

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2015

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2015, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2015, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 19.3.1 to the financial statements regarding the Company's receipt of notice of a corporate income tax assessment from the Revenue Department, covering the years 1997 through 2004. My conclusion is not qualified in respect of this matter.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

Bangkok: 27 July 2015

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Restated)	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Restated)
Assets					
Current assets					
Cash and cash equivalents		16,549,979	17,931,328	10,636,018	11,743,380
Trade and other receivables	5	9,479,275	8,370,665	6,849,377	6,020,277
Inventories		6,267,031	5,320,242	3,655,137	3,309,755
Other current assets	7	853,068	671,905	119,008	99,215
Total current assets		33,149,353	32,294,140	21,259,540	21,172,627
Non-current assets					
Deposits at bank with restrictions		68,976	76,768	-	-
Investments in subsidiary companies	8	-	-	10,750,924	10,750,924
Investment properties	9	225,811	245,195	-	-
Property, plant and equipment	10	4,555,158	4,361,267	2,505,177	2,341,438
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	11	556,930	582,985	5,018	8,401
Deferred tax assets		271,144	317,362	-	-
Other non-current assets		65,662	60,101	1,750	2,573
Total non-current assets		6,050,439	5,950,436	13,262,869	13,103,336
Total assets		39,199,792	38,244,576	34,522,409	34,275,963

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Restated)	(Unaudited but reviewed)	(Restated)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		270,984	249,600	-	-
Trade and other payables	12	9,874,617	8,659,603	6,858,214	5,945,428
Income tax payable		98,179	38,470	-	-
Short-term provisions	15	175,742	139,169	-	-
Other current liabilities	13	363,980	302,196	35,966	100,586
Total current liabilities		10,783,502	9,389,038	6,894,180	6,046,014
Non-current liabilities					
Deferred tax liabilities		41,925	56,923	-	-
Provision for long-term employee benefits	14	1,343,391	1,334,216	239,912	227,551
Long-term provisions	15	308,239	285,324	197,827	175,623
Other non-current liabilities		10,286	12,874	1,160	1,190
Total non-current liabilities		1,703,841	1,689,337	438,899	404,364
Total liabilities		12,487,343	11,078,375	7,333,079	6,450,378
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 ordinary shares of Baht 1 each		1,259,000	1,259,000	1,259,000	1,259,000
Issued and fully paid-up					
1,247,381,614 ordinary shares of Baht 1 each		1,247,382	1,247,382	1,247,382	1,247,382
Share premium		1,491,912	1,491,912	1,491,912	1,491,912
Retained earnings					
Appropriated - Statutory reserve		125,900	125,900	125,900	125,900
Unappropriated		25,731,335	26,260,026	24,324,136	24,960,391
Other components of shareholders' equity		(1,884,080)	(1,959,019)	-	-
Equity attributable to owners of the Company		26,712,449	27,166,201	27,189,330	27,825,585
Total shareholders' equity		26,712,449	27,166,201	27,189,330	27,825,585
Total liabilities and shareholders' equity		39,199,792	38,244,576	34,522,409	34,275,963
		-	-	-	-

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

Directors

(Unaudited but reviewed)

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

For the three-month period ended 30 June 2015

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

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Profit or loss:					
Revenues					
Sales and service income		11,466,020	10,956,893	7,899,223	7,361,400
Other income					
Interest income		43,698	44,022	36,701	38,209
Gain on exchange		79,609	58,493	236,264	55,775
Others		89,780	86,831	61,393	39,118
Total revenues		<u>11,679,107</u>	<u>11,146,239</u>	<u>8,233,581</u>	<u>7,494,502</u>
Expenses					
Cost of sales and services		8,342,109	8,027,713	5,714,358	5,302,556
Selling expenses		739,371	667,982	217,310	218,780
Administrative expenses		390,428	406,260	241,436	252,782
Research and development expenses		388,150	496,700	332,221	491,708
Other expenses		44,908	42,017	6,394	13
Total expenses		<u>9,904,966</u>	<u>9,640,672</u>	<u>6,511,719</u>	<u>6,265,839</u>
Profit before share of profit from investment					
in an associated company, finance cost and					
income tax expenses					
		1,774,141	1,505,567	1,721,862	1,228,663
Share of profit from investment					
in an associated company		-	169	-	-
Profit before finance cost and					
income tax expenses		1,774,141	1,505,736	1,721,862	1,228,663
Finance cost		(9,274)	(23,445)	-	-
Profit before income tax expenses		<u>1,764,867</u>	<u>1,482,291</u>	<u>1,721,862</u>	<u>1,228,663</u>
Income tax expenses	17	(61,596)	3,461	(4,364)	-
Profit for the period		<u>1,703,271</u>	<u>1,485,752</u>	<u>1,717,498</u>	<u>1,228,663</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2015

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

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	461,463	33,107	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	461,463	33,107	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	-	(44,415)	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	(44,415)	-	-
Other comprehensive income for the period	<u>461,463</u>	<u>(11,308)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,164,734</u>	<u>1,474,444</u>	<u>1,717,498</u>	<u>1,228,663</u>
Profit attributable to:				
Equity holders of the Company	<u>1,703,271</u>	<u>1,485,752</u>	<u>1,717,498</u>	<u>1,228,663</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>2,164,734</u>	<u>1,474,444</u>	<u>1,717,498</u>	<u>1,228,663</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.37</u>	<u>1.19</u>	<u>1.38</u>	<u>0.98</u>

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

(Unaudited but reviewed)

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

For the six-month period ended 30 June 2015

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

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Profit or loss:					
Revenues					
Sales and service income		22,453,474	21,709,886	15,654,985	14,373,161
Other income					
Interest income		105,766	99,668	88,509	86,951
Gain on exchange		128,841	133,407	219,024	59,026
Others		147,090	184,574	86,789	91,230
Total revenues		<u>22,835,171</u>	<u>22,127,535</u>	<u>16,049,307</u>	<u>14,610,368</u>
Expenses					
Cost of sales and services		16,291,448	15,876,365	11,314,159	10,268,701
Selling expenses		1,440,383	1,359,355	436,778	434,149
Administrative expenses		764,470	873,176	477,953	550,761
Research and development expenses		827,741	974,244	702,299	927,392
Other expenses		79,625	79,796	7,864	14,450
Total expenses		<u>19,403,667</u>	<u>19,162,936</u>	<u>12,939,053</u>	<u>12,195,453</u>
Profit before share of profit from investment in an associated company, finance cost and income tax expenses					
		3,431,504	2,964,599	3,110,254	2,414,915
Share of profit from investment in an associated company		-	232	-	-
Profit before finance cost and income tax expenses					
		3,431,504	2,964,831	3,110,254	2,414,915
Finance cost		(17,512)	(43,774)	-	-
Profit before income tax expenses					
		3,413,992	2,921,057	3,110,254	2,414,915
Income tax expenses	17	(152,050)	(41,145)	(4,364)	-
Profit for the period		<u>3,261,942</u>	<u>2,879,912</u>	<u>3,105,890</u>	<u>2,414,915</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2015

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

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	<u>74,939</u>	<u>12,648</u>	<u>-</u>	<u>-</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>74,939</u>	<u>12,648</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	<u>(48,488)</u>	<u>(88,809)</u>	<u>-</u>	<u>-</u>
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>(48,488)</u>	<u>(88,809)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>26,451</u>	<u>(76,161)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>3,288,393</u>	<u>2,803,751</u>	<u>3,105,890</u>	<u>2,414,915</u>
Profit attributable to:				
Equity holders of the Company	<u>3,261,942</u>	<u>2,879,912</u>	<u>3,105,890</u>	<u>2,414,915</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>3,288,393</u>	<u>2,803,751</u>	<u>3,105,890</u>	<u>2,414,915</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>2.62</u>	<u>2.31</u>	<u>2.49</u>	<u>1.94</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other component of shareholders' equity	
Balance as at 31 December 2013 - as previously reported	1,247,382	1,491,912	125,900	24,098,351	(1,637,864)	(1,637,864)	25,325,681
Cumulative effect of change in accounting policy	-	-	-	(269,008)	-	-	(269,008)
Balance as at 31 December 2013 - as restated	1,247,382	1,491,912	125,900	23,829,343	(1,637,864)	(1,637,864)	25,056,673
Profit for the period	-	-	-	2,879,912	-	-	2,879,912
Other comprehensive income for the period	-	-	-	(88,809)	12,648	12,648	(76,161)
Total comprehensive income for the period	-	-	-	2,791,103	12,648	12,648	2,803,751
Dividend paid (Note 16)	-	-	-	(3,367,930)	-	-	(3,367,930)
Balance as at 30 June 2014	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>23,252,516</u>	<u>(1,625,216)</u>	<u>(1,625,216)</u>	<u>24,492,494</u>
Balance as at 31 December 2014 - as previously reported	1,247,382	1,491,912	125,900	26,692,071	(1,959,019)	(1,959,019)	27,598,246
Cumulative effect of change in accounting policy (Note 3)	-	-	-	(432,045)	-	-	(432,045)
Balance as at 31 December 2014 - as restated	1,247,382	1,491,912	125,900	26,260,026	(1,959,019)	(1,959,019)	27,166,201
Profit for the period	-	-	-	3,261,942	-	-	3,261,942
Other comprehensive income for the period	-	-	-	(48,488)	74,939	74,939	26,451
Total comprehensive income for the period	-	-	-	3,213,454	74,939	74,939	3,288,393
Dividend paid (Note 16)	-	-	-	(3,742,145)	-	-	(3,742,145)
Balance as at 30 June 2015	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>25,731,335</u>	<u>(1,884,080)</u>	<u>(1,884,080)</u>	<u>26,712,449</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand 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 2013 - as previously reported	1,247,382	1,491,912	125,900	23,223,078	26,088,272
Cumulative effect of change in accounting policy	-	-	-	(83,494)	(83,494)
Balance as at 31 December 2013 - as restated	1,247,382	1,491,912	125,900	23,139,584	26,004,778
Profit for the period	-	-	-	2,414,915	2,414,915
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,414,915	2,414,915
Dividend paid (Note 16)	-	-	-	(3,367,930)	(3,367,930)
Balance as at 30 June 2014	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>22,186,569</u>	<u>25,051,763</u>
Balance as at 31 December 2014 - as previously reported	1,247,382	1,491,912	125,900	25,038,522	27,903,716
Cumulative effect of change in accounting policy (Note 3)	-	-	-	(78,131)	(78,131)
Balance as at 31 December 2014 - as restated	1,247,382	1,491,912	125,900	24,960,391	27,825,585
Profit for the period	-	-	-	3,105,890	3,105,890
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,105,890	3,105,890
Dividend paid (Note 16)	-	-	-	(3,742,145)	(3,742,145)
Balance as at 30 June 2015	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>24,324,136</u>	<u>27,189,330</u>

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

(Unaudited but reviewed)

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

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Cash flows from operating activities:				
Profit before tax	3,413,992	2,921,057	3,110,254	2,414,915
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	383,901	390,952	286,239	269,422
Amortisation of other intangible assets	41,260	49,077	4,570	7,143
Recording of allowance for doubtful accounts (reversal)	30,789	594	815	(8,945)
Decrease of inventory to net realisable value (reversal)	(30,407)	75,582	(73,489)	14,151
Losses from write-off inventories	125,472	77,357	101,071	52,971
Increase in provision for long-term employee benefits	39,890	57,868	15,591	14,105
Recording of the increase in provisions (reversal)	69,470	(71,368)	18,566	10,574
Share of profit from investment in an associated company	-	(232)	-	-
(Gain) loss from disposal of property, plant and equipment	(6)	(2,738)	69	(2,577)
Allowance for impairment loss on assets	4,142	-	4,142	-
Loss on disposal of other intangible assets	-	5,163	-	-
Unrealised (gain) loss on exchange	(46,188)	134,980	(114,501)	151,954
Interest income	(105,766)	(99,668)	(88,509)	(86,951)
Interest expenses	17,512	43,774	-	-
Profit from operating activities before changes in operating assets and liabilities	3,944,061	3,582,398	3,264,818	2,836,762
(Increase) decrease in operating assets:				
Trade and other receivables	(1,071,614)	(711,176)	(755,916)	430,387
Inventories	(1,041,854)	18,238	(372,964)	(383,840)
Other current assets	(196,295)	355	(28,101)	14,050
Other non-current assets	(5,561)	(4,494)	823	(3,302)
Increase (decrease) in operating liabilities:				
Trade and other payables	1,173,250	178,516	849,216	(314,619)
Other current liabilities	53,028	(189,684)	(66,752)	(72,221)
Provision for long-term employee benefits	(21,704)	(17,743)	(3,230)	(5,320)
Provisions	(10,232)	(19,444)	-	-
Other non-current liabilities	(2,588)	3,081	(30)	141
Cash flows from operating activities	2,820,491	2,840,047	2,887,864	2,502,038
Cash received from interest income	107,760	99,716	89,568	87,382
Cash paid for interest expenses	(10,838)	(40,017)	-	-
Cash paid for corporate income tax	(73,618)	(20,573)	(5,397)	(1,686)
Net cash flows from operating activities	2,843,795	2,879,173	2,972,035	2,587,734

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	7,793	15,013	-	-
Acquisition of property, plant and equipment	(648,054)	(372,748)	(455,630)	(264,109)
Proceeds from disposal of property, plant and equipment	7,254	8,098	1,441	6,359
Increase in other intangible assets	(4,781)	(22,807)	(1,187)	(1,367)
Net cash flows used in investing activities	<u>(637,788)</u>	<u>(372,444)</u>	<u>(455,376)</u>	<u>(259,117)</u>
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	21,384	(26,280)	-	-
Dividend paid	(3,742,145)	(3,367,930)	(3,742,145)	(3,367,930)
Net cash flows used in financing activities	<u>(3,720,761)</u>	<u>(3,394,210)</u>	<u>(3,742,145)</u>	<u>(3,367,930)</u>
Increase in translation adjustments	<u>98,445</u>	<u>33,288</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(1,416,309)</u>	<u>(854,193)</u>	<u>(1,225,486)</u>	<u>(1,039,313)</u>
Unrealised gain (loss) on exchange for cash and cash equivalents	34,960	(27,997)	118,124	(15,374)
Cash and cash equivalents at beginning of period	<u>17,931,328</u>	<u>14,952,793</u>	<u>11,743,380</u>	<u>9,591,930</u>
Cash and cash equivalents at end of period	<u>16,549,979</u>	<u>14,070,603</u>	<u>10,636,018</u>	<u>8,537,243</u>
	-	-	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2015

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014.

1.3 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 3 to the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of *TAS 27 Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiaries.

TFRS 11 Joint Arrangements

TFRS 11 supersedes *TAS 31 Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiaries.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the financial statements of the Company and its subsidiaries.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.3 to the financial statements.

3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.3 and Note 2 to the financial statements, during the current period, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

As at 31 December 2014

	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in provision for long-term employee benefits	432	78
Decrease in unappropriated retained earnings	(432)	(78)

(Unit: Million Baht)

For the three-month period ended
30 June 2014

	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Profit or loss:		
Decrease (increase) in actuarial losses	(5)	2
Increase (decrease) in profit	(5)	2
Other comprehensive income:		
Increase in actuarial losses	(44)	-
Decrease in other comprehensive income	(44)	-
Earnings per share (Baht):		
Increase (decrease) in basic earnings per share	(0.004)	0.002

(Unit: Million Baht)

For the six-month period ended
30 June 2014

	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Profit or loss:		
Decrease (increase) in actuarial losses	(10)	3
Increase (decrease) in profit	(10)	3
Other comprehensive income:		
Increase in actuarial losses	(89)	-
Decrease in other comprehensive income	(89)	-
Earnings per share (Baht):		
Increase (decrease) in basic earnings per share	(0.008)	0.002

4. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,720	2,081	With reference to market prices
Purchase of raw materials	-	-	3	11	With reference to market prices
Commission paid	-	-	58	74	Contract prices
Marketing fee	-	-	51	71	Contract prices
Design and engineering fee	-	-	148	310	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	350	349	346	307	With reference to market prices
Purchase of goods and raw materials	1,365	981	96	49	With reference to market prices
Commission paid	103	89	103	89	Contract prices
Commission received	16	17	-	-	Contract prices
Services income	81	77	-	-	Contract prices
Services paid	16	13	16	13	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	5,218	4,264	With reference to market prices
Purchase of raw materials	-	-	17	26	With reference to market prices
Commission paid	-	-	100	143	Contract prices
Marketing fee	-	-	103	151	Contract prices
Design and engineering fee	-	-	354	578	Contract prices

Transactions with related parties

Sales of goods and raw materials	672	690	661	572	With reference to market prices
Purchase of goods and raw materials	2,290	1,671	188	88	With reference to market prices
Commission paid	205	178	205	178	Contract prices
Commission received	23	33	-	-	Contract prices
Services income	155	126	-	-	Contract prices
Services paid	31	28	31	28	Contract prices

The balances of the accounts as at 30 June 2015 and 31 December 2014 between the Company, its subsidiaries and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 5)</u>				
Subsidiary companies	-	-	2,755	2,464
Other related companies (under common control)	440	420	354	343
Total trade receivables, related parties	<u>440</u>	<u>420</u>	<u>3,109</u>	<u>2,807</u>
<u>Trade payables - related parties (Note 12)</u>				
Subsidiary companies	-	-	26	27
Other related companies (under common control)	1,214	810	99	28
Total trade payables, related parties	<u>1,214</u>	<u>810</u>	<u>125</u>	<u>55</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
		(Audited)		(Audited)
<u>Amounts due to related parties (Note 12)</u>				
Subsidiary companies	-	-	167	112
Other related companies (under common control)	111	66	67	25
Total amounts due to related parties	111	66	234	137

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	32	41	15	14
Post-employment benefits	4	5	2	2
Total	36	46	17	16

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	71	88	29	27
Post-employment benefits	8	10	4	4
Total	79	98	33	31

(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Aged on the basis of due dates				
Not yet due	431	418	3,013	2,745
Past due				
Up to 3 months	9	1	64	59
3 - 6 months	-	1	32	3
Total	440	420	3,109	2,807
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,823	7,003	3,496	2,965
Past due				
Up to 3 months	1,141	881	243	247
3 - 6 months	77	55	1	-
6 - 12 months	45	61	1	1
Over 12 months	93	44	-	-
Total	9,179	8,044	3,741	3,213
Total trade receivables	9,619	8,464	6,850	6,020
Less: Allowance for doubtful accounts	(161)	(131)	(2)	(1)
Total trade receivables - net	9,458	8,333	6,848	6,019
<u>Other receivables</u>				
Other receivables	21	38	1	1
Total other receivables	21	38	1	1
Trade and other receivables - net	9,479	8,371	6,849	6,020

(Unaudited but reviewed)

6. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the six-month period ended 30 June 2015 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2015	932	386
Add: Reduce cost to net realisable value of inventories increase during the period	73	-
Less: Reversal of reduce cost to net realisable value of inventory account during the period	(103)	(73)
Balance as at 30 June 2015	<u>902</u>	<u>313</u>

7. Other current assets

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
		(Audited)		(Audited)
Input tax refundable	366	310	58	65
Advance payments	174	64	25	14
Prepaid expenses	125	100	20	6
Prepaid tax	125	126	-	-
Forward contracts receivable (Note 21)	7	15	-	-
Others	56	57	16	14
Total other current assets	<u>853</u>	<u>672</u>	<u>119</u>	<u>99</u>

(Unaudited but reviewed)

8. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Cost	
	30 June 2015	31 December 2014
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Energy Systems (Switzerland) AG	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	190	190
Delta Energy Systems (Singapore) Pte. Ltd.	892	892
Subtotal	12,947	12,947
Less: Allowance for impairment loss of investments in subsidiary companies	(2,196)	(2,196)
Investments in subsidiary companies - net	10,751	10,751

No dividend was received from the above subsidiary companies during the six-month periods ended 30 June 2015 and 2014.

9. Investment properties

Movements of the investment property account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	Office building		
	Land for rent	for rent	Total
Net book value as at 1 January 2015	39	206	245
Depreciation for the period	-	(5)	(5)
Translation adjustment	(2)	(12)	(14)
Net book value as at 30 June 2015	37	189	226

10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2015 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2015	4,361	2,341
Acquisitions during period - cost	648	456
Disposals during period - net book value at disposal date	(7)	(2)
Depreciation for the period	(379)	(286)
Loss on impairment for the period	(4)	(4)
Translation adjustment	(64)	-
Net book value as at 30 June 2015	<u>4,555</u>	<u>2,505</u>

11. Other intangible assets

Movements of the other intangible asset account during the six-month period ended 30 June 2015 are summarised below.

	(Unit: Million Baht)				
	Consolidated financial statements				Separate
	financial statements				financial statements
	Patent rights	Computer software	Others	Total	Computer software
Net book value as at 1 January 2015	538	39	6	583	8
Increase during period	-	5	-	5	1
Amortisation for the period	(27)	(14)	-	(41)	(4)
Translation adjustment	13	(2)	(1)	10	-
Net book value as at 30 June 2015	<u>524</u>	<u>28</u>	<u>5</u>	<u>557</u>	<u>5</u>

(Unaudited but reviewed)

12. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	1,214	810	125	55
Trade payables - unrelated parties	5,190	4,750	4,131	3,838
Amount due to related parties (Note 4)	111	66	234	137
Other payables	523	458	448	379
Accrued expenses	2,561	2,237	1,777	1,370
Advance received	276	339	143	166
Total trade and other payables	9,875	8,660	6,858	5,945

13. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
		(Audited)		(Audited)
Forward contracts payable (Note 21)	65	43	-	6
Withholding tax payable	39	117	6	64
Value added tax payable	99	73	-	-
Others	161	69	30	31
Total other current liabilities	364	302	36	101

14. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2015	1,334		227	
Add: Recognition during period	93		16	
Less: Decrease during period	(22)		(3)	
Less: Reversal during period	(5)		-	
Translation adjustment	(57)		-	
Balance as at 30 June 2015	1,343		240	

15. Provisions

	Consolidated financial statements			
	Restructuring	Warranty	Other	Total
	costs		provisions	
Balance as at 31 December 2014 (Audited)	15	318	91	4
Recognition during period	2	145	184	3
Decrease during period	(2)	-	(8)	(
Reversal during period	(4)	(104)	(154)	(2
Translation adjustment/unrealised loss on exchange rate	-	6	(5)	
Balance as at 30 June 2015	11	365	108	4
Short-term provisions	15	81	43	1
Long-term provisions	-	237	48	2
Balance as at 31 December 2014 (Audited)	15	318	91	4
Short-term provisions	11	99	66	1
Long-term provisions	-	266	42	3
Balance as at 30 June 2015	11	365	108	4

16. Dividends

Dividends declared in 2015 and 2014 consisted of the followings:

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividend for year 2014	Annual General Meeting of the shareholders on 30 March 2015	3,742	3.00
Final dividend for year 2013	Annual General Meeting of the shareholders on 31 March 2014	3,368	2.70

17. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2015 and 2014 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	(96)	(12)	(4)	-
Deferred tax:				
Increase in deferred tax assets	36	24	-	-
(Increase) decrease in deferred tax liabilities	8	(6)	-	-
Translation adjustment	(10)	(3)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(62)</u>	<u>3</u>	<u>(4)</u>	<u>-</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	(140)	(33)	(4)	-
Deferred tax:				
Increase (decrease) in deferred tax assets	(46)	10	-	-
(Increase) decrease in deferred tax liabilities	14	(16)	-	-
Translation adjustment	20	(2)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(152)</u>	<u>(41)</u>	<u>(4)</u>	<u>-</u>

(Unaudited but reviewed)

18. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2015 and 2014 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

(Unit: Million Baht)

	For the three-month periods ended 30 June								Consolidated financial statements	
	Power electronics segment		Energy management segment		Smart green life segment		Others			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>		
Revenue									(Restated)	
Revenue from external customers	<u>7,939</u>	<u>7,614</u>	<u>3,067</u>	<u>3,053</u>	<u>48</u>	<u>106</u>	<u>412</u>	<u>184</u>	<u>11,466</u>	<u>10,957</u>
Total revenue	<u>7,939</u>	<u>7,614</u>	<u>3,067</u>	<u>3,053</u>	<u>48</u>	<u>106</u>	<u>412</u>	<u>184</u>	<u>11,466</u>	<u>10,957</u>
Segment profit (loss)	1,625	1,445	245	298	(16)	(10)	(248)	(374)	1,606	1,359
Unallocated income (expenses):										
Interest income									44	44
Gain on exchange rate									80	58
Other income									90	87
Other expenses									(45)	(42)
Finance cost									(10)	(23)
Profit before income tax expenses									1,765	1,483
Income tax expenses									(62)	3
Profit for the period									<u>1,703</u>	<u>1,486</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June								Consolidated financial statements	
	Power electronics segment		Energy management segment		Smart green life segment		Others			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>		
Revenue										
Revenue from external customers	15,823	14,885	5,815	6,094	138	255	677	476	22,453	21,710
Total revenue	<u>15,823</u>	<u>14,885</u>	<u>5,815</u>	<u>6,094</u>	<u>138</u>	<u>255</u>	<u>677</u>	<u>476</u>	<u>22,453</u>	<u>21,710</u>
Segment profit (loss)	3,253	2,870	413	519	(30)	(14)	(506)	(748)	3,130	2,627
Unallocated income (expenses):										
Interest income									106	100
Gain on exchange rate									129	133
Other income									147	185
Other expenses									(80)	(80)
Finance cost									(18)	(44)
Profit before income tax expenses									3,414	2,921
Income tax expenses									(152)	(41)
Profit for the period									<u>3,262</u>	<u>2,880</u>

19. Commitments and contingent liabilities

19.1 Capital commitments and operating lease commitments

19.1.1 As at 30 June 2015, the Company and its subsidiaries had significant capital commitments amounting to Baht 5 million in respect of the building construction (31 December 2014: Baht 6 Million) and amounting to Baht 39 million, EUR 0.3 million or approximately Baht 13 million and INR 7 million or approximately Baht 4 million in respect of the purchase of machinery and equipment (31 December 2014: Baht 108 million, EUR 0.1 million or approximately Baht 4 million and INR 5 million or approximately Baht 2 million).

19.1.2 As at 30 June 2015, the subsidiaries had significant operating lease commitments amounting to SEK 2 million or approximately Baht 8 million, PLN 0.9 million or approximately Baht 8 million, CHF 0.8 million or approximately Baht 29 million, INR 20 million or approximately Baht 11 million and EUR 2 million or approximately Baht 68 million (31 December 2014: SEK 2 million or approximately Baht 7 million, PLN 1 million or approximately Baht 8 million, CHF 1 million or approximately Baht 28 million, INR 36 million or approximately Baht 19 million and EUR 2 million or approximately Baht 94 million).

19.2 Guarantee obligations

As at 30 June 2015, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

19.2.1 Outstanding letters of guarantee totaling approximately Baht 1,162 million (31 December 2014: Baht 1,162 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (31 December 2014: Baht 1,135 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 19.3.1 to the financial statements).

19.2.2 Outstanding letters of guarantee for totals of approximately INR 499 million or approximately Baht 263 million, EUR 1 million or approximately Baht 50 million, USD 1 million or approximately Baht 31 million, PLN 0.4 million or approximately Baht 3 million and CHF 0.2 million or approximately Baht 7 million have been issued by banks to meet requirements of its subsidiaries (31 December 2014: INR 466 million or approximately Baht 240 million, EUR 1 million or approximately Baht 56 million, USD 0.9 million or approximately Baht 30 million, BRL 0.7 million or approximately Baht 9 million, AUD 0.07 million or approximately Baht 2 million and PLN 0.6 million or approximately Baht 6 million).

19.3 Tax assessment

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

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

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

(Unaudited but reviewed)

19.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 78 million or approximately Baht 41 million, covering the years 2003 - 2015, and sales tax and excise duties of approximately INR 370 Million or approximately Baht 195 million, covering the years 2005 - 2013, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 30 June 2015, those subsidiaries had recorded prepaid tax amounting to approximately INR 139 million or approximately Baht 73 million and income tax payable amounting to INR 100 million or approximately Baht 52 million in their books of accounts. The management of the Company and the subsidiaries believe that no significant losses will be incurred as a result of this matter and the subsidiaries have therefore not recorded provision for the tax assessment.

20. Financial derivatives

As at 30 June 2015 and 31 December 2014, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	167	157	142	112	33.7768	32.9630
Euro	31	23	2	3	37.7905	40.0530
Japanese yen	116	124	240	247	0.2758	0.2738
Polish zloty	3	5	-	1	9.0492	9.3164

(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 30 June 2015 and 31 December 2014, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

							As at 30 June 2015		
							Amount	Forward rate	Maturity date
Forward contracts to "Sell"									
USD/THB	USD	118	million	32.54000 - 34.10000	THB/USD	July - October 2015			
USD/CHF	USD	3	million	0.92030 - 0.94420	CHF/USD	July 2015			
EUR/CHF	EUR	10	million	1.04310 - 1.05265	CHF/EUR	July 2015			
USD/TRY	USD	1	million	2.68770 - 2.74870	TRY/USD	July 2015			
EUR/TRY	EUR	2	million	3.00250 - 3.12020	TRY/EUR	July 2015			
EUR/SEK	EUR	1	million	9.20740	SEK/EUR	July 2015			
Forward contracts to "Buy"									
USD/INR	USD	12	million	63.83000 - 64.52350	INR/USD	July 2015			
USD/BRL	USD	3	million	3.12350 - 3.14090	BRL/USD	July 2015			
EUR/USD	EUR	5	million	1.12099 - 1.13240	USD/EUR	July 2015			
USD/AUD	USD	4	million	0.76780 - 0.78970	USD/AUD	July 2015			
USD/CHF	USD	3	million	0.93768 - 0.94190	CHF/USD	July 2015			
							As at 31 December 2014		
							Amount	Forward rate	Maturity date
Forward contracts to "Sell"									
USD/THB	USD	117	million	32.38000 - 33.44000	THB/USD	January - April 2015			
USD/CHF	USD	11	million	0.95760 - 0.98180	CHF/USD	January 2015			
EUR/CHF	EUR	7	million	1.20080 - 1.20300	CHF/EUR	January 2015			
USD/TRY	USD	3	million	2.25150	TRY/USD	January 2015			
EUR/TRY	EUR	2	million	2.80900 - 2.86300	TRY/EUR	January 2015			
PLN/CHF	PLN	2	million	3.55600 - 3.63000	PLN/CHF	January 2015			
EUR/USD	EUR	1	million	1.22050 - 1.25410	USD/EUR	January 2015			
Forward contracts to "Buy"									
USD/INR	USD	7	million	62.02000 - 64.45000	INR/USD	January - February 2015			
USD/BRL	USD	6	million	2.57720 - 2.70400	BRL/USD	January 2015			
EUR/USD	EUR	6	million	1.22510 - 1.25220	USD/EUR	January - February 2015			
USD/AUD	USD	3	million	0.83840 - 0.87030	USD/AUD	January 2015			
USD/TRY	USD	2	million	2.24300 - 2.33650	TRY/USD	January 2015			
USD/CHF	USD	1	million	0.98510	CHF/USD	January 2015			

21. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2015, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Foreign currency forward contracts (Note 7)	-	7	-	7
Financial liabilities measured at fair value				
Foreign currency forward contracts (Note 13)	-	65	-	65

Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the current period, there were no transfers within the fair value hierarchy.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 July 2015.