368)	103,803	10,574	25,183
Share of profit from investment in associated company	(232)	(19,733)	-	-
Gain on sales of investment in subsidiary	-	(254,053)	-	-
Gain from disposal of property, plant and equipment	(2,738)	(2,629)	(2,577)	(3,090)
Loss on disposal of other intangible assets	5,163	4,694	-	-
Unrealised gain on exchange	(323,828)	(255,080)	(306,854)	(267,563)
Interest income	(99,668)	(98,397)	(86,951)	(85,118)
Interest expenses	43,774	32,186	-	-
Profit from operating activities before changes in operating assets and liabilities	3,123,590	2,701,877	2,377,954	2,099,600
Decrease (increase) in operating assets:				
Trade and other receivables	(279,072)	(191,931)	862,491	(389,313)
Inventories	18,238	(386,391)	(383,840)	(2,342)
Other current assets	355	7,292	14,050	14,440
Other non-current assets	(4,494)	43,380	(3,302)	(249)
Increase (decrease) in operating liabilities:				
Trade and other payables	178,516	98,624	(314,619)	381,081
Other current liabilities	(193,728)	63,504	(76,265)	(6,307)
Provision for long-term employee benefits	(17,743)	(18,444)	(5,320)	-
Provisions	(19,444)	(233,436)	-	-
Other non-current liabilities	3,081	(6,323)	141	(5,702)
Cash flows from operating activities	2,809,299	2,078,152	2,471,290	2,091,208
Cash received from interest income	99,716	98,215	87,382	85,183
Cash paid for interest expenses	(40,017)	(30,897)	-	-
Cash paid for corporate income tax	(20,573)	(71,727)	(1,686)	(867)
Net cash flows from operating activities	2,848,425	2,073,743	2,556,986	2,175,524

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	15,013	31,198	-	-
Increase in investments in subsidiary companies	-	-	-	(879,948)
Cash received from sales of investment in subsidiary	-	439,142	-	-
Acquisition of property, plant and equipment	(372,748)	(203,550)	(264,109)	(149,587)
Proceeds from disposal of property, plant and equipment	8,098	15,350	6,359	7,878
Increase in other intangible assets	(22,807)	(12,081)	(1,367)	(3,481)
Net cash flows from (used in) investing activities	(372,444)	270,059	(259,117)	(1,025,138)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(26,280)	23,095	-	-
Dividend paid (Note 15)	(3,367,930)	(2,993,716)	(3,367,930)	(2,993,716)
Net cash flows used in financing activities	(3,394,210)	(2,970,621)	(3,367,930)	(2,993,716)
Increase in translation adjustments	33,288	68,171	-	-
Net decrease in cash and cash equivalents	(884,941)	(558,648)	(1,070,061)	(1,843,330)
Unrealised gain on exchange for cash and cash equivalents	2,751	132,141	15,374	140,847
Cash and cash equivalents at beginning of period	14,952,793	12,781,778	9,591,930	8,697,360
Cash and cash equivalents at end of period	14,070,603	12,355,271	8,537,243	6,994,877
	-	-	-	-

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 six-month periods ended 30 June 2014

1. General information

1.1 Basis for the preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

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

1.3 New accounting standards

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

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

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

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

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

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

1.4 Significant accounting policies

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

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,081	2,477	With reference to market prices
Purchase of raw materials	-	-	11	9	With reference to market prices
Commission paid	-	-	74	93	Contract prices
Marketing fee	-	-	71	59	Contract prices
Design and engineering fee	-	-	310	206	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	349	403	307	401	With reference to market prices
Purchase of goods and raw materials	981	715	47	35	With reference to market prices
Commission paid	89	66	89	66	Contract prices
Commission received	17	11	-	-	Contract prices
Services income	77	44	-	-	Contract prices
Services paid	13	41	13	41	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	4,264	4,537	With reference to market prices
Purchase of raw materials	-	-	26	44	With reference to market prices
Commission paid	-	-	143	174	Contract prices
Marketing fee	-	-	151	144	Contract prices
Design and engineering fee	-	-	578	459	Contract prices

Transactions with related parties

Sales of goods and raw materials	690	728	572	724	With reference to market prices
Purchase of goods and raw materials	1,671	1,263	88	67	With reference to market prices
Commission paid	178	132	178	132	Contract prices
Commission received	33	29	-	-	Contract prices
Services income	126	71	-	-	Contract prices
Services paid	28	77	28	77	Contract prices

The balances of the accounts as at 30 June 2014 and 31 December 2013 between the Company, its subsidiaries and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June	31 December	30 June	31 December
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		(Audited)		(Audited)
<u>Trade receivables, related parties (Note 3)</u>				
Subsidiary companies	-	-	2,274	3,339
Other related companies (under common control)	463	428	300	360
Total trade receivables, related parties	<u>463</u>	<u>428</u>	<u>2,574</u>	<u>3,699</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade payables, related parties (Note 11)</u>				
Subsidiary companies	-	-	16	15
Other related companies (under common control)	768	878	47	32
Total trade payables, related parties	<u>768</u>	<u>878</u>	<u>63</u>	<u>47</u>

Amounts due to related parties (Note 11)

Subsidiary companies	-	-	153	957
Other related companies (under common control)	69	198	52	85
Total amounts due to related parties	<u>69</u>	<u>198</u>	<u>205</u>	<u>1,042</u>

Directors and management's benefits

For the six-month periods ended 30 June 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	102	112	41	44
Post-employment benefits	10	8	4	1
Termination benefits	-	2	-	-
Total	<u>112</u>	<u>122</u>	<u>45</u>	<u>45</u>

(Unaudited but reviewed)

3. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	420	419	2,406	3,461
Past due 1 - 3 months	42	9	168	238
Past due 3 - 6 months	1	-	-	-
Total	463	428	2,574	3,699
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	7,509	6,918	3,386	2,851
Past due 1 - 3 months	752	828	144	201
Past due 3 - 6 months	57	76	7	1
Past due 6 - 12 months	53	34	-	1
Past due over 12 months	56	58	-	-
Total	8,427	7,914	3,537	3,054
Total trade receivables	8,890	8,342	6,111	6,753
Less: Allowance for doubtful accounts	(157)	(156)	(3)	(12)
Total trade receivables - net	8,733	8,186	6,108	6,741
<u>Other receivables</u>				
Other receivables	21	68	1	6
Total other receivables	21	68	1	6
Trade and other receivables - net	8,754	8,254	6,109	6,747

(Unaudited but reviewed)

6. Investment in associated company

(Unit: Million Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investment in associated company for the six-month periods ended 30 June	
			30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	2014	2013
			%	%						
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding Business	Singapore	45	45	157	157	157	175	0.23	19.73
Translation adjustment					-	-	17	19	-	-
Total investment in associated company					<u>157</u>	<u>157</u>	<u>174</u>	<u>194</u>	<u>0.23</u>	<u>19.73</u>

During the six-month period ended 30 June 2014, a subsidiary of the Company received dividend amounting to approximately USD 0.6 million (approximately Baht 18 million) from Delta Greentech SGP Pte. Ltd. (the six-month period ended 30 June 2013: Nil)

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

No dividend was received from the above subsidiary companies during the six-month periods ended 30 June 2014 and 2013.

8. Investment properties

Movements of the investment properties account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Office building		Total
Land for rent	for rent		
Net book value as at 1 January 2014	44	245	289
Depreciation for the period	-	(7)	(7)
Translation adjustment	(1)	(3)	(4)
Net book value as at 30 June 2014	43	235	278

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2014	4,767	2,481
Acquisitions during period - cost	373	264
Disposals during period - net book value at disposal date	(5)	(4)
Depreciation for the period	(384)	(269)
Translation adjustment	(13)	-
Net book value as at 30 June 2014	4,738	2,472

10. Other intangible assets

Movements of the other intangible asset account during the six-month period ended 30 June 2014 are summarised below.

	Consolidated financial statements				Separate
	Computer				financial statements
	Patent rights	software	Others	Total	Computer software
Net book value as at 1 January 2014	589	50	5	644	20
Increase during period	-	17	6	23	2
Disposals during period - net book value at disposal date	-	(4)	(1)	(5)	-
Amortisation for the period	(26)	(21)	(2)	(49)	(7)
Translation adjustment	(7)	-	-	(7)	-
Net book value as at 30 June 2014	556	42	8	606	15

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	(Audited)		(Audited)	
Trade payables - related parties	768	878	63	47
Trade payables - unrelated parties	4,990	4,945	3,916	3,798
Amount due to related parties	69	198	205	1,042
Other payables	376	329	323	294
Accrued expenses	2,596	2,321	1,516	1,236
Advance received	254	298	142	143
Total trade and other payables	9,053	8,969	6,165	6,560

12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	(Audited)		(Audited)	
Forward contracts payable	7	147	1	62
Withholding tax payable	46	81	8	45
Value added tax payable	87	98	-	-
Others	65	61	37	13
Total other current liabilities	205	387	46	120

13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the six-month period ended 30 June 2014 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2014	986		127	
Add: Recognition during period	58		16	
Less: Decrease during period	(18)		(5)	
Less: Reversal during period	(10)		-	
Translation adjustment	(13)		-	
Balance as at 30 June 2014	1,003		138	

(Unaudited but reviewed)

14. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring	Warranty	Other	Total	Warranty	Total
	costs		provisions			
Balance as at 31 December 2013 (Audited)	28	194	215	437	68	68
Recognition during period	-	50	26	76	11	11
Decrease during period	(10)	-	(9)	(19)	-	-
Reversal during period	(1)	(50)	(93)	(144)	-	-
Translation adjustment/unrealised loss on exchange rate	(1)	(1)	(3)	(5)	3	3
Balance as at 30 June 2014	16	193	136	345	82	82
Short-term provisions	28	40	179	247	-	-
Long-term provisions	-	154	36	190	68	68
Balance as at 31 December 2013 (Audited)	28	194	215	437	68	68
Short-term provisions	16	48	92	156	-	-
Long-term provisions	-	145	44	189	82	82
Balance as at 30 June 2014	16	193	136	345	82	82

(Unaudited but reviewed)

15. Dividends

Dividends declared in 2014 and 2013 consisted of the followings:

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

16. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

	(Unit: Million Baht)	
	For the three-month periods ended 30 June	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Current income tax charge	(12)	(19)
Deferred tax:		
Increase (decrease) in deferred tax assets	24	(2)
Increase in deferred tax liabilities	(6)	(43)
Translation adjustment	(3)	1
Income tax expenses reported in the statement of comprehensive income	<u>3</u>	<u>(63)</u>

	(Unit: Million Baht)	
	For the six-month periods ended 30 June	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Current income tax charge	(33)	(28)
Deferred tax:		
Increase in deferred tax assets	10	27
Increase in deferred tax liabilities	(16)	(68)
Translation adjustment	(2)	5
Income tax expenses reported in the statement of comprehensive income	<u>(41)</u>	<u>(64)</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 six-month periods ended 30 June 2014 and 2013 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

(Unit: Million Baht)

	For the three-month periods ended 30 June								Consolidated financial statements	
	Power electronics segment		Energy management segment		Smart green life segment		Others			
	2014	2013	2014	2013	2014	2013	2014	2013		
Revenue										
Revenue from external customers	7,614	6,952	3,053	2,253	106	118	213	342	10,986	9,665
Total revenue	<u>7,614</u>	<u>6,952</u>	<u>3,053</u>	<u>2,253</u>	<u>106</u>	<u>118</u>	<u>213</u>	<u>342</u>	<u>10,986</u>	<u>9,665</u>
Segment profit (loss)	1,445	1,252	298	17	(10)	15	(339)	(241)	1,394	1,043
Unallocated income (expenses):										
Interest income									44	44
Gain on exchange rate									58	94
Gain on sales of investment in subsidiary									-	254
Other income									60	135
Other expenses									(45)	(50)
Finance cost									(23)	(16)
Share of profit from investment in associated company									-	20
Profit before income tax expenses									1,488	1,524
Income tax expenses									3	(63)
Profit for the period									<u>1,491</u>	<u>1,461</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Power electronics segment		Energy management segment		Smart green life segment		Others		Consolidated financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue										
Revenue from external customers	14,885	13,653	6,094	4,579	255	272	522	701	21,756	19,205
Total revenue	<u>14,885</u>	<u>13,653</u>	<u>6,094</u>	<u>4,579</u>	<u>255</u>	<u>272</u>	<u>522</u>	<u>701</u>	<u>21,756</u>	<u>19,205</u>
Segment profit (loss)	2,870	2,564	519	142	(14)	46	(694)	(552)	2,681	2,200
Unallocated income (expenses):										
Interest income									100	98
Gain on exchange rate									133	102
Gain on sales of investment in subsidiary									-	254
Other income									146	205
Other expenses									(85)	(106)
Finance cost									(44)	(32)
Share of profit from investment in associated company									-	20
Profit before income tax expenses									2,931	2,741
Income tax expenses									(41)	(64)
Profit for the period									<u>2,890</u>	<u>2,677</u>

18. Commitments and contingent liabilities

18.1 Capital commitments and operating lease commitments

18.1.1 As at 30 June 2014, the Company and its subsidiaries had significant capital commitments amounting to Baht 90 million, EUR 0.3 million (approximately Baht 12 million) and INR 7 million (approximately Baht 4 million) in respect of the purchase of machinery and equipment (31 December 2013: Baht 87 million, EUR 0.2 million (approximately Baht 7 million) and INR 10 million (approximately Baht 5 million)).

18.1.2 As at 30 June 2014, the subsidiaries had significant operating lease commitments amounting to SEK 2 million (approximately Baht 8 million), PLN 1 million (approximately Baht 12 million), CHF 0.9 million (approximately Baht 33 million), GBP 0.4 million (approximately Baht 25 million), INR 77 million (approximately Baht 41 million) and EUR 1.7 million (approximately Baht 74 million) (31 December 2013: SEK 2 million (approximately Baht 9 million), PLN 1 million (approximately Baht 13 million), CHF 0.6 million (approximately Baht 21 million), GBP 0.4 million (approximately Baht 24 million), INR 87 million (approximately Baht 46 million) and EUR 1.9 million (approximately Baht 88 million)).

18.2 Guarantee obligations

As at 30 June 2014, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

- 18.2.1 Outstanding letters of guarantee totaling approximately Baht 1,155 million (31 December 2013: Baht 1,160 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (31 December 2013: Baht 1,135 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 18.3.1 to the financial statements).
- 18.2.2 Outstanding letters of guarantee for totals of approximately INR 348 million (approximately Baht 187 million), EUR 1 million (approximately Baht 66 million), USD 1 million (approximately Baht 30 million) and BRL 1 million (approximately Baht 10 million) have been issued by banks to meet requirements of its subsidiaries (31 December 2013: INR 226 million (approximately Baht 119 million), EUR 1 million (approximately Baht 61 million), USD 1 million (approximately Baht 37 million) and BRL 3 million (approximately Baht 35 million)).

18.3 Tax assessment

18.3.1 In 2006, the Company received a corporate income tax assessment notice from the Revenue Department, covering the years 1997 through 2000, and assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department (“the Committee”), and in 2011, the Committee decided to reduce the assessment to approximately Baht 734 million (including penalties and surcharges). However, the Company petitioned the Central Tax Court to consider revoking this tax assessment and, during the year 2012, the Central Tax Court ordered a 50% reduction of the penalties (reduced to Baht 121 million from the amount of Baht 241 million previously calculated by the Revenue Department), while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court’s judgment and therefore submitted a letter appealing the judgment of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.

In addition, during the year 2012, the Company received notice of corporate income tax assessment covering the years 2001 through 2004 from the Revenue Department, assessing tax amounting to approximately Baht 401 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. During 2013, the Committee rejected the Company’s appeal. On 3 October 2013, the Company petitioned the Central Tax Court to consider revoking this tax assessment. On 24 June 2014, the Central Tax Court ordered a reduction of the penalties and surcharges to Baht 201 million from the amount of Baht 270 million previously calculated by the Revenue Department, while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court’s judgment and is currently in the process of appealing to the Supreme Court.

However, the independent legal counselor of the Company believes that eventually the Company will win the case and therefore the Company has not recorded provision for the tax assessments in the accounts.

(Unaudited but reviewed)

18.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 103 million (approximately Baht 55 million), covering the years 2003 - 2014, and sales tax and excise duties of approximately INR 120 Million (approximately Baht 65 million), covering the years 2005 - 2012, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 30 June 2014, those subsidiaries had recorded prepaid tax amounting to approximately INR 155 million (approximately Baht 83 million) and income tax payable amounting to INR 39 million (approximately Baht 21 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 the tax assessment.

19. Financial derivatives

As at 30 June 2014 and 31 December 2013, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	164	245	104	146	32.4550	32.8136
Euro	22	13	3	5	44.2748	45.0217
Japanese yen	169	147	206	121	0.3203	0.3130
Polish zloty	2	4	-	-	10.6690	10.8565

(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 30 June 2014 and 31 December 2013, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

As at 30 June 2014						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	106	million	32.33500 - 33.02000	THB/USD	July - October 2014
USD/CHF	USD	14	million	0.89174 - 0.89942	CHF/USD	July 2014
EUR/CHF	EUR	3	million	1.21580 - 1.21653	CHF/EUR	July 2014
EUR/TRY	EUR	1	million	2.89960 - 2.91090	TRY/EUR	July 2014
USD/TRY	USD	5	million	2.09890 - 2.15220	TRY/USD	July 2014
PLN/CHF	PLN	1	million	3.37830	PLN/CHF	July 2014
EUR/USD	EUR	2	million	1.35367 - 1.36140	USD/EUR	July 2014
EUR/SEK	EUR	1	million	9.03150 - 9.15260	SEK/EUR	July 2014
Forward contracts to "Buy"						
USD/BRL	USD	3	million	2.22870 - 2.27140	BRL/USD	July 2014
USD/INR	USD	12	million	59.81500 - 61.83000	INR/USD	July - September 2014
USD/AUD	USD	2	million	0.92400 - 0.93350	USD/AUD	July 2014
As at 31 December 2013						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	117	million	31.20200 - 33.11000	THB/USD	January - April 2014
USD/CHF	USD	7	million	0.88722 - 0.91605	CHF/USD	January 2014
EUR/USD	EUR	2	million	1.34202 - 1.37385	USD/EUR	January 2014
USD/TRY	USD	4	million	2.02200 - 2.02320	TRY/USD	January 2014
PLN/CHF	PLN	3	million	3.43450 - 3.43470	PLN/CHF	January 2014
USD/BRL	USD	2	million	2.30000 - 2.30860	BRL/USD	January 2014
EUR/SEK	EUR	1	million	8.92800 - 9.06020	SEK/EUR	January 2014
Forward contracts to "Buy"						
USD/RUB	USD	5	million	32.95580 - 33.32480	RUB/USD	January 2014
USD/INR	USD	6	million	61.80500 - 63.55250	INR/USD	January - March 2014
EUR/CHF	EUR	2	million	1.22390 - 1.23100	CHF/EUR	January 2014
USD/AUD	USD	1	million	0.90370	USD/AUD	January 2014

20. Approval of interim financial statements

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