

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

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 2015, 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 are 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 judgement, 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 2015, 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 26.3.1 to the financial statements regarding the Company's receipt of notice of a corporate income tax assessment, covering the years 1997 through 2005, and a notice of specific business tax assessment for the year 2005 from the Revenue Department. My opinion is not qualified in respect of this matter.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

Bangkok: 18 February 2016

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 December 2015	31 December 2014 (restated)	1 January 2014	31 December 2015	31 December 2014 (restated)	1 January 2014
Assets							
Current assets							
Cash and cash equivalents		20,487,951,634	17,931,328,537	14,952,792,676	12,912,492,655	11,743,380,445	9,591,930,469
Trade and other receivables	8	9,654,189,115	8,370,664,573	8,254,122,092	6,990,967,425	6,020,276,866	6,746,880,946
Inventories	9	6,141,318,226	5,320,242,109	5,949,113,623	3,665,518,299	3,309,755,144	3,256,401,843
Other current assets	10	866,113,820	669,140,654	1,018,139,761	141,668,778	96,451,186	112,778,133
Total current assets		37,149,572,795	32,291,375,873	30,174,168,152	23,710,647,157	21,169,863,641	19,707,991,391
Non-current assets							
Deposits at bank with restrictions		72,705,137	76,768,513	120,848,044	-	-	-
Investment in associated company		-	-	194,473,062	-	-	-
Investments in subsidiary companies	11	-	-	-	11,480,274,783	10,750,923,813	10,750,923,813
Investment properties	12	230,209,976	245,195,459	288,798,962	-	-	-
Property, plant and equipment	13	4,941,919,805	4,361,266,659	4,766,816,498	2,767,655,068	2,341,437,975	2,481,023,474
Consolidation goodwill		306,757,971	306,757,971	306,757,971	-	-	-
Other intangible assets	14	558,565,250	582,985,117	644,380,376	5,522,265	8,400,558	20,472,227
Deferred tax assets	15	292,932,000	317,361,693	317,783,012	-	-	-
Other non-current assets		49,006,570	60,101,306	50,668,632	1,363,044	2,572,821	4,218,143
Total non-current assets		6,452,096,709	5,950,436,718	6,690,526,557	14,254,815,160	13,103,335,167	13,256,637,657
Total assets		43,601,669,504	38,241,812,591	36,864,694,709	37,965,462,317	34,273,198,808	32,964,629,048

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 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 December 2015	31 December 2014 (restated)	1 January 2014	31 December 2015	31 December 2014 (restated)	1 January 2014
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions		189,930,764	249,599,588	666,699,774	-	-	-
Trade and other payables	16	10,111,368,127	8,654,912,177	8,969,013,539	6,965,951,308	5,940,736,822	6,559,907,294
Income tax payable		130,969,052	40,397,071	51,139,622	5,324,806	1,927,104	-
Short-term provisions	19	155,713,446	139,169,177	246,676,167	-	-	-
Other current liabilities	17	521,408,389	302,195,684	386,643,627	109,121,176	100,586,646	120,479,907
Total current liabilities		11,109,389,778	9,386,273,697	10,320,172,729	7,080,397,290	6,043,250,572	6,680,387,201
Non-current liabilities							
Deferred tax liabilities	15	69,198,718	56,923,119	35,924,606	-	-	-
Provision for long-term employee benefits	18	1,449,154,812	1,334,217,020	1,254,560,628	262,635,979	227,549,377	210,332,466
Long-term provisions	19	404,737,572	285,323,629	189,983,408	234,754,362	175,622,564	68,081,288
Other non-current liabilities		11,425,036	12,874,518	7,381,448	1,115,402	1,190,400	1,050,000
Total non-current liabilities		1,934,516,138	1,689,338,286	1,487,850,090	498,505,743	404,362,341	279,463,754
Total liabilities		13,043,905,916	11,075,611,983	11,808,022,819	7,578,903,033	6,447,612,913	6,959,850,955
Shareholders' equity							
Share capital							
Registered							
1,259,000,000 ordinary shares							
of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid-up							
1,247,381,614 ordinary shares							
of Baht 1 each		1,247,381,614	1,247,381,614	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	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	125,900,000	125,900,000
Unappropriated		29,091,127,321	26,260,025,953	23,829,342,269	27,521,365,170	24,960,391,781	23,139,583,979
Other components of shareholders' equity		(1,398,557,847)	(1,959,019,459)	(1,637,864,493)	-	-	-
Equity attributable to owners of the Company		30,557,763,588	27,166,200,608	25,056,671,890	30,386,559,284	27,825,585,895	26,004,778,093
Total shareholders' equity		30,557,763,588	27,166,200,608	25,056,671,890	30,386,559,284	27,825,585,895	26,004,778,093
Total liabilities and shareholders' equity		43,601,669,504	38,241,812,591	36,864,694,709	37,965,462,317	34,273,198,808	32,964,629,048
		-	-	-	-	-	-

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 2015

(Unit: 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		46,938,249,622	44,071,356,302	31,823,975,698	30,047,023,925
Other income					
Interest income		224,168,140	210,104,957	194,719,500	182,368,782
Gain on exchange		412,118,347	231,121,051	750,116,636	224,178,930
Gain on sales of investment in subsidiary company		-	2,718,142	-	-
Gain on sales of investment in associated company		-	192,326,393	-	-
Others		418,728,576	370,077,900	158,470,495	194,197,132
Total revenues		<u>47,993,264,685</u>	<u>45,077,704,745</u>	<u>32,927,282,329</u>	<u>30,647,768,769</u>
Expenses					
Cost of sales and services		34,127,201,544	32,283,939,263	22,753,427,047	21,507,905,261
Selling expenses		2,936,637,114	2,713,657,515	927,050,380	860,755,891
Administrative expenses		1,668,835,393	1,721,646,233	1,098,321,195	1,094,072,477
Research and development expenses		1,993,943,175	1,945,287,958	1,793,141,561	1,797,566,056
Other expenses		238,616,130	314,938,152	32,927,147	194,039,923
Total expenses		<u>40,965,233,356</u>	<u>38,979,469,121</u>	<u>26,604,867,330</u>	<u>25,454,339,608</u>
Profit before share of profit from investment in an associated company, finance cost and income tax expenses		7,028,031,329	6,098,235,624	6,322,414,999	5,193,429,161
Share of profit from investment in an associated company		-	2,225,972	-	-
Profit before finance cost and income tax expenses		7,028,031,329	6,100,461,596	6,322,414,999	5,193,429,161
Finance cost		(39,382,969)	(72,687,637)	-	-
Profit before income tax expenses		6,988,648,360	6,027,773,959	6,322,414,999	5,193,429,161
Income tax expenses	15	(274,833,130)	(84,705,471)	(19,296,768)	(4,691,001)
Profit for the year		<u>6,713,815,230</u>	<u>5,943,068,488</u>	<u>6,303,118,231</u>	<u>5,188,738,160</u>

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 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u> (restated)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of				
financial statements in foreign currency - net of income tax	560,461,612	(321,154,966)	-	-
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	560,461,612	(321,154,966)	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	(140,569,020)	(144,454,446)	-	-
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	(140,569,020)	(144,454,446)	-	-
Other comprehensive income for the year	419,892,592	(465,609,412)	-	-
Total comprehensive income for the year	7,133,707,822	5,477,459,076	6,303,118,231	5,188,738,160
Profit attributable to:				
Equity holders of the Company	6,713,815,230	5,943,068,488	6,303,118,231	5,188,738,160
Total comprehensive income attributable to:				
Equity holders of the Company	7,133,707,822	5,477,459,076	6,303,118,231	5,188,738,160
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	5.38	4.76	5.05	4.16

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 2015

(Unit: Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital		Retained earnings		Other component of shareholders' equity		
					Other comprehensive income		Total
	Share premium	Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	shareholders' equity	
Balance as at 31 December 2013 - as previously reported	1,247,381,614	1,491,912,500	125,900,000	24,098,350,615	(1,637,864,493)	(1,637,864,493)	25,325,680,236
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(269,008,346)	-	-	(269,008,346)
Balance as at 31 December 2013 - as restated	1,247,381,614	1,491,912,500	125,900,000	23,829,342,269	(1,637,864,493)	(1,637,864,493)	25,056,671,890
Profit for the year	-	-	-	5,943,068,488	-	-	5,943,068,488
Other comprehensive income for the year	-	-	-	(144,454,446)	(321,154,966)	(321,154,966)	(465,609,412)
Total comprehensive income for the year	-	-	-	5,798,614,042	(321,154,966)	(321,154,966)	5,477,459,076
Dividend paid (Note 21)	-	-	-	(3,367,930,358)	-	-	(3,367,930,358)
Balance as at 31 December 2014 - as restated	1,247,381,614	1,491,912,500	125,900,000	26,260,025,953	(1,959,019,459)	(1,959,019,459)	27,166,200,608
Balance as at 31 December 2014 - as previously reported	1,247,381,614	1,491,912,500	125,900,000	26,692,071,850	(1,959,019,459)	(1,959,019,459)	27,598,246,505
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(432,045,897)	-	-	(432,045,897)
Balance as at 31 December 2014 - as restated	1,247,381,614	1,491,912,500	125,900,000	26,260,025,953	(1,959,019,459)	(1,959,019,459)	27,166,200,608
Profit for the year	-	-	-	6,713,815,230	-	-	6,713,815,230
Other comprehensive income for the year	-	-	-	(140,569,020)	560,461,612	560,461,612	419,892,592
Total comprehensive income for the year	-	-	-	6,573,246,210	560,461,612	560,461,612	7,133,707,822
Dividend paid (Note 21)	-	-	-	(3,742,144,842)	-	-	(3,742,144,842)
Balance as at 31 December 2015	1,247,381,614	1,491,912,500	125,900,000	29,091,127,321	(1,398,557,847)	(1,398,557,847)	30,557,763,588

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 2015

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2013 - as previously reported	1,247,381,614	1,491,912,500	125,900,000	23,223,078,186	26,088,272,300
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(83,494,207)	(83,494,207)
Balance as at 31 December 2013 - as restated	1,247,381,614	1,491,912,500	125,900,000	23,139,583,979	26,004,778,093
Profit for the year	-	-	-	5,188,738,160	5,188,738,160
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,188,738,160	5,188,738,160
Dividend paid (Note 21)	-	-	-	(3,367,930,358)	(3,367,930,358)
Balance as at 31 December 2014 - as restated	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>24,960,391,781</u>	<u>27,825,585,895</u>
Balance as at 31 December 2014 - as previously reported	1,247,381,614	1,491,912,500	125,900,000	25,038,522,306	27,903,716,420
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(78,130,525)	(78,130,525)
Balance as at 31 December 2014 - as restated	1,247,381,614	1,491,912,500	125,900,000	24,960,391,781	27,825,585,895
Profit for the year	-	-	-	6,303,118,231	6,303,118,231
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,303,118,231	6,303,118,231
Dividend paid (Note 21)	-	-	-	(3,742,144,842)	(3,742,144,842)
Balance as at 31 December 2015	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>27,521,365,170</u>	<u>30,386,559,284</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: 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	6,988,648,360	6,027,773,959	6,322,414,999	5,193,429,161
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	779,148,389	789,161,882	578,868,528	555,435,363
Amortisation of other intangible assets	98,540,606	91,088,585	6,466,766	14,395,169
Recording of allowance for doubtful accounts (reversal)	25,785,672	(25,003,915)	2,342,817	(10,650,619)
Decrease of inventory to net realisable value (reversal)	(44,798,599)	(14,147,868)	(56,376,521)	(16,583,420)
Loss from write-off inventories	232,715,346	200,783,710	164,645,812	117,267,293
Increase in provision for long-term employee benefits	104,046,683	96,643,852	42,521,230	28,318,034
Recording of the increase in provisions	134,033,872	51,374,593	38,730,899	105,519,317
Share of profit from investment in an associated company	-	(2,225,972)	-	-
Gain on sales of investment in subsidiary	-	(2,718,142)	-	-
Gain on sales of investment in associated company	-	(192,326,393)	-	-
(Gain) loss from disposal of property, plant and equipment	(1,719,749)	8,466,156	(1,062,169)	(2,730,744)
Allowance for impairment loss on assets	4,142,319	98,525,373	4,142,319	98,525,373
Loss on disposal of other intangible assets	124,818	92,614	-	-
Unrealised (gain) loss on exchange	(183,655,857)	45,379,580	(244,871,943)	45,612,536
Interest income	(224,168,140)	(210,104,957)	(194,719,500)	(182,368,782)
Interest expenses	39,382,969	72,687,637	-	-
Profit from operating activities before changes in operating assets and liabilities	7,952,226,689	7,035,450,694	6,663,103,237	5,946,168,681
Decrease (increase) in operating assets:				
Trade and other receivables	(1,306,680,001)	(227,827,277)	(957,364,861)	582,655,982
Inventories	(1,008,992,864)	442,235,672	(464,032,446)	(154,037,174)
Other current assets	(220,715,493)	320,783,822	(66,352,369)	18,918,207
Other non-current assets	11,094,736	(9,432,674)	1,209,777	1,645,322
Increase (decrease) in operating liabilities:				
Trade and other payables	1,438,324,120	(264,737,315)	989,543,199	(555,322,185)
Other current liabilities	208,137,376	(115,802,489)	7,464,840	(17,961,634)
Provision for long-term employee benefits	(67,454,207)	(68,013,194)	(7,434,628)	(11,101,123)
Provisions	(22,927,303)	(34,646,291)	-	-
Other non-current liabilities	(1,449,482)	5,454,664	(74,998)	140,400
Cash flows from operating activities	6,981,563,571	7,083,465,612	6,166,061,751	5,811,106,476
Cash received from interest income	226,454,204	208,325,321	194,948,374	182,540,737
Cash paid for interest expenses	(28,926,693)	(63,906,658)	-	-
Cash paid for corporate income tax	(165,576,453)	(64,781,847)	(15,307,087)	(5,527,794)
Net cash flows from operating activities	7,013,514,629	7,163,102,428	6,345,703,038	5,988,119,419

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: 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	4,063,376	44,079,531	-	-
Increase in investments in subsidiary company	-	-	(729,350,970)	-
Net cash from sales of investment in subsidiary	-	(2,923,798)	-	-
Cash received from sales of investment in associated company	-	426,233,247	-	-
Acquisition of property, plant and equipment	(1,365,321,059)	(659,557,355)	(1,014,060,768)	(519,750,539)
Proceeds from disposal of property, plant and equipment	15,364,188	8,460,705	5,894,997	8,106,046
Increase in other intangible assets	<u>(26,372,303)</u>	<u>(30,058,008)</u>	<u>(3,588,473)</u>	<u>(2,323,500)</u>
Net cash flows used in investing activities	<u>(1,372,265,798)</u>	<u>(213,765,678)</u>	<u>(1,741,105,214)</u>	<u>(513,967,993)</u>
Cash flows from financing activities:				
Decrease in bank overdrafts and short-term loans from financial institutions	(59,668,824)	(417,141,621)	-	-
Dividend paid	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>
Net cash flows used in financing activities	<u>(3,801,813,666)</u>	<u>(3,785,071,979)</u>	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>
Increase (decrease) in translation adjustments	<u>472,345,091</u>	<u>(260,171,656)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	2,311,780,256	2,904,093,115	862,452,982	2,106,221,068
Unrealised gain on exchange for cash and cash equivalents	244,842,841	74,442,746	306,659,228	45,228,908
Cash and cash equivalents at beginning of year	<u>17,931,328,537</u>	<u>14,952,792,676</u>	<u>11,743,380,445</u>	<u>9,591,930,469</u>
Cash and cash equivalents at end of year	<u>20,487,951,634</u>	<u>17,931,328,537</u>	<u>12,912,492,655</u>	<u>11,743,380,445</u>
	-	-	-	-

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 2015

1. Corporate information

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Delta Electronics Inc., which is incorporated in Taiwan. 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.

On 24 July 1995, the Stock Exchange of Thailand (“SET”) approved the listing of the ordinary shares of the Company.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation 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	
			<u>2015</u> Percent	<u>2014</u> Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	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>2015</u> Percent	<u>2014</u> Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Holding business	The British Virgin Islands	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	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
DET SGP Pte. Ltd.	Holding business and marketing and after sales services	Singapore	100	100
Delta India Electronics Pvt. Ltd. (owned by DET SGP Pte. Ltd.)	Manufacture, marketing and trading of electronic products	India	-	100
Delta Greentech International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Greentech International (Singapore) Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Power Solutions (India) Pvt. Ltd. (owned by Delta Greentech International (Singapore) Pte. Ltd.)	Manufacture, research and development and trading of electronic products	India	-	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>2015</u> Percent	<u>2014</u> 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.zo.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC	Trading of electronic products	Russia	100	100

The subsidiaries which the Company owns through Delta Energy Systems (Singapore) Pte. Ltd. are as follow:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	100	100
Delta Greentech (USA) Corporation (owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	USA	100	100
Delta Greentech (Brazil) S/A (owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Brazil	100	100
Delta Greentech (Curitiba) Limited (owned by Delta Greentech (Brazil) S/A)	Engineering	Brazil	100	100
Delta Power Solutions (India) Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	-
Delta India Electronics Pvt. Ltd.	Manufacture, marketing and trading of electronic products	India	100	-
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	-

- 2.2.2 The Company is deemed to have control over an investee or subsidiaries 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.
- 2.2.3 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.
- 2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.2.5 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.
- 2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.2.7 A meeting of the Company’s Board of Directors held on 30 March 2015 approved the incorporation of the Delta Electronics (Myanmar) Co., Ltd. in Myanmar with a registered capital of USD 1.5 million, which is 100% held by Delta Energy Systems (Singapore) Pte. Ltd.. The incorporation of this subsidiary was completed during the current year.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) 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 Company’s financial statements. 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 former standard allowed 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 its subsidiaries have changed the recognition of the return on plan assets in profit or loss calculated by using the return rate on plan assets to calculate using the same rate as the discount rate for applying the post-employment benefit obligation.

The Company and its subsidiaries 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 4 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.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, 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 changes has been separately presented in the statements of changes in shareholders' equity.

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	1 January 2014	31 December 2014	1 January 2014
Statements of financial position:				
Increase in provision for long-term employee benefits	432	269	78	83
Decrease in unappropriated retained earnings	(432)	(269)	(78)	(83)

(Unit: Million Baht)

For the year ended 31 December 2014

	Consolidated	Separate
	financial statements	financial statements
Statements of comprehensive income		
Profit or loss:		
Decrease (increase) in actuarial losses	(19)	5
Increase (decrease) in profit	(19)	5
Other comprehensive income:		
Increase in actuarial losses	(144)	-
Decrease in other comprehensive income	(144)	-
Earnings per share (Baht):		
Increase (decrease) in basic earnings per share	(0.015)	0.004

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 Inventories

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost and net realisable value and are charged to production costs whenever consumed. The cost of inventories is measured using the standard cost method, which approximates actual cost.

5.5 Investments

Investments in subsidiary companies are accounted for in the separated financial statements using the cost method net of allowance for impairment loss (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.

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 3-32 years. Depreciation of the investment properties is recognised in profit or loss.

5.7 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	10 - 50 years
Land improvement	5 - 10 years
Machinery and equipment	5 - 7 years
Molds and toolings	2 - 5 years
Installation	5 years
Furniture, fixtures and office equipment	5 years
Computer	3 - 5 years
Motor vehicles	5 years

Depreciation is recognised in 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.

5.8 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.

Intangible assets have the following useful lives:

	<u>Useful lives</u>
Patents	20 years
Computer software	3 years

5.9 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 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.

5.10 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.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

5.12 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.

5.13 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.

The liabilities under the defined benefit plan consist of the present value of the defined benefit obligation less fair value of plan assets.

Net interest recognised in profit or loss consists of the interest cost on the defined benefit obligation net with the interest income on plan assets which calculated using the same rate as the discount rate applying for the post-employment benefit obligation.

Actuarial gains and losses from determining the measurement of the defined benefit obligation and return of plan assets net from interest income on plan assets are recognized immediately in other comprehensive income.

5.14 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.

5.15 Research and development expenses

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

5.16 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.

5.17 Forward currency contracts

Forward currency contracts are presented in the financial statements at fair value. Any gains or losses arising from changes in the fair value of those forward currency contracts are recorded in profit or loss.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

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

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 plant and equipment of the Company and its subsidiaries 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 judgements 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 only to the extent that it is probable that taxable profit will be available against which these deferred tax assets can be utilised. Significant management judgement 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 assessments

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

7. 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		Separate		Transfer Pricing policy
	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	-	-	10,562	9,399	With reference to market price
Purchase of raw materials	-	-	62	59	With reference to market price
Commission paid	-	-	7	70	Contract price
Marketing fee	-	-	239	277	Contract price
Design and engineering fee	-	-	972	1,232	Contract price
Services paid	-	-	31	42	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,668	1,377	1,285	1,255	With reference to market price
Purchase of goods and raw materials	4,980	3,156	403	161	With reference to market price
Commission paid	392	356	392	356	Contract price
Design and engineering fee	217	-	217	-	Contract price
Commission received	69	61	-	-	Contract price
Services income	345	266	-	-	Contract price
Services paid	122	57	122	57	Contract price

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade receivables, related parties (Note 8)</u>				
Subsidiary companies	-	-	2,802	2,464
Other related companies (under common control)	520	420	356	343
Total trade receivables, related parties	<u>520</u>	<u>420</u>	<u>3,158</u>	<u>2,807</u>

Trade payables, related parties (Note 16)

Subsidiary companies	-	-	19	27
Other related companies (under common control)	1,219	810	63	28
Total trade payables, related parties	<u>1,219</u>	<u>810</u>	<u>82</u>	<u>55</u>

Amounts due to related parties (Note 16)

Subsidiary companies	-	-	232	112
Other related companies (under common control)	319	66	291	25
Total amounts due to related parties	<u>319</u>	<u>66</u>	<u>523</u>	<u>137</u>

Directors and management's benefits

During the year ended 31 December 2015 and 2014, 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	150	153	62	54
Post-employment benefits	17	20	7	7
Termination benefits	3	3	-	-
Total	<u>170</u>	<u>176</u>	<u>69</u>	<u>61</u>

8. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade receivables, related parties (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	518	418	2,894	2,745
Past due				
Up to 3 months	2	1	250	59
3 - 6 months	-	1	6	3
6 - 12 months	-	-	8	-
Total	<u>520</u>	<u>420</u>	<u>3,158</u>	<u>2,807</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	8,048	7,003	3,535	2,965
Past due				
Up to 3 months	1,005	881	298	247
3 - 6 months	93	55	1	-
6 - 12 months	23	61	-	1
Over 12 months	90	44	-	-
Total	<u>9,259</u>	<u>8,044</u>	<u>3,834</u>	<u>3,213</u>
Total trade receivables	<u>9,779</u>	<u>8,464</u>	<u>6,992</u>	<u>6,020</u>
Less: Allowance for doubtful accounts	<u>(157)</u>	<u>(131)</u>	<u>(3)</u>	<u>(1)</u>
Total trade receivables - net	<u>9,622</u>	<u>8,333</u>	<u>6,989</u>	<u>6,019</u>
<u>Other receivables</u>				
Other receivables	<u>32</u>	<u>38</u>	<u>2</u>	<u>1</u>
Total other receivables	<u>32</u>	<u>38</u>	<u>2</u>	<u>1</u>
Trade and other receivables - net	<u>9,654</u>	<u>8,371</u>	<u>6,991</u>	<u>6,020</u>

9. Inventories

(Unit: Million Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	3,661	2,863	(501)	(475)	3,160	2,388
Work in process	675	577	-	-	675	577
Raw materials	2,293	2,179	(386)	(457)	1,907	1,722
Goods in transit	399	633	-	-	399	633
Total	7,028	6,252	(887)	(932)	6,141	5,320

(Unit: Million Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	1,826	1,544	(132)	(118)	1,694	1,426
Work in process	552	495	-	-	552	495
Raw materials	1,451	1,471	(198)	(268)	1,253	1,203
Goods in transit	167	186	-	-	167	186
Total	3,996	3,696	(330)	(386)	3,666	3,310

10. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Input tax refundable	419	310	97	65
Advance payments	169	64	28	14
Prepaid expenses	65	100	4	6
Prepaid tax	163	126	-	-
Forward contracts receivable (Note 27)	13	15	2	-
Others	37	54	11	11
Total other current assets	866	669	142	96

11. Investments in subsidiary companies

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

Company's name	Paid-up capital		(Unit: Million Baht) Cost		
	Foreign		2015	2014	
	currency	2015 2014 (Million) (Million)			
DET International Holding Limited	USD	264	264	9,450	9,450
Delta Energy Systems (Switzerland) AG	CHF	20	20	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	THB	190	190	190	190
Delta Energy Systems (Singapore) Pte. Ltd.	USD	51	30	1,621	892
Subtotal				13,676	12,947
Less: Allowance for impairment loss of investments in subsidiary companies				(2,196)	(2,196)
Investments in subsidiary companies - net				<u>11,480</u>	<u>10,751</u>

During the year, the Company made additional investment in Delta Energy Systems (Singapore) Pte. Ltd. of approximately USD 20 million, or approximately Baht 729 million. The purposes of the additional investment in the subsidiaries of Delta Energy Systems (Singapore) Pte. Ltd. are to provide working capital for the subsidiary, acquire land, build its own office and R&D lab, and to establish a new subsidiary in Myanmar.

This additional investment had no impact on the structure of the Group.

No dividend was received from the above subsidiary companies during the years ended 31 December 2015 and 2014.

12. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Office building		Total
	Land for rent	for rent	
31 December 2015:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(25)	(25)
Translation adjustment	(6)	(30)	(36)
Net book value (Note 27)	<u>38</u>	<u>192</u>	<u>230</u>
31 December 2014:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(15)	(15)
Translation adjustment	(5)	(26)	(31)
Net book value	<u>39</u>	<u>206</u>	<u>245</u>

The Company and its subsidiaries believe that the book value of investment properties as at 31 December 2015 as stated in the financial statements is closed to the fair value.

13. 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 2014	511	2,945	6,514	1,154	1,271	32	516	473	13,416
Purchase/transfer in	-	241	716	88	130	633	72	111	1,991
Disposal/write-off/transfer out	-	(46)	(1,056)	(97)	(69)	(555)	(60)	(90)	(1,973)
Translation adjustment	5	5	(9)	-	-	-	(2)	-	(1)
31 December 2015	516	3,145	6,165	1,145	1,332	110	526	494	13,433
Accumulated depreciation:									
31 December 2014	-	636	5,471	1,072	867	-	468	351	8,865
Depreciation for the year	-	70	482	82	68	-	38	29	769
Depreciation - disposal/write-off	-	(19)	(1,047)	(95)	(69)	-	(60)	(16)	(1,306)
Translation adjustment	-	3	(5)	-	1	-	(2)	(1)	(4)
31 December 2015	-	690	4,901	1,059	867	-	444	363	8,324
Allowance for impairment loss:									
31 December 2014	-	163	11	-	15	-	-	1	190
Increase during the year	-	4	-	-	-	-	-	-	4
Decrease during the year	-	(27)	-	-	-	-	-	-	(27)
31 December 2015	-	140	11	-	15	-	-	1	167
Net book value:									
As at 31 December 2014	511	2,146	1,032	82	389	32	48	121	4,361
As at 31 December 2015	516	2,315	1,253	86	450	110	82	130	4,942
Depreciation for the year									
Year 2014 (Baht 552 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									776
Year 2015 (Baht 580 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									769

13. Property, plant and equipment (continued)

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2013	523	3,031	6,462	1,147	1,254	77	561	478	13,533
Purchase/transfer in	-	58	444	85	53	195	36	78	949
Disposal/write-off/transfer out	-	-	(248)	(75)	(3)	(240)	(45)	(59)	(670)
Translation adjustment	(12)	(144)	(144)	(3)	(33)	-	(36)	(24)	(396)
31 December 2014	511	2,945	6,514	1,154	1,271	32	516	473	13,416
Accumulated depreciation:									
31 December 2013	-	584	5,361	1,072	818	-	492	348	8,675
Depreciation for the year	-	72	479	76	62	-	51	36	776
Depreciation - disposal/write-off	-	(3)	(240)	(73)	-	-	(41)	(12)	(369)
Translation adjustment	-	(17)	(129)	(3)	(13)	-	(34)	(21)	(217)
31 December 2014	-	636	5,471	1,072	867	-	468	351	8,865
Allowance for impairment loss:									
31 December 2013	-	75	-	-	15	-	-	1	91
Increase during the year	-	88	11	-	-	-	-	-	99
31 December 2014	-	163	11	-	15	-	-	1	190
Net book value:									
As at 31 December 2013	523	2,372	1,101	75	421	77	69	129	4,767
As at 31 December 2014	511	2,146	1,032	82	389	32	48	121	4,361
Depreciation for the year									
Year 2013 (Baht 563 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									832
Year 2014 (Baht 552 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									776

13. 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 2014	313	1,398	5,235	1,140	967	28	216	121	9,418
Purchase/transfer in	-	69	644	88	112	291	38	78	1,320
Disposal/write-off/transfer out	-	(46)	(1,004)	(97)	(67)	(235)	(33)	(85)	(1,567)
31 December 2015	313	1,421	4,875	1,131	1,012	84	221	114	9,171
Accumulated depreciation:									
31 December 2014	-	416	4,373	1,058	747	-	198	95	6,887
Depreciation for the year	-	24	406	81	49	-	15	4	579
Depreciation - disposal/write-off	-	(19)	(1,002)	(95)	(67)	-	(33)	(14)	(1,230)
31 December 2015	-	421	3,777	1,044	729	-	180	85	6,236
Allowance for impairment loss:									
31 December 2014	-	163	11	-	15	-	-	1	190
Increase during the year	-	4	-	-	-	-	-	-	4
Decrease during the year	-	(27)	-	-	-	-	-	-	(27)
31 December 2015	-	140	11	-	15	-	-	1	167
Net book value:									
As at 31 December 2014	313	819	851	82	205	28	18	25	2,341
As at 31 December 2015	313	860	1,087	87	268	84	41	28	2,768
Depreciation for the year									
Year 2014 (Baht 479 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									555
Year 2015 (Baht 513 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									579

13. 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 2013	313	1,372	5,033	1,119	916	71	222	122	9,168
Purchase/transfer in	-	26	380	85	53	181	12	52	789
Disposal/write-off/transfer out	-	-	(178)	(64)	(2)	(224)	(18)	(53)	(539)
31 December 2014	313	1,398	5,235	1,140	967	28	216	121	9,418
Accumulated depreciation:									
31 December 2013	-	392	4,159	1,046	704	-	200	95	6,596
Depreciation for the year	-	24	390	74	44	-	16	7	555
Depreciation - disposal/write-off	-	-	(176)	(62)	(1)	-	(18)	(7)	(264)
31 December 2014	-	416	4,373	1,058	747	-	198	95	6,887
Allowance for impairment loss:									
31 December 2013	-	75	-	-	15	-	-	1	91
Increase during the year	-	88	11	-	-	-	-	-	99
31 December 2014	-	163	11	-	15	-	-	1	190
Net book value:									
As at 31 December 2013	313	905	874	73	197	71	22	26	2,481
As at 31 December 2014	313	819	851	82	205	28	18	25	2,341
Depreciation for the year									
Year 2013 (Baht 487 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									559
Year 2014 (Baht 479 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									555

As at 31 December 2015, certain items of machinery and equipment of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately of Baht 6,051 million (2014: Baht 6,276 million) (The Company only: Baht 4,573 million, 2014: Baht 4,958 million).

14. Other intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
(Unit: Million Baht)					
Cost:					
31 December 2014	1,082	238	9	1,329	79
Purchase	-	11	15	26	4
Disposals	-	(4)	-	(4)	-
Translation adjustment	103	(2)	(1)	100	-
31 December 2015	1,185	243	23	1,451	83
Accumulated amortisation:					
31 December 2014	544	199	3	746	71
Amortisation for the year	56	24	19	99	6
Disposals	-	(4)	-	(4)	-
Translation adjustment	55	(1)	(3)	51	-
31 December 2015	655	218	19	892	77
Net book value:					
31 December 2014	538	39	6	583	8
31 December 2015	530	25	4	559	6

14. Other intangible assets (continued)

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements
	Computer			Total	Computer software
	Patent rights	software	Others		
Cost:					
31 December 2013	1,077	233	6	1,316	77
Purchase	-	26	4	30	2
Disposals	-	(4)	-	(4)	-
Translation adjustment	5	(17)	(1)	(13)	-
31 December 2014	1,082	238	9	1,329	79
Accumulated amortisation:					
31 December 2013	488	183	1	672	57
Amortisation for the year	53	35	3	91	14
Disposals	-	(4)	-	(4)	-
Translation adjustment	3	(15)	(1)	(13)	-
31 December 2014	544	199	3	746	71
Net book value:					
31 December 2013	589	50	5	644	20
31 December 2014	538	39	6	583	8

15. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	(229)	(86)	(15)	(5)
Adjustment in respect of income tax of previous year	(30)	(11)	(4)	-
Deferred tax:				
Increase (decrease) in deferred tax assets	(24)	25	-	-
Increase in deferred tax liabilities	(12)	(14)	-	-
Translation adjustment	20	1	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(275)</u>	<u>(85)</u>	<u>(19)</u>	<u>(5)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>6,989</u>	<u>6,028</u>	<u>6,322</u>	<u>5,193</u>
Income tax at Thai corporate income tax rate of 20%	(1,398)	(1,209)	(1,264)	(1,038)
Adjust in respect to current income tax of previous years	(30)	(11)	(4)	-
Tax savings from the tax privileges granted by the government	1,359	1,049	1,285	1,051
Difference in tax rates of subsidiaries in overseas countries	(27)	(43)	-	-
Tax effect of loss for the current year	(38)	(28)	-	-
Effects of exemption of income and additional expenses deductions allowed	-	65	-	-
Effects of non-deductible expenses	(49)	-	(24)	-
Others	(92)	92	(12)	(18)
Income tax expenses reported in the statement of comprehensive income	<u>(275)</u>	<u>(85)</u>	<u>(19)</u>	<u>(5)</u>

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries are 0% to 40%.

As of 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets				
Allowance for doubtful accounts	23	22	-	-
Allowance for diminution in value of inventories	91	67	-	-
Bonus payable	23	11	-	-
Provision for warranty	25	46	-	-
Tax savings from promotional privileges	77	118	-	-
Tax loss brought forward	5	8	-	-
Others	49	45	-	-
Total	293	317	-	-
Deferred tax liabilities				
Difference depreciation for tax purpose	69	57	-	-
Total	69	57	-	-

As at 31 December 2015 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 103 million, INR 805 million or approximately Baht 435 million, EUR 57 million or approximately Baht 2,237 million, CHF 17 million or approximately Baht 626 million and RUB 53 million or approximately Baht 28 million (2014: Baht 82 million, INR 758 million or approximately Baht 390 million, EUR 60 million or approximately Baht 2,388 million, CHF 19 million or approximately Baht 642 million, RUB 57 million or approximately Baht 34 million and BRL 1 million or approximately Baht 14 million). No deferred tax assets have been recognised on these amounts as the Company has been granted tax privileges by the Board of Investment and the subsidiaries have determined that they may not be able to utilise the deductible temporary difference and unused tax losses because they do not yet have any taxable profits and they are unable to estimate the benefit they would generate from utilisation of such deductible temporary difference and unused tax losses.

16. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - related parties (Note 7)	1,219	810	82	55
Trade payables - unrelated parties	5,187	4,750	4,126	3,838
Amount due to related parties (Note 7)	319	66	523	137
Other payables	599	458	527	379
Accrued expenses	2,487	2,232	1,590	1,365
Advance received	300	339	118	167
Total trade and other payables	<u>10,111</u>	<u>8,655</u>	<u>6,966</u>	<u>5,941</u>

17. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Forward contracts payable (Note 27)	32	43	13	6
Withholding tax payable	114	117	78	64
Value added tax payable	124	73	-	-
Others	251	69	18	31
Total other current liabilities	<u>521</u>	<u>302</u>	<u>109</u>	<u>101</u>

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(restated)		(restated)
Defined benefit obligation	(2,458)	(2,263)	(263)	(228)
Fair value of plan assets	1,009	929	-	-
Provisions for long-term employee benefits as at 31 December	(1,449)	(1,334)	(263)	(228)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(restated)		(restated)
Defined benefit obligation at beginning of year	(2,263)	(2,243)	(228)	(210)
Current service cost	(67)	(56)	(28)	(20)
Interest cost	(49)	(60)	(14)	(9)
Contribution by plan participants	(14)	(13)	-	-
Administration cost exclude cost for managing plan assets	(1)	-	-	-
Actuarial gain (loss) arising from				
Financial assumptions changes	(80)	(245)	-	-
Experience adjustments	(21)	20	-	-
Benefits paid during the year	109	123	7	11
Translation adjustments	(72)	211	-	-
Defined benefit obligation at end of year	(2,458)	(2,263)	(263)	(228)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u> (restated)
Fair value of plan assets at beginning of year	929	989	-	-
Interest income on plan assets	13	19	-	-
Contributions by employer	20	17	-	-
Contribution by plan participants	14	13	-	-
Benefits paid during the year	(62)	(72)	-	-
Return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset)	9	54	-	-
Translation adjustments	86	(91)	-	-
Fair value of plan assets at end of year	<u>1,009</u>	<u>929</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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Debt securities	224	199	-	-
Equity securities	216	196	-	-
Properties	404	380	-	-
Others	165	154	-	-

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u> (restated)
Current service cost	67	56	28	20
Interest cost	49	60	14	9
Less: Interest income on plan assets	(13)	(19)	-	-
Administration cost exclude cost for managing plan assets	1	-	-	-
Total expenses recognised in profit or loss	<u>104</u>	<u>97</u>	<u>42</u>	<u>29</u>
Line items in profit or loss under which such expenses are included				
Cost of sales	28	18	24	17
Selling and administrative expenses	76	79	18	12

The Company and its subsidiaries expect to pay Baht 79 million of long-term employee benefits during the next year (Separate financial statements: Baht 9 million) (2014: Baht 70 million, separate financial statements: Baht 3 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 11-22 years (Separate financial statements: 17 years) (31 December 2014: 11-24 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Discount rate	0.8 - 8.0	1.3 - 8.0	4.3	4.3
Interest rate	1.0	1.3	-	-
Future salary increase rates (depending on age)	1.2 - 11.0	1.0 - 11.0	7.0 - 11.0	7.0 - 11.0
Pension increase rate	0.3 - 2.0	0.3 - 2.0	-	-
Staff turnover rates (depending on age)	0.5 - 24.2	0.5 - 24.2	4.0 - 13.0	4.0 - 13.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.25%-1%	Decrease 0.25%-1%	Increase 1%	Decrease 1%
Discount rate	Decrease 152	Increase 171	Decrease 29	Increase 34
Interest rate	Increase 9	Decrease 9	-	-
Future salary increase rates (depending on age)	Increase 43	Decrease 32	Decrease 33	Decrease 29
Pension increase rate	Increase 69	Decrease 63	-	-

19. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
Balance as at 31 December 2013	28	194	215	437	68	68
Recognition during year	2	194	65	261	106	106
Decrease during year	(10)	(6)	(19)	(35)	-	-
Reversal during year	(1)	(55)	(154)	(210)	-	-
Translation adjustment/unrealised loss on exchange rate	(4)	(9)	(16)	(29)	2	2
Balance as at 31 December 2014	15	318	91	424	176	176
Recognition during year	3	357	293	653	39	39
Decrease during year	(5)	-	(18)	(23)	-	-
Reversal during year	(4)	(204)	(311)	(519)	-	-
Translation adjustment/unrealised loss on exchange rate	-	30	(4)	26	20	20
Balance as at 31 December 2015	9	501	51	561	235	235
Short-term provisions	15	81	43	139	-	-
Long-term provisions	-	237	48	285	176	176
Balance as at 31 December 2014	15	318	91	424	176	176
Short-term provisions	9	134	13	156	-	-
Long-term provisions	-	367	38	405	235	235
Balance as at 31 December 2015	9	501	51	561	235	235

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 2015 and 2014 consisted of the followings:

<u>Dividends</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

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries, wages and other employee benefits	7,648	7,525	4,280	4,004
Raw materials used and purchase of finished goods	28,104	26,113	18,285	17,162
Changes in inventories of finished goods and work in progress	(896)	509	(339)	(58)
Depreciation	779	789	579	555
Commission expenses	464	453	399	427
Marketing fee	27	46	239	277
Design and engineering fee	640	440	1,189	1,232
Amortisation of intangible assets	99	91	6	14

23. Promotional privileges

The Company and a subsidiary in Thailand were granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company and the subsidiary in Thailand are as follows:

Details	The Company							A subsidiary in Thailand	
	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	1732(2)/2557	1158(2)/2558	1688(2)/2558	1813(2)/2554	1814(2)/2554
1. Certificate No.									
2. Promotional privileges for	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of telecommunication equipment and electronics products for vehicle	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of Inverter	Manufacturing of electric light bulbs and display monitor
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.	8 years	7 years (Maximum amount Baht 90,690,852)	7 years (Maximum amount Baht 298,170,000)	8 years	7 years (Maximum amount Baht 124,000,000)	5 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 200,000,000)	7 years (Maximum amount Baht 182,000,000)	7 years (Maximum amount Baht 199,000,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Non - granted	Granted	Granted	Non - granted	Granted	Granted	Granted	Granted	Granted
3.4 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.5 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
4. Date of first earning operating income	27 January 2009	4 January 2010	15 March 2013	10 January 2015	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation
5. Additional right and benefit	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	-	-	-	-	-

The Company's operating revenues for the years ended 31 December 2015 and 2014, dividend between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Separate financial statements</u>						
Sales						
Domestic sales	390	393	97	-	487	393
Export sales	31,241	29,490	96	164	31,337	29,654
Total	<u>31,631</u>	<u>29,883</u>	<u>193</u>	<u>164</u>	<u>31,824</u>	<u>30,047</u>

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

- 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) Pvt. Ltd. was granted tax privileges by the Government of India for the manufacture of Telecom Power Systems and uninterruptible Power Supplies on 1 April 2008. The privileges include exemption from corporate income tax for a period of 5 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 5 years after the tax-exemption period ends.

24. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the years ended 31 December 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)	
	Power electronics segment ¹⁾		Energy management segment ²⁾		Smart green life segment ³⁾		Others		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue										
Revenue from external customers	32,050	30,464	13,015	12,061	318	568	1,555	978	46,938	44,071
Total revenue	<u>32,050</u>	<u>30,464</u>	<u>13,015</u>	<u>12,061</u>	<u>318</u>	<u>568</u>	<u>1,555</u>	<u>978</u>	<u>46,938</u>	<u>44,071</u>
Segment profit (loss)	6,436	6,005	880	946	(44)	30	(1,060)	(1,573)	6,212	5,408
Unallocated income (expenses):										
Interest income									224	210
Gain on exchange rate									412	231
Gain on sales of investment in subsidiary company									-	3
Gain on sales of investment in associated company									-	192
Other income									419	370
Other expenses									(239)	(315)
Finance cost									(39)	(73)
Share of profit from investment in an associated company									-	2
Profit before income tax expenses									6,989	6,028
Income tax expenses									(275)	(85)
Profit for the year									<u>6,714</u>	<u>5,943</u>

- 1) The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances and automotive electronic products. The main products are DC-DC Converter, Power supply for Computer & Server, DES product, Automotive electronic product, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.
- 2) The energy management segment is a business segment which designs, manufactures, and sales of power supplies/converters and electromechanical products applied to communication, information, network and renewable energy. The main products are Telecom Power System, Industrial Power System, Uninterruptible Power Supplies (UPS), Photovoltaic Inverter (PIV) and Industrial automation product etc.
- 3) The smart green life segment is a business segment which designs, manufactures, and sales of LED lighting product and display solutions.

Geographic information:**Revenue from external customers is based on locations of the customers**

	(Unit: Million Baht)	
	<u>2015</u>	<u>2014</u>
United States	13,247	10,863
India	6,548	5,887
China	5,491	6,433
Germany	4,466	3,923
Taiwan	2,597	3,497
Others	14,589	13,468
Total	<u>46,938</u>	<u>44,071</u>

Non-current assets

	(Unit: Million Baht)	
	<u>2015</u>	<u>2014</u>
(Other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts)		
Thailand	2,838	2,421
Slovakia	1,087	1,106
India	781	587
Germany	448	482
Others	577	593
Total	<u>5,731</u>	<u>5,189</u>

25. 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 7 percent of basic salary (2014: 7 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. The contributions for the year 2015 amounting to approximately Baht 74 million (2014: Baht 68 million) were recognised as expenses.

The provident funds of the subsidiaries and their employees have been established in accordance with each subsidiary's policies and the law of its country of domicile.

26. Commitments and contingent liabilities

26.1 Capital commitments and operating lease commitments

26.1.1 As at 31 December 2015, the Company and its subsidiaries had significant capital commitments amounting to Baht 3 million and INR 47 million or approximately Baht 25 million in respect of the building construction (2014: Baht 6 million) and amounting to Baht 221 million, EUR 1 million or approximately Baht 44 million and INR 57 million or approximately Baht 31 million in respect of the purchase of machinery and equipment (2014: Baht 108 million, EUR 0.1 million or approximately Baht 4 million and INR 5 million or approximately Baht 2 million).

26.1.2 As at 31 December 2015, the subsidiaries had significant operating lease commitments amounting to SEK 2 million or approximately Baht 7 million, PLN 1 million or approximately Baht 6 million, CHF 1 million or approximately Baht 28 million, INR 57 million or approximately Baht 31 million and EUR 2 million or approximately Baht 97 million (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).

26.2 Guarantee obligations

As at 31 December 2015, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

26.2.1 Outstanding letters of guarantee totaling approximately Baht 1,164 million (2014: Baht 1,162 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,137 million (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 26.3.1 to the financial statements).

26.2.2 Outstanding letters of guarantee for totals of approximately INR 582 million or approximately Baht 315 million, EUR 1 million or approximately Baht 43 million, USD 0.9 million or approximately Baht 33 million, BRL 0.2 million or approximately Baht 2 million, CHF 0.2 million or approximately Baht 7 million, PLN 0.5 million or approximately Baht 5 million and AUD 0.07 million or approximately Baht 2 million have been issued by banks to meet requirements of its subsidiaries (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, PLN 0.6 million or approximately Baht 6 million and AUD 0.07 million or approximately Baht 2 million).

26.3 Tax assessment

- 26.3.1 a. 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 judgement and therefore submitted a letter appealing the judgement of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.
- b. 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 judgement and therefore submitted a letter appealing the judgement 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 above 2 cases and therefore the Company has not recorded provision for the tax assessments in the accounts.

- c. During the current year, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

However, the Company believes that the assessments will have no significant impact to the Company and therefore provision for the tax assessments has not been recorded in the accounts.

26.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 78 million or approximately Baht 42 million, covering the years 2003 - 2015, and sales tax and excise duties of approximately INR 459 million or approximately Baht 248 million, covering the years 2005 - 2014, against the subsidiaries in India. The subsidiaries have appealed the assessments. The management of the subsidiaries believe that the outcome of the cases will be favorable to the companies and therefore no provision for these contingent liabilities have been made in the accounts.

27. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had certain assets and liabilities that were measured or disclosed at fair value using different level inputs (as mentioned in Note 5.18 to the financial statements) as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 10)	-	13	-	13
Liabilities measured at fair value				
Foreign currency forward contracts (Note 17)	-	32	-	32
Assets for which fair value are disclosed				
Investment properties (Note 12)	-	-	230	230

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 10)	-	2	-	2
Liabilities measured at fair value				
Foreign currency forward contracts (Note 17)	-	13	-	13

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 receivables, other receivables, investments, short-term loans, trade payables and other payables. 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 receivables and other receivables. 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 concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables 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.

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.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2015

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	1,990	-	-	17,411	1,087	20,488	0.01 - 6.70
Trade and other receivables	-	-	-	-	9,654	9,654	-
Deposits at bank with restrictions	73	-	-	-	-	73	0.01 - 4.00
Total	2,063	-	-	17,411	10,741	30,215	
Financial liabilities							
Bank overdraft and short-term							
loans from financial institutions	190	-	-	-	-	190	1.03
Trade and other payables	-	-	-	-	10,111	10,111	-
Total	190	-	-	-	10,111	10,301	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2014

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	940	-	-	16,098	893	17,931	0.01 - 8.00
Trade and other receivables	-	-	-	-	8,371	8,371	-
Deposits at bank with restrictions	-	-	-	-	77	77	-
Total	940	-	-	16,098	9,341	26,379	
Financial liabilities							
Bank overdraft and short-term							
loans from financial institutions	250	-	-	-	-	250	1.02
Trade and other payables	-	-	-	-	8,655	8,655	-
Total	250	-	-	-	8,655	8,905	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2015

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within		Over	interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	12,897	15	12,912	0.10 - 1.85
Trade and other receivables	-	-	-	-	6,991	6,991	-
Total	-	-	-	12,897	7,006	19,903	
Financial liabilities							
Trade and other payables	-	-	-	-	6,966	6,966	-
Total	-	-	-	-	6,966	6,966	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2014

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within		Over	interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	11,616	127	11,743	0.10 - 2.75
Trade and other receivables	-	-	-	-	6,020	6,020	-
Total	-	-	-	11,616	6,147	17,763	
Financial liabilities							
Trade and other payables	-	-	-	-	5,941	5,941	-
Total	-	-	-	-	5,941	5,941	

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 2015 and 2014, 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	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	261	157	136	112	36.0886	32.9630
Euro	15	23	5	3	39.4388	40.0530
Japanese yen	78	124	325	247	0.2996	0.2738
Swiss franc	-	-	1	-	36.3704	33.3016
Polish zloty	6	5	1	1	9.3132	9.3164

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 2015 and 2014, the outstanding derivatives are as follows:

Forward contracts

	As at 31 December 2015					
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	123	million	35.42500 - 36.91000	THB/USD	January - April 2016
USD/CHF	USD	16	million	0.98480 - 1.01800	CHF/USD	January 2016
EUR/CHF	EUR	3	million	1.07807 - 1.07930	CHF/EUR	January 2016
USD/TRY	USD	1	million	2.91800 - 2.92980	TRY/USD	January 2016
EUR/TRY	EUR	2	million	3.18300 - 3.25850	TRY/EUR	January 2016
PLN/CHF	PLN	4	million	3.92300 - 3.96440	PLN/CHF	January 2016
USD/BRL	USD	1	million	3.92640	BRL/USD	January 2016
Forward contracts to "Buy"						
USD/INR	USD	12	million	66.78350 - 67.14500	INR/USD	January 2016
EUR/CHF	EUR	1	million	1.08450	CHF/EUR	January 2016
EUR/USD	EUR	7	million	1.08720 - 1.09628	USD/EUR	January 2016
USD/AUD	USD	3	million	0.71290 - 0.73040	USD/AUD	January - February 2016

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

28.2 Fair values of financial instruments

The majority of the financial instruments of the Company and its subsidiaries 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.

For derivatives, their fair value 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. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives.

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 their business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.43:1 (2014: 0.41:1) and the Company's was 0.25:1 (2014: 0.23:1).

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2016.