

(F53-4)

Capital Increase Report Form
Delta Electronics (Thailand) Public Company Limited
August 6, 2010

We, DELTA Electronics (Thailand) Public Company Limited (“Company”), hereby report the resolutions of the Board of Director’s meeting No. 5/2010 held on August 6, 2010 from 13.10 hours to 19.55 hours in respect of a capital increase by issuance and offering of warrants to directors and employees of the Company and Subsidiaries as follows:

1. Capital Increase

The Board of Directors’ Meeting passed a resolution approving the decrease of a registered capital from Baht 1,259,000,000 to Baht 1,247,384,570 by canceling the Company’s unissued and unoffered shares of 11,615,430 shares with the par value of Baht 1 each pursuant to the resolution of Annual General Meeting of Shareholders No. 1/2005 held on March 30, 2005 with regard to the issuance, offering and allocation of warrants to the directors and employees of the Company (“DELTA-W2”) with the term of 5 years. Up to now, there are 3,198 units of DELTA-W2 being unexercised and which shall reach their 5-year term within this year (December 19, 2010). Therefore, the Company has to reserve ordinary shares for the unexercised DELTA-W2 in the amount of 3,936 shares (calculated from exercise ratio of 1 warrant per 1.231 shares as a result of paying dividend for 2009 performance at the rate more than 30% of net profit). Consequently, the Company has to cancel unissued and unoffered shares of Company which have been reserved for exercise right of DELTA-W2.

After such decrease of the registered capital, the Company will increase the registered capital from Baht 1,247,384,570 to Baht 1,309,684,570 by issuing 62,300,000 new ordinary shares, at the par value of Baht 1 each, totaling Baht 62,300,000 to reserve for the exercise of right under the Employee Stock Option Plan (“ESOP 2010”)

2. Allotment of new shares

The Board of Directors’ Meeting passed a resolution approving the allotment of 62,300,000 ordinary shares with the par value of Baht 1 each, totaling Baht 62,300,000 in order to reserve for the exercise of right under ESOP 2010, the details are as follows

2.1 Details of allotment

Allotted to	Type/Numer (Shares)	Exercise Ratio	Exercise Price	Date and Payment	Remark
To be reserved for the exercise of right under ESOP 2010	Ordinary shares /62,300,000 shares	1 unit of warrant can purchase 1 ordinary share	Baht 12.50	-	Please see detail of the warrants in the term sheet of the Issuance and Allocation of Warrants to the Directors and Employees (ESOP 2010)

2.2 Action to be taken by the Company when there are fractions of shares
- None -

2.3 Remaining shares not yet allocated

After canceling the Company's unissued and unoffered share of 11,615,430 shares which have been reserved for the exercise of right under DELTA-W2, there are 3,936 ordinary shares of the Company which are allotted in order to be reserved for the exercise of right under DELTA-W2 in an amount of 3,198 units.

3. Schedule for shareholders meeting to approve the capital increase and the allocation of shares

The Extraordinary General Meeting of Shareholders No. 1/2010 will be held on September 20, 2010, at 10.00 a.m., at the Company's office, 909 Soi 9, Moo 4, Bangpoo Industrial Estate, Tambol Phraksa, Amphur Muang Samutprakarn, Samutprakarn and arranged to specify the names of the shareholders entitled to attend the Extraordinary General Meeting of shareholders No. 1/2010 (Record Date) on August 23, 2010, as well as collecting the names of entitled shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by means of share register book closure and suspension of share transfer on August 24, 2010.

4. Approval of the capital increase/share allotment by relevant governmental agency and related conditions (if any)

4.1 After the approval of increase the registered capital by the shareholders of the Company, the Company is required to register the increase of registered capital and paid-up capital with the Ministry of Commerce.

4.2 Issuance and offering of this warrants to directors and employees of the Company and subsidiaries requires to get the approval from the Securities and Exchange Commission ("SEC") since the Company has an intention to list such warrants on the Stock Exchange of Thailand ("SET"). The Company also has to seek for the approval of the SET to list warrants and ordinary shares resulting from the exercise of warrants on the SET.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

5.1 To reserve for the exercise of the right under the ESOP 2010 in accordance with the resolution of the meeting of the Board of Directors of the Company No. 5/2010 held on August 6, 2010 and the resolution of the Extraordinary General Meeting of Shareholders of the Company No. 1/2010 to be held on September 20, 2010

5.2 To utilize in the business operation and use as working capital.

6. Benefits which the Company will receive from the capital increase/share allotment

The objective of the issuance of ESOP warrants is to create unity among directors and employees of the Company and its subsidiaries. With the management complex business expansion plan, there will be many new businesses and new teams to add to create more value. Furthermore, the Company has an intention to encourage the directors and employees of the Company and its subsidiaries to exercise the warrants to allow directors and employees to share their ownership in the Company. This will reward them for their contribution to the Company and its subsidiaries in the past and future and will also motivate them to determine and work efficiently. Moreover, this will enable the Company to retain competent staff to the Company and its subsidiaries to contribute to the Company's success and continuous growth and maximize the Company's benefit in the long run.

7. Benefit which the shareholders will receive from the capital increase/share allotment

7.1 The Company has a policy to pay dividend not less than 30% of net profits. However, the Company may change this policy from time to time under condition to support the business plan and/or the needs for future expansion of the business.

- 7.2 The ordinary shares issued pursuant to the exercise of the warrants shall have the same rights and status as all other ordinary shares previously issued.
- 7.3 The issuance and offering of warrants to the directors and employees of the Company is intended to motivate and retain those directors and employees to perform their employment in the Company, which increase the personal stake of such directors and employees in the continued success and growth of the Company and benefit to the shareholders finally.

8. Other details necessary for shareholders to approve the capital increase/share allotment
Effect to Shareholders

8.1 Price Dilution

The Exercise price of ESOP Warrants is Baht 12.50 per share which is lower than the market price. As a result, the issuance and offering of ESOP warrants will cause price dilution.

Exercise Price	Baht 12.50 per share
Market price (Weighted average price from 15 July to August 5 2010)	Baht 25.08 per share
Price Dilution	2.39%

8.2 Control Dilution

In case all warrants are exercised by the directors and employees of the Company or its Subsidiary, the control dilution effect on the existing shareholders on the ownership and the voting right after the exercise is as follows:

No. of registered and paid up shares (as of August 6, 2010)	:	1,247,380,634 shares (Par value = Baht 1)
No. of shares from the exercise	:	62,300,000 shares (Par value = Baht 1)
Total No. of Shares after the exercise	:	1,309,680,634 shares (Par value = Baht 1)
Maximum Control Dilution	:	4.76 %

Nevertheless, the warrants holders will be able to gradually exercise their warrants in accordance with its terms and conditions. The first exercise date will be on January 10, 2012 and the next exercise date will be on January 10, 2013 2014 and 2015 and at the expiry date of warrants. Therefore, control dilution effect would gradually increase and shall effect control proportion of shareholders at the maximum of 4.76% as per the following details:

Year	No. of shares issues from the exercise of warrants in each year	Accumulated No. of shares issue from the exercise of warrants	Control Dilution (%)
1	12,460,000	12,460,000	0.99
2	12,460,000	24,920,000	1.96
3	12,460,000	37,380,000	2.91
4	12,460,000	49,840,000	3.84
5	12,460,000	62,300,000	4.76

Note : Percentage of control dilution shown in the above table is calculated based on assumption that the increased number of warrants which will be able to exercise the rights equals to 12,460,000 units per year and the warrants holders will exercise all of their rights.

9. Schedule for Capital increase and shares allotment.

<u>Actions</u>	<u>Date/Month/Year</u>
Board of Directors Meeting No. 5/2010	August 6, 2010
Record Date	August 23, 2010
Collecting names of entitled shareholders under Section 225	August 24, 2010
Extraordinary General Meeting of Shareholders No. 1/2010	September 20, 2010
Registration of capital increase with the Ministry of Commerce	Within 14 days from the day of shareholders meeting's resolution

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Signature _____ Authorized Director
(Ms. Niramol Tantipuntum)
Director

Signature _____ Authorized Director
(Mr. Ming-Cheng Wang)
Vice Chairman