

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month period ended 31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2016, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 17.3.1 to the financial statements regarding the Company's receipt of notices of 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 conclusion is not qualified in respect of these matters.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

Bangkok: 25 April 2016

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u>	<u>31 March 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u>
Assets					
Current assets					
Cash and cash equivalents		21,261,841	20,487,952	13,793,274	12,912,493
Trade and other receivables	4	9,168,821	9,654,189	7,113,646	6,990,967
Inventories	5	6,203,047	6,141,318	3,708,230	3,665,518
Other current assets	6	1,022,419	866,114	188,175	141,669
Total current assets		37,656,128	37,149,573	24,803,325	23,710,647
Non-current assets					
Deposits at bank with restrictions		62,126	72,705	-	-
Investments in subsidiary companies	7	-	-	11,531,282	11,480,275
Investment properties	8	230,462	230,210	-	-
Property, plant and equipment	9	5,243,636	4,941,920	2,803,432	2,767,655
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	10	529,059	558,565	4,457	5,522
Deferred tax assets		263,710	292,932	-	-
Other non-current assets		49,819	49,007	1,320	1,363
Total non-current assets		6,685,570	6,452,097	14,340,491	14,254,815
Total assets		44,341,698	43,601,670	39,143,816	37,965,462

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 March 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>			
	<u>Note</u>	<u>31 March 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u>	<u>31 March 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u>	
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans						
		from financial institutions	196,398	189,931	-	-
Trade and other payables	11	9,789,074	10,111,368	6,995,798	6,965,951	
Income tax payable		115,000	130,969	5,325	5,325	
Short-term provisions	14	158,090	155,713	-	-	
Other current liabilities	12	467,817	521,408	70,566	109,121	
Total current liabilities		10,726,379	11,109,389	7,071,689	7,080,397	
Non-current liabilities						
Deferred tax liabilities		69,273	69,199	-	-	
Provision for long-term employee benefits	13	1,533,666	1,449,155	267,046	262,636	
Long-term provisions	14	399,742	404,738	239,455	234,754	
Other non-current liabilities		11,272	11,425	1,145	1,116	
Total non-current liabilities		2,013,953	1,934,517	507,646	498,506	
Total liabilities		12,740,332	13,043,906	7,579,335	7,578,903	
Shareholders' equity						
Share capital						
Registered						
		1,259,000,000 ordinary shares of Baht 1 each	1,259,000	1,259,000	1,259,000	1,259,000
Issued and fully paid-up						
		1,247,381,614 ordinary shares of Baht 1 each	1,247,382	1,247,382	1,247,382	1,247,382
Share premium		1,491,912	1,491,912	1,491,912	1,491,912	
Retained earnings						
		Appropriated - Statutory reserve	125,900	125,900	125,900	125,900
		Unappropriated	30,275,042	29,091,127	28,699,287	27,521,365
Other components of shareholders' equity		(1,538,870)	(1,398,557)	-	-	
Equity attributable to owners of the Company		31,601,366	30,557,764	31,564,481	30,386,559	
Total shareholders' equity		31,601,366	30,557,764	31,564,481	30,386,559	
Total liabilities and shareholders' equity		44,341,698	43,601,670	39,143,816	37,965,462	
		-	-	-	-	

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

Directors

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales and service income		11,202,789	10,987,454	8,026,446	7,755,762
Other income					
Interest income		61,345	62,068	53,782	51,808
Gain on exchange		38,895	49,232	9,660	-
Others		127,191	57,310	74,166	25,396
Total revenues		11,430,220	11,156,064	8,164,054	7,832,966
Expenses					
Cost of sales and services		8,246,636	7,949,339	5,843,335	5,599,801
Selling expenses		740,454	701,012	255,854	219,468
Administrative expenses		432,924	374,042	278,083	236,517
Research and development expenses		668,986	439,591	607,581	370,078
Loss on exchange rate		-	-	-	17,240
Other expenses		25,205	34,717	1,279	1,470
Total expenses		10,114,205	9,498,701	6,986,132	6,444,574
Profit before finance cost and income tax expenses		1,316,015	1,657,363	1,177,922	1,388,392
Finance cost		(8,534)	(8,238)	-	-
Profit before income tax expenses		1,307,481	1,649,125	1,177,922	1,388,392
Income tax expenses	15	(57,886)	(90,454)	-	-
Profit for the period		1,249,595	1,558,671	1,177,922	1,388,392
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		(140,313)	(386,524)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(140,313)	(386,524)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial losses - net of income tax		(65,680)	(48,488)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(65,680)	(48,488)	-	-
Other comprehensive income for the period		(205,993)	(435,012)	-	-
Total comprehensive income for the period		1,043,602	1,123,659	1,177,922	1,388,392

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	<u>1,249,595</u>	<u>1,558,671</u>	<u>1,177,922</u>	<u>1,388,392</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,043,602</u>	<u>1,123,659</u>	<u>1,177,922</u>	<u>1,388,392</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.00</u>	<u>1.25</u>	<u>0.94</u>	<u>1.11</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:				
Profit before tax	1,307,481	1,649,125	1,177,922	1,388,392
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	201,277	191,330	150,839	141,555
Amortisation of other intangible assets	20,180	21,566	1,065	3,618
Recording of allowance for doubtful accounts (reversal)	6,473	(1,587)	3,209	218
Decrease of inventory to net realisable value (reversal)	41,063	(48,671)	(4,508)	(23,188)
Loss from write-off inventories	42,896	47,143	22,296	35,290
Increase in provision for long-term employee benefits	19,363	17,462	8,428	7,796
Recording of the increase in provisions	11,451	56,232	10,879	6,573
Gain from disposal of property, plant and equipment	(3,661)	(372)	(4,175)	(369)
Loss on disposal of other intangible assets	9	7	-	-
Unrealised loss on exchange	51,474	120,637	54,402	55,270
Unrealised gain on exchange for forward contracts	(84,356)	(80,462)	(46,111)	(32)
Interest income	(61,345)	(62,068)	(53,782)	(51,808)
Interest expenses	8,534	8,238	-	-
Profit from operating activities before changes in operating assets and liabilities	1,560,839	1,918,580	1,320,464	1,563,315
Decrease (increase) in operating assets:				
Trade and other receivables	282,675	(306,650)	(298,394)	(551,081)
Inventories	(145,688)	(613,973)	(60,500)	(495,487)
Other current assets	(38,658)	(58,820)	13,271	(16,251)
Other non-current assets	(812)	1,928	43	419
Increase (decrease) in operating liabilities:				
Trade and other payables	(212,699)	788,128	99,132	816,792
Other current liabilities	(21,627)	(14,043)	(26,471)	(27,165)
Provision for long-term employee benefits	(14,843)	(9,040)	(4,018)	(1,097)
Provisions	(7,984)	(4,163)	-	-
Other non-current liabilities	(153)	(912)	29	(14)
Cash flows from operating activities	1,401,050	1,701,035	1,043,556	1,289,431
Cash received from interest income	48,970	46,697	40,831	36,324
Cash paid for interest expenses	(17,187)	(8,609)	-	-
Cash paid for corporate income tax	(78,549)	(53,980)	(540)	(403)
Net cash flows from operating activities	1,354,284	1,685,143	1,083,847	1,325,352

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	10,579	12,729	-	-
Increase in investments in subsidiary company	-	-	(51,007)	-
Acquisition of property, plant and equipment	(512,393)	(209,001)	(195,598)	(183,919)
Proceeds from disposal of property, plant and equipment	13,194	1,013	13,157	953
Increase in other intangible assets	(2,845)	(997)	-	(490)
Net cash flows used in investing activities	(491,465)	(196,256)	(233,448)	(183,456)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	6,467	(38,335)	-	-
Net cash flows from (used in) financing activities	6,467	(38,335)	-	-
Decrease in translation adjustments	(110,296)	(311,357)	-	-
Net increase in cash and cash equivalents	758,990	1,139,195	850,399	1,141,896
Unrealised gain (loss) on exchange for cash and cash equivalents	14,899	(56,383)	30,382	5,049
Cash and cash equivalents at beginning of period	20,487,952	17,931,328	12,912,493	11,743,380
Cash and cash equivalents at end of period	21,261,841	19,014,140	13,793,274	12,890,325
	-	-	-	-

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
Balance as at 31 December 2014 - as previously reported	1,247,382	1,491,912	125,900	26,692,071	(1,959,019)	(1,959,019)	27,598,246
Cumulative effect of change in accounting policy	-	-	-	(432,045)	-	-	(432,045)
Balance as at 31 December 2014 - as restated	1,247,382	1,491,912	125,900	26,260,026	(1,959,019)	(1,959,019)	27,166,201
Profit for the period	-	-	-	1,558,671	-	-	1,558,671
Other comprehensive income for the period	-	-	-	(48,488)	(386,524)	(386,524)	(435,012)
Total comprehensive income for the period	-	-	-	1,510,183	(386,524)	(386,524)	1,123,659
Dividend paid	-	-	-	(3,742,145)	-	-	(3,742,145)
Balance as at 31 March 2015	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>24,028,064</u>	<u>(2,345,543)</u>	<u>(2,345,543)</u>	<u>24,547,715</u>
Balance as at 31 December 2015 (Audited)	1,247,382	1,491,912	125,900	29,091,127	(1,398,557)	(1,398,557)	30,557,764
Profit for the period	-	-	-	1,249,595	-	-	1,249,595
Other comprehensive income for the period	-	-	-	(65,680)	(140,313)	(140,313)	(205,993)
Total comprehensive income for the period	-	-	-	1,183,915	(140,313)	(140,313)	1,043,602
Balance as at 31 March 2016	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>30,275,042</u>	<u>(1,538,870)</u>	<u>(1,538,870)</u>	<u>31,601,366</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2014 - as previously reported	1,247,382	1,491,912	125,900	25,038,522	27,903,716
Cumulative effect of change in accounting policy	-	-	-	(78,131)	(78,131)
Balance as at 31 December 2014 - as restated	1,247,382	1,491,912	125,900	24,960,391	27,825,585
Profit for the period	-	-	-	1,388,392	1,388,392
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,388,392	1,388,392
Dividend paid	-	-	-	(3,742,145)	(3,742,145)
Balance as at 31 March 2015	1,247,382	1,491,912	125,900	22,606,638	25,471,832
Balance as at 31 December 2015 (Audited)	1,247,382	1,491,912	125,900	27,521,365	30,386,559
Profit for the period	-	-	-	1,177,922	1,177,922
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,177,922	1,177,922
Balance as at 31 March 2016	1,247,382	1,491,912	125,900	28,699,287	31,564,481

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2016

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015.

1.3 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,365	2,498	With reference to market prices
Purchase of raw materials	-	-	18	14	With reference to market prices
Commission paid	-	-	9	42	Contract prices
Marketing fee	-	-	66	52	Contract prices
Design and engineering fee	-	-	277	206	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	339	322	326	315	With reference to market prices
Purchase of goods and raw materials	982	925	83	92	With reference to market prices
Commission paid	136	102	136	102	Contract prices
Design and engineering fee	155	-	155	-	Contract prices
Commission received	54	7	-	-	Contract prices
Services income	98	74	-	-	Contract prices
Services paid	44	15	44	15	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2016 and 31 December 2015 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables, related parties (Note 4)</u>				
Subsidiary companies	-	-	2,703	2,802
Other related companies (under common control)	464	520	329	356
Total trade receivables, related parties	<u>464</u>	<u>520</u>	<u>3,032</u>	<u>3,158</u>
<u>Amounts due from related parties (Note 4)</u>				
Subsidiary companies	-	-	18	-
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>
<u>Trade payables, related parties (Note 11)</u>				
Subsidiary companies	-	-	18	19
Other related companies (under common control)	1,017	1,219	83	63
Total trade payables, related parties	<u>1,017</u>	<u>1,219</u>	<u>101</u>	<u>82</u>
<u>Amounts due to related parties (Note 11)</u>				
Subsidiary companies	-	-	126	232
Other related companies (under common control)	316	319	276	291
Total amounts due to related parties	<u>316</u>	<u>319</u>	<u>402</u>	<u>523</u>

Directors and management's benefits

For the three-month periods ended 31 March 2016 and 2015, 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	
	2016	2015	2016	2015
Short-term employee benefits	41	39	13	14
Post-employment benefits	4	4	2	2
Total	<u>45</u>	<u>43</u>	<u>15</u>	<u>16</u>

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	461	518	2,800	2,894
Past due				
Up to 3 months	3	2	232	250
3 - 6 months	-	-	-	6
6 - 12 months	-	-	-	8
Total	464	520	3,032	3,158
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,505	8,048	3,820	3,535
Past due				
Up to 3 months	1,059	1,005	243	298
3 - 6 months	126	93	7	1
6 - 12 months	27	23	-	-
Over 12 months	99	90	-	-
Total	8,816	9,259	4,070	3,834
Total trade receivables	9,280	9,779	7,102	6,992
Less: Allowance for doubtful accounts	(163)	(157)	(6)	(3)
Total trade receivables - net	9,117	9,622	7,096	6,989
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	-	18	-
Other receivables	52	32	-	2
Total other receivables	52	32	18	2
Trade and other receivables - net	9,169	9,654	7,114	6,991

(Unaudited but reviewed)

5. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	887	330
Add: Reduce cost to net realisable value of inventories increase during the period	58	-
Less: Reversal of reduce cost to net realisable value of inventory account during the period	(17)	(4)
Balance as at 31 March 2016	<u>928</u>	<u>326</u>

6. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)
Input tax refundable	359	419	71	97
Advance payments	230	169	39	28
Prepaid expenses	113	65	17	4
Prepaid tax	198	163	-	-
Forward contracts receivable (Note 19)	77	13	37	2
Others	45	37	24	11
Total other current assets	<u>1,022</u>	<u>866</u>	<u>188</u>	<u>142</u>

7. Investments in subsidiary companies

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

Company's name	(Unit: Million Baht)	
	Cost	
	31 March 2016	31 December 2015
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Energy Systems (Switzerland) AG	2,415	2,415
Delta Green Industrial (Thailand) Company Limited	190	190
Delta Energy Systems (Singapore) Pte. Ltd.	1,672	1,621
Total	13,727	13,676
Less: Allowance for impairment loss of investments in subsidiary companies	(2,196)	(2,196)
Investments in subsidiary companies - net	11,531	11,480

A meeting of the Board of Directors of the Company held on 30 March 2015 passed a resolution to increase its investment in Delta Energy Systems (Singapore) Pte. Ltd. by USD 1.4 million, to enable the latter to invest in a subsidiary in Myanmar, Delta Electronics (Myanmar) Company Limited. There is no impact on the structure of the Group as a result of this additional investment.

No dividend was received from the above subsidiary companies during the three-month periods ended 31 March 2016 and 2015.

8. Investment properties

Movements of the investment property account during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Land for rent	Office building for rent	Total
Net book value as at 1 January 2016	38	192	230
Depreciation for the period	-	(2)	(2)
Translation adjustment	-	2	2
Net book value as at 31 March 2016	38	192	230

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2016	4,942	2,768
Acquisitions during period - cost	512	195
Disposals during period - net book value at disposal date	(10)	(9)
Depreciation for the period	(199)	(151)
Translation adjustment	(1)	-
Net book value as at 31 March 2016	<u>5,244</u>	<u>2,803</u>

On 18 March 2016, the Company and a subsidiary, Delta Green Industrial (Thailand) Company Limited, entered into an agreement to transfer ownership of a building to the Company for Baht 60 million. This building belonged to the subsidiary and was constructed on land belonging to the Company, which the subsidiary leased from the Company to construct the building for use in its business operations. The land lease expires on 30 April 2016 and the effective date of the building transfer is 1 May 2016.

10. Other intangible assets

Movements of the other intangible asset account during the three-month period ended 31 March 2016 are summarised below.

	(Unit: Million Baht)				
	Consolidated financial statements				Separate
	Computer				financial statements
	Patent rights	software	Others	Total	Computer
					software
Net book value as at 1 January 2016	530	25	4	559	6
Increase during period	-	3	-	3	-
Amortisation for the period	(15)	(5)	-	(20)	(2)
Translation adjustment	(12)	(1)	-	(13)	-
Net book value as at 31 March 2016	<u>503</u>	<u>22</u>	<u>4</u>	<u>529</u>	<u>4</u>

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,017	1,219	101	82
Trade payables - unrelated parties	5,335	5,187	4,353	4,126
Amount due to related parties (Note 3)	316	319	402	523
Other payables	453	599	379	527
Accrued expenses	2,474	2,487	1,660	1,590
Advance received	194	300	101	118
Total trade and other payables	9,789	10,111	6,996	6,966

12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Forward contracts payable (Note 19)	12	32	2	13
Withholding tax payable	141	114	49	78
Value added tax payable	98	124	-	-
Others	217	251	20	18
Total other current liabilities	468	521	71	109

13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2016		1,449		263
Add: Recognition during period		90		8
Less: Decrease during period		(15)		(4)
Less: Reversal during period		(5)		-
Translation adjustment		15		-
Balance as at 31 March 2016		1,534		267

(Unaudited but reviewed)

14. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
Balance as at 31 December 2015 (Audited)	9	501	51	561	235	235
Recognition during period	-	59	17	76	14	14
Decrease during period	(1)	-	(7)	(8)	-	-
Reversal during period	-	(54)	(11)	(65)	(3)	(3)
Translation adjustment/unrealised gain on exchange rate	-	(8)	2	(6)	(7)	(7)
Balance as at 31 March 2016	8	498	52	558	239	239
Short-term provisions	9	134	13	156	-	-
Long-term provisions	-	367	38	405	235	235
Balance as at 31 December 2015 (Audited)	9	501	51	561	235	235
Short-term provisions	8	140	10	158	-	-
Long-term provisions	-	358	42	400	239	239
Balance as at 31 March 2016	8	498	52	558	239	239

(Unaudited but reviewed)

15. Income tax

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Current income tax:		
Current income tax charge	(27)	(44)
Deferred tax:		
Decrease in deferred tax assets	(29)	(82)
Decrease in deferred tax liabilities	-	6
Translation adjustment	(2)	30
Income tax expenses reported in the statement of comprehensive income	<u>(58)</u>	<u>(90)</u>

16. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month periods ended 31 March 2016 and 2015 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

	(Unit: Million Baht)									
	For the three-month periods ended 31 March									
	Power electronics segment		Energy management segment		Smart green life segment		Others		Consolidated financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue										
Revenue from external customers	7,887	7,884	3,180	2,748	101	90	35	265	11,203	10,987
Total revenue	<u>7,887</u>	<u>7,884</u>	<u>3,180</u>	<u>2,748</u>	<u>101</u>	<u>90</u>	<u>35</u>	<u>265</u>	<u>11,203</u>	<u>10,987</u>
Segment profit (loss)	1,322	1,628	103	168	(17)	(14)	(293)	(258)	1,115	1,524
Unallocated income (expenses):										
Interest income									61	62
Gain on exchange rate									39	49

(Unaudited but reviewed)

Other		
income	127	57
Other		
expens		
es	(25)	(35)
Finance		
cost	(9)	(8)
Profit before income tax expenses	<u>1,308</u>	<u>1,649</u>
Income tax		
expenses	<u>(58)</u>	<u>(90)</u>
Profit for		
the		
period	<u><u>1,250</u></u>	<u><u>1,559</u></u>

17. Commitments and contingent liabilities

17.1 Capital commitments and operating lease commitments

17.1.1 As at 31 March 2016, the Company and its subsidiaries had significant capital commitments amounting to Baht 12 million and INR 3 million or approximately Baht 1 million in respect of the building construction (31 December 2015: Baht 3 million and INR 47 million or approximately Baht 25 million) and amounting to Baht 100 million, EUR 0.2 million or approximately Baht 7 million and INR 33 million or approximately Baht 18 million in respect of the purchase of machinery and equipment (31 December 2015: Baht 221 million, EUR 1 million or approximately Baht 44 million and INR 57 million or approximately Baht 31 million).

17.1.2 As at 31 March 2016, the subsidiaries had significant operating lease commitments amounting to SEK 1 million or approximately Baht 6 million, PLN 3 million or approximately Baht 27 million, CHF 1 million or approximately Baht 24 million, INR 54 million or approximately Baht 28 million and EUR 2 million or approximately Baht 85 million (31 December 2015: 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).

17.2 Guarantee obligations

As at 31 March 2016, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

17.2.1 Outstanding letters of guarantee totaling approximately Baht 1,164 million (31 December 2015: Baht 1,164 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,137 million (31 December 2015: Baht 1,137 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 17.3.1 to the financial statements).

17.2.2 Outstanding letters of guarantee for totals of approximately INR 613 million or approximately Baht 324 million, EUR 1 million or approximately Baht 44 million, USD 0.9 million or approximately Baht 32 million, BRL 0.2 million or approximately Baht 2 million, CHF 0.2 million or approximately Baht 7 million, PLN 0.4 million or approximately Baht 4 million and AUD 0.07 million or approximately Baht 2 million have been issued by banks to meet requirements of its subsidiaries (31 December 2015: 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).

17.3 Tax assessment

17.3.1 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.

(Unaudited but reviewed)

17.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 78 million or approximately Baht 41 million, covering the years 2003 - 2015, and sales tax and excise duties of approximately INR 455 million or approximately Baht 241 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.

18. Financial derivatives

As at 31 March 2016 and 31 December 2015, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	175	184	136	134	35.2392	36.0886
Euro	13	15	2	2	39.8996	39.4388
Japanese yen	70	78	287	325	0.3134	0.2996
Polish zloty	4	6	1	1	9.3445	9.3132

(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 31 March 2016 and 31 December 2015, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

							As at 31 March 2016		
							Amount	Forward rate	Maturity date
Forward contracts to "Sell"									
USD/THB	USD	108	million	34.97000 - 36.65000	THB/USD	April - July 2016			
USD/CHF	USD	15	million	0.96235 - 0.99630	CHF/USD	April 2016			
EUR/CHF	EUR	3	million	1.09150 - 1.09615	CHF/EUR	April 2016			
USD/TRY	USD	1	million	2.89500 - 2.89570	TRY/USD	April 2016			
EUR/TRY	EUR	2	million	3.22730 - 3.23830	TRY/EUR	April 2016			
PLN/CHF	PLN	2	million	3.92140	PLN/CHF	April 2016			
USD/BRL	USD	2	million	3.62280	BRL/USD	April 2016			
EUR/SEK	EUR	1	million	9.26990	SEK/EUR	April 2016			
Forward contracts to "Buy"									
USD/INR	USD	12	million	66.90900 - 68.15000	INR/USD	April 2016			
EUR/USD	EUR	10	million	1.09708 - 1.13387	USD/EUR	April 2016			
USD/AUD	USD	2	million	0.72074 - 0.75750	USD/AUD	April 2016			
							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			

19. Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

As of 31 March 2016, the Company and its subsidiaries had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	77	-	77
Financial liabilities measured at fair value				
Foreign currency forward contracts (Note 12)	-	12	-	12
Assets for which fair value are disclosed				
Investment properties (Note 8)	-	-	230	230

	(Unit: Million Baht)			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	37	-	37
Financial liabilities measured at fair value				
Foreign currency forward contracts (Note 12)	-	2	-	2

Valuation techniques and inputs to Level 2 valuation

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

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

20. Events after the reporting period

On 5 April 2016, the 2016 Annual General Meeting of the Company's shareholders approved the payment of a dividend of Baht 3.10 per share for 2015, totaling Baht 3,867 million.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 25 April 2016.