



ANNUAL REPORT 2012

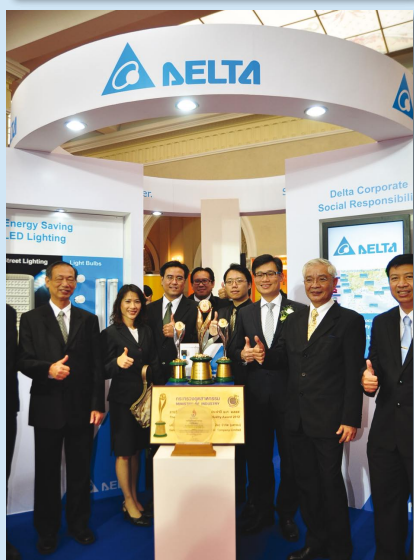


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The Prime Minister's Best Industry Award 2012

Delta Electronics (Thailand) Plc. awarded “The Prime Minister's Best Industry Award 2012” from the Prime Minister, Ms. Yingluck Shinawatra, on November 30, 2012



Our Mission

“To provide innovative, clean and energy-efficient solutions for a better tomorrow”

Corporate Culture

Strive for change, and pursue sustainability



Innovation

Create new ideas and take them to success effectively

Customer Satisfaction

Anticipate customer needs and exceed expectations

Quality

Consistently deliver superior performance and pursue improvement all the time

Teamwork

Fully leverage global value networks and collaborate to achieve mutual goals

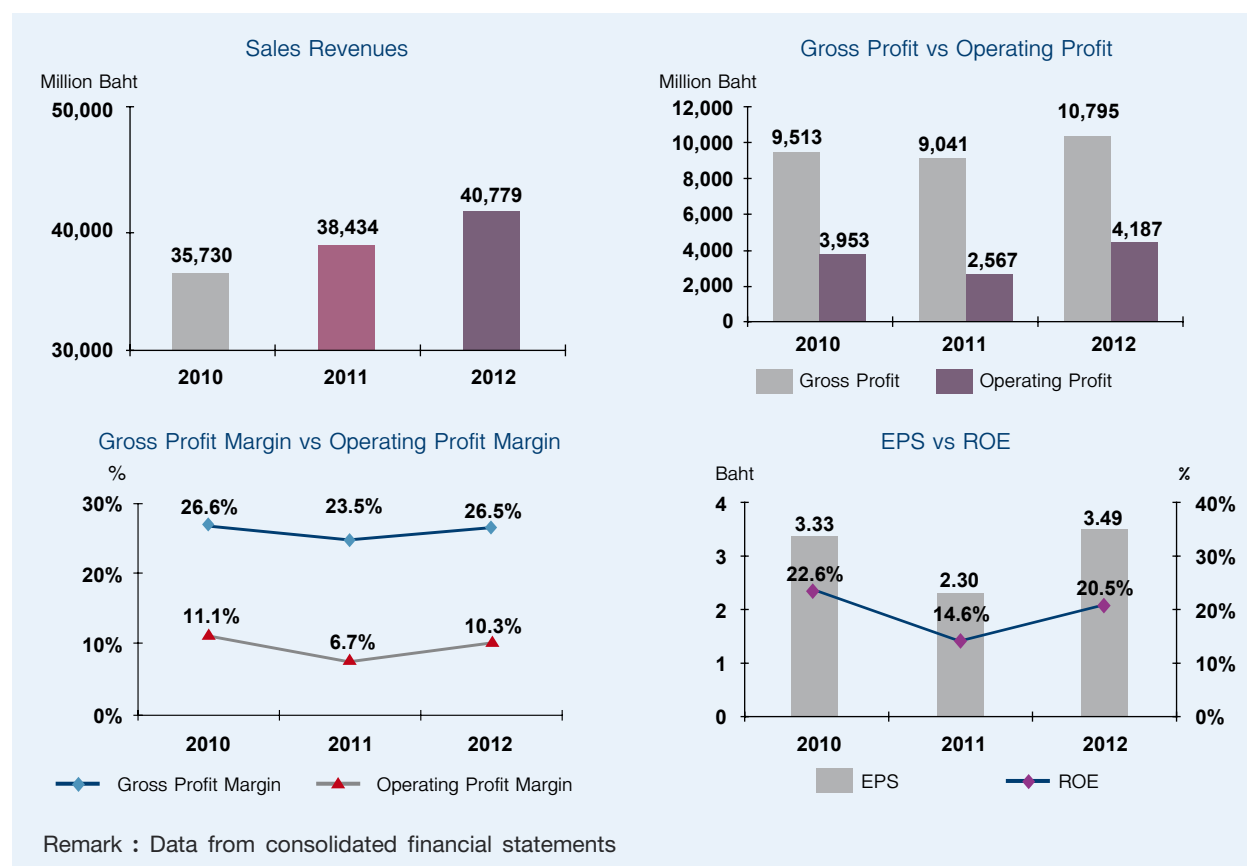
Agility

Identify emerging trends and act quickly to capture new opportunities

► Financial Highlights

Unit : Million Baht	Consolidated			The Company Only		
	2012	2011	2010	2012	2011	2010
Total Assets	33,075	29,899	29,611	29,378	26,290	24,716
Total Liabilities	10,578	10,040	10,313	5,281	5,103	4,884
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	22,497	19,859	19,298	24,096	21,187	19,832
Sales	40,779	38,434	35,730	27,690	26,296	24,205
Total Revenues	41,528	39,150	36,203	28,161	26,843	24,322
Cost of Sales	29,984	29,392	26,217	20,016	19,915	18,030
Gross Profit	10,795	9,041	9,513	7,674	6,381	6,175
Selling & Admin expenses	6,608	6,474	5,560	3,690	3,354	2,981
Operating Profit	4,187	2,567	3,953	3,984	3,027	3,194
Net Profit	4,347	2,864	4,180	4,407	3,476	3,297
Unit : (%)						
Gross Profit Margin	26.47%	23.52%	26.63%	27.71%	24.27%	25.51%
Operating Profit Margin	10.27%	6.68%	11.06%	14.39%	11.51%	13.20%
Net Profit Per Total Revenues	10.47%	7.32%	11.55%	15.65%	12.95%	13.55%
Return On Equity	20.53%	14.63%	22.63%	19.46%	16.95%	17.24%
Return On Assets	13.81%	9.63%	14.75%	15.83%	13.63%	13.87%
Unit : Baht						
EPS	3.49	2.30	3.33	3.53	2.79	2.64
Dividend Per Share	2.40*	1.20	1.70	2.40*	1.20	1.70
Book Value Per Share	18.04	15.92	15.47	19.32	16.99	15.90

* Pending approval from shareholders' meeting



► Message from the Board of Directors



General business and economic progress in 2012 was in line with our expectations. Consequently, due to the preparedness of the team and effective business strategy, Delta Electronics (Thailand)'s operating results were close to our budget. Nevertheless, the vulnerable economic environment in many areas did affect our business although many new product models and new markets have significantly reduced such impact. ODM (Designed-in products for world class customers) businesses had done well across the board. New Products' time-to-market had been on track to meet market demands. Many new local customers and distributors had also been added to our list. The Company's sales revenue for the year grew 6% to Baht 40,779 million, or approximately USD 1,300 million from last year. Our gross and operating profits were back to normal levels of 26.5% and 10.3%, respectively.

Since the US financial crisis in 2008, our related businesses in storage, networking as well as servers for data center have safeguarded our sales revenue and profitability. The strong demand is also driven by burgeoning online video contents. However, the expected growth drivers in 2013 are (1) the new product lines, extension of product coverage for each application and new regional coverage, mostly in emerging markets; (2) the wide and increasing range of products in many industries such as Data Centers, Telecom, Medical, Industrial, Industrial Automation and Alternative energies; (3) the increasing presence in several regional markets as well as high end and low end product types are required to sustain our business stability of sales revenue and profits margins.

The key growth drivers are derived from lessons learnt in the past. For example, when the company first introduced the solar business in 2010, our profit margin at gross and operation levels sank drastically due to the provision burden when we only had one product type with limited market.

Going Green In the four years of growing the Green businesses, the Company has maintained its consistency and focus in expanding the product lines, applications, channels and regions. There will be many more new models in the area of Solar Inverters and Automotive power and related component products to be launched in 2013. Our R&D team aims to develop power products to enhance a system's power efficiency with minimum energy consumption and highest conversion yield while meeting market

demand in a timely manner in all areas. Our innovative products with state of the art technology, stringent value-engineering for production cost efficiency and appealing designs have been the key to our success by setting new market benchmarks and putting Delta at the forefront of the industry.

Enlarging Coverage Our new markets in 2013 will be in the USA, Southeast Asia, New Zealand and Australia. While keeping focus on power supplies, diversification of the product types and markets as well as the creation of high and low end product types are required to sustain our business stability and growth. However, such endeavor must come with costs. During the past four years, DET's SG&A stood at 17% to sales revenue in light of good sales growth. We believe that four years is the right amount of development time for the new markets to reap good returns. Therefore, we had expected the SG&A to drop to a healthy level of 15% to sales revenue as sales from the new regional markets increase. Indeed, our SG&A did reduce in 2012 to an average of 16% to sales. With good gross profit margins and decent SG&A level, the company's operating profit could then be much improved.

Strong Financial Standing Also since the financial crisis, the Board has been cautious about the impact that the economic situation will have on the financial sectors and our business associates' financial situations. Therefore, the Board and the management have adopted cash balance policy by maintaining USD 300 Million cash on hand to protect our business operations and supply chain. This policy will continue until the world economic situation stabilizes. As a condition for BOI privileges, the money could only be used as working capital and not to promote investment returns. Despite the impact this policy has resulted on the amount of dividend payout, the company still manages to pay good dividend every year.

By having a solid power supply centric business platform with much diversification in applications and regions, the company has built its growth on long term relationships with customers through providing cutting edge technology which better serves not only the customers but, most importantly, our environment. Building resilience and tolerance to economic and political turbulences has always been a major priority for the Company. After over 20 years, foreseeable and controllable risks have been narrowed down. Hence, technology and product development as well as market coverage shall continue to be the main goals for our operations. However, development of new products, new business and new markets will incur a spike in our operating results every year. This will be continuously counteracted with value-engineering to improve production efficiency and appropriate costs control. Such is the nature of competition in our business for all products and all markets at all levels.

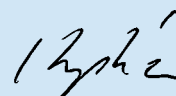
2013 Business Strategy General situation in 2013 seems to be improving from the past few years. However, elections in many countries since last year will have direct impact on some of our businesses such as telecom while indirectly affecting global financial stability. Therefore, we continue to be cautious and will pursue conservative movements in the beginning of 2013. At present, flat to 5% growth in sales revenue with a slight drop in gross margin are anticipated. Though more sales penetration in many new areas of products and geographical markets will show improvement, profitability performance will depend on our eventual business and sales mix. If more new products are launched in timely manner, margins will be kept at the same level as last year while economic uncertainty in developed countries around the globe and growth in sales in emerging markets may drive prices slightly lower. On the other hand, if the situation develops more favorably, there will be better opportunities to grow more aggressively in the second half of the year.

For operations, key tasks for this year include enhancing the performance in efficiency of selling and administrative areas. Higher wage rate and shortage of skilled labor will require closer monitoring. A cushion will also be required for the possibility of Thai Baht appreciation. All efforts will be made so that profits will grow amid flat revenue growth.

Most of all, the board and management would like to extend their sincere gratitude to all shareholders, business partners, financiers, and all related parties, for their kind patience and understanding during the past several years. We believe that modifications in many policies for Solar business, R&D and sales offices in many new regions will result in many new business units accelerating their performance improvements this year.



James Ng
Chairman



Henry Shieh
President

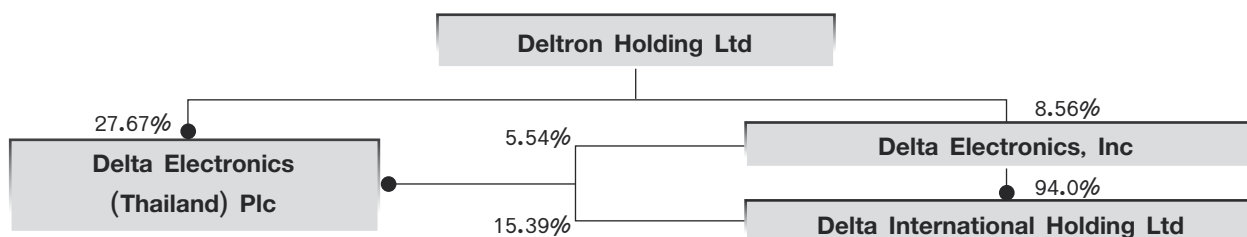
► Nature of Business

The Company is a manufacturer and exporter of power supplies and electronics equipment and parts. At present, The Company has 2 main plants in Thailand, one is in Bangpoo Industrial Estate, Samutprakarn and the other plant is in Wellgrow Industrial Estate, Chachoengsao. The oversea plants now are in India (located in Rudrapur and New Delhi) and Slovakia in Dubnica nad Vahom.

The Company currently divides its products into 5 main groups as follows;

1. EPSBG Product Group (Embedded Power Supply) which can be further divided down into 4 sub groups.
 - 1.1 DC-DC converter
 - 1.2 Power Supply for Computer & Server Power i.e. storage, server and networking.
 - 1.3 DES Power which offers high end custom designed power supplies for information technology, telecommunications, industrial application
 - 1.4 Automotive Power
 2. PSBG Product Group (Power System) including Telecom Power Solutions (TPS), UPS and Renewable Energy product i.e. Solar Inverter
 3. MPBG Product Group (Mobile Power) including adaptor for broadband, printing, game, industrial and power tools
 4. FMBG Product Group (Fan & Thermal Management) including Cooling Fan
 5. CPBG Product Group (Electronic Components) including EMI filter and Solenoid
- (Please find further product details in the section of Product Profiles)

Shareholding structure of Delta Electronics (Thailand) (As of 31 December 2012)



According to the above shareholding structure, Deltron Holding Ltd. is the Company's major shareholder. They also have invested in Delta Electronics, Inc. (DEI) and Delta International Holding Ltd., both of which are engaged in the manufacturing and sale of electronic components with production bases in Taiwan and China. Although some of the products being manufactured by Delta Electronics, Inc. are of the same types as the Company's, the clienteles are not the same as the main target markets of the Company. For this reason, the products manufactured by companies under Delta Electronics, Inc.'s group and Delta Thailand do not directly compete with each other.

Revenue Structure of the Company and its subsidiaries

Unit : Million Baht

Product Group	2012		2011		2010	
	Revenue	%	Revenue	%	Revenue	%
EPSBG Product (Embedded Power Supply)	18,708	45.9%	18,818	49.0%	16,387	45.9%
– DC-DC converter	3,997	9.8%	4,351	11.3%	3,672	10.3%
– Computer & Server Power	3,750	9.2%	3,043	7.9%	2,453	6.9%
– DES Power	9,730	23.9%	10,474	27.3%	10,101	28.3%
– Automotive Power	1,231	3.0%	950	2.5%	161	0.5%
PSBG Product (Power System)	10,642	26.1%	9,108	23.7%	9,464	26.5%
– Telecom Power System (TPS)	7,930	19.4%	7,362	19.2%	6,419	18.0%
– Uninterruptible Power Supplies (UPS)	990	2.4%	783	2.0%	536	1.5%
– Solar Inverter	1,709	4.2%	913	2.4%	2,451	6.9%
– Others PSBG	13	0.0%	50	0.1%	59	0.2%
MPBG (Mobile Power)	4,138	10.1%	3,695	9.6%	2,885	8.1%
FMBG Product (Fan & Thermal Management)	3,260	8.0%	3,185	8.3%	3,301	9.2%
CPBG Product (Electronic Components)	1,971	4.8%	1,885	4.9%	1,807	5.0%
Others	2,060	5.1%	1,743	4.5%	1,886	5.3%
Total Sales Revenues	40,779	100.0%	38,434	100.0%	35,730	100.0%

► Product Profiles



Smarter

To engage in continuous technological innovations and provide our customers with more efficient and reliable integrated services.

Greener

To protect the environment for the welfare of the next generation

Together

To work together as a partner with our customers in problem solving

EPSBG Product Group (Embedded Power Supply)

As a result of technological advances, Delta has steadily increased the efficiency of power supply products and has introduced products with energy-saving features. Products of this group are now mainly divided into 4 sub groups as follows.

● ● ● DC-DC Power ● ● ●



DC-DC Converter's main application is to supply the stable voltage to micro processor that generally generates unstable load (Dynamic load) while being operated. Delta offers high DC-DC converters up to 700W that provide high power density, a low profile and high efficiency.

● ● ● IT & Server Power ● ● ●



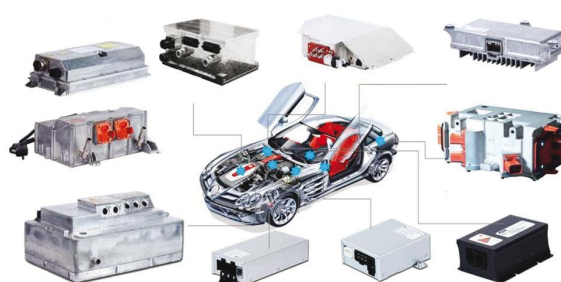
This group comprises mainly power supplies for PCs, servers, networking, workstations, storage and other high voltage power supplies that provide power ranging up to 7,200 W per power module, with efficiency over 90% and power density up to 25W/inch³

● ● ● DES Power ● ● ●



Delta Energy Systems (DES) supplies fully customized innovative solutions for the computer, office automation and medical industries, as well as telecommunications, industrial applications and the automotive industry. As technology leader, our customized products are packed with innovative technologies.

● ● ● Automotive Power ● ● ●

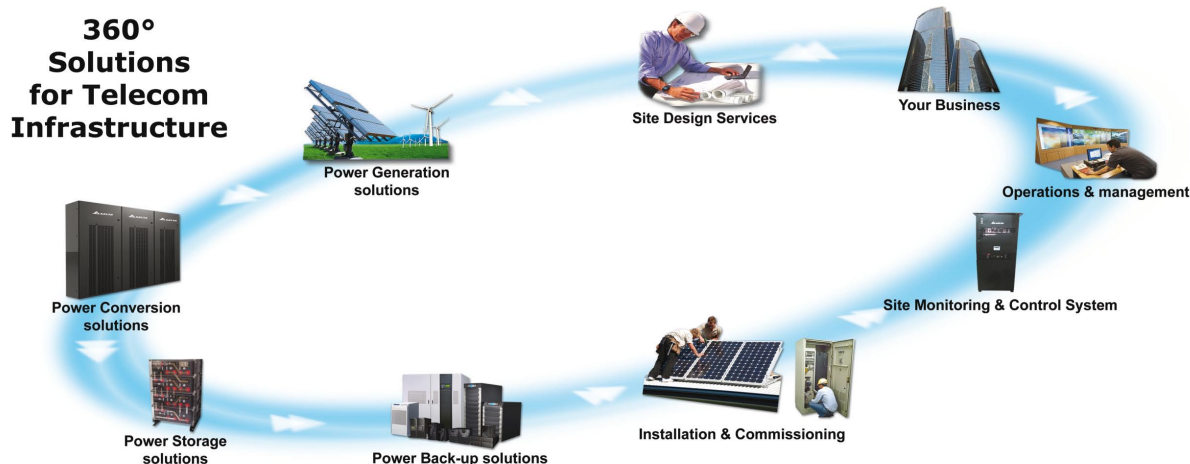


The Company launched electronic components in Automotive products since 2007 which starting from 3rd Tier until reach 1st Tier supplier of Big 3 (FORD, GM and CHRYSLER) vehicle makers worldwide. Our products such as DC-AC Inverter, AC-DC Charger, Voltage Quality Module can support electric or battery electric vehicles (BEVs), plug-in hybrid vehicles, (PHEVs), and in the future for conventional internal combustion engine vehicles.

PSBG Product Group (Power System)

Products of this group are now mainly divided into 3 sub groups as follows.

● ● Telecom Power System ● ●



Delta's broad range of power systems and global services to telecom operators, network manufacturers and integrators are designed for wireless broadband access and fixed-line applications, as well as for Internet backbone and data centers. With its high reliability and economic efficiency, Delta Electronics is a leading provider of telecom power systems for the telecommunications industry. The Company provides DC and AC backup power systems in indoor, outdoor enclosures or as rack mount devices to meet different applications. Delta's products also provide OPEX saving solutions for difficult AC utilities and off-grid sites by adding renewable energy and efficient energy management with the controller. These products are easily compatible with modern remote monitoring technologies which enable significant savings with easy site maintenance. The Company's telecom power systems are widely used in wireless and fixed line environments and are applicable to network equipment, xDSL terminal, mobile broadband, cellular sites, and transmission applications. Delta's telecom power system offer solutions with international and regional telecom and environmental standards and are manufactured in TL 9000 / ISO 14000 facilities.

● ● Uninterruptible Power Supplies (UPS) ● ●

Delta UPS business has more than a decade in designing, manufacturing and marketing UPSs globally. The Company is committed to innovating technically superior products and providing energy efficient solutions for a wide range of home, office, data center and industrial applications. The Company's client base covers world class enterprises in the areas of semiconductors, optoelectronics, food processing, finance, petrochemicals and telecommunications. Its UPS solutions include a full line of UPSs and management software, and delivers industry-specific solutions worldwide to a broad range of market sectors and industry leaders. Our UPS solutions not only ensure uninterrupted processes with unmatched reliability but also meet customers' growing business demands with uniquely-designed scalability and flexibility.

PSBG Product Group (Power System) (Cont'd)

● Uninterruptible Power Supplies (UPS) (Cont'd)



● Our UPS product portfolio includes one- and three-phase UPSs as well as online and line-interactive systems. The full product range comes in four series based on load type:

- Agilon family: for personal computers and peripherals
- Amplon family: for servers and networking equipment
- Ultron family: for data centers and industrial facilities
- Modulon family: for modular UPS systems that offer scalability and redundancy in a single frame

● ● ● Renewable Energy ● ● ●

The Company is aware of the importance caring for environmental issues. Therefore we invest in the area of renewable energy. With our highly innovative products such as Megawatt-Converter for wind, hydro and solar power systems, we aim to turn your solution into eco-friendly and competitive drivers for the green environment



Solar Inverter



Wind Turbine Inverter

MPBG Product Group (Mobile Power)



Mobile Power include adaptor for broadband, printing, game, industrial and power tools. We are one of the world's largest producers of AC/DC adapters for portable computers and other external power source applications. The use of ASIC, hybrid circuits, and thin film technology allows us to produce adapters with high power efficiency and high power density in a very compact size.

FMBG Product Group (Fan & Thermal Management)

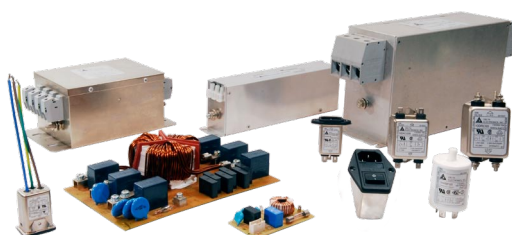


Cooling fans are designed to help remove heat from the high speed electronic system. These cooling fans can be categorized into many types such as base fan, blower and fan tray. Each fan design has its own characteristics and application that are derived solely from the customer's specific needs. Most of the cooling fan's customers are the reputable world class producers in the electronic industry.

CPBG Product Group (Component)

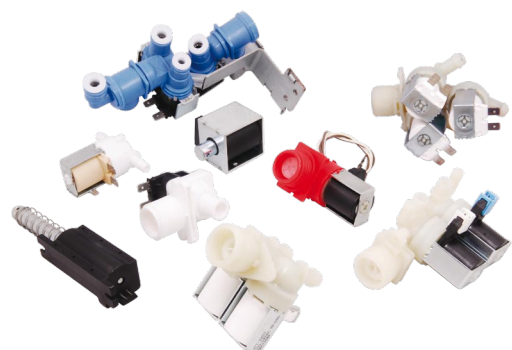
This product group is divided into 2 sub groups as follows

EMI Filter



Electromagnetic Interference (EMI) Filter is an electronic component used in electronic and electrical products. The function of EMI filter is to reduce noise and interference which pass through electronic and electrical products. EMI filter has been used in various industries. The Company has produced high quality, dependable EMI filters for power supplies, networking, medical equipment and many other tools used throughout the world. Our current products cover IEC inlet filters with a maximum of 20A, chassis mounting filters with maximum of 60A and three-phase filters with maximum of 600A/520VAC. Our mass produced three-phase filters are extensively used in AC motor drives and machine tool applications. We are also readying the designs and production of high frequency telecom & networking products.

Solenoid valve



Solenoid valve is one of the electronic components mainly used in electrical automatic controller such as electric valve, electric lock and etc. The solenoid valves are also applied in many industries, thus the customers are varied. Now Company provides a flexible production facility and the consistent good quality. Product line includes Solenoid Valves, Open Frame Solenoids, Tubular Solenoids, Latching Solenoids and Lamination Series Solenoids which can be widely applied in home appliances, automotive, consumer products and Industrial relatives.

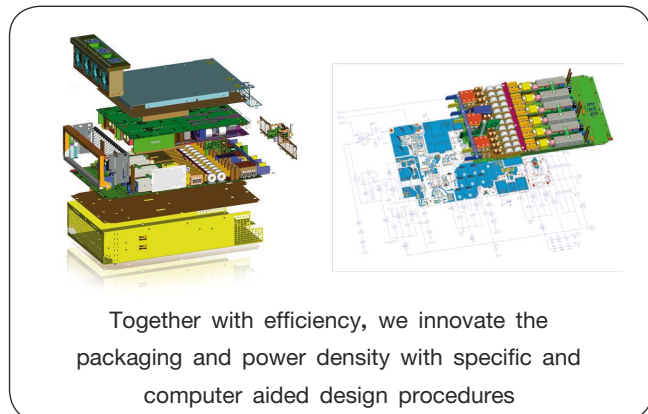
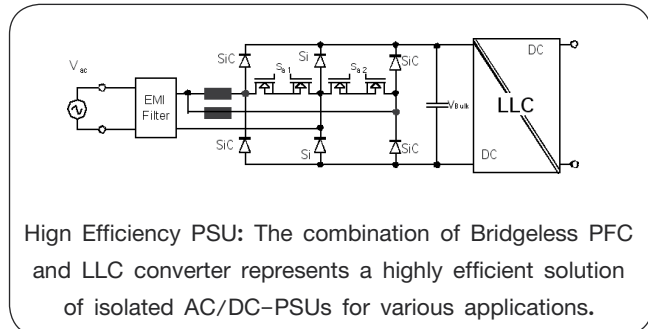
► Research and Development

Delta Thailand's R&D facilities are located in different countries including Thailand, Germany, Switzerland, Romania, Scotland, USA, India and China. In order to keep abreast of the latest technologies and innovations, the R&D team shall maintain an unwavering focus and discipline towards design for quality, design for manufacturability and design to schedule and cost. The global collaboration between the Company's R&D sites has enhanced the exchange of latest technological innovations which have directly influenced its designs that have provided great values and benefits for its customers. The Company's proactive approach in its design procedures and world class design capabilities are well-known to the customers. These traits enable it to maintain market leadership position in innovative customized power supply solution designs.

The Company's roadmap for high efficiency and high power density products has reached the next milestone with maturing LLC technology being applied on a broader basis in its product portfolio, such as parallel operation. This has been announced for patent registration. In addition, the bridgeless PFC technology has also been widely introduced in its volume products. The progress made with these technologies have helped the Company to secure more market share from competitors in the IT and telecommunication segments.

In keeping up with the Company's world class design capabilities, it will continue to invest in new technology and innovations while maintain its leading technological position in the development of power supply solutions for IT, telecommunication, solar inverter, as well as industrial and medical applications.

Similarly, Delta Thailand will extend such design competencies into its Renewable Energy and Automotive products that are designed with environmental protection and sustainability in mind.

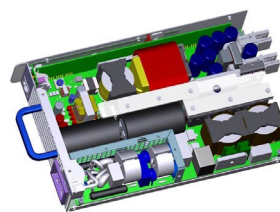


Server Storage Networking

In 2012, The Company's R&D ambition was to push the power efficiency and density higher. This had subsequently led to the first mass production of a high efficiency power supply (96%, Energy Star 80 PLUS Platinum level) with full digital control reaching a power density of 30W/in³. Then comes the development of a 3kW Server Power Supply (12V) with Titanium Efficiency Level which marks another shining achievement in its technology roadmap.



In addition, the extension of the Company's product portfolio with non-power supplies products such as the e-fuses is another achievement in 2012 that we are proud of. Such effort offers additional benefits for the customers as it relentlessly seeks to learn more about the customers' needs and applications.



Forward-driven technology for Power supplies and non power supplies for Server and Telecom application

Solar Inverter products

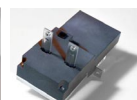
The SOLIVIA solar inverter product range has been enlarged with a new model for the European market. The SOLIVIA 11 EU G4 TR with an output power of 11 kW offers new customer-friendly product features and allows high flexibility for the system configuration of photovoltaic installations. Due to the latest high-frequency transformer technology, the inverter is compatible with all common PV modules and has a maximum efficiency of 96.5% at the same time.



Solivia 11 Inverter

Power solutions for electric vehicles

In 2012, the Company has continued its strategy to invest in the development of electric vehicle (EV) power electronics. The Company's objective is to provide quick, flexible and efficient charging of high voltage batteries, internal power supply by DC/DC converters in conjunction with powertrain traction needs for upcoming pure EV and Plug-in Hybrid car models. Thus, the Company's primary product focus is on On-Board Chargers in power range between 3.3 kW to 22 kW and DC-DC Converters in power range between 1.8 kW to 3.3 kW.



Automotive Products

The next generation of developments for On-Board Chargers at power level of 7.2 kW has started in close collaboration with leading car manufacturers.

Converter Systems for Megawatt Applications as Wind Power

DET has reached the goal to take its step into the renewable energy market of onshore and offshore wind, hydro and solar power systems. The excellent technology of its products is based on expertise and well-established quality strategies, guarantee for superior performance and a high level of reliability. Soon the team in India will be capable of handling complete wind turbine development projects for the Indian market. In 2013, the Company has also set new standards in the wind turbine UPS of up to 100 kW. Its customers will benefit from the innovative results of a globally collaborating research capabilities, internationally located and networked production facilities and not least from the Company's long established experience in high power products.



2 MW Wind Power Converter

► 2013 Industry Outlook

According to the Global Economic Outlook provided by the United Nations in December 2012, the world economy is still struggling to recover four years after the eruption of the global financial crisis. During 2012 the global economic growth has weakened further. According to the United Nations baseline forecast, it is expected that in 2013 many economies will continue to operate below potential. Weaknesses in the major developed economies are the root of continued global economic woes. Several European economies are already in recession. The United States economy weakened during 2012 and growth prospects for 2013 remain sluggish. The economies in Asia have weakened during 2012 as the growth engines, China and India, shifted into lower gear.

Despite the weak global economics, the world market for power supplies is projected by IMS Research to grow in 2012 9.3% to almost \$23 billion in revenue. IMS Research projects positive growth in 2013 and then annually in the following years until 2016. According to IMS Research the fastest growing markets for power supplies over the next years will be lighting, Tablet PCs and storage for servers. New technological trends as the shift from PC to Tablet computers, and the widespread adoption of LED lightning and cloud storage led to this growth. Traditional power supply markets like industrial automation and medical devices are expected to grow stable in 2013.

According to IMS Research, Delta has maintained its leading market position in 2011. New entries in the top ten manufacturers of power supplies list are GE Energy through its acquisition of Lineage Power and ZTE, the first Chinese supplier in the top 10 list. We expect that the shift to Asian suppliers will continue in 2013 as the Chinese market for power supplies is expected to overtake the North American market as the biggest market for power supplies in the coming years. The second largest manufacturer of power supplies, Emerson, stated in the 4th quarter financial release 2012 that Emerson's management is open to the strategic alternative to divest and sell it's embedded computing and power business. This will be a significant event in the power supply industry. Market experts state that Emerson's power business decline in revenue and in earnings led to that decision.

The global photovoltaic market is expected by IHS Inc. to grow from 31.8 gigawatts that are forecasted to be installed in 2012 to 35 gigawatts in 2013. Major growth in PV installations is expected in North America and Asia. The EMEA region is expected to decline in 2013 due to decreased feed-in tariffs and economical uncertainties in the biggest markets in Germany and Italy.

► 2013 Business Directions

Delta Thailand Operations Review

In 2012, Delta Thailand plants in Samutprakarn and Wellgrow have seen a significant collective improvement in Productivity compared to 2011. Main reason for the improvement is the implementation of more than 60 Continuous Improvement projects across Thailand manufacturing facilities. In order to alleviate the impact from Thailand's minimum wage increase, more aggressive productivity target is set. This will be achieved through automation projects and upgrading employees' skills to cover multi-functional tasks. On the business operations front, product mix will extend towards higher profit margin businesses including system level products while further leveraging sales, R&D and manufacturing resources across different sites.

For 2013, Delta Thailand factories shall continue to focus on Productivity, Quality, Social responsibility and Energy saving improvements. The related key activities are 1) Product Technology Upgrade (PTU): exchanging, learning and implementing the best practices and technologies with Delta's global counterparts; 2) Zero Defect: this is a collective program to enhance customer satisfaction, improve employees' skills, MfX (Manufacturing For Excellence) and DfX (Design For Excellence) programs; 3) Social responsibility: series of activities to encourage all employees to Love Country, Love Society, Love Company, Love Family, Love Yourself; 4) Various Energy saving projects will continue with target to reduce 13% electric intensity (kWh/rev) per year, such as AHU, Burn-in and Lighting areas.



Delta Electronics (Thailand) PCL., Bangpoo Plant

Delta Green Industrial (Thailand) Co., Ltd

Since Delta Green Industrial (Thailand) Co., Ltd (DGiT) was established in 2010, it has been firmly committed to providing professional energy-efficient solutions for domestic and South East Asia regions. DGiT has the capability to consolidate products across all internal Delta Business Units while adopting regional best practices to provide a One-Stop service for local and regional customers with Delta products, services and solutions. These products and services include solar inverters and systems, LED street lightings and consultancy in energy conservation.

DGiT is expecting to further benefit from ASEAN government policies in providing incentives and FiT for energy conservation efforts and the continuing trend for Green Buildings and Eco Factories in accordance to LEED/ISO15000 within Southeast Asia. These will in turn lead to demands for energy efficient products in HVAC systems, LED lights, rooftop solar system as well as building automation systems. Consequently, DGiT sees its product and service portfolios fitting these policies and trend thus continuing growth beyond Thailand is expected in 2013. DGiT has already successfully installed projects in Malaysia and Australia.



DGiT LED Lighting installation for Underpass
at Ratchaphruek Circle in Thailand



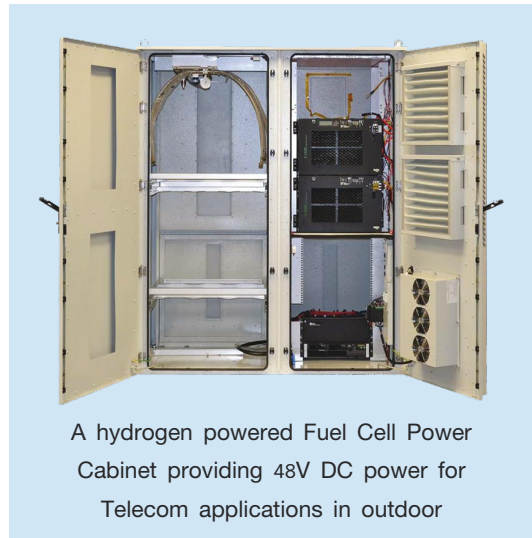
32kW Solar rooftop installed with Solivia 5.0 Solar Inverter
on Commercial Shop Roof in Melaka, Malaysia

North America

The Telecom Power System (TPS) for North America region has experienced significant business growth in 2012. The product types mainly cover power systems and outdoor enclosures with business strategy focusing on building the Delta Telecom brand and turnkey solutions.

For the 2013 market outlook, Telecom Wireline spending will be slightly declining as Wireless/Mobility spending increases with continued LTE investment to alleviate wireless bandwidth congestion. Distributed Antennae Systems are also driving some spending. New opportunities will emerge as new Micro cell and Small cells are deployed.

There will be a need to expand business with the dominant OEMs in the US for customer specific power products, cabinet products and fuel cell products. In addition, as telecom power loads become smaller, revenue per site/product decreases and product channel will move from operator to OEM. Shift to higher pricing products such as enclosures, extending product line including services revenue shall become key drivers for revenue growth. In summary, the team's 2013 growth plan will focus on strategic accounts and improving positioning of the turnkey business.



A hydrogen powered Fuel Cell Power
Cabinet providing 48V DC power for
Telecom applications in outdoor

South America

Delta Greentech (Brasil) S.A. (DGB) had experienced a healthy growth in 2011 which had led to its current leading position for Telecom Power Systems (TPS) providers in Brazil. DGB further maintained its leadership position in 2012 despite the revenue reduction in domestic market resulted mainly from conservative infrastructure investment by Oi Telecom and other Brazilian telecom operators. Argentina, the second largest economy in South America, also experienced a severe import restriction until Q3 2012 and resume normality only in Q4 2012. Amidst such adverse environments, DGB was still able to secure important supplier agreements with key Brazilian operators while expanding the business into several other South American countries including Argentina and Colombia where service agreements were signed with major telecom service providers that transition DGB businesses towards the solution provider segment.

In 2013, some South American countries should still see challenges with regard to the political and economic situations in Argentina and Venezuela. However, countries like Brazil, Colombia, Ecuador and Peru will have plenty of business opportunities to explore. Two important events in Brazil, 2014 World Cup



An employee at work in Delta Greentech (Brasil) S.A. factory

and 2016 Olympic Games, are motivating telecom operators to continuously invest in the infrastructure. Brazilian Government has also decided to start its own broadband internet provider service to enable the lower income segment to gain internet access. Of which, DGB was able to secure a major infrastructure provider contract. Outlook for 2013 is positive for DGB.

India

In the year 2012, the Indian telecom sector has witnessed a lot of perplexity and turmoil. Currently, things are still not unambiguous albeit some form of clarity settling in. As the market leader in India, Delta India (DIN) has acted swiftly in reorganizing the business to focus on major key accounts and shed extra manufacturing capacity in Pondicherry leased site in order to improve profitability and competitiveness amidst

the market uncertainties and increasing competitions. With the consolidated resources, DIN has also been driving the development of new business beyond the domestic market.

For instance, Delta's innovative Site Monitoring & Control Systems (SMCS) have been well accepted in the African market. It helps customers to save on operational expenses with unique features for multiple energy source control, battery management, fuel monitoring and energy management. The state of the art controller is capable of Bi-directional communication which also enables remote monitoring and controlling of the site via Delta's state of the art Network operation centre. In Bangladesh, DIN has also successfully executed a project with SMCS using Battery Hybrid solution which clients can achieve savings on energy expense by more than 50%. Other regional projects under trial with major operators are in Nepal and Sri Lanka.

In 2013, the expansion of 4G LTE will continue, with more parts of the country getting access to the super-fast wireless network. Operators like Reliance and Airtel are planning an aggressive 4G LTE roll out in the near future. By maintaining DIN's Telecom Power System (TPS) leadership position with continuing quality products and services, the team has confident to be part of the growth in the 4G LTE industry.

As part of the recognition in DIN's continuing Corporate Social Responsibility effort, it has been awarded the LEED certification for Platinum rated Green Building in Q4 2012 for its Green Building in Gurgaon which was completed in 2010. This is in addition to the other DIN Green facility in Rudrapur manufacturing facility which is a LEED certified Gold rated Green factory.



Delta's Site Monitoring and Control System installed at a remote Outdoor Telecom Site

Delta Energy Systems (DES) – Solar Inverters

In 2012, Solar Inverters business had successfully depleted the excess inventory from 2011 resulted from market slowdown. To further improve its financial position, product prototyping and design verification (New Product Engineering) functions have since been integrated into Thailand factory instead of in costly European sites. Other major efforts to expand the revenue base are 1) Business extension into India, Australia, SE-Asia and the expansion of the existing channel business in Europe; 2) Completion of the product line with the high performance transformer PV-inverter line Solivia G4 with full reactive power capability and a power range of 2.5kW–1phase to 11kW–3phase. Customers are also showing keen interests for the new 3ph 8/10/12 and 30kW line.

Furthermore, DES has progressed from providing only PV inverters to also offering smart PV plant monitoring system on the web.

Such product line up has enabled DES to become a true PV inverter solution provider offering customers the convenience of sourcing for both PV-inverter hardware and PV plant monitoring software from a single source – Delta.

The extended product portfolio together with the strengthening of DET customer base in existing global channels have created considerable growth potential for DES. Solivia products' notable accomplishment in Australia by securing significant market share within a year can attest to the effectiveness of the new business focus.

In 2013, more new products will be launched despite foreseeable continuing headwind in the global solar industry. Based on Delta's competitive technology, quality and value advantage, the team will be able to counter these challenges to gain more market share. The long term cost savings from the restructuring in 2012 shall also improve the financial health of the business. Key growth markets in 2013 will be Europe, Australia and South-East Asia.



Delta RPI Central PV Inverter and
Solivia 3 Phase 10kW and 30kW PV Inverters

Delta Energy Systems (DES) – Automotive and Data Center

Automotive power is relatively new in DES. In Q4 2012, significant businesses had been won with key European OEMs. In 2012 mass production OEM has been the OBC (Onboard charger) with 3.3kW power rating. New OEM products for market leading car makers will be delivered in 2014 with mostly PHEV (Plug-in hybrid electrical vehicle) architecture and one for BEV (Battery electrical vehicle). OBCs at 3.3kW power level are available with basic and premium functions. The team expects market trend to continue growing towards 6.6 kW OBC due to demand for shorter charging time.

DCDC products have also been requested by the market from 1.8 – 3.2kW power as a stand-alone or integrated solution. With DES' proven R&D capabilities and cost effective manufacturing facilities, the team is ready to tap into these potential opportunities for revenue growth.

For Server, Networking and Telecom markets, main revenue contributor in 2012 was driven by data center business with strong demand from networking customers and data center operators. In view of the growing demand in these sectors, high end power supplies business in 2013 is expected to see healthy growth.



A 3.3kW charger for Plug-in Hybrid
Vehicle (PHEV)

Delta Energy Systems (DES) – Wind Power

In 2012, the first 2.5MW prototype multiple winding converter unit was shipped to a European customer. This was followed by another order for the second prototype of 2.0MW. Delta has also been participating in major exhibitions including EWEA Copenhagen, AWEA Atlanta and Hannover Messe where many new business opportunities were collected.

The first delivered 2.5MW prototype converter will be commissioned in early 2013 in Europe. In 2013, the team expects to ship more converter systems to customer in Europe and India, upon field test approval and LVRT test in Q1/Q2 2013. Several customers have already indicated strong interest to employ Delta's full power converters. In addition, the unique 100kW turbine power supply unit that Delta has developed is generating strong interest among some of the major turbine suppliers. With these favorable conditions, several new customers are already in sight for volume business in 2014.

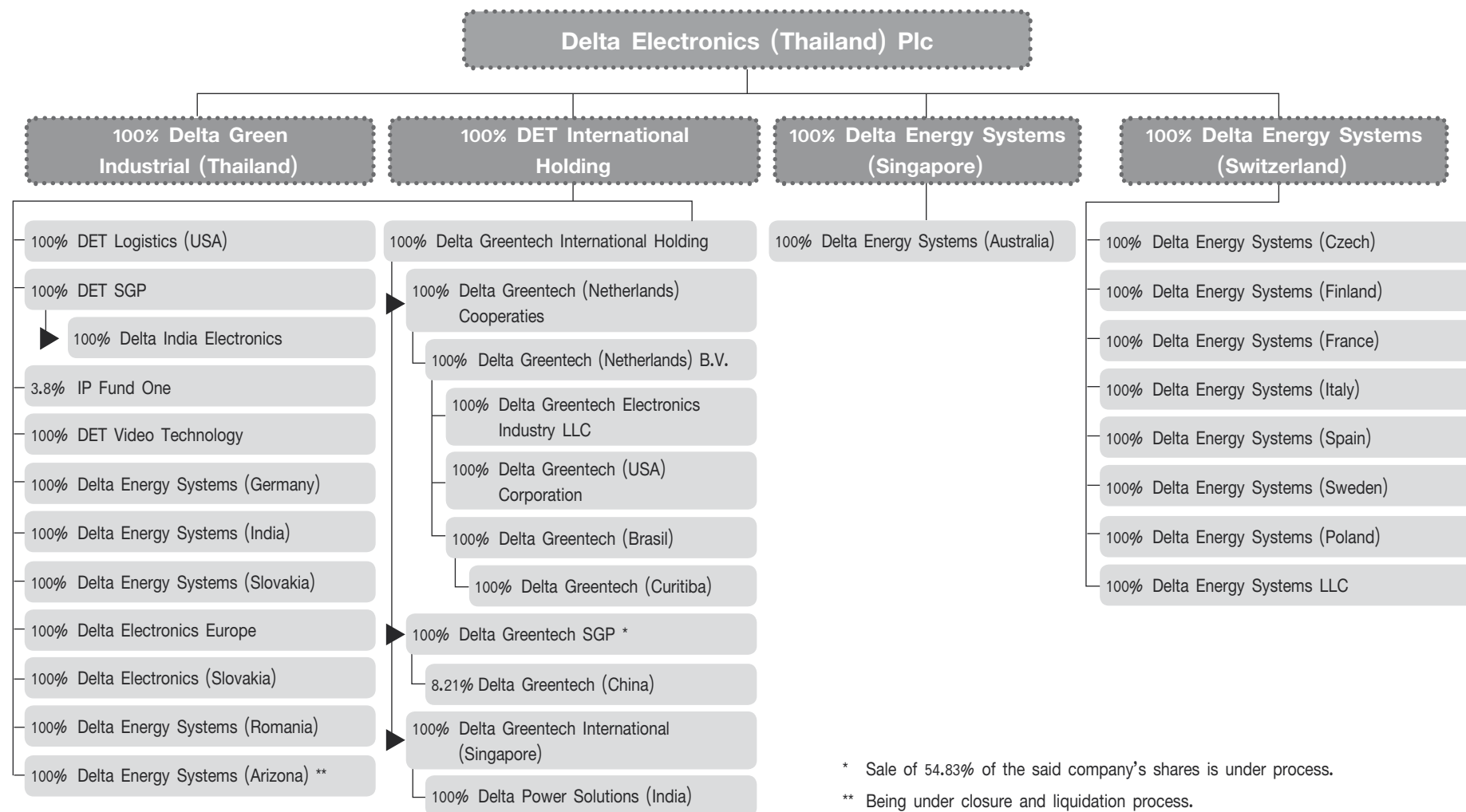
The combination of the field trials and the LVRT certification meetings will be the final cornerstone to start volume production in Delta's production facilities. The continued technology streamlining of Delta's multi-winding offering and the subsequent business focus will provide future customers the technology and cost advantages which will be paramount to the business growth in 2014.



A wind turbine in Europe with Delta's
MW power supply

Investment Structure

Investment Structure (As of January 31, 2013)



Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
1. DET International Holding Ltd.	Floor 4, Willow House, Cricket Square, George Town, Grand Cayman, Cayman Islands	Business Investment	–	Common Stock	USD 300,000,000	USD 264,357,329	100
1.1 DET Logistics (USA) Corporation	4405 Cushing Parkway Fremont, CA 94538 USA. Tel: +1 510 668 5100 Fax: +1 510 668 0680	Logistic Service in USA	–	Common Stock	USD 1,000,000	USD 500,000	100
1.2 IP Fund One, L.P.	C/O 7F, 122 Tun Hua N Rd., Taipei 105 Taiwan Tel: 8862 3518 3999 Fax: 8862 6606 0021	Investment fund focusing on the investment in innovative software, hardware	–	Common Stock	USD 260,270,000	USD 225,086,683	3.8
1.3 DET Video Technology Ltd.	Portcullis, Trust Net, Chambers, Po.Box 3444 Road Town, Tortola, Bristish Virgin Island Tel: 284 494 5296 Fax: 284 494 5283	Business Investment	–	Common Stock	USD 100,000	USD 100,000	100
1.4 Delta Energy Systems (Germany) GmbH	Coesterweg 45, D-59494 Soest, Germany Tel: +49 2921 987 0 Fax: +49 2921 987 601	– Marketing & Sales – R&D	– Power Supply – Solar Inverter – Wind Turbine Power – Other Electronics Products	Common Stock	EUR 18,301,000	EUR 18,301,000	100
1.5 Delta Energy Systems (India) Pvt. Ltd.	Plot No. 43, Sector-35, Industrial Estate, Gurgaon, Haryana, India 122001 Tel: +91 124 4874900 Fax: +91 124 4874945	Marketing & Sales	Electronics Products	Common Stock	INR 44,500,000	INR 40,476,020	100
1.6 Delta Energy Systems (Slovakia) s.r.o.	Priemyselna ulica 4600/1, SK – 018 41 Dubnica nad Vahom, Slovak Republic Tel: +421 42 466 1111 Fax: +421 42 466 1130	Marketing & Sales	Electronics Products	Common Stock	EUR 6,639	EUR 6,639	100
1.7 Delta Electronics Europe Ltd	1 Redwood Court, Peel Park Campus, East Kilbride G74 5PF, UK Tel: +44 1355 588 888 Fax: +44 1355 588 889	– Marketing – Providing services & supports to customers of Delta Group – R&D	Electronics Products	Common Stock	GBP 1,000,000	GBP 500,000	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
1.8 Delta Electronics (Slovakia) s.r.o	Priemyselna ulica 4600/1, SK – 018 41 Dubnica nad Vahom, Slovak Republic Tel: +421 42 466 1111 Fax: +421 42 466 1130	Manufacturing & Sales	– Power Supply – Power System – OEM Power Systems – Solar Inverter	Common Stock	EUR 47,120,947	EUR 47,120,947	100
1.9 Delta Energy Systems (Romania) S.R.L.	Str.Negru Voda Nr. 2, Bl. C4 Sc.A, Suite 14–15. Sect 3, RO–70462 Bucharest, Romania Tel: +40 1 321 3653 Fax: +40 1 322 1644	R&D	–	Common Stock	RON 395,200	RON 395,200	100
1.10 Delta Energy Systems (Arizona) Inc.	c/4400 E. Broadway. Suite 803, Tucson, Arizona, USA 85711 Tel: +1 520 326 8401 Fax: +1 520 326 8366	R&D	–	Common Stock	USD 10	USD 1	100
1.11 DET SGP Pte Ltd.	4 Kaki Bukit Avenue 1 #05–05 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	Business Investment, Management and Consultancy Service	–	Common Stock	USD 46,736,460	USD 46,736,460	100
1.11.1 Delta India Electronics Pvt. Ltd.	Plot No. 43, Sector–35, Industrial Estate, Gurgaon, Haryana, India 122001 Tel: +91 124 4874900 Fax: +91 124 4874945	Marketing & Sales	– Telecom Power system – UPS – Other Electronics Products	Common Stock	INR 1,650,000,000	INR 1,604,446,000	100
1.12 Delta Greentech International Holding Ltd.	Floor 4, Willow House, Cricket Square, P.O. Box 2804, George Town, Grand Cayman, KY1–1112, Cayman Islands	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	USD 100,000,000	USD 79,051,850	100
1.12.1 Delta Greentech (Netherlands) Cooperaties UA	Zandsteen 15, 2132 MZ Hoofddorp, The Netherlands Tel.: +31 20 655 0900 Fax: +31 20 655 0999	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	No registered	EUR 22,378,784	100
1.12.1.1 Delta Greentech (Netherlands) B.V.	Zandsteen 15, 2132 MZ Hoofddorp, The Netherlands Tel.: +31 20 655 0900 Fax: +31 20 655 0999	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	EUR 22,318,778	EUR 22,318,778	100
1.12.1.1.1 Delta Greentech Electronics Industry LLC	Akaretler, Besiktas/Istanbul at Süleyman Seba Caddesi No: 48 BJK Plaza B Blok Kat:12, Turkey	Trading	– Telecom Power Systems – UPS	Common Stock	TRY 770,000	TRY 770,000	100
1.12.1.1.2 Delta Greentech (USA) Corporation	701 Brazos Street, Suite 1050 Austin TX 78701 USA	Marketing & Sales	– Telecom Power Systems – UPS	Common Stock	USD 10,000,000	USD 6,000,000	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
1.12.1.1.3 Delta Greentech (Brasil) S/A	Rua Almirante Alexandrino, 1130-Bairro Afonso Pena CEP 83040-420, Sao José dos Pinhais - PR, Brasil Tel: +55 41 2141 6363 Fax: +55 41 2141 6300	- Marketing & Sales - Assembler	- Power Systems - UPS - OEM Power Systems - Other Electronics Products	Common Stock	BRL 37,877,367.75	BRL 37,877,367.75	100
1.12.1.1.3.1 Delta Greentech (Curitiba)	Rua Almirante Alexandrino, 1130-Bairro Afonso Pena CEP 83040-420, Sao José dos Pinhais - PR, Brasil	Providing Engineering Service to Delta Greentech (Brasil)	-	Common Stock	BRL 1,000	BRL 1,000	100
1.12.2 Delta Greentech SGP Pte Ltd.	4 Kaki Bukit Avenue 1 #05-05 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	Business Investment	-	Common Stock	USD 12,175,470	USD 12,175,470	100
1.12.2.1 Delta Greentech (China) Co.,Ltd.	No 238 Minxia Road, Pudong District Shanghai, China Tel: +86 21 58635678 Fax: +86 21 38983692	- Assembler - Trading	- Telecom Power Systems - Other Electronics Products	Common Stock	RMB 568,000,000	RMB 568,000,000	8.2
1.12.3 Delta Greentech International (Singapore) Pte. Ltd.	4 Kaki Bukit Avenue 1 #05-05 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	Business Investment	-	Common Stock	USD 37,153,800	USD 37,153,800	100
1.12.3.1 Delta Power Solutions (India) Pvt. Ltd.	Plot No. 38, Phase 1, Sector - 5, IIE, SIDCUL Pant Nagar, Rudrapur Uttrakhand-263153, India Tel : +91 05944-309000 Fax: +91 05944-662477	- Marketing & Sales - Assembler - R&D	- Telecom Power Systems - UPS	Common Stock	INR 1,700,000,000	INR 1,638,626,520	100
2. Delta Energy Systems (Singapore) Pte.Ltd.	4 Kaki Bukit Avenue 1 #05-05 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	- Business Investment - Managment and Consultancy services - Trading	-	Common Stock	USD 400,000	USD 400,000	100
2.1 Delta Energy Systems (Australia) Pty.Ltd.	Suite 13, Level 4, 150 Albert Road, South Melbourne VIC, Australia Tel: +61 3 8414 8293 Fax: +61 3 9685 7599	Marketing	Renewable Energy Products	Common Stock	AUD 200,000	AUD 200,000	100
3. Delta Energy Systems (Switzerland) AG	Freiburgstrasse 251, CH-3018 Bern-Bümpliz, Switzerland Tel: +41 31 998 5388 Fax: +41 31 998 5485	- Marketing & Sales - R&D	Power Systems	Common Stock	CHF 20,000,000	CHF 20,000,000	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
3.1 Delta Energy Systems (Czech Republic), spol. s r.o.	Litevská 1174/8, 100 00 Praha 10, Czech Republic Tel: +420 272 019 330 Fax: +420 271 751 799	Marketing & Sales	Power Systems	Common Stock	CZK 8,000,000	CZK 8,000,000	100
3.2 Delta Energy Systems (Finland) Oy	Juvan Teollisuuskatu 15, PL63 FI-02921 Espoo, Finland Tel: +358 9 8496 60 Fax: +358 9 8496 6100	- Marketing & Sales - Assembler	Power Systems	Common Stock	EUR 269,100.68	EUR 134,550.34	100
3.3 Delta Energy Systems (France) S.A.	ZI du Bois Chaland2 - 15 rue des Pyrénées, LISSES, 91056 EVRY CEDEX, France Tel: +33 1 69 77 82 60 Fax: +33 1 64 97 05 77	Marketing & Sales	Power Systems	Common Stock	EUR 1,605,000	EUR 1,605,000	100
3.4 Delta Energy Systems (Italy) s.r.l.	Via I Maggio 6, IT-40011 Anzola dell'Emilia, Italy (BO) Tel: +39 051 733 045 Fax: +39 051 731 838	Marketing & Sales	Power Systems	Common Stock	EUR 100,000	EUR 100,000	100
3.5 Delta Energy Systems (Spain) S.L.	Calle Luis I n° 60, Nave 1a, P.I. de Vallecas, E-28031 Madrid, Spain Tel: +34 91 223 7420 Fax: +34 91 332 9038	Marketing & Sales	Power Systems	Common Stock	EUR 200,000	EUR 200,000	100
3.6 Delta Energy Systems (Sweden) AB	Annavägen 3, P.O.Box 3096, S-350 33 Växjö, Sweden Tel: +46 470 70 68 00 Fax: +46 470 70 68 90	Marketing & Sales	Power Systems	Common Stock	SEK 2,010,000	SEK 2,010,000	100
3.7 Delta Energy Systems (Poland) Sp.zo.o	Poleczki 23, Street 02-822 Warsaw, Poland Tel: +48 22 335 2600 Fax: +48 22 335 2601	Marketing & Sales	Power System	Common Stock	PLN 2,500,000	PLN 2,500,000	100
3.8 Delta Energy Systems LLC	Office 401, Vereyskaya Plaza II, Vereyskaya Street 17, 121357, Moscow, Russia Tel: +7 495 644 3240 Fax: +7 495 644 3241	Marketing & Sales	Power System	Common Stock	RUR 30,000	RUR 30,000	100
4. Delta Green Industrial (Thailand) Co.,Ltd.	111 Moo 9, Bangwua, Bangpakong, Chachoengsao, 24180 Thailand Tel: +66 (0) 952 2360	Manufacturing, Integration, Installation, Service and Trading	- LED Street light - Solar System - Telecom Power Systems	Common Stock	THB 200,000,000	THB 190,000,000	100

Currency Exchange Rates (Average): (30 Dec 12)

1 BRL = 0.49181 USD	1 CHF = 1.08057 USD	1 CZK = 0.05193 USD	1 EUR = 1.32687 USD	1 GBP = 1.59990 USD
1 HKD = 0.12900 USD	1 INR = 0.01840 USD	1 PLN = 0.32117 USD	1 RON = 0.30274 USD	1 RMB = 0.16078 USD
1 RUR = 0.03305 USD	1 SEK = 0.15395 USD	1 TRY = 0.56406 USD		

Risk Factors

In 2012, although there were no significant adverse impacts from global economy or natural disasters like what happened in previous years, the situations overall remained sensitive and uncertain. The Company stayed prepared for those consequence and uncertainties. Summary of risks and impact assessment together with approaches to minimize impact are as follows.

1. Global Economy Slowdown

The global economy in 2012, despite continuing slowdown in Europe continent, adverse impact was not severe like last year. Given significant increase of sales in other markets such as United States of America, Australia and Asia, the Company's operational results had been quite satisfactory.

Nevertheless, the Company believes that the global economy will remain slowdown and tends to be highly sensitive, especially among European countries. While continuing attentive against such risks, the Company is expanding customer base into new markets with growth potential and at the same time further developing products that meet market demands.

2. Foreign Exchange

In 2012, Thai Baht was fluctuated and varied in a range of 30.20–32.00 per one US dollar. Its value was very strong in the first quarter but later continuously depreciated in the second quarter. Thai Baht value turned to be appreciated again in the third quarter in accordance with the confidence in the world economy of investors and the improvement in the economy of US and Euro Zone. With this high volatility of Thai Baht/USD and other currencies such as Euro, India Rupee, close monitoring on the currency movement and proper risk management are quite essential.

The Company therefore has continued to put in place a net position hedging policy for all currency exposures to ensure adequate protection from volatile currencies and interest rate. With the above hedging strategy and close monitoring by experienced staff, it resulted in a foreign exchange gain of approximately Baht 152 million. Nevertheless, it should be noted that the Company's foreign exchange management policy is principally aimed to reduce risk and avoid speculation. However, all in costs are always taken into consideration to ensure that it is justified when comparing to the risks involved.

3. Raw materials and supply chain

The raw materials and supply chain situation in 2012 was much better than in 2011 as we need not deal with natural disaster disruption issues such as the 2011 Japan earthquake and Thailand Flooding. This enabled our Materials team to better focus on Order Fulfillment and Supply Chain related enhancement.

Going forward, 2013 will be a challenging year in view of the ongoing unresolved European debts crisis as well as the high unemployment and slow growth in USA. The uncertainty on how the European crisis as well as the USA "fiscal cliff" can be resolved will definitely add volatility to the market and in turn the overall market supply chain. We will continue to monitor the ongoing economic situation as well as the overall supply market situation closely and take the necessary preventive/contingency measure in order to alleviate our supply chain risk accordingly.

4. Accounts receivable collections

With the efficient accounts receivable management and credit control system the Company has currently employed, including the experienced personnel, the Company, even it has encountered various challenges, has managed the accounts receivable and collections efficiently during the past years. This has helped ensure the sufficient and smooth cash flows to support the business operations.

However, given the current unstable global economic circumstances, the Company will keep close monitoring the global economy and constantly evaluate the customers' financial position to ensure collection of receivables.

5. Labor Relations

With almost 10,000 employees in Thailand, the Company gives priority to labor relations and it put into an action by continuing support various activities arranged by employees and labor union to promote good relationship as well as preventing and solving common problems that may arise. The Company established a labor relation committee with joint members from both employers and employees. The meetings generally take place on a monthly basis to listen to problems, find solutions together, and arrange activities to promote labor relations. Not only it helps create a good relationship but it also builds beneficial impact to both employees and organization.

Despite various protection arrangements, the Company also has a contingency plan in case of labor dispute that may arise and would lead to protest and strike. In such event, executive officers, chief departments, relevant staff and government agencies are assigned specific responsibilities to help collaborate so as to solve the problem instantaneously.

6. Investments and financial assistance given to its subsidiaries

Investments and financial assistances given to the subsidiaries are generally risk inherent transactions. Risk management practices that the Company adopts are closely monitor and support on treasury, accounts receivable and some other significant financial and administrative activities. The executives of subsidiaries are from time to time gathering at the Company, either for training, meeting or performance review which is regularly done through video conference. Not only efficiency in administration towards the same business direction can be assured, working morale and cooperation among the group are also built up.

► Capital Structure

Registered and paid up share capital (31 December 2012)

Type of Equity	No. of Shares	Par value (Baht)	Total Value (Baht)
1. Registered Share Capital	1,259,000,000	1	1,259,000,000
2. Paid up Capital	1,247,381,614	1	1,247,381,614

Top 10 shareholders (As of March 1, 2012)

No.	Name	Holding	%
1.	Citibank Nominees Singapore Pte Ltd–S.A. PBG Clients SG (For Deltron Holding Ltd.)	345,185,420	27.67
2.	Citibank Nominees Singapore Pte Ltd–S.A. PBG Clients SG (For Delta International Holding Ltd.)	191,984,450	15.39
3.	Citibank Nominees Singapore Pte Ltd–S.A. PBG Clients SG	186,944,726	14.99
4.	State Street Bank And Trust Company For London	81,824,400	6.56
5.	Delta Electronics Inc.	69,128,140	5.54
6.	UBS AG Singapore, Branch	53,172,220	4.26
7.	HSBC (Singapore) Nominees Pte Ltd.	25,651,400	2.06
8.	Thai NVDR Co., Ltd.	23,578,339	1.89
9.	Mr. Paisarn Chatpitak	12,300,000	0.99
10.	Mr. Paiwan Chatpitak	10,250,000	0.82

Major shareholders that are influential the Company's Management Policy

No.	Name	Holding	%
1.	Citibank Nominees Singapore Pte Ltd–S.A. PBG Clients SG (For Deltron Holding Ltd.)	345,185,420	27.67
2.	Citibank Nominees Singapore Pte Ltd–S.A. PBG Clients SG (For Delta International Holding Ltd.)	191,984,450	15.39
3.	Delta Electronics Inc.	69,128,140	5.54

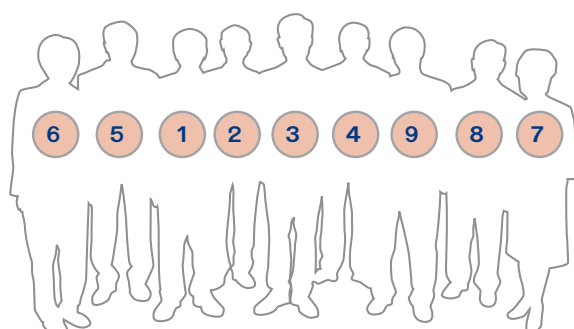
Dividend Policy

The Company has a policy to pay dividend at least 30% of its net profits. However, the dividend payout ratio would be subject to change depending on the investment plan and/or other capital requirements the Company may have in the future.

The Company's Board of Directors' Meeting No. 1/2013 held on 6 February 2013 resolved to pay dividend for the year 2012 at Baht 2.40 per share, representing a payout ratio of 69%. This is subject to the 2013 Annual General Meeting of Shareholders' approval. (The dividend paid in 2011 was Baht 1.20 per share, representing a payout ratio of 52%).

Dividend payment of the subsidiaries would be determined based on the profitability and reinvestment opportunities of each subsidiary. In addition, the relevant laws, regulations, tax and foreign exchange control of the country where the subsidiary is located at will also be taken into consideration for greatest benefits of the Company and shareholders.

▶ Board of Directors



1. Mr. Ng Kong Meng (James)
2. Mr. Ming-Cheng Wang (Stronger)
3. Mr. Hsieh, Heng-Hsien (Henry)
4. Mr. Chu, Chih-Yuan (Roger)
5. Mr. Anusorn Muttaraid
6. Ms. Niramol Tantipuntum
7. Emeritus Professor Supapun Ruttanaporn
8. Mr. Supat Limpaporn
9. Professor Lee, Ji-Ren

Mr. Ng Kong Meng (James)

Position

- Chairman of the Board (Authorized Director)

Education/Training

- M. Sc (Electronic Engineering), University of Southampton, UK
- Bachelor Degree (Electrical Engineering), National Taiwan University, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2007
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2009
- Financial Statements Demystified for Directors (FDD), Thai Institute of Directors Association, Year 2009

Shareholding in the Company (31 Jan 13) None

Work Experience

- | | |
|-----------|---|
| Present | <ul style="list-style-type: none"> • Chairman of the Board, Delta Electronics (Thailand) Plc (1990–present) • Director, Delta Electronics International (Singapore) Pte.,Ltd (April 2012–present) |
| 2004–2008 | <ul style="list-style-type: none"> • Executive Committee Member, Delta Electronics (Thailand) Plc |
| 1990–2006 | <ul style="list-style-type: none"> • President, Delta Electronics (Thailand) Plc |
| 2000–2003 | <ul style="list-style-type: none"> • President, Delta Electronics Inc., Taiwan |

Mr. Ming-Cheng Wang (Stronger)

Position	<ul style="list-style-type: none"> • Vice Chairman of the Board (Authorized Director) • Vice President • Executive Committee • Risk Management Committee Vice Chairman
Education/Training	Industrial Engineering (Diploma), National Taipei Institute of Technology, Taiwan
Shareholding in the Company (31 Jan 13)	250,010 shares (0.024% of paid up capital)
Work Experience	Present <ul style="list-style-type: none"> • Vice Chairman of the Board (1990–present) • Vice President (1990–present) • Executive Committee Member (1999–present) • Risk Management Committee Vice Chairman (2009–present) Delta Electronics (Thailand) Plc

Mr. Hsieh, Heng-Hsien (Henry)

Position	<ul style="list-style-type: none"> • Director of the Board (Authorized Director) • President & DES President • Executive Committee Chairman • Risk Management Committee Chairman
Education/Training	<ul style="list-style-type: none"> • MBA, Pacific Western University, USA • Electrical Engineering (Diploma), National Taipei University of Technology, Taiwan • Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2006
Shareholding in the Company (31 Jan 13)	240,755 shares (0.02% of paid up capital)
Work Experience	Present <ul style="list-style-type: none"> • Director of the Board (2006–present) • President (2007–present) • President of Delta Energy Systems (DES) group (2004–present) • Executive Committee Chairman (2009–present) • Risk Management Committee Chairman (2009–present) Delta Electronics (Thailand) Plc
	2004–2008 • Executive Committee Member, Delta Electronics (Thailand) Plc
	2004–2006 • CEO, Delta Energy Systems (Switzerland) AG
	2003–2006 • Vice President Sale & Marketing, Delta Electronics (Thailand) Plc

Mr. Chu, Chih-Yuan (Roger)

Position	<ul style="list-style-type: none"> • Director of the Board (Authorized Director)
Education/Training	<ul style="list-style-type: none"> • B.A in Economics, Chinese Culture University (Taipei), Taiwan • Executive Program of Graduate School of Business Administration, Chung Yuan Christian University, Taiwan • Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2007
Shareholding in the Company (31 Jan 13)	None
Work Experience	Present <ul style="list-style-type: none"> • Director of the Board, Delta Electronics (Thailand) Plc (1988–present) • Supervisor, Delta Green Life Co.,Ltd. (2012–present) • Supervisor, Allied Material Technology Corp. (2012–present) • Director, Digital Projection International Holding Ltd. (2011–present) • Supervisor, Delta Electronics Capital Company (2010–present) • Supervisor, NeoEnergy Microelectronics (2009–present) • Director, Delta Electronics International Ltd. (Labuan) (2004–present) • Supervisor, Delta Electronics (Korea), Inc. (2004–present) • Supervisor, Delta Greentech (China) Co., Ltd. (2002–present) • Supervisor, Addtron Technology (Japan) Co., Ltd (1998–present) • Director, Delta Power Sharp Ltd. (1995–present) • Supervisor, Delta Electronics (Japan), Inc. (1991–present) • Senior Vice President and Corporate CFO, Delta Electronics, Inc. (Taiwan) (1986–present)

Mr. Anusorn Muttaraid

Position	<ul style="list-style-type: none"> • Director of the Board (Authorized Director) • Executive Committee Member • Compensation Committee Member • Risk Management Committee Member • Human Resources & Administration/ Public Relations Director 												
Education/Training	<ul style="list-style-type: none"> • B. Sc, Kasetsart University • Director Certification Program (DCP), Thai Institute of Directors Association, Year 2004 												
Shareholding in the Company (31 Jan 13)	None												
Work Experience	<table> <tr> <td>Present</td><td> <ul style="list-style-type: none"> • Director of the Board (1994–present) • Executive Committee Member (1999–present) • Compensation Committee Member (2007–present) • Risk Management Committee Member (2009–present) • Human Resources & Administration/ Public Relations Director (1993–present) </td></tr> <tr> <td></td><td>Delta Electronics (Thailand) Plc</td></tr> <tr> <td>2011–Present</td><td> <ul style="list-style-type: none"> • Director of Advisory Board, Department of Trade Negotiations Ministry of Commerce • Director/Executive Director/Risk Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) • Member of sub-committee of Comprehensive Economic Partnership in East Asia (ASEAN + 6), Board of Trade of Thailand </td></tr> <tr> <td>2010–Present</td><td> <ul style="list-style-type: none"> • Managing Partner, Anupong Globalize Limited Partnership </td></tr> <tr> <td>2009–Present</td><td> <ul style="list-style-type: none"> • Chairman of Committee on Indian Affairs, Board of Trade of Thailand </td></tr> <tr> <td>2007–Present</td><td> <ul style="list-style-type: none"> • Chairman of Thailand–India Business Council, Board of Trade of Thailand • Managing Partner, Anusorn Globalize Limited Partnership </td></tr> </table>	Present	<ul style="list-style-type: none"> • Director of the Board (1994–present) • Executive Committee Member (1999–present) • Compensation Committee Member (2007–present) • Risk Management Committee Member (2009–present) • Human Resources & Administration/ Public Relations Director (1993–present) 		Delta Electronics (Thailand) Plc	2011–Present	<ul style="list-style-type: none"> • Director of Advisory Board, Department of Trade Negotiations Ministry of Commerce • Director/Executive Director/Risk Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) • Member of sub-committee of Comprehensive Economic Partnership in East Asia (ASEAN + 6), Board of Trade of Thailand 	2010–Present	<ul style="list-style-type: none"> • Managing Partner, Anupong Globalize Limited Partnership 	2009–Present	<ul style="list-style-type: none"> • Chairman of Committee on Indian Affairs, Board of Trade of Thailand 	2007–Present	<ul style="list-style-type: none"> • Chairman of Thailand–India Business Council, Board of Trade of Thailand • Managing Partner, Anusorn Globalize Limited Partnership
Present	<ul style="list-style-type: none"> • Director of the Board (1994–present) • Executive Committee Member (1999–present) • Compensation Committee Member (2007–present) • Risk Management Committee Member (2009–present) • Human Resources & Administration/ Public Relations Director (1993–present) 												
	Delta Electronics (Thailand) Plc												
2011–Present	<ul style="list-style-type: none"> • Director of Advisory Board, Department of Trade Negotiations Ministry of Commerce • Director/Executive Director/Risk Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) • Member of sub-committee of Comprehensive Economic Partnership in East Asia (ASEAN + 6), Board of Trade of Thailand 												
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2007–Present	<ul style="list-style-type: none"> • Chairman of Thailand–India Business Council, Board of Trade of Thailand • Managing Partner, Anusorn Globalize Limited Partnership 												

Ms. Niramol Tantipuntum

Position	<ul style="list-style-type: none"> • Director of the Board (Authorized Director) • Head of Accounting 						
Education/Training	<ul style="list-style-type: none"> • MBA, National Institute of Development Administration • B.A (Accounting), Ramkhamhaeng, University • Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2004 						
Shareholding in the Company (31 Jan 13)	120,000 shares (0.0096% of paid up capital)						
Work Experience	<table> <tr> <td>Present</td><td> <ul style="list-style-type: none"> • Director of the Board (1994–present) • Head of Accounting (1991–present) </td></tr> <tr> <td></td><td>Delta Electronics (Thailand) Plc</td></tr> <tr> <td>1999–2008</td><td> <ul style="list-style-type: none"> • Executive Committee member, Delta Electronics (Thailand) Plc </td></tr> </table>	Present	<ul style="list-style-type: none"> • Director of the Board (1994–present) • Head of Accounting (1991–present) 		Delta Electronics (Thailand) Plc	1999–2008	<ul style="list-style-type: none"> • Executive Committee member, Delta Electronics (Thailand) Plc
Present	<ul style="list-style-type: none"> • Director of the Board (1994–present) • Head of Accounting (1991–present) 						
	Delta Electronics (Thailand) Plc						
1999–2008	<ul style="list-style-type: none"> • Executive Committee member, Delta Electronics (Thailand) Plc 						

Emeritus Professor Supapun Ruttanaporn

Position	<ul style="list-style-type: none"> • Independent Director • Audit Committee Chairperson 						
Education/Training	<ul style="list-style-type: none"> • MBA (Accounting) Michigan State University, USA • B.A (Accounting) (Hons), Chulalongkorn University • Director Certification Program (DCP), Thai Institute of Directors Association, (DCP15, Year 2002) 						
Shareholding in the Company (31 Jan 13)	None						
Work Experience	<table> <tr> <td>Present</td><td> <ul style="list-style-type: none"> • Independent Director (2004–present) • Audit Committee Chairperson (2007–present) Delta Electronics (Thailand) Plc • Audit Committee of Charoen Pokphand Foods Plc (2009–present) • Audit Committee of Grow Energy Plc (1999–present) • Executive Director, S.S Grain Overseas Company Limited • Treasurer of Wat Yannasangvararam Foundation • Honorable auditor of Som Dej Pra Thep Rattanasuda Foundation • Pension staff of Chulalongkorn University </td></tr> <tr> <td>2007–2010</td><td> <ul style="list-style-type: none"> • Member of Ethics Committee, Federation of Accounting Profession </td></tr> <tr> <td>2001–2009</td><td> <ul style="list-style-type: none"> • President of Thai Accounting Association </td></tr> </table>	Present	<ul style="list-style-type: none"> • Independent Director (2004–present) • Audit Committee Chairperson (2007–present) Delta Electronics (Thailand) Plc • Audit Committee of Charoen Pokphand Foods Plc (2009–present) • Audit Committee of Grow Energy Plc (1999–present) • Executive Director, S.S Grain Overseas Company Limited • Treasurer of Wat Yannasangvararam Foundation • Honorable auditor of Som Dej Pra Thep Rattanasuda Foundation • Pension staff of Chulalongkorn University 	2007–2010	<ul style="list-style-type: none"> • Member of Ethics Committee, Federation of Accounting Profession 	2001–2009	<ul style="list-style-type: none"> • President of Thai Accounting Association
Present	<ul style="list-style-type: none"> • Independent Director (2004–present) • Audit Committee Chairperson (2007–present) Delta Electronics (Thailand) Plc • Audit Committee of Charoen Pokphand Foods Plc (2009–present) • Audit Committee of Grow Energy Plc (1999–present) • Executive Director, S.S Grain Overseas Company Limited • Treasurer of Wat Yannasangvararam Foundation • Honorable auditor of Som Dej Pra Thep Rattanasuda Foundation • Pension staff of Chulalongkorn University 						
2007–2010	<ul style="list-style-type: none"> • Member of Ethics Committee, Federation of Accounting Profession 						
2001–2009	<ul style="list-style-type: none"> • President of Thai Accounting Association 						

Mr. Supat Limpaporn

Position	<ul style="list-style-type: none"> • Independent Director • Audit Committee Member • Compensation Committee Chairman 												
Education/Training	<ul style="list-style-type: none"> • M.E Mechanical Engineering, Technical University, Hannover, West Germany • B.E Mechanical Engineering, Technical University, Hannover, West Germany • Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2007 • Director Certification Program (DCP), Thai Institute of Directors Association, Year 2008 • Role of Compensation Committee (RCC), Thai Institute of Directors Association, Year 2008 • Audit Committee Program (ACP), Thai Institute of Directors Association, Year 2011 • Monitoring Fraud Risk Management (MFM), Thai Institute of Directors Association, Year 2012 • Monitoring the Internal Audit Function (MIA), Thai Institute of Directors Association, Year 2012 • Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors Association, Year 2012 												
Shareholding in the Company (31 Jan 13)	None												
Work Experience	<table> <tr> <td>Present</td><td> <ul style="list-style-type: none"> • Independent Director/Audit Committee Member/Compensation Committee Chairman (2007–present) Delta Electronics (Thailand) Plc </td></tr> <tr> <td>2010–Present</td><td> <ul style="list-style-type: none"> • Chairman of Audit and Evaluation Committee, Ministry of Industry </td></tr> <tr> <td>2005–Present</td><td> <ul style="list-style-type: none"> • Performance Agreement Subcommittee, Ministry of Finance </td></tr> <tr> <td>2006</td><td> <ul style="list-style-type: none"> • Committee on Labour Relations, Ministry of Labour </td></tr> <tr> <td>2003</td><td> <ul style="list-style-type: none"> • Director General of The Industrial Promotion Department, Ministry of Industry </td></tr> <tr> <td>2002–2003</td><td> <ul style="list-style-type: none"> • Deputy Secretary General of The Board of Investment </td></tr> </table>	Present	<ul style="list-style-type: none"> • Independent Director/Audit Committee Member/Compensation Committee Chairman (2007–present) Delta Electronics (Thailand) Plc 	2010–Present	<ul style="list-style-type: none"> • Chairman of Audit and Evaluation Committee, Ministry of Industry 	2005–Present	<ul style="list-style-type: none"> • Performance Agreement Subcommittee, Ministry of Finance 	2006	<ul style="list-style-type: none"> • Committee on Labour Relations, Ministry of Labour 	2003	<ul style="list-style-type: none"> • Director General of The Industrial Promotion Department, Ministry of Industry 	2002–2003	<ul style="list-style-type: none"> • Deputy Secretary General of The Board of Investment
Present	<ul style="list-style-type: none"> • Independent Director/Audit Committee Member/Compensation Committee Chairman (2007–present) Delta Electronics (Thailand) Plc 												
2010–Present	<ul style="list-style-type: none"> • Chairman of Audit and Evaluation Committee, Ministry of Industry 												
2005–Present	<ul style="list-style-type: none"> • Performance Agreement Subcommittee, Ministry of Finance 												
2006	<ul style="list-style-type: none"> • Committee on Labour Relations, Ministry of Labour 												
2003	<ul style="list-style-type: none"> • Director General of The Industrial Promotion Department, Ministry of Industry 												
2002–2003	<ul style="list-style-type: none"> • Deputy Secretary General of The Board of Investment 												

Professor Lee, Ji-Ren

Position	<ul style="list-style-type: none"> • Independent Director • Audit Committee Member • Compensation Committee Member
Education/Training	<ul style="list-style-type: none"> • Ph.D., University of Illinois at Urbana-Champaign, Illinois, U.S.A • M.B.A., National Taiwan University, Taipei, Taiwan • B.E., National Tsing Hua University, Hsin-Chu, Taiwan
Shareholding in the Company (31 Jan 13)	None
Work Experience	<p>Present • Independent Director/Audit Committee Member/Compensation Committee Member (2011-present) Delta Electronics (Thailand) Plc</p> <p>2010-Present • Associate Dean in Resources/Teaching Development, College of Management, National Taiwan University, Taiwan</p> <p>• Independent Director of Wowprime Group, Taiwan</p> <p>2006-Present • Independent Director of Esun FHC, Taiwan</p> <p>2003-Present • Director of AVerMedia Technology, Taiwan</p> <p>2002-Present • Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University, Taiwan</p> <p>2007-2008 • Compensation Committee Member, Delta Electronics (Thailand) Plc</p> <p>2006-2008 • Independent Director / Audit Committee Member, Delta Electronics (Thailand) Plc</p>

Profiles of Management Team

Mr. Hsieh, Heng-Hsien (Henry)

- President & DES President

(For further details, please refer to his profile in the Board of Directors)

Mr. Ming-Cheng Wang (Stronger)

- Vice President

(For further details, please refer to his profile in the Board of Directors)

Mr. Anusorn Muttaraid

- Human Resources & Administration/Public Relations Director

(For further details, please refer to his profile in the Board of Directors)

Mr. Yu, Po-Wen (Beau)

- Chief Financial Officer (CFO)

Education/Training

- M.B.A, University of South Australia
- B.A (Accounting), Chinese Culture University (Taipei)

Shareholding in the Company (31 Jan 13)

- 10 shares (0.0000008% of paid up capital)

Work Experience

Present

- Executive Committee Member (1999-present)
- Risk Management Committee Member (2009-present)
- Chief Financial Officer (CFO) (1991-present)
Delta Electronics (Thailand) Plc

Mr. Chen, Chin-Ming

- Chief Information Officer (CIO)

Education/Training

- Industrial Management, National United University

Shareholding in the Company (31 Jan 13)

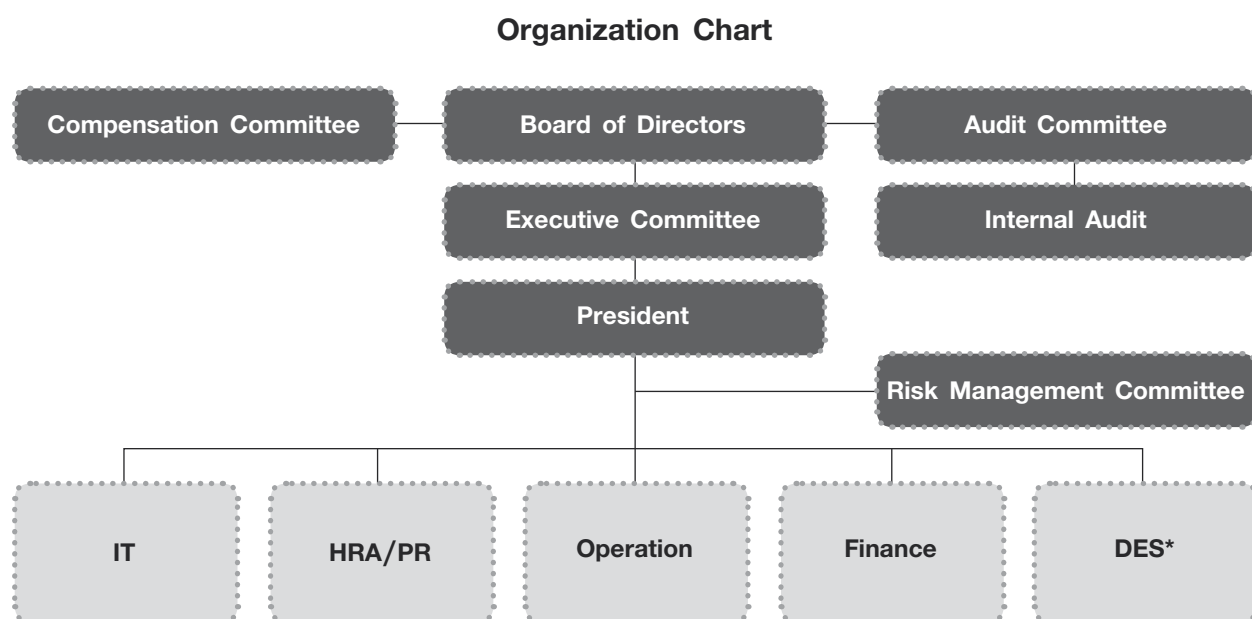
- None

Work Experience

Present • Chief Information Officer (CIO) (Nov 2011-present),
Delta Electronics (Thailand) Plc

1999-Aug 2011 • Business IT, Delta Electronics, Inc. (Taiwan)

► Managerial Structure



Remark : * Delta Energy Systems Group

The Company's managerial structure consists of 5 committees including board of directors, and executive committee, audit committee, compensation committee and risk management committee with details as described below.

BOARD OF DIRECTORS

The Company's board of directors is now composed of 9 members, 6 executive directors, 3 non-executive directors (independent directors) and more than a half of the total number of directors have residence within the Kingdom. As reported in the Ministry of Commerce's certification dated 10 January 2013, list of the members of the board of director is shown below.

Name	Position	Appointment Date
1. Mr. Ng Kong Meng	Chairman of the Board	Year 1990
2. Mr. Ming-Cheng Wang	Vice Chairman	Year 1990
3. Mr. Hsieh, Heng-Hsien	Director and President	Year 2006
4. Mr. Chu, Chih-Yuan	Director	Year 1988
5. Mr. Anusorn Muttaraid	Director	Year 1994
6. Ms. Niramol Tantipuntum	Director	Year 1994
7. Emeritus Professor Supapun Ruttanaporn	Independent Director	Year 2004
8. Mr. Supat Limpaporn	Independent Director	Year 2007
9. Professor Lee, Ji-Ren	Independent Director	Year 2011

Ms. Duangrat Lertvorasirikul and Ms. Wilailak Funghanakun are Company Secretary and Secretary to the Board of Directors

Authorized Directors:

The following 6 directors are authorized to act on behalf of the Company under following conditions (1) Either Mr. Ng Kong Meng or Mr. Ming-Cheng Wang or Mr. Hsieh, Heng-Hsien, jointly sign totaling two persons with the Company's seal being affixed, or (2) Mr. Ng Kong Meng or Mr. Ming-Cheng Wang or Mr. Hsieh, Heng-Hsien, signs name together with Mr. Anusorn Muttaraid or Ms. Niramol Tantipuntum or Mr. Chu, Chih-Yuan, totaling two persons with the Company's seal being affixed.

Scope of Responsibilities of the Board of Directors:

1. To manage the business of the Company faithfully and prudently and comply with the laws and the Company's objectives, Articles of Association as well as the resolution of the shareholders' meeting, for the benefits of the Company.
2. To determine policies, business strategy, business plan and budget of the Company, and to supervise that the administration and management including to follow up the result of the operation performed by the executive committee in order to ensure its proper compliance with the plan, policies and budget.
3. To review the Company's internal control systems and risk management to be correctly and efficiently conducted.
4. To ensure that the Company complies with the Securities and Exchange Act and other securities and exchange laws e.g. SEC rules and regulations and the SET regulations, for instance, regulations concerning the entry into connected transactions and regulations concerning the substantial acquisition of assets, including any law governing the Company's business.
5. To arrange for the preparation and submission of the audited balance sheet and profit and loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval.
6. To monitor on the adequacy and timely of the Company's disclosure of information.
7. To authorize any other person to perform any action on behalf of the board of directors under the supervision of the board of directors, or granting the power-of-attorney to such person to perform any action as the board of directors may think fit; provided, however, that the board of directors has the sole discretion to revoke or modify such power-of-attorney as the board of directors may think fit.

For this purpose, no authorization will be enable the grantee under the power-of-attorney to consider and approve the transaction which may cause a conflict of interest between himself or any related person or interested person as the one party and the Company as the other party, unless it is granted following the approved policies and criteria previously set out by the board of directors.

Qualifications of Director

1. A director shall have qualifications and shall not have prohibited characteristics as specified in the law on public limited companies, as well as shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in the notification of SEC.
2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics, telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participating in all board's meetings and shareholders' meetings (except in case of emergency).
5. Other qualifications that the board may later consider appropriate or are required by law.

Qualifications of Independent Director

Qualifications of independent director (ID) have been defined based on the requirement of Office of Securities and Exchange Commission as follows:

1. Not holding shares exceeding 1% of the total shares with voting rights of the Company, its parent company, its subsidiary, its associated company, or potential conflicting person provided that any shares held by his or her Related Person must be taken into account.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the Company, or its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person with the Company except that he/she has no such characteristic for at least two years before becoming an independent director.
3. Not being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person, or such

- other person who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary.
4. Not having nor having had any business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before becoming independent director. Details of business relations are summarized as follows:
 - 4.1 Professional advisor
 - 4.1.1 Not being an auditor for any cases
 - 4.1.2 Not being the advisors (such as legal advisor, financial advisor, appraiser or others) with value of transactions of greater than 2 million Baht per year
 - 4.2 Other business relationship
 - 4.2.1 Scope of business covers normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
 - 4.2.2 Not having business relationship with the value of transactions of 20 million Baht or more or 3% or more of its net tangible assets, whichever is lower (including transactions undertaken with the same person in 6 months).
 - 4.2.3 For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with the unanimous resolution may except the transaction which exceeding the above value. In such case, the business transaction is required to be disclosed in the registration statement, Form 56-1, and annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.
 5. Being a director whom is not appointed as a representative to safeguard interests of the Company's directors, majority shareholders or shareholders who are related to the Company's major shareholders.
 6. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the Company's operations.
 7. An independent director who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

Selection of Directors and Independent Directors

The board is responsible for the search, selection and nomination of the qualified candidate to be director or member of any committee of the Company as currently the nominating committee has yet been appointed for such assignment. However, to promote the good governance the Company has invited the small shareholders to nominate the candidates to be directors of the Company. The candidate is required to have some basic qualifications as shown in the Company's website. The board will consider and approve selecting the candidate by the majority votes of the board meeting. After selected, the board shall nominate such candidate to the shareholders' meeting for approval.

Appointment of Directors

Based on the Article of Association of the Company, an appointment of director is made through a majority vote of shareholders meeting. One share shall count for one vote and each shareholder shall exercise all the votes he has to appoint the nominated person or nominated persons to be director on a person-by-person basis or en bloc basis, provided that he cannot divide his vote to any person to any or in the basis extent vote for nominated persons but the votes are indivisible. The person obtaining the most votes in descending order shall be elected as directors equal to the number of directors required. In the event that persons receiving votes in respective orders receive equal votes and the number of position exceed the positions required, the chairman of the meeting shall have a casting votes.

Directorship of the Board of Directors and Executives in other Companies

To ensure the director's efficient performance and in compliance with Corporate Governance Principles, the board of directors requires that each director may retain the office of director in, apart from the Company, other five listed companies as a maximum. Moreover, before participating as board director of any other company (except subsidiary company), the directors, president and/or the other top executives must first seek approval from the board of directors.

EXECUTIVE COMMITTEE

The executive committee of the Company consists of 7 members as follows;

Name	Position
1. Mr. Hsieh, Heng-Hsien	Executive Committee Chairman
2. Mr. Ming-Cheng Wang	Executive Committee Member
3. Mr. Anusorn Muttaraid	Executive Committee Member
4. Mr. Yu, Po-Wen	Executive Committee Member
5. Mr. Vichai Saksuriya	Executive Committee Member
6. Mr. Mana Tangchatsiri	Executive Committee Member
7. Mr. Sim, Kuik-Keong	Executive Committee Member

Scope of Responsibilities of Executive Committee

1. To operate and manage the business of the Company in compliance with Company's objectives, Memorandum of Association, policies, regulations, notifications, orders as well as the resolution of the board of directors and/or shareholders' meeting.
2. To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the Company including the organization chart in order to propose to the board of directors for its consideration and approval as well as to monitor and follow up the result of the operation of the Company to be in accordance with the policies.
3. To be eligible to do the following transactions with banks and to report these transactions to the board of directors in the following board meeting after execution of those transactions.
 - (a) Open or close bank accounts,
 - (b) Enter into any contract which is in the Company's normal course of business and/or any other transactions with banks or other financial institution for a total combined amount of not exceeding USD 50 million or equivalent in any other currencies per bank, in case there is a need to use any assets of the Company as collateral to support the banking facilities, approval of the board of director must be obtained,
 - (c) Issue corporate guarantee to support banking facilities granted to Subsidiaries for a total amount of not exceeding USD 50 million or equivalent in any other currencies per company.
 - (d) Renew banking facilities without any limit.
4. To be eligible to approve the investment in subsidiary companies for the amount of not exceeding USD 5 million or equivalent in any other currencies per company per project and in the aggregate amount, after combining all investments, of not more than USD 20 million or equivalent in any other currencies within a calendar year. Such investment transactions are required to report to the board of directors in the following board meeting
5. To be eligible to appoint, promote, transfer or discharge directors and/or executives of the subsidiary companies.
6. To authorize any one or more persons to perform any action under the supervision of the Executive Committee, or granting the power-of-attorney to such person (s) to perform any action within the specified time as the executive committee may think fit; provided, however, that the executive committee has the sole discretion to revoke or modify such designated person or power-of-attorney as the executive committee may think fit.

For this purpose, no authorization will be enable a member of the executive committee under the power-of-attorney and/or his sub power-of-attorney to approve the transaction which may cause a conflict of interest between such attorney or any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.

7. To perform any other duties assigned by the board of directors.

AUDIT COMMITTEE

The audit committee of the Company consists of 3 members and all the members are independent directors. Term of office shall follow the annual director election and qualifications and responsibilities of the Committee as prescribed by the SET. List of the members of the audit committee is shown below.

Name	Position
1. Emeritus Professor Supapun Ruttanaporn*	Audit Committee Chairperson
2. Mr. Supat Limpaporn	Audit Committee member
3. Prof. Lee, Ji-Ren	Audit Committee member

Remark: * Being a director who is knowledgeable and experienced in reviewing Company's financial statements appointed since 2004

Qualifications of Audit Committee:

1. All members must be independent director.
2. Not being a director who is authorised by the board of directors to make decisions relating to the operations of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person.
3. Not being a director of a parent company, subsidiary or parallel subsidiary company which is a listed company.
4. Having duties and responsibilities according to the SET's rules.
5. Having sufficient knowledge and experience to perform his/her duties as a member of the audit committee provided that at least one member of the audit committee must have sufficient knowledge and experience to review the reliability of the financial statements.
6. Being appointed by the Board or shareholders meeting.

Scope of Responsibilities of Audit Committee:

1. To review the Company's financial reporting to ensure that it is accurate and the disclosure is adequate;
2. To review that the Company employs appropriate and efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
3. To review that the Company complies to the law on securities and exchange, the regulations of the SET and other laws related to the company business;
4. To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the Connected Transactions or the transactions that may lead to conflicts of interests, that they are complied with the SEC laws and regulations, and to ensure that they are reasonable and yield the highest benefit to the Company;
6. To report the governance activities of the Audit Committee in the Company annual report, which must be signed by the chairman of the Audit Committee. The report has to consist of at least the following information:

- (a) An opinion on the accuracy, completeness and reliability of the Company financial reports,
- (b) An opinion on the adequacy of the Company internal control system,
- (c) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the Company,
- (d) An opinion on the suitability of the external auditor,
- (e) An opinion on the connected transactions or the transactions that may lead to conflicts of interest,
- (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
- (g) An overall opinion or comment of the Audit Committee in performing its duties as specified in the audit committee charter.
- (h) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the Company board of directors.

7. To do any other matters assigned by the board of directors of which the Audit Committee agrees.

COMPENSATION COMMITTEE

The Compensation Committee consists of 3 members, 2 independent directors and 1 executive director in charge of human resources function. Term of office shall follow the annual director election. List of the members of the compensation committee is shown below.

Name	Position
1. Mr. Supat Limpaporn	Compensation Committee Chairman (Independent Director)
2. Professor Lee, Ji-Ren	Compensation Committee Member (Independent Director)
3. Mr. Anusorn Muttaraid	Compensation Committee Member (Human Resources & Administration Director)

Scope of Responsibilities of Compensation Committee:

1. Appraise the performances of the president and the Executives level 8 and up annually.
2. Determine the remuneration of the directors of the company and members of sub-committee, which would include monthly remuneration, meeting allowance, annual bonus and other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors and shareholders for approval.
3. Determine the remuneration policy of the Company's president and the Executives level 8 and up which would include salary, annual bonus and/or other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors for approval.
4. Review the remuneration policy of directors, committee President and the Executives level 8 and up based on their performances, the Company's performances and best practice in the market and/or among the listed companies in Thailand's stock exchange.
5. Perform any other duties assigned by the board. To perform the assigned job, the compensation committee may seek advice or opinion from the relevant independent professionals as necessary and appropriate. Compensation committee may also need to attend training or seminar with the purpose to enhance knowledge and capability in performing their job at the expense of the Company.

RISK MANAGEMENT COMMITTEE

Risk management committee consists of 13 members as follows;

Name	Position
1. Mr. Hsieh, Heng-Hsien	Risk Management Committee Chairman
2. Mr. Ming-Cheng Wang	Risk Management Committee Vice Chairman
3. Mr. Anusorn Muttaraid	Risk Management Committee
4. Mr. Lin, Nan-Hong	Risk Management Committee
5. Mr. Yu, Po-Wen	Risk Management Committee
6. Mr. Vichai Saksuriya	Risk Management Committee
7. Mr. Mana Tangchatsiri	Risk Management Committee
8. Mr. Sim, Kuik-Keong	Risk Management Committee
9. Mr. Chiang, Chia-Chih	Risk Management Committee
10. Mr. See Kai Mun	Risk Management Committee
11. Mr. Chong Kai Kok	Risk Management Committee

Scope of Responsibilities of the Risk Management Committee:

1. Establish risk management procedures.
2. Implement risk management, to delegate the risk management to their respective managers.
3. Develop and review strategic risk management plans
4. Quarterly and/or annually and/or any time that is necessary report to the Board or to the Audit Committee as assigned by the Board.
5. Monitor and continuously improve risk management.
6. The committee may seek advice from relevant professional consultant in some cases

MANAGEMENT TEAM

The management team of the Company consists of 5 members as follows;

Name	Position
1. Mr. Hsieh, Heng-Hsien	President and DES* President
2. Mr. Ming-Cheng Wang	Vice President
3. Mr. Anusorn Muttaraid	Human Resources & Administration / Public Relations Director
4. Mr. Yu, Po-Wen	Chief Financial Officer
5. Mr. Chen, Chin-Ming	Chief Information Officer

Remark: * DES means Delta Energy Systems group of companies which are all subsidiary companies mainly located in Europe.

Scope of Responsibilities of the President:

1. To manage, control and responsible for the operation of the Company in accordance with the directions set out in the Company's budget as approved by the board of directors and/or the executive committee of the Company including taking care, advising and improving the operation continuously.
2. To propose policies, strategy of the Company and of the business unit of the Company to the board of directors for acknowledgement and approval and to be responsible for applying such strategy with its operation.
3. To be jointly responsible with the executive committee for preparation of the annual budget and the operational plan of the Company, reviewing the annual budget quarterly and proposing the amended budget to the board of directors.
4. To report the operational result to the board of directors quarterly.
5. To have the authorization to approve the payment in accordance with the Approval Authorization Instruction of the Company, which had already been copied to all directors for consideration. However, with respect to the matters other than the normal course of business, the president shall have the authorization to approve such payment only upon receipt of the board's approval
6. To be eligible in appointing and managing any working groups or any persons for benefit of the Company and efficient management, transparency, or empowering to any person or assigning any

person to do any specific tasks in such authorization complies must be within the scope of the power-of-attorney and/or regulations, notifications or orders as determined or approved by the Board of Directors and/or the Company.

For this purpose, no authorization will be enable the president to approve the transaction which may cause a conflict of interest between himself/his assignee and any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.

7. To do any acts as assigned by the board of directors.

Meeting attendance of directors in 2012 are as follows;

Unit : Times

Name	Board of Directors	Audit Committee	Compensation Committee	AGM
No. of total meetings held	5	9	2	1
1. Mr. Ng Kong Meng	5/5	N/A	N/A	1/1
2. Mr. Ming-Cheng Wang	5/5	N/A	N/A	1/1
3. Mr. Hsieh, Heng-Hsien	5/5	N/A	N/A	1/1
4. Mr. Chu, Chih-Yuan	4/5	N/A	N/A	0/1
5. Mr. Anusorn Muttaraid	5/5	N/A	2/2	1/1
6. Ms. Niramol Tantipuntum	5/5	N/A	N/A	1/1
7. Emeritus Prof. Supapun Ruttanaporn	5/5	9/9	N/A	1/1
8. Mr. Supat Limpaporn	5/5	9/9	2/2	1/1
9. Prof. Lee, Ji-Ren	4/5	5/9	2/2	1/1

Remuneration of Directors and Management

The consideration of remuneration will be based upon the general guidelines for Determination of Director and Executive Remuneration proposed by the Compensation Committee and approved by Board of Directors (For further details, please see the Guidelines for Determination of Director and Executive Remuneration in the Corporate Governance Report). Remunerations of Directors and Management in 2012 are listed as follows;

1. Remuneration

1.1 Remuneration of Directors

The remuneration of 9 directors including annual remuneration and meeting attendance fee with details are shown below;

Name of Director	Remuneration		Meeting fee ¹⁾		Total Amount	
Unit : Baht	2012	2011	2012	2011	2012	2011
Mr. Ng Kong Meng	1,500,000	1,500,000	60,000	50,000	1,560,000	1,550,000
Mr. Ming-Cheng Wang	480,000	480,000	–	–	480,000	480,000
Mr. Hsieh, Heng-Hsien	480,000	480,000	–	–	480,000	480,000
Mr. Chu, Chih-Yuan	480,000	480,000	–	–	480,000	480,000
Mr. Anusorn Muttaraid	480,000	480,000	–	–	480,000	480,000
Ms. Niramol Tantipuntum	480,000	480,000	–	–	480,000	480,000
Emeritus Prof. Supapun Ruttanaporn	1,100,000	1,100,000	150,000	140,000	1,250,000	1,240,000
Mr. Supat Limpaporn	1,100,000	1,100,000	170,000	180,000	1,270,000	1,280,000
Prof. Lee, Ji-Ren	1,000,000	1,000,000	120,000	110,000	1,120,000	1,110,000
Total	7,100,000	7,100,000	500,000	480,000	7,600,000	7,580,000

Remarks: 1) Meeting attendance fees are for Chairman of the Board and Independent Director for their participation in every board & committee meeting and shareholders' meeting.

1.2 Remuneration of the Management

Remuneration of the 5 members of the management team including salary and bonus in 2012 amounted to 37,140,964 baht as compared to that of last year (2011) of 64,264,062 baht.

2. Other remuneration

– None –

Share/warrant holdings of Directors

Name of Director	Shares (DELTA)*		
	31 Jan 13	31 Jan 12	Inc (Dec)
Mr. Ng Kong Meng	–	–	–
Mr. Ming-Cheng Wang	250,010	642,910	(392,900)
Mr. Hsieh, Heng-Hsien	240,755	240,755	–
Mr. Chu, Chih-Yuan	–	–	–
Mr. Anusorn Muttaraid	–	–	–
Ms. Niramol Tantipuntum	120,000	120,000	–
Emeritus Prof. Supapun Ruttanaporn	–	–	–
Mr. Supat Limpaporn	–	–	–
Prof. Lee, Ji-Ren	–	–	–

Remark: *No. of shares and warrants included those held by spouse and minor children

► Corporate Governance Report

The Board of Directors realized the importance of operating its business under good corporate governance in an attempt to promote sustainable growth and development. The corporate governance policy has been prepared and implemented since 2007. It has been disclosed on the Company's website, externally on www.deltathailand.com for public access as well as internally on intranet for employee's access. The policy covers 5 major categories as follows;

- Rights of Shareholders
- Equitable Treatment to Shareholders
- Role of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board

(Further details of the Company's Corporate Governance Policies can be read from the Company's website: www.deltathailand.com)

With determination to act as guided by the policy, the Company has been rated "Very Good" scoring on the Corporate Governance Rating surveyed in the year 2012 by Thai Institute of Directors Association (IOD) with supports from The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

The implementation on the good corporate governance activities during the year 2012 can be summarized as follows.

Rights of Shareholders

The Company realizes and emphasizes the shareholders' rights by encouraging the shareholders to exercise their basic legal rights and obtain adequate business information including the updated important information via the Company's website, participating and vote in the shareholders' meeting for material matters that may affect their rights and interests.

- **Shareholders' Meetings**

The Company generally holds an annual general meeting of shareholders (AGM) once a year within four months after each fiscal year end. In 2012, the AGM was held on March 30, 2012 at the Company's office located at Bangpoo Industrial Estate, Samutprakarn province and meeting was conducted in accordance with the good governance principles, the Company has been rated "Excellent" for the high standard of annual general meeting (AGM Assessment) conducted in the year 2012 from the Thai Investors Association. There was no extraordinary general shareholders' meeting held during the year.

- **Prior to the Meeting**

Record date was used to justify the shareholders who entitled to attend the meeting. The Company entrusted Thailand Securities Depository Co., Ltd. (TSD) who acted as registrar to send out invitation for the meeting in both Thai and English together with other supporting information and documents to all shareholders 14 days prior to the AGM date. At the same time, it announced the call for the AGM meeting on a Thai daily newspaper for three consecutive days and at least three days before the meeting date. All those documents were also made available to the shareholders on the Company's website for 30 days in advance. All information made available for easy access by shareholders was to provide adequate time for them to review the agenda. The meeting invitation had expressly indicated the matters to be tabled at the meeting, whether for acknowledgement, approval or consideration. In addition, it enclosed the Board's opinions and supported document to ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the Company provided a list of necessary evidences must be presented to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate the shareholders who cannot attend the meeting and wish to give proxy to others.

- **On the Meeting Date**

The Company provided shuttle services at The Stock Exchange of Thailand building for shareholders who wished to attend the Meeting. On meeting date, attendance registration commenced not less than 1 hour before the meeting started. Shareholders who came late were allowed to vote for the remaining agenda. Barcode system had been employed to facilitate the attendance registration and vote count. Duty stamps were available to shareholders without charges.

There were 8 directors out of 9 attended the meeting. The Chairman of the Board, Chairman of all sub-committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were presented in order to listen to the shareholders' opinions or suggestions and also answered any questions they might have similar to what were done in prior year. Before the meeting started, the Company notified number of shareholders who attended the meeting in person and proxy, and clarified voting procedure and vote count method. With regard to the voting criteria, each share is eligible for one vote and an ordinary resolution requires the majority votes (except the voting on a special resolution, the meeting must comply with the Company's Articles of Association and/or relevant laws). Votes are not allowed to shareholders who have interests related to any particular agenda. For the election of directors, individual votes are required. At the time of voting, in order to expedite the process, only the ballots voted for objections and abstentions were collected and deducted from total votes which attended the meeting and eligible to vote. There was no any objection or request for re-inspection from shareholders on such arrangement. The meeting proceeded according to the agenda and had no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A representative from, Allen and Overy (Thailand) Co., Ltd, was appointed to help inspect the vote count. During the meeting, shareholders were allowed to voice their opinions and raise questions in appropriate time. In fact, shareholders may submit their questions by e-mail to info@deltathailand.com, mail or fax to the Company before the meeting date. However, in the meeting, the Board will principally attend the questions that related to the Company's operations or considered to create material impact on the operating results.

- **After the Meeting Date**

Minutes of meeting recorded in writing every resolution, showing the number of approval, objection and abstention votes for each agenda. Questions, response, and opinions arose during the meeting were documented in order to examine afterwards. Report of the meeting had been disclosed on the website of the SET as well as and the Company's within 14 days after the meeting date (Please find further details in the 2012 Minutes of Annual General Meeting posted on the Company's website)

Equitable Treatment to Shareholders

If the shareholder is unable to attend the meeting, the shareholder may give a proxy to a person or to the Company's nominated independent directors to attend the meeting and vote on his/her behalf by completing and sending to the Company a proxy form enclosed with the invitation for the meeting or by downloading the proxy form from the Company's website.

In addition, the Company opened for the shareholders to propose additional agenda and to nominate candidate to be director of the Company in advance. Procedures and details were disclosed on the Company's website during 3 October – 31 December 2011 but none had exercised the rights. For 2013 annual general meeting of shareholders, the Company also provided this opportunity to shareholders during the period of 1 October – 31 December 2012.

Prevention on Usage of Inside Information

Under the Company's policy, the inside information is restricted to the executives from the middle to the top levels within the relevant departments or plants. Use of inside information for personal benefits or lead to any damage is deemed serious wrongful conduct. In practice, the Company ruled out that its

directors and executives must declare securities holding under their names, spouses and minor children to the Office of the Securities and Exchange Commission (SEC) as required by the law.

Prevention on Conflict of Interest

In general practice, decision making of the directors and executives must come out in a way to enrich the Company's ultimate benefit. In case of having conflict of interest, the directors or the executives shall submit the issue to the Board or the shareholders' meeting for their consideration on necessity to execute such transaction and potential impact on the Company if the matter is approved. At the time of voting on the issue, the person who has conflict of interest is not allowed to vote. According to the recent Securities and Exchange Act, the directors and executives of the Company have filed their and their related persons' report on their interest with the Company with an extra copy to the Chairman and Audit Committee Chairperson of the Company through the company's secretary. And such reports are required to update annually and submit to the Company by end of January every year. In addition, the Company also deals with related party transaction as regulated by the Capital Market Supervisory Board and also disclosed inter-transaction with its affiliates in the Company's financial statements and in the annual information disclosure form (Form 56-1).

During 2012, the Company's subsidiary, Delta Greentech International Holding Ltd (a wholly owned subsidiary of the Company), has entered into a related party transaction by signing the sale and purchase agreement regarding disposal of investment in Delta Greentech SGP PTE Ltd. for 6,676,368 shares or 54.83% of its total issued shares with Delta International Holding Ltd., a subsidiary of Delta Electronics Inc. (DEI), a major shareholder holding approx. 20% in the Company, at the price of USD 15 million (approx Baht 465 million) (2.51% of net tangible assets (NTA) of the Company based on its consolidated balance sheet as at 30 June 2012). The fair market value was based on net asset value which has adjusted the investment value of Delta Greentech (China) Co.,Ltd with the fair market value by using Income Approach appraised by an independent party on 17 Sep 2012. Directors of the Company who were executives of DEI (major shareholder) did not participate the meeting and has no voting right to approve the said transaction and there was no any other different opinion from directors or Audit Committee. The sale and purchase of the above investment currently is still under process.

Role of Stakeholders

The Company has contributed extensively to the rights of all stakeholder groups such as shareholders, customers, employees, business partners, creditors and society in accordance with laws or agreements with the Company. To ensure that the Company has conducted business with integrity, transparency and accountability to all stakeholder groups, the Board of Directors established operational Code of Conduct for directors, executives and employees to hold the same standards and generally accepted approaches. This Code of Conduct is both published on the company's intranet and its website.

Code of Conduct

The Company's Code of Conduct embraces the following essential issues.

1. Compliance with laws and Company's regulations
2. Integrity of Records
3. Protection of Company's assets
4. Gifts and entertainment
5. Conflict of Interest
6. Protection of Company's intellectual property rights
7. Prohibit usage of inside information

In addition, to ensure that all stakeholders are treated according to international standards, the Company has adopted various international standards as guidance for business operation. For instance,

Electronics Industry Code of Conduct (EICC), Universal Declaration of Human Rights (UDHR), International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multi-National Enterprise.

The Company opened various passages to accept suggestions or complaints from all stakeholders such as company's address and e-mail address. The Company secretary will accordingly route them to respective groups to investigate and resolve in following manners;

1. Complaints from shareholders will be forwarded to the Audit Committee and/or Board of Directors. Shareholders may contact directly the Chairman of the Audit Committee at the Company's address.
2. Complaints from customers, business partners, employees and the general public will be submitted to the Executive Committee to find solution and subsequently report to the Board of Directors.
3. Complaints from creditors will be presented to the Executive Committee or management may forward to the Board of Directors for further consideration.

The Company also has other guidelines to treat each specific stakeholder groups as follows;

Shareholders:

The Company aims to bring a long-term sustainable growth to its business, thereby enhancing the Company's value and ultimately providing favorable returns to its shareholders. Since listing in 1995, the Company has been operated profitably and paid dividend consistently at a satisfactory rate. In fact, from 2010 to 2012, dividend payout ratio averages 51 – 69% of annual net profits.

Customers:

The company is committed to maximize customer satisfaction by offering quality products and reliable service. Quality is one of the core values of the Company's culture. At present, the Company received certifications that help create confidence and trust from customers as follows;

- ISO9001: 2008 – International Standard of quality management system
- TS16949 – International Standard of quality management system for the automotive industry
- TL9000 – International Standard of quality management system for telecommunications Industry
- ISO/IEC17025 – Standard of quality laboratory system
- IEC-61340-5-1 and ANSI / ESD S20.20 – Standards of Electrostatic Discharge Control Program

With an aim to continue business development and to be able to meet future demand as well as expanding scope of business, the Company additionally pursues other certified quality management such as Standard of information security (ISO27001), Standard for quality management for medical devices industry (ISO13485), and Standard of quality management for aviation and aerospace (AS9100).

Employees:

The Company values human resource the most valuable asset and therefore rules an explicit policy to ensure quality development and establishes appropriate welfare for the Company's personnel. Policies are determined and practical approaches are publicly disclosed as follows;

Safety, occupational health and work environment

Safety, health and the work environment are equally importance to other operational business goal of the Company. Management of each division will be responsible for keeping effective implementation of this policy. Every operational unit is to be assessed of impact and its staff is to be consistently trained. In addition, there is an environmental committee to ensure proper compliance of occupational health and safety in accordance with the Standards of environmental management system – ISO14001 and Standards of occupational health and safety – OHSAS18001

Employee welfare

The Company appointed a welfare committee to look over benefits of employees while promoted labor relations among employees and management. Consistency and continuing in giving priority to labor relations practices made the Company awarded “an Outstanding Entrepreneur on Labor Relations and Labor Welfare” from the Department of Labor Protection and Welfare, Ministry of Labor for seven years.



Delta won an Outstanding Establishment Labor Relations and Labor Welfare for the year 2012 on 14 September 2012

Apart from general employee welfare, the Company initiated various activities to help promote well-being and quality of life for employees. For example, the Company has participated the “Happy 8 Workplace” program with the Thai Health Promotion Foundation and the Association of Thai Electrical & Electronic Industries for the second consecutive year.

This program introduced eight approaches to earn happiness from balancing family life, work and social. This program positively enhanced quality of life of employee. In 2012, the Company had been selected by the program’s operational unit to supervise another four operational agents. The Company had also been recognized as role model for another work place to adopt “Happy 8 Workplace” program.



Signed participation to the “Happy 8 Workplace” program for second year

Furthermore, the Company promoted and supported other programs beneficial to employee’s quality of life such as helping employee to own home. The Company made an agreement with the Government Housing Bank and Government Saving Bank for employee to obtain the best home loan conditions and had an access to various alternatives of mortgage loans. There is also a cooperative union “Than Nam Jai Delta” for members to save and borrow money in case of emergency and this could help reduce them dealing with individual lenders.

“Breastfeeding Corner” is another program that the Company maintains as to its beneficial to employees and society as a whole. Breastfeeding does not only help saving the cost of buying milk power but also caring baby with good health and strengthening family relationship which is a vital foundation of good society.

There were programs of religious related activities such as the “nine-temple visit in a day” to encourage employees to make merit with their family on holidays and “Dharma-Thamma” (Dharma – Let’s do it) to help enrich mind and mercy of those who cares others and society. Training program to educate employees on sufficiency economy had also been arranged annually to ensure awareness of financial planning and to secure better living quality. Another was “White Factory” being campaigned to create awareness of bad impact from drug and to be away from getting addicted.

Human resource development

The Company committed and gave priority to develop its personnel in terms of both education and quality. In 2012, the Company arranged “DET Leadership and Coaching Course” and “Professional Selling Skill Training Program” in a bid to advance leadership and technique to become professional sales to employees within organization.



DET Leadership and Coaching Course



Professional Selling Skill Program

Moreover, on educational support scheme, the Company had awarded scholarship to employees and their children whose annual academic performances are consistently outstanding. There was also a cooperative program with various educational institutions to enhance employees' knowledge. This year an undergraduate course for further study on Industrial Management Science was arranged with Dhonburi Rajabhat University. Other non-formal or informal education, both secondary school and high school levels, are also organized in corporation with the Office of Non-Formal and Informal Education (ONIE) in Samutprakarn province. Others were program to improve potential of Thai employees, in particular on English for careers which the Company obtained support from Skill Development Institution Division 1 Samutprakarn province and the Natural English Learning Association. This program was to enhance knowledge and skill on English language communication for daily life. There were hundred-twenty employees participated the training.



Graduates of the Company's employees from School of Industrial Management at Dhonburi Rajabhat University in 2012.



Employees participating in the project to enrich potential of Thai employees in English communication for career

In 2012, the Company and its subsidiaries had a total number of employees of 12,220 and the total remuneration including salary, bonus and provident fund paid to employees was Baht 6,831 million. In Thailand, there were 9,836 employees with Baht 3,245 million paid for remuneration including salary, bonus and provident fund. Employees in Thailand are divided as follows.

	No. of Employees (31 Dec 12)
1. Production	
• EPSBG Product Group	5,157
• PSBG Product Group	613
• MPBG Product Group	884
• FMBG Product Group	1,601
• CPBG & Others Product Group	1,271
2. Administration and others	310
Total	<u>9,836</u>

Business Partners:

The Company at all times maintains good relationship with its business partners, not only perform to fulfill the agreement but also cooperate to work closely to improve the quality of raw materials and products to meet demand of both parties and prevention of material shortage

Creditors:

The Company strictly abides by its obligations and repays to all creditors as promised. Currently, the Company has gained trust and support from both local and international commercial banks.

Society and environment:

The Company prescribed social responsibility policy for management and employees to use as guidance towards business operations and to commit to develop and improve in order to create foundation of social responsibility continuously and sustainability. The policy was communicated to employees, business partners, contractors and all involved parties so they would realize importance of shared social responsibility.

The Company appointed a CSR committee to carry out policy on Corporate Social Responsibility (CSR). The Committee formulated social responsibility framework and established practical guidance in compliance with the Electronic Industry Code of Conduct – EICC. The EICC is a standard widely used among the Electronic Sector that aims to ensure safety and environmental responsibility in the production and business process. The Code of Conduct provides guidance in five critical areas: Labor, Health & Safety, Management System, Environment and Ethics.

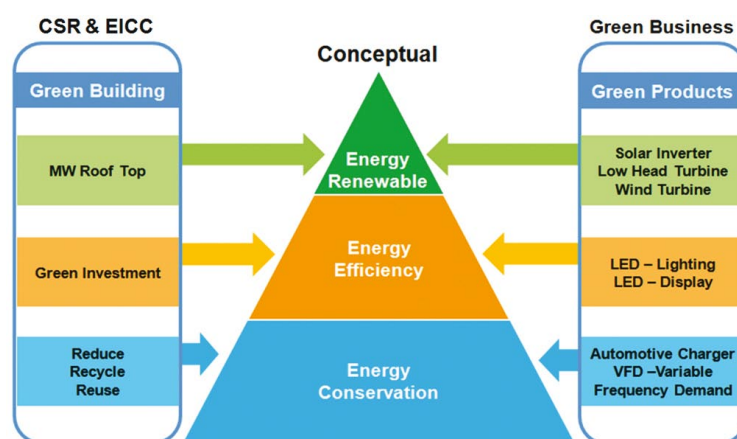
In 2012, the Company won the “CSR-DIW Continuous Award”, which acknowledged continuance of commitment on Corporate Social Responsibility from previous year. In 2011, the Company was certified “Standard for Corporate Social Responsibility – Department of Industrial Work: CSR-DIW” from Department of Industrial Work of Industrial Ministry. The award was earned from participation in DIW’s promotion programs which aimed at promoting industrial entrepreneurs to attain sustainable acceptance from society. The Company supported arrangement of variety of activities and campaigns which encouraged employee’s awareness on importance of environment such as impact from current global warming. It also implanted principle of shared environment protection and of energy consumption reduction.

The Company also focused on importance in setting up an environmental management system in order to drive business operation on the back of PDCA principle (Plan / Do / Check / Action). The system determined to cope with various context of social and environmental management that employees at all level can continue applying as part of their daily activities. At present, the Company was certified with various standards, both national and international level, as follows;

- ISO14001 – Standard of Environmental Management System
- ISO14067 – Standard of Product Carbon Footprint Assessment
- ISO14064-1 – Standard of Management System for Quantification and Reporting of Greenhouse Gas Emissions.
- IECQ QC08000 – Standard of Hazardous Substance Process Management
- ISO50001 – Standard of Energy Management System
- OHSAS18001 – Standard of Occupational Health and Safety Management

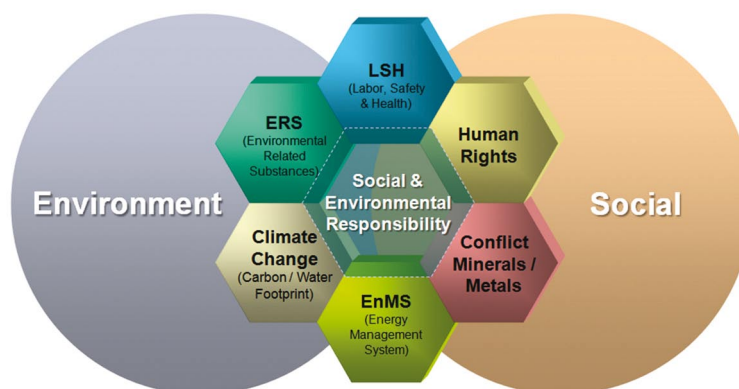
The Company is the first in Thailand being certified ISO14064-1 and ISO50001 and remains commitment to the standards in order to further enhance company’s competency towards the future.

The Company has applied the Electronic Industry Code of Conduct (EICC) and various standards as a guideline for its Green Business direction. The focus was on product development and energy conservation in a way to efficiently consume energy as well as being able to create renewable energy. The Company believed that its existing competency in the IT business would allow business expansion towards Energy Technology (ET) in the future. Current green products included LED lamps, solar energy system devices, wind turbine, and electric charger and other devices for electric vehicle.



Corporate Social Responsibility vs Green Business Practices Diagram

The Company has created activities by combining social and environmental projects to focus on living standard, safety, and health of employees, managing and monitoring the Environmental related-substances, Climate change, Energy management, Human rights and Conflict minerals/metals. Some of key activities related to these projects done last year includes:-



Projects for Social and Environment Responsibility

1. Reducing impact on climate change

Global warming is one of crisis that threatens daily living of human beings. The Company recognized the importance of responding to these changes and therefore provided concrete measures to continuously implement energy management in practice in order to improve efficiency on usage of energy as well as reduce carbon emissions. The Company participated in the Carbon Disclosure Project - CDP since 2007. Started in 2009, the Company collected data on greenhouse gas emissions, both direct and indirect, and reported progress on the website of Standard for quantification and reporting of greenhouse gas emissions and removals (ISO14064-1) in 2010. And in 2012, the Company resolved strategy with performance target based on concentrations level of greenhouse gas emission (tonnes of carbon dioxide per US dollars millions of export) in a bid to achieve the goal on reducing greenhouse gas emissions. The scope of these activities was applied only to the operations of the factories in Thailand.

The program to reduce emission of carbon dioxide emissions was begun since 2009 with an aim to lower carbon emissions by year 2014. This project has been implemented along with energy conservation program which also intended to reduce intensity of electricity usage by 50% (electricity usage/production volume) by 2014.

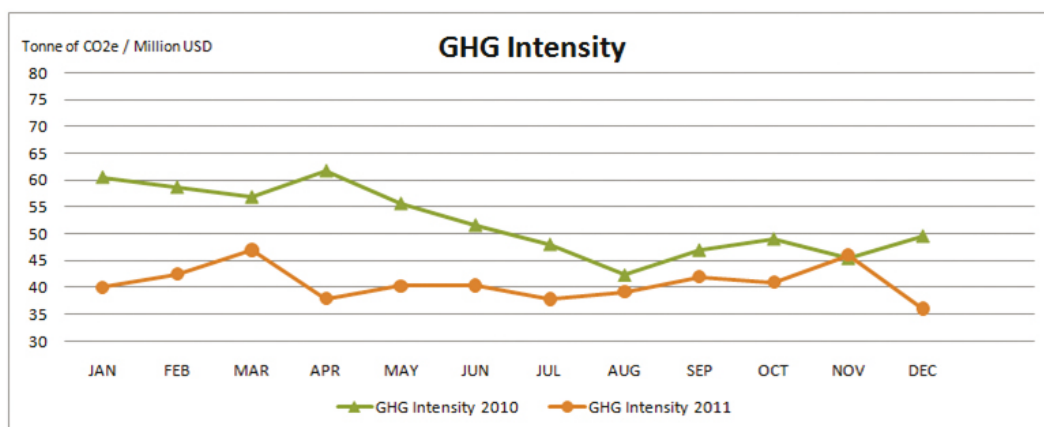


Table comparing the concentration of greenhouse gas emissions
(tones of carbon dioxide per US dollars millions of export)

2. Project development on energy conservation and environment

The Company valued energy conservation and promoted efficient usage of resources and therefore established an energy management policy with commitment for ongoing elaboration and communicated to employee at all levels within organization. The Company outlined procedures to monitor, follow-up, improve all the related projects, and sponsored training for employee to obtain more knowledge and be aware of important of energy conservation. The Company and the related companies had joint energy saving projects. Some energy management concepts have been implemented for improving air conditioning system, lighting system, and installing solar panels to generate electricity for usage inside factories. The program was carried on with continuous development, learning by doing through experience sharing on planning and efficient resource allocation. Below energy conservation projects had been implemented last year;

- Improve cooling system by installing Ball Cleaning System in order to increase the performance of the cooling system and reduce energy consumption
- Improve lighting system by changing light bulb to energy saving type, install automatic on-off sensor to avoid unnecessary lighting, and design building in a way of maximizing advantage of natural energy uses.
- Install device to lessen rotation of motor, machine, and cooling systems
- Install servo motors or control system motor on to plastic Injection molding machine in order to reduce electricity consumption of the machine and also install Smart Meter to continuously observe performance of electricity system
- Install insulation sheet to equipment with heat radiating outward to control stability of operating temperature of the engine, not only to maximize capacity of the machine but also to reduce load of the cooling system in the factories
- Install sensors in machines used along production processes to serve energy as required
- Install water-saving sanitary ware to help reduce water usage such as automatic on-off water switch and non-water urinal
- Develop solar panels to generate electricity, instead of using electricity generated from fuel, to use within the company
- Design Energy Recycling System to convert energy released from the Burn-in simulation into electrical energy. Results from the recent test showed 95% re-use rate.



Energy Recycling System

- Develop green building which effectively reduced carbon, avoided unnecessary energy loss, utilized appropriate technology, and applied simple and economical materials of environmental friendly and biological cycle. At present, new building of subsidiary is to be constructed and designed to meet green building standards specified by Leadership in Energy & Environmental Design (LEED). Last year, a subsidiary in India located at Rudrapur received a “Gold-Rate” certification from the LEED representative in India namely Indian Green Building Council (IGBC). Another factory located at Gurgaon is also received the highest ranked certification, “Platinum-Rate”
- Design and develop “Heating Ventilation and Air Conditioning System – HVAC” with an intention to maximize usage of natural resources and for installation inside building or factory. Air condition system mostly consumes energy and natural resources, both direct and indirect. For hot and humid weather in Thailand, air conditioning system utilizes approximately 60% of entire electricity in a building or facility. This air-conditioning system can also be designed, both size and technique, to meet specific demand of customers.
- Introduced energy saving products for business and home-use segment whose energy consumption ranked the third after transportation and industrial. This segment has increasing trend of energy consumption, partly because of daily use electrical facilities such as lighting, air conditioning and consumer’s tools.



Energy Saving Applications for Households

On top of the above energy conservation projects, the Company outlined development of clean energy products which are also environmentally friendly and energy saving. The products had been promoted and supported to produce under “Green Label” scheme which focused on environmental friendly manufacturing process. The Green Label schemes governed waste management, efficient usage of natural resources, monthly record and impact assessment, and consistent employee training.

All products and packaging of the Company are unique and compliance with international safety standards and environmental regulations such as EU RoHS (European Union Restriction of Hazardous Substances Directive) and WEEE (Waste Electrical and Electronic Equipment Directive). The Company’s products are generally labeled with environmental certification such as Energy Star (Standards for energy efficiency of IT products) and 80 PLUS (Standards for Power Supply 80 PLUS).

Ultimately, the Company believes that our energy-saving approach together with green products promotion will not only play a significant role in joining environmental conservation force but also efficiently reduce consumption of limited energy resources.

3. Human rights

The Company respects human rights and put in place policies regards unlawful practices and non-violation, and non-discrimination of genders, ethnics or physical disabilities. There is an open announcement and channels for receiving complaints. So far, no complaint has arrived.

In the past year, the Company participated in a project namely “TB-HIV/AIDS Prevention and Management in Workplace” with the Department of Labor Protection and Welfare of the Ministry of Labor, and Department of Disease Control of the Ministry of Public Health, and the Thailand Business Coalition on AIDS. The Company instituted policies and practices to HIV/AIDS infected people in workplace and disseminated information and knowledge regards AIDS and tuberculosis to employee. Employees and job applicants are equally treated without forcing for HIV infection blood test. Confidentiality is adopted for personnel who infected AIDS and tuberculosis. There is practical guidance for proper treatment to employees who are ill with AIDS and TB accurately. The Company was certified gold-rate of “ASO-T Thailand Award” that can be evaluated by Thailand Business Coalition on AIDS (TBCA) on September 21, 2012 for the above-mentioned procedures.

4. Conflict minerals/metals-free policy

The ongoing war in the Democratic Republic of the Congo which appeared to be deteriorating is believed to be majority funded by mining of precious metals including tantalum, gold, zinc, and tungsten. Those rare metals are key raw materials for production of electronic devices. Given their availability in the country of human rights violations such as Congo and Rwanda, they are consequently known as Conflict Minerals/Metals.

The Company realizes the importance of human rights and therefore responds to such conflicts by examining the sources of minerals and seeks for procurement from location outside the conflict areas. The Company laid out Conflict Minerals/Metals-free Policy to address prohibits usage of minerals from the Democratic Republic of the Congo and adjoining countries, either directly or indirectly. Implementation of this policy had also been extended to all supply chains. Suppliers were required to sign up for acknowledgement on the “Minerals/Metals Source Survey” and “Declaration on Non-use of Conflict Minerals/Metals”. The signing is hold as part of managerial process of company’s business.

5. Treatment to employee

The Company recognizes the importance of all employees at all production lines and other departments and therefore treated them fairly in terms of compensation and welfare which extended to include safety and working environment. The policy and guideline have been details in the Employee section under the topic of “Role of Stakeholders”.

6. Participation in community development.

To strengthen good relationships and contribute to community and society are among the Company's social and environmental policies that being performed consistently. One of the projects was to help communities create income generation. The Company subcontracted assembly or manufacturing products with the Company's support on the quality control to over 50 communities in upcountry provinces across the country. Not only income distribution but also no labor migration to the capital city was achieved. Moreover, being with the family is believed to help lessen social problems.

The Company encouraged employees and their families to earn additional income by promote growing organic vegetables within the community. In turn, their community would also consume clean and safe vegetables.



The company encouraged employees to grow organic vegetables within the community

The great flood in 2011 caused serious impact to schools in vast areas. The Company again organized the “Big Cleaning Day” project. Over 100 employee and management volunteered to help cleaning, painting, planting, and improving landscape of school areas damaged by flood water on March 17th, 2012 at Rachanukroh School, Bang Pa-in district of Ayutthaya province.



The second “Big Cleaning Day” at Rachanukroh School, Bang Pa-in district of Ayutthaya province

The third “Big Cleaning Day” was performed at Wat Ladsanun School in Pathum Thani province. Activities included repair and renovate restrooms, painting, planting, and improving surrounding landscape of the restroom. The Company also donated sport equipment to the school on 29 June 2012.



The third “Big Cleaning Day” Watladsanun School, Pratumthani

The Company provides financial support every year for research projects of university students such as Kasetsart University. Funding was aimed at developing skill, knowledge, and competency in research work to be beneficial to the country. The Company also provided education support to various educational institutions. In 2012, the Company presented scholarships, educational equipment, and necessary educational materials and supplies to more than 30 schools in Chiang Rai, Chiang Mai, and Chonburi. Additional also granted 15 scholarships to students at Dhonburi Rajabhat University.



200 scholarships were granted to students in Chiang Rai and Chiang Mai provinces, at the Yunnan–Chiang Rai Association and the Chiang Mai–Yunnan Association



Financial support of Baht 574,000 was given to build sport ground and buy educational materials for schools in Chiangrai and Chiangmai

For over 10 years, on a quarterly basis, the Company has organized blood donation to the Thai Red Cross Society. Correspondingly, the Company was awarded the third Class Honorary Certificates from Her Royal Highness Princess Soamsawali Phravonarajatinuddamatu in 2012.



The Company's executive was granted the third Class Certificates from Her Royal Highness Princess Soamsawali Phravonarajatinuddamatu for giving support on blood donation for more than ten consecutive years.

Disclosure and Transparency

The Company has the policy to disclose data and information accurately, adequately and timely so as to allow stakeholders to know about operating performance, financial position, key developments and information such as financial statements, annual report and disclosure Form 56-1, in both Thai and English language. Such information is available on websites of relevant authorities such as the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) as well as on the Company's website www.deltathailand.com. Interest persons may telephone or email to request for more information at info@deltathailand.com. The Company also has investor relations unit to provide information to shareholders, investors, securities analysts, and others and they can be reached at investor@deltathailand.com.

In 2012, the Company organized press conference quarterly to clarify its operating results to securities analysts, reporters and general investors and for those people to meet with its executives in a bid to nurture confidence of all stakeholders. Additional meetings were also arranged by Investor Relations unit from time to time in order to provide information to both local and overseas securities analysts and investors.

Responsibilities of the Board

Structure of the Board

The Board of Directors comprises nine directors, six of whom are executive directors and the other three are independent directors which accounts for one-third of the board. Qualifications of independent director have been set to meet the criteria ruled by the SEC. Currently, Chairman of the Board and the President are held by two individuals with clearly separated responsibilities. Roles and responsibility of the Board and management are also distinctively defined so as to ensure management transparency. (Please find details of the Board members and scope of duties in the section of Managerial Structure).

Director's Term of office

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate from the office. A director who vacates from office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and having shares in aggregation not less than a half of the number of shares held by shareholders attending the meeting and having the voting rights.

At the 2012 Annual General Meeting of Shareholders, the retired directors, Mr. Ng Kong Meng, Mr. Hsieh, Heng-Hsien and Mr. Supat Limpaporn were re-appointed.

Sub-Committee

The Board of Directors appointed sub-committees to help study, scrutinize, and to give opinion on various matters. At present, there are four sub-committees including executive committee, audit committee, compensation committee and risk management committee.

Following function units have been established to support the committees.

- **Company secretary**

The Board of Directors appointed Ms. Duangrat Lertvorasirikul and Ms. Wilailak Funghanakun the Company Secretary. Their main responsibilities are: to prepare meetings, inform and advise on relevant law and regulations, take care of the Board's activities, and coordinate to ensure that the Board's resolutions are put into practice. All are to facilitate efficiency of the Board's administration in order to comply with good corporate governance principle and other responsibilities as required by law.

- **Internal Audit**

The Internal audit department has been established for over 10 years with the main objective to support the Audit Committee who oversees internal audit tasks. They will help assess adequacy and efficiency of internal control as well as risk management. The Internal Audit reports directly to and works as assigned by the Audit Committee

The Board's Meeting

The Company schedules the board meeting at least four times a year or on a quarterly basis. An extraordinary meeting may be arranged when there is an issue to consider. The regular meeting date will be set in advance for the entire year. At least seven days prior to the meeting date, the Company will send out invitation letter with agenda to all directors, In case of emergency, invitation letter may be less than seven days. Each director is free to propose agenda. Company secretary has duties to arrange the meeting, take care and give suggestion to ensure that the meeting is in compliance with all relevant laws and regulations, minutes of meeting will be put in writing, and those endorsed by the Board are kept as evidence at the Company's office.

The independent directors may hold a meeting without attendance of management as it sees appropriate. Normally, meeting of the Audit Committee is held without executive participation. The Company's auditor generally attends the Audit Committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the Audit Committee may request particular executive to clarify issue as it sees fit.

Guidelines for Determination of Director and Executive Remuneration

The Compensation Committee will determine remuneration of directors, sub-committee members, the President and the Executives, and propose to seek approval from the board of directors. For compensation of the board of director and sub-committee, it requires approval from the shareholders' meeting. Follows are some key guidelines;

1. Guidelines for Director and Sub-Committee Remuneration
 - 1.1 Remuneration package must be reasonable in order to attract and retain competence director. Major factors to determine director remuneration include
 - Scope of works and responsibilities
 - Current market rate
 - The Company's overall performances
 - Others specified by the compensation committee or the Board
 - 1.2 Remuneration may be entirely fixed or partially fixed with some variable amount such as meeting allowance or other incentives.

2. Guidelines for the President and Executive Remuneration
 - 2.1 Remuneration package must be reasonable in order to attract, retain, and motivate the executive to work at their best.
 - 2.2 The compensation committee must define Key Performance Indicators (KPI) to help assess performance of the executives and propose to the Board for approval before end of each fiscal year.
 - 2.3 Consideration to adjust remuneration or annual salary will depend upon KPI achievement and other accomplishments.
 - 2.4 Determination of remuneration should take into account the current market rate. Market survey or advice from human resource professional may be used in consideration and at the expense of the Company.

(Please find details of the remuneration of directors and executives in the section of Managerial Structure).

Performance Assessment of the President

The Board assigns the compensation committee to determine and propose Key Performance Indicators (KPI) of the President. The KPI must be approved by the board and be reviewed annually. Appraisal results will be submitted to the Board on a quarterly basis.

Training for the Board and Management

The Company has a policy to encourage directors, executives and the Company secretary to continuously train on good corporate governance, both organized internally or externally by relevant institutions such as the SET, the SEC and the Thai Institute of Directors Association (IOD). In 2012, Mr. Supat Limpaporn, the Company's independent director and audit committee member joined of 3 programs of Thai Institute of Directors Association (IOD) including, Monitoring Fraud Risk Management (MFM), Monitoring the Internal Audit Function (MIA) and Monitoring the Quality of Financial Reporting (MFR).

Audit Fee

The audit fee paid for the year 2012 to its auditor is Baht 4,786,335 including all actual out of pocket expenses. (Audit fee in 2011 amounted to Baht 4,884,442 including all actual out of pocket expenses).

The Company and some of its subsidiaries hire the same international audit firm but different branch offices in various countries as all of the Company's subsidiaries are abroad. Other subsidiaries (most of which are in Europe) use the services provided by Pricewaterhouse Coopers (PWC) and the rest of them employ other audit firms to provide them with the audit services. Selection criteria of its auditor principally are based upon the service quality and charge rate of the auditor.

► Related Party Transactions

The Company and its subsidiaries have engaged into business transactions with their related companies in Delta group. The major transactions and reasons for having such related party transactions can be summarized as follows.

1. Sales of goods/raw materials

In order to manage trade constraints in certain countries for either the Company or its customers e.g. local content requirements, Delta group has established its trade network in local area for better service to customers as well as to enhance its business opportunities in those countries. The transactions are made based on certain trade agreement or with reference to market price. Sales of raw material are normally due to the urgent need of some raw materials from the related companies and the selling prices are based on the market price or cost of the materials sold.

2. Purchase of goods/raw materials

Currently Delta Thailand has also expanded its trade network through its subsidiaries which are located in major regions. To offer a full range of products, those subsidiaries may have to purchase some products from related companies to serve their clients. However, the transactions are made based on certain trade agreement which may also include their operating costs, or with reference to market price.

Delta group has set up material network in order to create bargaining power for better price and availability for the group members. Purchase price of raw material is generally charged based on cost plus other actual out of pocket expenses such as insurance, freight and others. Handling fee is charged based on value of purchase/sale transaction and considered general business condition.

3. Commissions

Since various services are generally required to serve the global clients, the Company needs to offer such services to customers in the area where they are located in. This makes Delta group to establish business network which enables the Company to have customer relations offices worldwide to provide effective marketing and after sales services to its clients at the competitive costs. Commissions are normally charged based on transaction size (e.g. sales or purchase amount) and considered general business condition.

4. Service fee

Currently the operations of the Company's subsidiaries, Delta Energy Systems (DES) group, have covered in several regions, especially Europe. Some related companies, therefore, occasionally request for supports from DES group to provide some services such as reworking, tooling service and others. Service fees are generally based on the estimated man hour used for each service.

Procedures for related party transactions

Procedures for related party transactions are principally based on the notification of the Capital Market Supervisory Board re Connected Transactions. According to the said notification, business transactions are generally classified into 6 major categories:

1. Normal business transactions
2. Supporting normal business transactions
3. Rent or lease of immovable property (< 3 years)
4. Sale/purchase of asset or service
5. Offer or receipt of financial assistance
6. Transactions other than 1-5

Procedures for each business category are established and summarized as follows;

1. In case of normal business and supporting normal business transactions, the Board of Directors has approved in principle that such transactions can be done under normal/general business terms and conditions which the Company and/or its subsidiaries performs with other general parties without any control or influences from the related parties.
2. In case of other business categories, the related party transactions shall be classified by its transaction size and are required to follow below procedures.
 - Small sized transaction, being the transaction with the size of not more than THB 1 million or 0.03% of net tangible assets (NTA), whichever is higher, requires the management's approval.
 - Medium sized transaction, being the transaction with the size of greater than THB 1 million but less than THB 20 million, or greater than 0.03% but less than 3% of NTA, whichever is higher (except Item 5: Financial assistance that its size is less than THB 100 million or 3% of NTA, whichever is lower), requires board of directors' approval and information disclosure.
 - Large sized transaction, being the transaction with the size of THB 20 million and higher or 3% of NTA and higher, whichever is higher (except Item 5: Financial assistance that its size is equal to THB 100 million and higher or 3% of NTA or higher, whichever is lower), requires board of directors' approval, shareholders' approval and information disclosure.

For other details and definitions, the Company will perform according to the relevant notification as mentioned above.

In addition, the Audit Committee generally reviews and discusses about the related party transactions with the Company's external auditor in order to help protect conflicts of interest and see if the related party transactions are adequately and properly disclosed.

Policy for the related party transactions

The Company and its subsidiaries still need to do the business with the related parties in the future as it is considered normal course of business. Moreover, supports from the group's network help strengthen the Company's business and improve its competitiveness in the world market and will utmost benefit the Company. The Company shall comply with rules, regulations and notifications of the Capital Market Supervisory Board and other relevant authorities re Connected Transactions and also adequately disclose the transaction in the Company's quarterly and annual financial statements.

► The Audit Committee Report 2012

The Audit Committee consists of three independent directors: Emeritus Professor Supapun Ruttanaporn as Chairperson, Khun Supat Limpaporn, and Professor Lee Ji-Ren as Committee member with the Internal Audit Manager as its secretary.

During the year 2012, the Audit Committee held 9 meetings, of which Emeritus Professor Supapun Ruttanaporn and Khun Supat Limpaporn attended all the meetings while Professor Lee Ji-Ren, attended 5 meetings and via tele-conference 1 meeting.

The Audit committee (AC) performed its work during the year according to the Audit Committee Charter, which complies with the guidelines of the Stock Exchange of Thailand. The AC also fulfilled the matters assigned by the Board of Directors which can be summarized as follows:

1. Reviewed the quarterly and year-end financial statements independently with the external auditors to ensure that the financial statements and the disclosures were accurate, appropriate, and reliable, and then submitted them to the Board of Directors. The AC also received reports from the external auditor that there was no any irregularities that should be investigated.
2. Reviewed and evaluated the company internal control whether it is adequate and appropriate. This year, the company has a new Internal Auditor Manager (IAM) but the committee has not been reported that the company internal control has any significant deficiency.
3. Reviewed the risks and the risks management of the company so that all the risks were properly managed. This year, the Audit Committee reviewed the foreign exchange hedging as reported by the IAM and was of the opinion that the company had appropriate policy and methods to manage the risk.
4. Approved the revised Internal Audit Charter (IA Charter) and evaluated the performance of the Internal Audit Manager. The AC also revised the key performance indicators of the Internal Audit Manager to be in line with the IA Charter.
5. Reviewed the Audit Committee Charter of the company and modified it to be complied with the relevant SEC regulations.
6. Reviewed that the company complied with relevant laws and regulations. The Audit Committee was of the opinion that the company has proper practices in this matter.
7. Reviewed the related party transactions or the conflict of interest transactions together with the external auditors that these transactions were reasonable, proper and fully disclosed, including reviewing the internal control of these transactions.
8. Considered the proficiency and the independence of the external auditor and propose to the Board of Directors including the audit fee in order to propose for approval in the Annual General Shareholder Meeting. The Audit Committee proposed to reappoint Ernst & Young Office Limited as the Company auditor for the accounting period ended December 31st, 2013 by Mr. Supachai Phanyawattano, CPA. No. 3930, or Miss Waraporn Prapasirikul, CPA. No. 4579, or Miss Supanee Triyanantakul, CPA. No. 4498 from Ernst & Young Office Limited with the audit fee of Baht 4,400,000 plus some out-of-pocket expenses.

The Audit Committee would like to report that in 2012 though the world economy still was not good since the economic problems in the US and some European countries had not been solved but the company business had some recovery and the Board of Directors and the management had put their best efforts to create the highest returns as possible for our stakeholders.



Emeritus Professor Supapun Ruttanaporn
Chairperson

► Management Discussion and Analysis Year 2012

Financial highlights (Consolidated)		20 10	20 11	20 12
Total assets	Baht million	29,611	29,899	33,075
Total liabilities	Baht million	10,313	10,040	10,578
Shareholders' equity	Baht million	19,298	19,859	22,497
Registered capital	Baht million	1,259	1,259	1,259
Paid-up capital	Baht million	1,247	1,247	1,247
Financial ratios				
Liquidity				
Liquidity ratio	Times	2.48	2.61	2.79
Quick ratio	Times	1.67	1.84	2.12
Cash ratio	Times	0.26	0.32	0.70
Receivable turnover	Times	6.13	5.91	5.92
Average collection period	Days	59	61	61
Inventory turnover	Times	5.09	4.73	5.25
Inventory holding period	Days	71	76	69
Account payable turnover	Times	5.24	5.69	5.78
Average payable period	Days	69	63	62
Cash Conversion Cycle	Days	61	74	67
Profitability ratios				
Sales	Baht million	35,730	38,434	40,779
Gross profit	Baht million	9,513	9,041	10,795
Gross profit margin	(%)	26.63%	23.52%	26.47%
Operating expense (include R&D)	Baht million	5,560	6,474	6,608
Operating expense (include R&D) to sales	(%)	15.56%	16.84%	16.21%
Operating profit margin	(%)	11.06%	6.68%	10.27%
Other income to total income	(%)	1.31%	1.83%	1.80%
Net profit	Baht million	4,180	2,864	4,347
Net profit margin	(%)	11.70%	7.45%	10.66%
Net profit to total revenues	(%)	11.55%	7.32%	10.47%
Return on equity	(%)	22.63%	14.63%	20.53%
Efficiency ratios				
Return on assets	(%)	14.75%	9.63%	13.81%
Return on fixed assets	(%)	122.70%	80.69%	106.01%
Asset turnover	Times	1.28	1.32	1.32
Financial policy ratios				
Debt to equity	Times	0.53	0.51	0.47
Interest coverage ratio	Times	42.71	34.52	76.67
Dividend payout ratio	(%)	51.07%	52.26%	68.86%*

* In the process of seeking approval from the 2013 Annual General Meeting of shareholders

Sales

Despite continuing stagnant global economic conditions, particularly in the European economy, the Company's sales in 2012 grew 6% to Baht 40,779 million from Baht 38,434 million with average growth rate of 7% from 2010. Increasing of sales was contributed by three main products; telecom power, solar inverter and MPBG products (mainly chargers and adapters). Telecom power revenues rose 7% from previous year, driven by sales of subsidiary in the U.S. whose power systems installed for T-Mobile project, a major mobile phone operator in the United States. Solar inverters revenues rose 87% from previous year given strong sales in Australia helped compensate sluggish market in Europe. Revenues from MPBG products rose 22% from previous year on the back of sales of industrial charger/adapters.

Cost of sales and expenses

Cost of sales as a percentage to sales in 2012 decreased to 73.5% from 76.5% in 2011 but stayed at similar rate of 2010. The decline was primary due to the focus on selling of higher margin products together with lower of provisions for solar inverter products after the inventory had been sold out.

Selling and administrative expenses (excluding R & D) in 2012 was 11.4%, similar to the level in 2011 but higher than that of 10.6% in 2010. However, research and development (R & D) expense to sales in 2012 decreased to only 4.8% from 5.4% and 5.0% in 2011 and 2010, respectively. The lower was due to restructuring of research centers by merging similar working units to enhance operational efficiency.

Profit

Gross profit margin in 2012 increased from 23.5% to 26.5%, the level at which earned in 2010 of 26.6%, given above-mentioned decline of cost of sales. Combined with the lower of R & D expense, operating margin improved to 10.3%, the level at which higher than 6.7% in 2011 but lower than 11.1% in 2010.

In 2012, the Company had considerable amount of cash, both from increased profit for the year and cash balance from previous year. Interest income, therefore, rose to Baht 194 million from Baht 125 million in 2011. Closed monitoring of foreign exchange combined with appropriated exchange rate risk management had resulted foreign exchange gains worth Baht 152 million, up from Baht 139 million in 2011. In addition, there was dividend income from Delta Greentech (China) worth Baht 50 million. Inclusive of the above-mentioned other incomes and profit from operation resulted a satisfactory 51.8% growth of net profit to Baht 4,347 million from Baht 2,864 million earned in 2011. (2012 net profit was also slightly higher than the level generated in 2010 of Baht 4,180 million).

Financial position

As shown in consolidated financial statements as at 31 December 2012, the Company managed to continue maintaining financial strength with increase of both assets and shareholders' equity. Debt to equity remained at low level with adequate liquidity. The analysis, as followed, is organized by key category in balance sheet.

Assets

Cash and current assets

Current assets as percentage of total assets remained high and even higher than two previous years and accounted for approximately 79%. Cash and cash equivalents increased to Baht 12,782 million from Baht 9,207 million in 2010 and Baht 9,513 million in 2011. The increase was mainly from operation.

Accounts receivable (net) rose in accordance with higher sales to Baht 7,027 million in 2012 from Baht 6,223 million in 2010 and Baht 6,859 million in 2011. Accounts receivable collection period was similar to prior year of 61 days but slightly higher than that of 59 days in 2010. According to aging of account receivables, over 98% of the total outstanding account receivables was the portion of current balance and the past due less than 3 months (the current balance represented 86% while the past due less than 3 months represented 12% of outstanding receivables), Only 1.7% was the balance of past due over 3 months. In 2012, the Company has set aside allowance for doubtful accounts by approximately 2% of total outstanding receivables, which was sufficient for the balance of the past due over 3 months. The Company regularly

evaluates and closely monitors financial status of customers. In addition, some of the receivables are insured with world leading insurance companies in order to help mitigate the collection risk.

In 2012, inventory management became more efficient, as indicated by the lower of turnover rate to 69 days from 71 days and 76 days in 2010 and 2011, respectively. Allowance for obsolete stocks was conservatively set aside i.e. allowance was reserved for inventory aging over 3 months and higher rate was applied in relation to the age of inventory. As a result, during the past two years, 2011–2012, allowance for obsolete stocks for both finished goods and raw materials accounted for approximate 16–17% of total inventory. Nonetheless, the Company always put its best efforts to sell off those obsolete inventories; by either seeking new markets for finished goods that they may be suitable for and raw materials by re-use in producing the same or new products. Inventory management is always the top priority for the management to closely monitor.

As for accounts payable, average days of payment to creditors decreased to only 62 days in 2012, from 69 days in 2010 and 63 days in 2011. The efficient accounts receivable collection and well-managed inventory consequently resulted shorter duration of Cash Conversion Cycle to only 67 days from 74 days in 2011 (but still higher than 61 days in 2010).

Non-current assets

As of December 31, 2012, the Company and its subsidiaries had non-current assets worth Baht 6,948 million, representing approximately 21% of total assets, which was similar to the previous two years. The key item remained property, plant and equipment with net book value worth Baht 4,984 million, to which increased approximate 6% from 2011 or 18% from 2010. The increase was due mainly to purchasing of machinery and equipment for plants in Thailand and construction of an additional plant of a subsidiary company in Slovakia.

Intangible assets, which main item is patent, decreased slightly to Baht 688 million from Baht 727 million in 2010 and Baht 753 million in 2011 due to annual amortization. Goodwill arising from acquisition remained unchanged from previous two years at Baht 307 million. This goodwill occurred since 2003 when the Company acquired Ascom Energy System group. Impairment test is performed on a yearly basis by an independent financial advisor.

Liabilities

Total liabilities of the Company and its subsidiaries as at 31 December 2012 increased approximately 5% to Baht 10,578 million from Baht 10,040 million in the previous year, and 3% from Baht 10,313 million in 2010. The increase was mainly from accounts payable which corresponded with the rise of sales revenues.

Current liabilities and liquidity

Current liabilities of Baht 9,365 million as at December 31, 2012, increased approximately 5% from Baht 8,904 million in the previous year, but rose by around 2% from Baht 9,186 million in 2010, due to increase of accounts payable as discussed above. Bank overdrafts and short-term loans from financial institutions decreased continuously to Baht 661 million in 2012 from Baht 1,022 million in 2011 and Baht 1,145 million in 2010. The decline was due to repayment of bank overdraft and short-term loans by subsidiaries whose capital had been raised. This refinancing was aimed at strengthening financial position.

During the past three years, 2010–2012, the Company managed to maintained adequate liquidity as indicated by continuously high Current ratio of 2.48x, 2.61x, and 2.79x, respectively. Similar pattern also found on Quick ratio; 1.67x in 2010, 1.84x in 2011, and 2.12x in 2012.

Shareholders' equity

Shareholders' equity of the Company as at 31 December 2012 grew further to Baht 22,497 million from Baht 19,298 million in 2010 and Baht 19,859 million in 2011, due to continuing growth of operational profit. Especially in 2012, substantial increase of net profit resulted a satisfactory rate of return on equity at 20.5%, up from 14.6% in 2011 (but still lower than 2010 of 22.6%). Debt to equity as at December 31, 2012 remained low and steadily declined to 0.47x in 2012, from 0.51x in 2011 and 0.53x in 2010. This low level of gearing signified appropriate capital structure and relatively low financial risk of the Company.

►► Responsibility of the Board of Directors to the Financial Statements

The Board of Directors of Delta Electronics (Thailand) Public Company Limited is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with Thailand's generally accepted accounting standards. The appropriate accounting policies are applied consistently with adequate disclosure of material information in the notes to the financial statements.

The Board of Directors has assigned the Audit Committee which is composed of all independent directors to review the quality of financial statements and the effectiveness of the internal control system to ensure that accounting records are booked properly and accurately in order to safeguard the Company's assets. The opinions of the Audit Committee have been reported in the annual report. Furthermore, the Company's external auditor has also provided their opinions on the financial statements of the Company and its subsidiaries in the auditor's report which has also been disclosed in the annual report.



Ng Kong Meng (James)
Chairman of the Board
On behalf of Board of Directors

Report of Independent Auditor

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

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

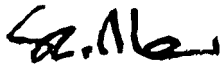
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 27.3.1 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 opinion is not qualified in respect of this matter.



Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 6 February 2013

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents		12,781,778,448	9,512,594,932	8,697,360,220	6,009,434,156
Trade and other receivables	7	7,026,770,421	6,859,442,163	4,563,147,818	4,833,962,450
Inventories	8	5,466,383,275	5,952,441,716	3,266,905,390	3,558,894,811
Other current assets	9	851,605,907	944,178,434	126,994,668	137,929,270
Total current assets		26,126,538,051	23,268,657,245	16,654,408,096	14,540,220,687
Non-current assets					
Deposits at bank with restrictions		151,437,826	116,396,027	-	-
Investments in subsidiary companies	10	-	-	9,870,976,026	8,901,796,746
Other long-term investments	11	411,601,908	425,839,291	-	-
Property, plant and equipment	12	4,984,384,258	4,723,750,388	2,821,423,476	2,845,437,185
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	13	687,604,760	753,214,764	26,316,767	1,069,334
Deferred tax assets	14	319,049,149	260,537,449	-	-
Other non-current assets		87,291,643	43,662,674	4,829,169	1,296,870
Total non-current assets		6,948,127,515	6,630,158,564	12,723,545,438	11,749,600,135
Total assets		33,074,665,566	29,898,815,809	29,377,953,534	26,289,820,822

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 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	660,694,307	1,022,144,521	-	-
Trade and other payables	16	8,143,951,270	7,172,665,919	5,076,642,819	4,908,568,174
Income tax payable		74,547,237	191,380,062	-	-
Short-term provisions	19	244,690,620	255,873,004	-	-
Other current liabilities	17	240,691,644	261,776,766	61,645,450	91,252,138
Total current liabilities		9,364,575,078	8,903,840,272	5,138,288,269	4,999,820,312
Non-current liabilities					
Deferred tax liabilities	14	48,946,045	32,803,092	-	-
Provision for long-term employee benefits	18	866,459,789	851,818,248	116,588,932	80,879,055
Long-term provisions	19	258,531,053	225,524,893	19,821,278	16,576,224
Other non-current liabilities		39,521,379	25,739,040	6,766,464	5,733,720
Total non-current liabilities		1,213,458,266	1,135,885,273	143,176,674	103,188,999
Total liabilities		10,578,033,344	10,039,725,545	5,281,464,943	5,103,009,311
Shareholders' equity					
Share capital					
Registered					
1,259 million ordinary shares of Baht 1 each		<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>
Issued and fully paid-up					
1,247 million ordinary shares of Baht 1 each		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	20	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		21,676,381,221	18,825,855,596	21,231,294,477	18,321,617,397
Other components of shareholders' equity		<u>(2,044,943,113)</u>	<u>(1,831,959,446)</u>	-	-
Equity attributable					
to owners of the Company		<u>22,496,632,222</u>	<u>19,859,090,264</u>	<u>24,096,488,591</u>	<u>21,186,811,511</u>
Total shareholders' equity		22,496,632,222	19,859,090,264	24,096,488,591	21,186,811,511
Total liabilities and shareholders' equity		33,074,665,566	29,898,815,809	29,377,953,534	26,289,820,822
		-	-	-	-

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 year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
Profit or loss:					
Revenues					
Sales and service income		40,779,099,958	38,433,604,854	27,689,561,920	26,295,912,534
Other income					
Interest income		193,704,315	124,578,747	168,942,925	108,070,185
Gain on exchange		152,456,455	138,623,364	136,528,174	360,187,617
Gain on sales of investment in associated company		-	84,333,155	-	-
Dividend income from other long-term investments	11	49,682,889	114,290,318	-	-
Others		352,913,482	254,916,639	166,005,042	78,520,946
Total revenues		41,527,857,099	39,150,347,077	28,161,038,061	26,842,691,282
Expenses					
Cost of sales and services		29,984,063,535	29,392,340,055	20,015,743,188	19,914,825,859
Selling expenses		2,938,672,254	2,804,700,893	907,242,081	815,846,248
Administrative expenses		1,706,788,640	1,589,133,802	1,137,687,753	848,358,974
Research and development expenses		1,962,988,694	2,080,066,816	1,644,995,427	1,690,626,699
Other expenses		484,216,826	283,939,578	48,834,595	97,493,201
Total expenses		37,076,729,949	36,150,181,144	23,754,503,044	23,367,150,981
Profit before share of profit from investment in associated company, finance cost and income tax expenses					
		4,451,127,150	3,000,165,933	4,406,535,017	3,475,540,301
Share of profit from investment in an associated company		-	16,807,280	-	-
Profit before finance cost and income tax expenses		4,451,127,150	3,016,973,213	4,406,535,017	3,475,540,301
Finance cost		(94,561,488)	(97,501,975)	-	-
Profit before income tax expenses		4,356,565,662	2,919,471,238	4,406,535,017	3,475,540,301
Income tax expenses	14	(9,182,100)	(55,259,701)	-	-
Profit for the year		4,347,383,562	2,864,211,537	4,406,535,017	3,475,540,301
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(212,983,667)	(88,310,746)	-	-
Other comprehensive income for the year		(212,983,667)	(88,310,746)	-	-
Total comprehensive income for the year		4,134,399,895	2,775,900,791	4,406,535,017	3,475,540,301

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit attributable to:				
Equity holders of the Company	4,347,383,562	2,864,333,728	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Non-controlling interests of the subsidiary (loss)	-	(122,191)		
	<u>4,347,383,562</u>	<u>2,864,211,537</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	4,134,399,895	2,769,271,844	<u>4,406,535,017</u>	<u>3,475,540,301</u>
Non-controlling interests of the subsidiary	-	6,628,947		
	<u>4,134,399,895</u>	<u>2,775,900,791</u>		
Earnings per share	24			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>3.49</u>	<u>2.30</u>	<u>3.53</u>	<u>2.79</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to shareholders of the Company								
					Other components of shareholders' equity				
			Retained earnings						
	Issued and fully paid-up share capital	Share premium	Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 31 December 2010	1,247,381,614	1,491,912,500	125,900,000	18,082,070,611	(1,736,897,562)	(1,736,897,562)	19,210,367,163	87,140,051	19,297,507,214
Profit for the year	-	-	-	2,864,333,728	-	-	2,864,333,728	(122,191)	2,864,211,537
Other comprehensive income for the year	-	-	-	-	(95,061,884)	(95,061,884)	(95,061,884)	6,751,138	(88,310,746)
Total comprehensive income for the year	-	-	-	2,864,333,728	(95,061,884)	(95,061,884)	2,769,271,844	6,628,947	2,775,900,791
Dividend paid (Note 21)	-	-	-	(2,120,548,743)	-	-	(2,120,548,743)	-	(2,120,548,743)
Derecognises the amount of non-controlling interest due to dissolution of a subsidiary	-	-	-	-	-	-	-	(93,768,998)	(93,768,998)
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,825,855,596	(1,831,959,446)	(1,831,959,446)	19,859,090,264	-	19,859,090,264
									-
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,825,855,596	(1,831,959,446)	(1,831,959,446)	19,859,090,264	-	19,859,090,264
Profit for the year	-	-	-	4,347,383,562	-	-	4,347,383,562	-	4,347,383,562
Other comprehensive income for the year	-	-	-	-	(212,983,667)	(212,983,667)	(212,983,667)	-	(212,983,667)
Total comprehensive income for the year	-	-	-	4,347,383,562	(212,983,667)	(212,983,667)	4,134,399,895	-	4,134,399,895
Dividend paid (Note 21)	-	-	-	(1,496,857,937)	-	-	(1,496,857,937)	-	(1,496,857,937)
Balance as at 31 December 2012	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	-	22,496,632,222

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 31 December 2010	1,247,381,614	1,491,912,500	125,900,000	16,966,625,839	19,831,819,953
Total comprehensive income for the year	-	-	-	3,475,540,301	3,475,540,301
Dividend paid (Note 21)	-	-	-	(2,120,548,743)	(2,120,548,743)
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,321,617,397	21,186,811,511
					-
Balance as at 31 December 2011	1,247,381,614	1,491,912,500	125,900,000	18,321,617,397	21,186,811,511
Total comprehensive income for the year	-	-	-	4,406,535,017	4,406,535,017
Dividend paid (Note 21)	-	-	-	(1,496,857,937)	(1,496,857,937)
Balance as at 31 December 2012	1,247,381,614	1,491,912,500	125,900,000	21,231,294,477	24,096,488,591
					-

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 year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
Cash flows from operating activities:					
Profit before tax		4,356,565,662	2,919,471,238	4,406,535,017	3,475,540,301
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation	12	798,323,497	745,937,316	545,016,925	490,988,013
Amortisation of other intangible assets	13	111,811,140	75,428,888	9,077,195	845,949
Recorded allowance for doubtful accounts		35,217,267	27,569,311	806,385	1,353,470
Reduction of inventory to net realisable value (reversal)		(194,749,019)	414,756,131	(115,340,573)	221,844,867
Increase in provision for long-term employee benefits	18	97,508,426	104,244,527	45,617,077	11,265,126
Recorded the increase in provisions (reversal)		142,309,730	97,726,543	3,245,054	(5,845,544)
Allowance for diminution in value of investment in					
other long-term investment (reversal)		-	(13,639,461)	-	-
Gain from disposal of investment in an associated company		-	(84,333,155)	-	-
Share of profit from investment					
in an associated company		-	(16,807,280)	-	-
Loss from dissolution of a subsidiary		-	7,007,636	-	-
Loss from disposal of investment in a subsidiary		29,551,676	-	-	-
Dividend income from other long-term investments	11	(49,682,889)	(114,290,318)	-	-
(Gain) loss from disposal of property, plant					
and equipment		41,668,116	(1,193,209)	35,488,075	(2,055,991)
Loss on disposal of other intangible assets		2,670,570	1,071,015	220,898	-
Unrealised (gain) loss on exchange		4,165,012	(219,899,722)	(34,860,323)	(248,723,469)
Interest income		(193,704,315)	(124,578,747)	(168,942,925)	(108,070,185)
Interest expenses		94,561,488	97,501,975	-	-
Income from operating activities before changes in					
operating assets and liabilities		5,276,216,361	3,915,972,688	4,726,862,805	3,837,142,537
Decrease (increase) in operating assets:					
Trade and other receivables		(410,731,175)	(517,128,061)	110,673,308	(145,425,862)
Inventories		675,592,033	100,797,072	407,329,994	(253,858,943)
Other current assets		(39,642,222)	(32,939,095)	12,795,786	(54,449,962)
Other non-current assets		(47,810,310)	276,238	(3,532,300)	479,000
Increase (decrease) in operating liabilities:					
Trade and other payables		1,064,307,364	(371,932,594)	232,799,451	120,748,803
Other current liabilities		(25,191,486)	2,452,421	(29,443,839)	27,347,800
Provision for long-term employee benefits		(75,858,163)	(136,249,253)	(9,907,200)	(6,430,766)
Provisions		(115,404,537)	-	-	-
Other non-current liabilities		13,782,339	11,534,287	1,032,744	4,683,720
Cash flow from operating activities		6,315,260,204	2,972,783,703	5,448,610,749	3,530,236,327
Cash received from interest income		192,919,355	140,428,388	168,827,353	108,808,453
Cash paid for interest expenses		(84,888,866)	(90,189,404)	-	-
Cash paid for corporate income tax		(49,828,176)	(91,961,672)	(1,743,844)	(1,100,122)
Net cash flows from operating activities		6,373,462,517	2,931,061,015	5,615,694,258	3,637,944,658

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
Cash flows from investing activities:					
Increase in deposits at bank with restrictions		(35,041,799)	(20,995,330)	-	-
Increase in investments in subsidiary companies		-	-	(969,179,280)	(432,588,350)
Decrease in other long-term investments		-	17,110,596	-	-
Net cash received from dissolution of a subsidiary		-	25,999,604	-	-
Net cash from outstanding cash of subsidiary					
as at the disposal date		(14,473,416)	-	-	-
Proceeds from disposal of investment in an associated company		-	489,685,419	-	-
Dividend received from investment in an associated company		-	138,750,305	-	-
Dividend received from other long-term investments	11	49,682,889	114,290,318	-	-
Acquisition of property, plant and equipment		(1,205,688,005)	(1,271,011,148)	(558,970,916)	(820,363,667)
Proceeds from disposal of property,					
plant and equipment		53,941,010	7,896,349	2,479,625	3,451,790
Increase in other intangible assets		(74,147,075)	(69,733,379)	(34,545,526)	(737,763)
Net cash flows used in investing activities		(1,225,726,396)	(568,007,266)	(1,560,216,097)	(1,250,237,990)
Cash flows from financing activities:					
Decrease in bank overdrafts and short-term loans					
from financial institutions		(358,965,927)	(124,081,645)	-	-
Dividend paid	21	(1,496,857,937)	(2,120,548,743)	(1,496,857,937)	(2,120,548,743)
Net cash flows used in financing activities		(1,855,823,864)	(2,244,630,388)	(1,496,857,937)	(2,120,548,743)
Increase (decrease) in translation adjustment		(124,898,707)	14,310,274	-	-
Net increase in cash and cash equivalents		3,167,013,550	132,733,635	2,558,620,224	267,157,925
Unrealised gain on exchange					
for cash and cash equivalents		102,169,966	173,062,348	129,305,840	176,088,777
Cash and cash equivalents at beginning of year		9,512,594,932	9,206,798,949	6,009,434,156	5,566,187,454
Cash and cash equivalents at end of year		12,781,778,448	9,512,594,932	8,697,360,220	6,009,434,156
		-	-	-	-
Supplemental cash flow information:					
Non-cash transactions					
Transfer deposit for purchase of land to					
property, plant and equipment		-	100,258,186	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2012

1. Corporate information

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

The Company and its subsidiaries are principally engaged in the manufacture and distribution of electronic products, together with related research and development.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the early adoption of TAS No. 12 “Income Taxes”.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- 2.2.1 The consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, manufacture, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and distribution of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Private Limited	Holding business	Singapore	100	100

The subsidiaries which the Company owns through DET International Holding Limited are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Trading of electronic products	The British Virgin Islands	100	100
Delta Energy Systems (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH.	Research, development and trading of electronic products	Germany	100	100
Delta Renewable Energy Systems (Switzerland) AG (owned by Delta Energy Systems (Germany) GmbH.)	Engineering and Marketing	Switzerland	-	100
Delta Energy Systems (India) Private Limited	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100
Delta Energy Systems (Arizona) Inc.	Research and development of electronic products	USA	100	100
Delta Electronics Europe Limited	Trading of electronic products	Scotland	100	100
DET SGP Pte. Ltd.	Holding business and marketing and after sales services	Singapore	100	100
Delta India Electronics Private Limited (owned by DET SGP Pte. Ltd.)	Manufacture and trading of electronic products	India	100	100
Delta Greentech International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Greentech (Hong Kong) Limited. (owned by Delta Greentech SGP Pte. Ltd.)	Trading of electronic products	Hong Kong	100	100
Delta Greentech International (Singapore) Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Power Solutions (India) Private Limited (owned by Delta Greentech International (Singapore) Pte. Ltd.)	Manufacture and trading of electronic products	India	100	100
Delta Greentech (Netherlands) Cooperatie U.A. (owned by Delta Greentech International Holding Limited)	Holding business	The Netherlands	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
Delta Greentech (Netherlands) BV. (owned by Delta Greentech (Netherlands) Cooperatie U.A.)	Holding business	The Netherlands	100	100
Delta Greentech Electronics Industry LLC. (owned by Delta Greentech (Netherlands) BV.)	Manufacture, marketing and distribution of electronic products	Turkey	100	100
Delta Greentech (USA) Corporation (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	USA	100	100
Delta Greentech (Brazil) S.A. (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	Brazil	100	100
Delta Greentech (Curitiba) Limited (owned by Delta Greentech (Brazil) S.A.)	Engineering	Brazil	100	100

The subsidiaries which the Company owns through Delta Energy Systems (Switzerland) AG are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
Delta Energy Systems (Czech republic) spol.s.r.o.	Trading of electronic products	Czech Republic	100	100
Delta Energy Systems (Spain) S.L.	Trading of electronic products	Spain	100	100
Delta Energy Systems (France) S.A.	Trading of electronic products	France	100	100
Delta Energy Systems (Italy) s.r.l.	Trading of electronic products	Italy	100	100
Delta Energy Systems (Sweden) AB.	Trading of electronic products	Sweden	100	100
Delta Energy Systems (Finland) Oy.	Manufacture and trading of electronic products	Finland	100	100
Delta Energy Systems (Poland) Sp.z.o.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC.	Trading of electronic products	Russia	100	100

The subsidiary which the Company owns through Delta Energy Systems (Singapore) Private Limited is as follow:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2012</u>	<u>2011</u>
			Percent	Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100

- 2.2.2 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.2.3 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.2.4 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 2.2.5 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.2.6 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.2.7 During the year 2012, Delta Energy Systems (Germany) GmbH entered into an agreement to dispose of its investment in Delta Renewable Energy Systems (Switzerland) AG, to an individual. The sale of this investment has now been completed and loss on disposal of this investments amounting to EUR 0.7 million (or approximately of Baht 30 million) recorded under the caption of “Other expenses” in the statement of comprehensive income.
- 2.2.8 During the year 2012, Delta Greentech International Holding Limited entered into an agreement to sell 50% of its investment in Delta Greentech SGP Pte. Ltd. to a related company. The transaction is currently in progress. However, the Company and its subsidiaries believe that they will not incur losses that would require them to consider recording impairment loss in respect of this investment.
- 2.3 The separate financial statements, which present investments in subsidiary companies under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

The management of the Company and its subsidiaries believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied. However, the Company and its subsidiaries have early adopted the new TAS NO. 12 "Incomes Taxes" before the effective date.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013

Accounting Standard Interpretation:

SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
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Financial Reporting Standard Interpretations:

TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiaries are evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue Recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Actual cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of standard cost (which approximates actual cost) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in subsidiary companies are accounted for in the separated financial statements using the cost method net of allowance for loss on diminution in value (if any).
- b) Investments in the ordinary shares of other companies, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Building	20 - 50 years
Land improvement	1 - 10 years
Machinery and equipment	5 - 20 years
Molds and toolings	2 - 10 years
Installation	1 - 20 years
Furniture, fixtures and office equipment	5 - 10 years
Computer	2 - 5 years
Motor vehicles	3 - 5 years

Depreciation is charged to profit or loss.

No depreciation is provided for land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, they are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful life of patents is approximately 20 years.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel and directors with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.10 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are charged to profit or loss.

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries

could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised as income or expenses when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed 10% of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefits liability comprises the present value of the defined benefit obligation, less unrecognised actuarial gains or losses, unrecognized past service costs and the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the reporting entity, nor can they be paid directly to the reporting entity.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.14 Research and development expenses

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

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

4.16 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters

that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. The significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The subsidiaries treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Tax assessment and litigation

The Company and its subsidiaries have contingent liabilities as a result of tax assessment and the litigation. The management has used judgment to assess the results of the litigation and believes that no loss will be resulted. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing policy
	2012	2011	2012	2011	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	9,459	8,349	With reference to market price
Purchase of raw materials	-	-	218	359	With reference to market price
Commission paid	-	-	227	234	Contract price
Marketing fee	-	-	280	231	Contract price
Design and engineering fee	-	-	1,113	1,074	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,367	1,141	1,337	1,078	With reference to market price
Purchase of goods and raw materials	3,538	1,755	286	200	With reference to market price
Commission paid	331	314	331	314	Contract price
Commission received	73	48	-	-	Contract price
Services income	93	57	-	-	Agreed upon basis

The balances of the accounts as at 31 December 2012 and 2011 between the Company, its subsidiaries and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade accounts receivables, related parties (Note 7)</u>				
Subsidiary companies	-	-	1,915	1,973
Other related companies (under common control)	362	261	311	204
Total trade accounts receivables, related parties	<u>362</u>	<u>261</u>	<u>2,226</u>	<u>2,177</u>
<u>Trade accounts payables, related parties (Note 16)</u>				
Subsidiary companies	-	-	63	72
Other related companies (under common control)	1,008	591	48	41
Total trade accounts payables, related parties	<u>1,008</u>	<u>591</u>	<u>111</u>	<u>113</u>
<u>Amounts due to related parties (Note 16)</u>				
Subsidiary companies	-	-	154	235
Other related companies (under common control)	215	126	73	118
Total amounts due to related parties	<u>215</u>	<u>126</u>	<u>227</u>	<u>353</u>

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	238	252	80	72
Post-employment benefits	14	16	1	-
Total	<u>252</u>	<u>268</u>	<u>81</u>	<u>72</u>

7. Trade and other receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade receivables, related parties</u>				
Aged on the basis of due dates				
Current	354	256	2,048	2,174
Past due 1 - 3 months	8	5	178	3
Total	362	261	2,226	2,177
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Current	5,750	5,996	2,139	2,402
Past due 1 - 3 months	846	554	199	235
Past due 3 - 6 months	69	67	3	31
Past due 6 - 12 months	19	30	-	-
Past due over 12 months	32	32	-	-
Total	6,716	6,679	2,341	2,668
Total trade accounts receivable	7,078	6,940	4,567	4,845
Less: Allowance for doubtful accounts	(141)	(106)	(12)	(11)
Total trade receivables - net	6,937	6,834	4,555	4,834
<u>Other receivables</u>				
Other receivables	90	25	8	-
Total other receivables	90	25	8	-
Trade and other receivables - net	7,027	6,859	4,563	4,834

8. Inventories

(Unit: Million Baht)

Consolidated financial statements					
Reduce cost to net realisable					
	Cost		value		Inventories-net
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u> <u>2011</u>
Finished goods	3,108	3,033	(394)	(388)	2,714 2,645
Work in process	459	561	-	-	459 561
Raw materials	2,495	3,030	(627)	(828)	1,868 2,202
Goods in transit	425	544	-	-	425 544
Total	<u>6,487</u>	<u>7,168</u>	<u>(1,021)</u>	<u>(1,216)</u>	<u>5,466</u> <u>5,952</u>

(Unit: Million Baht)

Separate financial statements					
Reduce cost to net realisable					
	Cost		value		Inventories-net
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u> <u>2011</u>
Finished goods	1,712	1,854	(157)	(175)	1,555 1,679
Work in process	395	380	-	-	395 380
Raw materials	1,592	1,826	(345)	(442)	1,247 1,384
Goods in transit	70	116	-	-	70 116
Total	<u>3,769</u>	<u>4,176</u>	<u>(502)</u>	<u>(617)</u>	<u>3,267</u> <u>3,559</u>

9. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Input tax refundable	494	342	71	69
Prepaid expenses	65	102	27	18
Prepaid tax	174	310	-	-
Forward contracts receivable	24	17	10	-
Others	95	173	19	51
Total other current assets	<u>852</u>	<u>944</u>	<u>127</u>	<u>138</u>

10. Investments in subsidiary companies

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

Company's name	(Unit: Million Baht)				
	Paid-up capital			Cost	
	Foreign				
	<u>currency</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		(Million)	(Million)		
DET International Holding Limited	USD	264	237	9,450	8,615
Delta Energy Systems (Switzerland) AG	CHF	20	20	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	THB	190	60	190	60
Delta Energy Systems (Singapore) Private Limited	USD	0.40	0.25	12	8
Subtotal				12,067	11,098
Less: Loss on impairment of investments in subsidiary companies				(2,196)	(2,196)
Investments in subsidiary companies - net				9,871	8,902

During the year, there was no dividend received from the above subsidiary companies.

11. Other long-term investments

Company's name			(Unit: Million Baht)	
	Shareholding percentage		Consolidated financial statements	
	<u>2012</u> %	<u>2011</u> %	<u>2012</u>	<u>2011</u>
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.)	8.21	8.21	457	457
Total other long-term investments			698	698
Less: Allowance for diminution in value of investments in other long-term investments			(178)	(178)
Translation adjustment			(108)	(94)
Other long-term investments - net			<u>412</u>	<u>426</u>

During the year 2012, a subsidiary of the Company received dividend amounting to approximately USD 1.49 million or equivalent to Baht 46 million from Delta Greentech (China) Company Limited (2011: USD 3.76 million or equivalent to Baht 114 million) and amounting to approximately USD 0.12 million or equivalent to Baht 4 million from IP Fund One, L.P. (2011: USD 0.01 million or equivalent to Baht 0.4 million).

12. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements									
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2011	513	2,365	6,424	1,065	993	182	515	490	12,547
Purchase/transfer in	-	540	474	67	41	126	41	37	1,326
Disposal/write-off/transfer out	(4)	-	(433)	(35)	(7)	(115)	(70)	(55)	(719)
Translation adjustment	(8)	(28)	(23)	(1)	(3)	(2)	(6)	(12)	(83)
31 December 2012	501	2,877	6,442	1,096	1,024	191	480	460	13,071
Accumulated depreciation:									
31 December 2011	-	454	4,948	967	707	-	416	285	7,777
Depreciation for the year	-	57	486	87	54	-	65	49	798
Depreciation - disposal/write-off	-	-	(367)	(34)	(7)	-	(69)	(27)	(504)
Translation adjustment	-	(3)	(15)	-	(1)	-	(5)	(6)	(30)
31 December 2012	-	508	5,052	1,020	753	-	407	301	8,041
Allowance for impairment loss:									
31 December 2011	-	39	-	-	6	-	-	1	46
31 December 2012	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2011	513	1,872	1,476	98	280	182	99	204	4,724
As at 31 December 2012	501	2,330	1,390	76	265	191	73	158	4,984
Depreciation charge									
Year 2011 (Baht 545 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									746
Year 2012 (Baht 580 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									798

(Unit: Million Baht)

[illegible]

12. Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements								
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2011	313	1,300	4,956	1,015	863	65	252	125	8,889
Purchase/transfer in	-	43	348	63	26	55	17	7	559
Disposal/write-off/transfer out	-	-	(237)	(17)	(6)	-	(41)	(14)	(315)
31 December 2012	313	1,343	5,067	1,061	884	120	228	117	9,133
Accumulated depreciation:									
31 December 2011	-	343	3,801	931	623	-	209	91	5,998
Depreciation for the year	-	24	366	79	43	-	26	7	545
Depreciation - disposal/write-off	-	-	(210)	(17)	(5)	-	(41)	(4)	(277)
31 December 2012	-	367	3,957	993	661	-	194	94	6,266
Allowance for impairment loss:									
31 December 2011	-	39	-	-	6	-	-	1	46
31 December 2012	-	39	-	-	6	-	-	1	46
Net book value:									
As at 31 December 2011	313	918	1,155	84	234	65	43	33	2,845
As at 31 December 2012	313	937	1,110	68	217	120	34	22	2,821
Depreciation charge									
Year 2011 (Baht 416 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									491
Year 2012 (Baht 474 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									545

(Unit: Million Baht)

[illegible]

As at 31 December 2012, certain machinery and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 6,125 million (2011: Baht 6,043 million).

13. Other intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

	Consolidated financial statements				(Unit: Million Baht)
					Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
Cost:					
31 December 2011	1,040	260	3	1,303	37
Purchase	-	71	3	74	35
Disposals	-	(12)	(3)	(15)	(2)
Translation adjustment	(35)	(8)	-	(43)	-
31 December 2012	1,005	311	3	1,319	70
Accumulated amortisation:					
31 December 2011	368	181	1	550	36
Amortisation for the year	51	61	-	112	9
Disposals	-	(12)	-	(12)	(1)
Translation adjustment	(14)	(5)	-	(19)	-
31 December 2012	405	225	1	631	44
Net book value:					
31 December 2011	672	79	2	753	1
31 December 2012	600	86	2	688	26

	(Unit: Million Baht)				
	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
Cost:					
31 December 2010	990	212	3	1,205	36
Purchase	-	70	-	70	1
Disposals	-	(23)	-	(23)	-
Translation adjustment	50	1	-	51	-
31 December 2011	1,040	260	3	1,303	37
Accumulated amortisation:					
31 December 2010	300	177	1	478	35
Amortisation for the year	50	25	-	75	1
Disposals	-	(22)	-	(22)	-
Translation adjustment	18	1	-	19	-
31 December 2011	368	181	1	550	36
Net book value:					
31 December 2010	690	35	2	727	1
31 December 2011	672	79	2	753	1

14. Income tax

Income tax expenses for the years ended 31 December 2012 and 2011 are made up as follows:

	(Unit: Million Baht)	
	2012	2011
Current income tax:		
Current income tax charge	50	(76)
Adjustment in respect of current income tax of previous year	(21)	(2)
Deferred tax:		
Increase (decrease) in deferred tax assets	(22)	30
Increase in deferred tax liabilities	(16)	(8)
Translation adjustment	-	1
Income tax expenses reported in the statement of comprehensive income	(9)	(55)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2012 and 2011.

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Accounting profit before tax	4,357	2,919
Income tax at Thai corporate income tax rate of 23% (2554: 30%)	(1,002)	(876)
Adjust in respect to current income tax of previous years	(21)	(2)
Tax savings from investment promotion	1,080	1,053
Difference in tax rates of subsidiaries in overseas countries	4	(17)
Tax effect of loss for the current year	(46)	(246)
Write off deferred tax assets	-	(54)
Others	(24)	87
Income tax expenses reported in the statement of comprehensive income	(9)	(55)

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries are 0% to 41%.

As of 31 December 2012 and 2011, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Deferred tax assets		
Allowance for doubtful accounts	11	-
Allowance for diminution in value of inventories	83	50
Bonus payable	19	39
Provision for warranty	46	28
Tax savings from promotional privileges	119	121
Others	41	23
Total	319	261
Deferred tax liabilities		
Difference depreciation for tax purpose	49	33
Total	49	33

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The changes in tax rates do not significantly impact the Company's deferred tax calculation because the Company has been granted tax privileges by the Board of Investment for the manufacture of its products.

As at 31 December 2012 the Company and its subsidiaries have unused tax losses totaling Baht 28 million, INR 151 million and EUR 61 million (2011: Baht 44 million, INR 617 million and EUR 67 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

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

	Interest rates		(Unit: Million Baht)	
	(percent per annum)		Consolidated	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Bank overdrafts	-	11.00	-	9
Short-term loans from financial institutions	0.86 – 12.50	1.03 - 15.36	661	1,013
Total			<u>661</u>	<u>1,022</u>

16. Trade and other payables

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related parties	1,008	591	111	113
Trade payables - unrelated parties	4,407	4,369	3,407	3,403
Amount due to related parties	215	126	227	353
Other payables	484	536	400	364
Accrued expenses	1,840	1,364	810	575
Advance received	190	187	122	101
Total trade and other payables	<u>8,144</u>	<u>7,173</u>	<u>5,077</u>	<u>4,909</u>

17. Other current liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Forward contracts payable	4	58	-	24
Withholding tax payable	89	86	51	59
Value added tax payable	70	64	-	-
Others	78	54	11	8
Total other current liabilities	241	262	62	91

18. Provision for long-term employee benefits

The amount related to long-term employee benefits recognised in the statements of comprehensive income and the statements of financial position are summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current service cost	57	50	19	7
Interest cost	68	70	7	4
Expected return on plan assets	(29)	(29)	-	-
Recognised actuarial losses	23	13	20	-
Recognised service costs	(21)	-	-	-
Long-term employee benefit expenses for the year	98	104	46	11

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligation	(2,163)	(1,978)	(222)	(206)
Fair value of plan assets	729	733	-	-
	(1,434)	(1,245)	(222)	(206)
Unrecognised actuarial losses	568	393	105	125
Provisions for long-term employee benefits as at 31 December	(866)	(852)	(117)	(81)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligation at beginning of year	(1,978)	(1,845)	(206)	(96)
Current service cost	(57)	(50)	(19)	(7)
Interest cost	(68)	(70)	(7)	(4)
Contribution by plan participants	(19)	(20)	-	-
Benefits paid during the year	112	171	10	6
Actuarial losses	(187)	(97)	-	(105)
Past service costs	21	-	-	-
Translation adjustments	13	(67)	-	-
Defined benefit obligation at end of year	<u>(2,163)</u>	<u>(1,978)</u>	<u>(222)</u>	<u>(206)</u>

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Fair value of plan assets at beginning of year	733	684	-	-
Expected return from plan assets	29	29	-	-
Contributions by employer	24	22	-	-
Contribution by plan participants	19	20	-	-
Benefits paid during the year	(60)	(57)	-	-
Actuarial losses	(13)	(1)	-	-
Translation adjustments	(3)	36	-	-
Fair value of plan assets at end of year	<u>729</u>	<u>733</u>	<u>-</u>	<u>-</u>

The amount of each major category constitutes of the fair value of the total plan assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Debt securities	118	126	-	-
Equity securities	178	148	-	-
Properties	302	334	-	-
Others	32	125	-	-

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rates	1.8 - 8.8	2.6 - 7.5	3.7	3.7
Expected rates of return on plan assets	4.0 - 8.5	4.0 - 8.5	-	-
Future salary increase rates (depending on age)	1.0 - 8.5	2.0 - 8.5	8.0	8.0
Future pension increase rates	0.5 - 2.0	0.5 - 2.0	-	-
Staff turnover rates	0.0 - 26.0	0.5 - 23.3	3.0 - 12.0	3.0 - 12.0

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

(Unit: Million Baht)

	Consolidated financial statements				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Defined benefit obligation	(2,163)	(1,978)	(1,845)	(1,897)	(1,828)
Fair value of plan assets	729	733	684	672	725
Deficit	(1,434)	(1,245)	(1,161)	(1,225)	(1,103)
Loss from experience adjustments on plan Liabilities	(1)	(33)	(15)	(3)	(14)
Loss from experience adjustments on plan assets	-	(1)	(7)	(16)	(14)

(Unit: Million Baht)

	Separate financial statements				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Defined benefit obligation	(222)	(206)	(96)	(85)	(83)
Loss from experience adjustments on plan Liabilities	-	(81)	-	-	(47)

19. Provisions

These comprise the following:

	Consolidated financial statements				(Unit: Million Baht)	
					Separate financial statements	
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
Balance as at 31 December 2010	9	238	131	378	22	22
Recognition during year	19	1,215	311	1,545	5	5
Reversal during year	(8)	(1,254)	(185)	(1,447)	(11)	(11)
Translation adjustment/unrealised loss on exchange rate	-	6	-	6	1	1
Balance as at 31 December 2011	20	205	257	482	17	17
Recognition during year	186	222	112	520	20	20
Decrease during year	(49)	-	(66)	(115)	-	-
Reversal during year	(6)	(165)	(207)	(378)	(17)	(17)
Translation adjustment	2	(2)	(5)	(5)	-	-
Balance as at 31 December 2012	153	260	91	504	20	20
Short-term provisions	18	14	224	256	-	-
Long-term provisions	2	191	33	226	17	17
Balance as at 31 December 2011	20	205	257	482	17	17
Short-term provisions	152	23	70	245	-	-
Long-term provisions	1	237	21	259	20	20
Balance as at 31 December 2012	153	260	91	504	20	20

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Dividends

Dividends declared in 2012 and 2011 consisted of the followings:

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for year 2011	Annual General Meeting of the shareholders on 30 March 2012	1,497	1.20
Final dividend for year 2010	Annual General Meeting of the shareholders on 1 April 2011	2,121	1.70

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Salaries, wages and other employee benefits	6,831	6,460	3,245	2,876
Raw materials used and purchase of finished goods	24,881	25,102	16,304	16,674
Changes in inventories of finished goods and work in progress	(27)	(319)	(127)	(318)
Depreciation	798	746	545	491
Commission expenses	657	538	633	600
Marketing fee	5	12	285	231
Design and engineering fee	258	356	1,113	1,074
Amortisation of intangible assets	112	75	9	1
Restructuring expenses	180	11	-	-

23. Promotional privileges

The Company was granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company are as follows:

Details								
1. Certificate No.	1404(1)/2544	1571(2)/2549	1710(2)/2549	1541(2)/2552	1494(2)/2552	2113(2)/2553	2061(1)/2553	2062(1)/2553
2. Promotional privileges for	Manufacturing of DC FAN	Manufacturing of monitors and televisions	Manufacturing of SPS and electro-magnetic products	Manufacturing of electro-magnetic products	Manufacturing of DC FAN	Manufacturing of monitors	Manufacturing of telecommunication and electronics products for vehicle	Manufacturing of telecommunication
3. The significant privileges are								
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	7 years	5 years	5 years	7 years	7 years	5 years	8 years	8 years
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Granted	Non – granted	Non – granted	Granted	Granted	Non – granted	Non – granted	Granted
3.4 Allowance to additionally deduct 5% of any increment in export income over the preceding year for ten years, providing that the export income of that year is not lower than the average export earnings of the three preceding years, except during the first two years.	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted	Non – granted
4. Date of first earning operating income	2 June 2006	Waiting for close certificate	27 January 2009	4 January 2010	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

	(Unit: Million Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Separate financial statements</u>						
Sales						
Domestic sales	647	596	-	-	647	596
Export sales	26,946	25,591	97	109	27,043	25,700
Total	<u>27,593</u>	<u>26,187</u>	<u>97</u>	<u>109</u>	<u>27,690</u>	<u>26,296</u>

Significant tax privileges which were granted to subsidiaries of the Company are as follows:-

- Delta Green Industrial (Thailand) Company Limited was granted promotional privileges by the Board of Investment for the manufacture of Inverters, pursuant to the promotion certificate No. 1813(2)/2554 issued on 10 May 2012, and the manufacture of Electric light bulbs and Display monitors, pursuant to the promotion certificate No. 1814(2)/2554 issued on 24 May 2012. Subject to certain imposed conditions, the privileges include the followings:-
 - 1) an exemption from corporate income tax on all profit from the promoted operations for a period of seven years from the date those operations commence generating revenues, with the exemption capped at 100 percent of investment, excluding land costs and working capital.
 - 2) an exemption from import duty on machinery as approved by the Board of Investment.
 - 3) an exemption from import duty on raw materials and significant supplies used in export production.

The subsidiary is in the process of applying for approval to commence the operations.

- Delta Electronics (Slovakia) s.r.o. was granted tax privileges by the Government of Slovakia for the manufacture of Power Supply and Solar inverters on 22 December 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 10 years from the year in which the promoted operations commenced, which was 2010. The exemption is capped at EUR 6.2 million.

- Delta Power Solutions (India) Private Limited was granted tax privileges by the Government of India for the manufacture of Telecom Power Systems and Un-interrupted Power Solutions on 1 April 2008. The privileges include exemption from corporate income tax for a period of five years from the date the promoted operations commence generating revenues and a 30% reduction of corporate income tax on income derived from the promoted operations for a period of five years after the tax-exemption period ends.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

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

Consolidated financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity						
holders of the Company	4,347	2,864	1,247	1,247	3.49	2.30

Separate financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares				
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity						
holders of the Company	4,407	3,476	1,247	1,247	3.53	2.79

25. Financial information by segment

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture, distribution and servicing of electronic products and are mainly carried on both in Thailand and overseas. The financial information of the Company and its subsidiaries by geographical segment for the years ended 31 December 2012 and 2011 is as follows:

															(Unit: Million Baht)	
															Consolidated	
															financial statements	
	Thailand		Asia		Australia		America		Europe		Total		Eliminated			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	18,241	17,947	2,495	2,765	-	-	12,716	9,991	7,327	7,731	40,779	38,434	-	-	40,779	38,434
Inter-segment revenues	9,469	8,349	172	324	31	11	75	62	5,310	5,278	15,057	14,024	(15,057)	(14,024)	-	-
Total revenues	<u>27,710</u>	<u>26,296</u>	<u>2,667</u>	<u>3,089</u>	<u>31</u>	<u>11</u>	<u>12,791</u>	<u>10,053</u>	<u>12,637</u>	<u>13,009</u>	<u>55,836</u>	<u>52,458</u>	<u>(15,057)</u>	<u>(14,024)</u>	<u>40,779</u>	<u>38,434</u>
Segment profit (loss)	3,906	3,159	(66)	(182)	-	1	(22)	(1)	59	(456)	3,877	2,521			3,854	2,422
Unallocated income (expenses):																
Others															597	595
Finance cost															(95)	(98)
Income tax expenses															(9)	(55)
Profit for the year - attributable to equity holders of the Company															<u>4,347</u>	<u>2,864</u>

															(Unit: Million Baht)	
															Consolidated	
															financial statements	
	Thailand		Asia		Australia		America		Europe		Total		Eliminated		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Property, plant and equipment	2,895	2,859	691	789	1	-	35	46	1,362	1,030	4,984	4,724	-	-	4,984	4,724
Unallocated assets															28,091	25,175
Total assets															33,075	29,899

Transfer prices between business segments are as set out in Note 6 to the financial statements.

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 6 percent of basic salary. The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. During the year 2012, the Company contributed Baht 25,423,353 (2011: Baht 22,804,747) to the fund.

27. Commitments and contingent liabilities

27.1 Capital commitments and operating lease commitments

27.1.1 As at 31 December 2012, the Company and its subsidiaries had significant capital commitments amounting to Baht 0.2 million in respect of the building construction (2011: Baht 45 million) and amounting to Baht 95 million and INR 3 million in respect of the purchase of machinery and equipment (2011: Baht 152 million, INR 10 million and EUR 0.5 million).

27.1.2 As at 31 December 2012, the subsidiaries had significant operating lease commitments amounting to CHF 0.8 million, EUR 5 million and INR 145 million (2011: CHF 1.2 million, EUR 4.4 million and INR 179 million).

27.2 Guarantee obligations

As at 31 December 2012, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

27.2.1 Outstanding letters of guarantee totaling approximately Baht 1,161 million (2011: Baht 758 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (2011: Baht 734 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 27.3.1 to the financial statements).

27.2.2 Outstanding letters of guarantee for totals of approximately INR 142 million, EUR 2 million and USD 2 million have been issued by banks to meet requirements of its subsidiaries (2011: INR 159 million, EUR 1 million and USD 2 million).

27.3 Tax assessment

27.3.1 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’s 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 the revocation only that part of the tax assessment made by the Revenue Department and the appeal judgment of the Committee relating to penalties, which it ordered be reduced by 50%. The Company’s remaining petitions were dismissed. The independent legal counselor of the Company believes that the Company will win all the case, and the Company therefore submitted a letter appealing the judgment of the Central Tax Court’s to the Tax Division of the Supreme Tax 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. The appeal is currently under consideration by the Committee.

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.

27.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 102 million, covering the years 2003 - 2012, and sales tax and excise duties of approximately INR 222 million, covering the years 2005 - 2010, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 31 December 2012, those subsidiaries had recorded prepaid tax amounting to approximately INR 246 million and income tax payable amounting to INR 89 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.

27.4 Litigation

As at 31 December 2012, two lawsuits had been filed against an overseas subsidiary, claiming a total of INR 5 million. The case is currently being heard by the Court. However, the management of the Company and the subsidiary believe that no significant damage will be suffered by the Company and the subsidiary and no provision for the contingent liability has therefore been set aside in the accounts.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, investments, short-term loans, accounts payable and other accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable and other receivable as stated in the statement of financial position.

Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements

As at 31 December 2012

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over		Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	473	-	-	10,879	1,430	12,782	0.01 - 3.58
Trade receivables	-	-	-	-	6,937	6,937	-
Other receivables	-	-	-	-	90	90	-
Deposits at bank with restrictions	149	-	-	2	-	151	0.52
Total	622	-	-	10,881	8,457	19,960	

Financial liabilities

Bank overdraft and short-term

loans from financial institutions	661	-	-	-	-	661	0.86 - 12.50
Trade payables	-	-	-	-	5,415	5,415	-
Amount due to related parties	-	-	-	-	215	215	-
Other payables	-	-	-	-	484	484	-
Total	661	-	-	-	6,114	6,775	

Consolidated financial statements

As at 31 December 2011

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over		Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	362	-	-	8,237	914	9,513	0.01 - 8.25
Trade receivables	-	-	-	-	6,834	6,834	-
Other receivables	-	-	-	-	25	25	-
Deposits at bank with restrictions	114	-	-	2	-	116	0.52
Total	476	-	-	8,239	7,773	16,488	

Financial liabilities

Bank overdraft and short-term

loans from financial institutions	1,022	-	-	-	-	1,022	1.03 - 15.36
Trade payables	-	-	-	-	4,960	4,960	-
Amount due to related parties	-	-	-	-	126	126	-
Other payables	-	-	-	-	536	536	-
Total	1,022	-	-	-	5,622	6,644	

Separate financial statements						
As at 31 December 2012						
Fixed interest rates						Interest rate (% p.a.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	
(Million Baht)						
Financial assets						
Cash and cash equivalents	-	-	8,697	-	8,697	0.10 - 2.45
Trade receivables	-	-	-	4,555	4,555	-
Other receivables	-	-	-	8	8	-
Total	-	-	8,697	4,563	13,260	
Financial liabilities						
Trade payables	-	-	-	3,518	3,518	-
Amount due to related parties	-	-	-	227	227	-
Other payables	-	-	-	400	400	-
Total	-	-	-	4,145	4,145	

Separate financial statements						
As at 31 December 2011						
Fixed interest rates						Interest rate (% p.a.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	
(Million Baht)						
Financial assets						
Cash and cash equivalents	-	-	6,009	-	6,009	0.02 - 2.95
Trade receivables	-	-	-	4,834	4,834	-
Total	-	-	6,009	4,834	10,843	
Financial liabilities						
Trade payables	-	-	-	3,516	3,516	-
Amount due to related parties	-	-	-	353	353	-
Other payables	-	-	-	364	364	-
Total	-	-	-	4,233	4,233	

Foreign currency risk

The Company and its subsidiaries have significant foreign currency risk in respect of the purchase and sales transactions, lending and borrowing, and investments in foreign companies. As at 31 December 2012 and 2011, outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	As at 31 December					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	133	125	120	97	30.6316	31.6912
Euro	14	32	7	5	40.5563	41.0274
Japanese yen	47	45	76	156	0.3545	0.4084
Czech koruna	-	22	-	-	-	1.5947
Russian ruble	-	53	-	1	-	0.9868
Polish zloty	23	14	1	3	9.9557	9.3180

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate except for the foreign currency risk arising from investments in foreign countries, which the Company and its subsidiaries consider to have an insignificant effect to the financial statements.

As at 31 December 2012 and 2011, the outstanding derivatives are as follows:

Forward contracts

	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

	As at 31 December 2011					
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	98	million	30.83500 - 31.56000	THB/USD	January – March 2012
USD/CHF	USD	4	million	0.91600 - 0.93600	CHF/USD	January 2012
EUR/USD	EUR	6	million	1.30130 - 1.34688	USD/EUR	January 2012
EUR/CHF	EUR	10	million	1.21730 - 1.23890	CHF/EUR	January 2012
PLN/CHF	PLN	7	million	3.60250 - 3.70650	PLN/CHF	January 2012
USD/TRY	USD	3	million	1.82600 - 1.87200	TRY/USD	January 2012
Forward contracts to “Buy”						
EUR/USD	EUR	1	million	1.30790	USD/EUR	January 2012
USD/RUB	USD	4	million	31.22590 - 32.04380	RUB/USD	January 2012
USD/INR	USD	5	million	51.91500 - 53.90000	INR/USD	January – March 2012
USD/BRL	USD	1	million	1.88310	BRL/USD	January 2012
USD/CHF	USD	1	million	0.93590	CHF/USD	January 2012

28.2 Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

29. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 0.47:1 (2011: 0.50:1) and the Company's was 0.22:1 (2011: 0.24:1).

30. Approval of financial statements

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

► Company General Information

Name	Delta Electronics (Thailand) Public Company Limited
Company Registration Number	0107537002559
Contact Address	909 Soi 9, Moo 4, E.P.Z., Bangpoo Industrial Estate, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn Province 10280, Thailand Tel. : (662) 709-2800 Fax : (662) 709-2833
Nature of Business	Manufacturing and exporting of power supplies and other electronic equipment and components
Home Page	www.deltathailand.com
Registered Share Capital	1,259,000,000 ordinary shares at par value of Baht 1
Paid up Capital	1,247,381,614 ordinary shares at par value of Baht 1 (As of 10 January 2013)
Juristic persons which Company holds more than 10%	Please find details in the section of “Investment Structure”
References	1. Auditor Ernst & Young Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 264-0777, (662) 661-9190 Fax : (662) 264-0789, (662) 661-9192 2. Share Registrar Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 229-2800 Fax : (662) 359-1259