

Delta Electronics (Thailand) Public Company Limited  
and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and six-month periods ended  
30 June 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 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

**Emphasis of matter**

I draw attention to Note 18.3.1 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 July 2016

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited but reviewed)	31 December 2015	30 June 2016 (Unaudited but reviewed)	31 December 2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		18,473,213	20,487,952	11,141,439	12,912,493
Trade and other receivables	4	9,249,640	9,654,189	7,319,601	6,990,967
Inventories	5	6,578,640	6,141,318	3,875,647	3,665,518
Other current assets	6	1,075,330	866,114	148,043	141,669
<b>Total current assets</b>		<b>35,376,823</b>	<b>37,149,573</b>	<b>22,484,730</b>	<b>23,710,647</b>
<b>Non-current assets</b>					
Deposits at bank with restrictions		57,047	72,705	-	-
Investments in subsidiary companies	7	-	-	11,531,282	11,480,275
Investment properties	8	223,228	230,210	-	-
Property, plant and equipment	9	5,434,080	4,941,920	2,986,113	2,767,655
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	10	509,254	558,565	3,603	5,522
Deferred tax assets		276,788	292,932	-	-
Other non-current assets		45,050	49,007	1,322	1,363
<b>Total non-current assets</b>		<b>6,852,205</b>	<b>6,452,097</b>	<b>14,522,320</b>	<b>14,254,815</b>
<b>Total assets</b>		<b>42,229,028</b>	<b>43,601,670</b>	<b>37,007,050</b>	<b>37,965,462</b>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited but reviewed)	31 December 2015	30 June 2016 (Unaudited but reviewed)	31 December 2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions		308.917	189.931	-	-
Trade and other payables	11	10.278.847	10.111.368	7.616.481	6.965.951
Income tax payable		134.368	130.969	1.308	5.325
Short-term provisions	14	94.930	155.713	-	-
Other current liabilities	12	415.683	521.408	29.763	109.121
<b>Total current liabilities</b>		<b>11.232.745</b>	<b>11.109.389</b>	<b>7.647.552</b>	<b>7.080.397</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		70.460	69.199	-	-
Provision for long-term employee benefits	13	1.544.383	1.449.155	270.501	262.636
Long-term provisions	14	458.619	404.738	242.975	234.754
Other non-current liabilities		11.323	11.425	1.145	1.116
<b>Total non-current liabilities</b>		<b>2.084.785</b>	<b>1.934.517</b>	<b>514.621</b>	<b>498.506</b>
<b>Total liabilities</b>		<b>13.317.530</b>	<b>13.043.906</b>	<b>8.162.173</b>	<b>7.578.903</b>
<b>Shareholders' equity</b>					
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		27.714.245	29.091.127	25.979.683	27.521.365
Other components of shareholders' equity		(1.667.941)	(1.398.557)	-	-
Equity attributable to owners of the Company		28.911.498	30.557.764	28.844.877	30.386.559
<b>Total shareholders' equity</b>		<b>28.911.498</b>	<b>30.557.764</b>	<b>28.844.877</b>	<b>30.386.559</b>
<b>Total liabilities and shareholders' equity</b>		<b>42.229.028</b>	<b>43.601.670</b>	<b>37.007.050</b>	<b>37.965.462</b>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 30 June 2016**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		11,272,742	11,466,020	8,151,080	7,899,223
Other income					
Interest income		43,305	43,698	38,292	36,701
Gain on exchange		31,107	79,609	55,507	236,264
Others		100,783	89,780	43,795	61,393
<b>Total revenues</b>		<b>11,447,937</b>	<b>11,679,107</b>	<b>8,288,674</b>	<b>8,233,581</b>
<b>Expenses</b>					
Cost of sales and services		8,202,818	8,342,109	5,882,733	5,714,358
Selling expenses		773,821	739,371	254,664	217,310
Administrative expenses		415,328	390,428	301,324	241,436
Research and development expenses		659,152	388,150	691,924	332,221
Other expenses		23,525	44,908	400	6,394
<b>Total expenses</b>		<b>10,074,644</b>	<b>9,904,966</b>	<b>7,131,045</b>	<b>6,511,719</b>
<b>Profit before finance cost and income tax expenses</b>		<b>1,373,293</b>	<b>1,774,141</b>	<b>1,157,629</b>	<b>1,721,862</b>
Finance cost		(12,184)	(9,274)	-	-
<b>Profit before income tax expenses</b>		<b>1,361,109</b>	<b>1,764,867</b>	<b>1,157,629</b>	<b>1,721,862</b>
Income tax expenses	16	(32,441)	(61,596)	(10,350)	(4,364)
<b>Profit for the period</b>		<b>1,328,668</b>	<b>1,703,271</b>	<b>1,147,279</b>	<b>1,717,498</b>
<b>Other comprehensive income:</b>					
<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		(129,071)	461,463	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(129,071)	461,463	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(22,582)	-	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(22,582)	-	-	-
<b>Other comprehensive income for the period</b>		<b>(151,653)</b>	<b>461,463</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>1,177,015</b>	<b>2,164,734</b>	<b>1,147,279</b>	<b>1,717,498</b>

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

(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 June 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>
<b>Profit attributable to:</b>				
Equity holders of the Company	<u>1.328.668</u>	<u>1.703.271</u>	<u>1.147.279</u>	<u>1.717.498</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>1.177.015</u>	<u>2.164.734</u>	<u>1.147.279</u>	<u>1.717.498</u>
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1,07</u>	<u>1,37</u>	<u>0,92</u>	<u>1,38</u>

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

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)****For the six-month period ended 30 June 2016**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		22,475,531	22,453,474	16,177,526	15,654,985
Other income					
Interest income		104,650	105,766	92,074	88,509
Gain on exchange		70,002	128,841	65,167	219,024
Others		227,974	147,090	117,961	86,789
<b>Total revenues</b>		<b>22,878,157</b>	<b>22,835,171</b>	<b>16,452,728</b>	<b>16,049,307</b>
<b>Expenses</b>					
Cost of sales and services		16,449,454	16,291,448	11,726,068	11,314,159
Selling expenses		1,514,275	1,440,383	510,518	436,778
Administrative expenses		848,252	764,470	579,407	477,953
Research and development expenses		1,328,138	827,741	1,299,505	702,299
Other expenses		48,730	79,625	1,679	7,864
<b>Total expenses</b>		<b>20,188,849</b>	<b>19,403,667</b>	<b>14,117,177</b>	<b>12,939,053</b>
<b>Profit before finance cost and income tax expenses</b>		<b>2,689,308</b>	<b>3,431,504</b>	<b>2,335,551</b>	<b>3,110,254</b>
Finance cost		(20,718)	(17,512)	-	-
<b>Profit before income tax expenses</b>		<b>2,668,590</b>	<b>3,413,992</b>	<b>2,335,551</b>	<b>3,110,254</b>
Income tax expenses	16	(90,327)	(152,050)	(10,350)	(4,364)
<b>Profit for the period</b>		<b>2,578,263</b>	<b>3,261,942</b>	<b>2,325,201</b>	<b>3,105,890</b>
<b>Other comprehensive income:</b>					
<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		(269,384)	74,939	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(269,384)	74,939	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(88,262)	(48,488)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(88,262)	(48,488)	-	-
<b>Other comprehensive income for the period</b>		<b>(357,646)</b>	<b>26,451</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>2,220,617</b>	<b>3,288,393</b>	<b>2,325,201</b>	<b>3,105,890</b>

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



(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the six-month period ended 30 June 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>
<b>Profit attributable to:</b>				
Equity holders of the Company	<u>2,578,263</u>	<u>3,261,942</u>	<u>2,325,201</u>	<u>3,105,890</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>2,220,617</u>	<u>3,288,393</u>	<u>2,325,201</u>	<u>3,105,890</u>
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>2,07</u>	<u>2,62</u>	<u>1,86</u>	<u>2,49</u>

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

(Unaudited but reviewed)

## Delta Electronics (Thailand) Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at 31 December 2014 - as previously reported</b>	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)
<b>Balance as at 31 December 2014 - as restated</b>	1,247.382	1,491.912	125.900	26,260.026	(1,959.019)	(1,959.019)	27,166.201
Profit for the period	-	-	-	3,261.942	-	-	3,261.942
Other comprehensive income for the period	-	-	-	(48.488)	74.939	74.939	26.451
Total comprehensive income for the period	-	-	-	3,213.454	74.939	74.939	3,288.393
Dividend paid (Note 15)	-	-	-	(3,742.145)	-	-	(3,742.145)
<b>Balance as at 30 June 2015</b>	<u>1,247.382</u>	<u>1,491.912</u>	<u>125.900</u>	<u>25,731.335</u>	<u>(1,884.080)</u>	<u>(1,884.080)</u>	<u>26,712.449</u>
<b>Balance as at 31 December 2015 (Audited)</b>	1,247.382	1,491.912	125.900	29,091.127	(1,398.557)	(1,398.557)	30,557.764
Profit for the period	-	-	-	2,578.263	-	-	2,578.263
Other comprehensive income for the period	-	-	-	(88.262)	(269.384)	(269.384)	(357.646)
Total comprehensive income for the period	-	-	-	2,490.001	(269.384)	(269.384)	2,220.617
Dividend paid (Note 15)	-	-	-	(3,866.883)	-	-	(3,866.883)
<b>Balance as at 30 June 2016</b>	<u>1,247.382</u>	<u>1,491.912</u>	<u>125.900</u>	<u>27,714.245</u>	<u>(1,667.941)</u>	<u>(1,667.941)</u>	<u>28,911.498</u>

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

(Unaudited but reviewed)

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

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				<b>Total shareholders' equity</b>
	<b>Issued and fully paid-up share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>		
			<b>Appropriated</b>	<b>Unappropriated</b>	
<b>Balance as at 31 December 2014 - as previously reported</b>	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)
<b>Balance as at 31 December 2014 - as restated</b>	1,247.382	1,491.912	125.900	24,960.391	27,825.585
Profit for the period	-	-	-	3,105.890	3,105.890
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,105.890	3,105.890
Dividend paid (Note 15)	-	-	-	(3,742.145)	(3,742.145)
<b>Balance as at 30 June 2015</b>	<u>1,247.382</u>	<u>1,491.912</u>	<u>125.900</u>	<u>24,324.136</u>	<u>27,189.330</u>
<b>Balance as at 31 December 2015 (Audited)</b>	1,247.382	1,491.912	125.900	27,521.365	30,386.559
Profit for the period	-	-	-	2,325.201	2,325.201
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,325.201	2,325.201
Dividend paid (Note 15)	-	-	-	(3,866.883)	(3,866.883)
<b>Balance as at 30 June 2016</b>	<u>1,247.382</u>	<u>1,491.912</u>	<u>125.900</u>	<u>25,979.683</u>	<u>28,844.877</u>

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

(Unaudited but reviewed)

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

**Cash flow statement**

**For the six-month period ended 30 June 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>
<b>Cash flows from operating activities:</b>				
Profit before tax	2,668,590	3,413,992	2,335,551	3,110,254
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	411,864	383,901	305,983	286,239
Amortisation of other intangible assets	39,697	41,260	1,919	4,570
Recording of allowance for doubtful accounts	16,425	30,789	1,350	815
Decrease of inventory to net realisable value (reversal)	32,164	(30,407)	(7,666)	(73,489)
Loss from write-off inventories	37,627	125,472	29,805	101,071
Increase in provision for long-term employee benefits	49,097	39,890	16,856	15,591
Recording of the increase in provisions	25,304	69,470	16,567	18,566
(Gain) loss from disposal of property, plant and equipment	(8,344)	(6)	(5,914)	69
Allowance for impairment loss on assets	-	4,142	-	4,142
Unrealised gain on exchange	(65,359)	(15,228)	(75,722)	(114,501)
Interest income	(104,650)	(105,766)	(92,074)	(88,509)
Interest expenses	20,718	17,512	-	-
Profit from operating activities before changes in operating assets and liabilities	3,123,133	3,975,021	2,526,655	3,264,818
Decrease (increase) in operating assets:				
Trade and other receivables	279,699	(1,071,614)	(427,442)	(755,916)
Inventories	(507,113)	(1,041,854)	(232,268)	(372,964)
Other current assets	(100,665)	(204,911)	15,610	(28,101)
Other non-current assets	3,957	(5,561)	41	823
Increase (decrease) in operating liabilities:				
Trade and other payables	238,775	1,173,250	706,017	849,216
Other current liabilities	(92,649)	30,684	(69,053)	(66,752)
Provision for long-term employee benefits	(29,568)	(21,704)	(8,991)	(3,230)
Provisions	(21,548)	(10,232)	-	-
Other non-current liabilities	(102)	(2,588)	29	(30)
Cash flows from operating activities	2,893,919	2,820,491	2,510,598	2,887,864
Cash received from interest income	101,975	107,760	90,043	89,568
Cash paid for interest expenses	(23,635)	(10,838)	-	-
Cash paid for corporate income tax	(153,570)	(73,618)	(13,971)	(5,397)
<b>Net cash flows from operating activities</b>	<b>2,818,689</b>	<b>2,843,795</b>	<b>2,586,670</b>	<b>2,972,035</b>

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

(Unaudited but reviewed)

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

**Cash flow statement (continued)**

**For the six-month period ended 30 June 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>
<b>Cash flows from investing activities:</b>				
Decrease in deposits at bank with restrictions	15.660	7.793	-	-
Increase in investments in subsidiary company	-	-	(51.007)	-
Acquisition of property, plant and equipment	(1.013.901)	(648.054)	(537.012)	(455.630)
Proceeds from disposal of property, plant and equipment	80.201	7.254	18.485	1.441
Increase in other intangible assets	<u>(3.309)</u>	<u>(4.781)</u>	<u>-</u>	<u>(1.187)</u>
<b>Net cash flows used in investing activities</b>	<u>(921.349)</u>	<u>(637.788)</u>	<u>(569.534)</u>	<u>(455.376)</u>
<b>Cash flows from financing activities:</b>				
Increase in bank overdrafts and short-term loans from financial institutions	118.986	21.384	-	-
Dividend paid	<u>(3.866.883)</u>	<u>(3.742.145)</u>	<u>(3.866.883)</u>	<u>(3.742.145)</u>
<b>Net cash flows used in financing activities</b>	<u>(3.747.897)</u>	<u>(3.720.761)</u>	<u>(3.866.883)</u>	<u>(3.742.145)</u>
<b>Increase (decrease) in translation adjustments</b>	<u>(224.567)</u>	<u>98.445</u>	<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2.075.124)</u>	<u>(1.416.309)</u>	<u>(1.849.747)</u>	<u>(1.225.486)</u>
Unrealised gain on exchange for cash and cash equivalents	60.385	34.960	78.693	118.124
<b>Cash and cash equivalents at beginning of period</b>	<u>20.487.952</u>	<u>17.931.328</u>	<u>12.912.493</u>	<u>11.743.380</u>
<b>Cash and cash equivalents at end of period</b>	<u>18.473.213</u>	<u>16.549.979</u>	<u>11.141.439</u>	<u>10.636.018</u>
	-	-	-	-

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

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

**Notes to interim consolidated financial statements**

**For the three-month and six-month periods ended 30 June 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 30 June				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>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	2,572	2,720	With reference to market prices
Purchase of raw materials	-	-	24	3	With reference to market prices
Commission paid	-	-	62	51	Contract prices
Marketing fee	-	-	91	51	Contract prices
Design and engineering fee	-	-	317	155	Contract prices
<b><u>Transactions with related parties</u></b>					
Sales of goods and raw materials	443	350	432	346	With reference to market prices
Purchase of goods and raw materials	1,070	1,365	111	96	With reference to market prices
Commission paid	136	103	136	103	Contract prices
Design and engineering fee	153	-	153	-	Contract prices
Commission received	8	16	-	-	Contract prices
Services income	105	81	-	-	Contract prices
Services paid	41	16	41	16	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	4,937	5,218	With reference to market prices
Purchase of raw materials	-	-	42	17	With reference to market prices
Commission paid	-	-	64	85	Contract prices
Marketing fee	-	-	157	103	Contract prices
Design and engineering fee	-	-	602	368	Contract prices
<b>Transactions with related parties</b>					
Sales of goods and raw materials	782	672	758	661	With reference to market prices
Purchase of goods and raw materials	2,052	2,290	194	188	With reference to market prices
Commission paid	272	205	272	205	Contract prices
Design and engineering fee	308	-	308	-	Contract prices
Commission received	62	23	-	-	Contract prices
Services income	203	155	-	-	Contract prices
Services paid	85	31	85	31	Contract prices

The balances of the accounts as at 30 June 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	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<b>Trade receivables, related parties (Note 4)</b>				
Subsidiary companies	-	-	2,964	2,802
Other related companies (under common control)	600	520	449	356
Total trade receivables, related parties	600	520	3,413	3,158
<b>Amounts due from related parties (Note 4)</b>				
Subsidiary companies	-	-	22	-
Total amounts due from related parties	-	-	22	-



(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<b><u>Trade payables, related parties (Note 11)</u></b>				
Subsidiary companies	-	-	23	19
Other related companies (under common control)	1,026	1,219	69	63
Total trade payables, related parties	<u>1,026</u>	<u>1,219</u>	<u>92</u>	<u>82</u>

**Amounts due to related parties (Note 11)**

Subsidiary companies	-	-	246	232
Other related companies (under common control)	224	319	204	291
Total amounts due to related parties	<u>224</u>	<u>319</u>	<u>450</u>	<u>523</u>

**Directors and management's benefits**

For the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	34	32	12	15
Post-employment benefits	4	4	2	2
Total	<u>38</u>	<u>36</u>	<u>14</u>	<u>17</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	75	71	25	29
Post-employment benefits	8	8	4	4
Total	<u>83</u>	<u>79</u>	<u>29</u>	<u>33</u>

(Unaudited but reviewed)

#### 4. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	591	518	3,175	2,894
Past due				
Up to 3 months	9	2	238	250
3 - 6 months	-	-	-	6
6 - 12 months	-	-	-	8
Total	600	520	3,413	3,158
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,537	8,048	3,605	3,535
Past due				
Up to 3 months	985	1,005	276	298
3 - 6 months	105	93	8	1
6 - 12 months	51	23	-	-
Over 12 months	103	90	-	-
Total	8,781	9,259	3,889	3,834
Total trade receivables	9,381	9,779	7,302	6,992
Less: Allowance for doubtful accounts	(173)	(157)	(4)	(3)
Total trade receivables - net	9,208	9,622	7,298	6,989
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	-	22	-
Other receivables	42	32	-	2
Total other receivables	42	32	22	2
Trade and other receivables - net	9,250	9,654	7,320	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 six-month period ended 30 June 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2016</b>	887	330
Add: Reduce cost to net realisable value of inventories increase during the period	78	-
Less: Reversal of reduce cost to net realisable value of inventories during the period	(46)	(8)
<b>Balance as at 30 June 2016</b>	<u>919</u>	<u>322</u>

## 6. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)
Input tax refundable	439	419	76	97
Advance payments	209	169	29	28
Prepaid expenses	114	65	19	4
Prepaid tax	255	163	-	-
Forward contracts receivable (Note 20)	21	13	10	2
Others	37	37	14	11
<b>Total other current assets</b>	<u>1,075</u>	<u>866</u>	<u>148</u>	<u>142</u>

(Unaudited but reviewed)

## 7. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Cost	
	30 June 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
<b>Total</b>	<b>13,727</b>	<b>13,676</b>
Less: Allowance for impairment loss of investments in subsidiary companies	(2,196)	(2,196)
<b>Total investments in subsidiary companies - net</b>	<b>11,531</b>	<b>11,480</b>

No dividend was received from the above subsidiary companies during the six-month periods ended 30 June 2016 and 2015.

## 8. Investment properties

Movements of the investment property account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	Office building		
	Land for rent	for rent	Total
<b>Net book value as at 1 January 2016</b>	38	192	230
Depreciation for the period	-	(5)	(5)
Translation adjustment	-	(2)	(2)
<b>Net book value as at 30 June 2016</b>	<b>38</b>	<b>185</b>	<b>223</b>

(Unaudited but reviewed)

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2016</b>	4,942	2,768
Acquisitions during period - cost	1,014	537
Disposals during period - net book value at disposal date	(72)	(13)
Depreciation for the period	(407)	(306)
Translation adjustment	(43)	-
<b>Net book value as at 30 June 2016</b>	<u>5,434</u>	<u>2,986</u>

## 10. Other intangible assets

Movements of the other intangible asset account during the six-month period ended 30 June 2016 are summarised below.

	Consolidated financial statements				Separate
	Patent rights				financial statements
	Computer				Computer
	Patent rights	software	Others	Total	software
<b>Net book value as at 1 January 2016</b>	530	25	4	559	6
Increase during period	-	3	-	3	-
Amortisation for the period	(29)	(10)	(1)	(40)	(2)
Translation adjustment	(14)	-	1	(13)	-
<b>Net book value as at 30 June 2016</b>	<u>487</u>	<u>18</u>	<u>4</u>	<u>509</u>	<u>4</u>

(Unaudited but reviewed)

## 11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,026	1,219	92	82
Trade payables - unrelated parties	5,460	5,187	4,568	4,126
Amount due to related parties (Note 3)	224	319	450	523
Other payables	539	599	475	527
Accrued expenses	2,709	2,487	1,904	1,590
Advance received	321	300	127	118
<b>Total trade and other payables</b>	<b>10,279</b>	<b>10,111</b>	<b>7,616</b>	<b>6,966</b>

## 12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Forward contracts payable (Note 20)	20	32	4	13
Withholding tax payable	48	114	7	78
Value added tax payable	164	124	-	-
Others	184	251	19	18
<b>Total other current liabilities</b>	<b>416</b>	<b>521</b>	<b>30</b>	<b>109</b>

## 13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<b>Balance as at 1 January 2016</b>		1,449		263
Add: Recognition during period		145		17
Less: Decrease during period		(30)		(9)
Less: Reversal during period		(8)		-
Translation adjustment		(12)		-
<b>Balance as at 30 June 2016</b>		<b>1,544</b>		<b>271</b>

(Unaudited but reviewed)

**14. Provisions**

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
<b>Balance as at 31 December 2015 (Audited)</b>	9	501	51	561	235	235
Recognition during period	-	144	69	213	35	35
Decrease during period	(3)	(7)	(12)	(22)	-	-
Reversal during period	-	(128)	(60)	(188)	(18)	(18)
Translation adjustment/unrealised gain on exchange rate	-	(12)	2	(10)	(9)	(9)
<b>Balance as at 30 June 2016</b>	<b>6</b>	<b>498</b>	<b>50</b>	<b>554</b>	<b>243</b>	<b>243</b>
Short-term provisions	9	134	13	156	-	-
Long-term provisions	-	367	38	405	235	235
<b>Balance as at 31 December 2015 (Audited)</b>	<b>9</b>	<b>501</b>	<b>51</b>	<b>561</b>	<b>235</b>	<b>235</b>
Short-term provisions	6	79	10	95	-	-
Long-term provisions	-	419	40	459	243	243
<b>Balance as at 30 June 2016</b>	<b>6</b>	<b>498</b>	<b>50</b>	<b>554</b>	<b>243</b>	<b>243</b>

(Unaudited but reviewed)

## 15. Dividends

Dividends declared in 2016 and 2015 consisted of the followings:

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividend for year 2015	Annual General Meeting of the shareholders on 5 April 2016	3,867	3.10
Final dividend for year 2014	Annual General Meeting of the shareholders on 30 March 2015	3,742	3.00

## 16. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current income tax:</b>				
Current income tax charge	(39)	(96)	(10)	(4)
<b>Deferred tax:</b>				
Increase in deferred tax assets	13	36	-	-
(Increase) decrease in deferred tax liabilities	(1)	8	-	-
Translation adjustment	(5)	(10)	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>(32)</b>	<b>(62)</b>	<b>(10)</b>	<b>(4)</b>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current income tax:</b>				
Current income tax charge	(66)	(140)	(10)	(4)
<b>Deferred tax:</b>				
Decrease in deferred tax assets	(16)	(46)	-	-
(Increase) decrease in deferred tax liabilities	(1)	14	-	-
Translation adjustment	(7)	20	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>(90)</b>	<b>(152)</b>	<b>(10)</b>	<b>(4)</b>



(Unaudited but reviewed)

**17. Segment information**

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 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 30 June								Consolidated financial statements	
	Power electronics segment		Energy management segment		Smart green life segment		Others			
	<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	7,816	7,939	3,272	3,067	132	48	53	412	11,273	11,466
Total revenue	<u>7,816</u>	<u>7,939</u>	<u>3,272</u>	<u>3,067</u>	<u>132</u>	<u>48</u>	<u>53</u>	<u>412</u>	<u>11,273</u>	<u>11,466</u>
Segment profit (loss)	1,313	1,625	146	245	(2)	(16)	(235)	(249)	1,222	1,605
Unallocated income (expenses):										
Interest income									43	44
Gain on exchange rate									31	80
Other income									101	90
Other expenses									(24)	(45)
Finance cost									(12)	(9)
Profit before income tax expenses									<u>1,361</u>	<u>1,765</u>
Income tax expenses									<u>(32)</u>	<u>(62)</u>
Profit for the period									<u>1,329</u>	<u>1,703</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June								Consolidated financial statements	
	Power electronics segment		Energy management segment		Smart green life segment		Others			
	<u>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	15,703	15,823	6,452	5,815	233	138	88	677	22,476	22,453

(Unaudited but reviewed)

customer s										
Total revenue	<u>15,703</u>	<u>15,823</u>	<u>6,452</u>	<u>5,815</u>	<u>233</u>	<u>138</u>	<u>88</u>	<u>677</u>	<u>22,476</u>	<u>22,453</u>
Segment profit (loss)	2,635	3,253	249	413	(19)	(30)	(530)	(506)	2,335	3,130
Unallocated income (expenses):										
Interest income									105	106
Gain on exchange rate									70	129
Other income									228	147
Other expenses									(49)	(80)
Finance cost									(21)	(18)
Profit before income tax expenses									<u>2,668</u>	<u>3,414</u>
Income tax expenses									<u>(90)</u>	<u>(152)</u>
Profit for the period									<u>2,578</u>	<u>3,262</u>

## 18. Commitments and contingent liabilities

### 18.1 Capital commitments and operating lease commitments

18.1.1 As at 30 June 2016, the Company and its subsidiaries had significant capital commitments amounting to Baht 10 million and INR 4 million or approximately Baht 2 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 348 million, EUR 0.3 million or approximately Baht 13 million and INR 32 million or approximately Baht 17 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).

18.1.2 As at 30 June 2016, the subsidiaries had significant operating lease commitments amounting to SEK 1 million or approximately Baht 6 million, PLN 3 million or approximately Baht 24 million, CHF 1 million or approximately Baht 22 million, INR 50 million or approximately Baht 26 million and EUR 4 million or approximately Baht 166 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).

## 18.2 Guarantee obligations

As at 30 June 2016, the Company and its subsidiaries had the following outstanding letters of guarantee required in the ordinary course of their businesses:

- 18.2.1 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 18.3.1 to the financial statements).
- 18.2.2 Outstanding letters of guarantee for totals of approximately INR 677 million or approximately Baht 350 million, EUR 1 million or approximately Baht 39 million, USD 0.9 million or approximately Baht 32 million, CHF 0.2 million or approximately Baht 7 million, PLN 0.4 million or approximately Baht 3 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).

## 18.3 Tax assessment

- 18.3.1 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.

(Unaudited but reviewed)

- c. During the year 2015, 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.

18.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 57 million or approximately Baht 29 million, covering the years 2003 - 2016, and sales tax and excise duties of approximately INR 457 million or approximately Baht 236 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.

## 19. Financial derivatives

As at 30 June 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	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	253	261	138	136	35.1802	36.0886
Euro	15	15	2	5	39.0597	39.4388
Japanese yen	87	78	268	325	0.3425	0.2996
Polish zloty	3	6	-	1	8.8557	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 30 June 2016 and 31 December 2015, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

As at 30 June 2016						
	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	118	million	34.87300 - 35.82100	THB/USD	July - October 2016
USD/CHF	USD	13	million	0.95780 - 0.97750	CHF/USD	July 2016
EUR/CHF	EUR	4	million	1.08170 - 1.08505	CHF/EUR	July 2016
USD/TRY	USD	1	million	2.86350 - 2.90600	TRY/USD	July 2016
EUR/TRY	EUR	2	million	3.30280	TRY/EUR	July 2016
PLN/CHF	PLN	2	million	4.04000	PLN/CHF	July 2016
<b>Forward contracts to "Buy"</b>						
USD/INR	USD	12	million	67.08700 - 67.93670	INR/USD	July 2016
EUR/USD	EUR	8	million	1.12548 - 1.13690	USD/EUR	July 2016
USD/AUD	USD	2	million	0.72149 - 0.74747	USD/AUD	July - August 2016
EUR/CHF	EUR	1	million	1.08671	CHF/EUR	July 2016
JPY/THB	JPY	90	million	0.32620 - 0.34600	THB/JPY	July - September 2016
As at 31 December 2015						
	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
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
<b>Forward contracts to "Buy"</b>						
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

**20. Fair value of financial instruments**

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

Fair value hierarchy

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

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

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

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

As of 30 June 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
<b>Financial assets measured at fair value</b>				
Foreign currency forward contracts (Note 6)	-	21	-	21
<b>Financial liabilities measured at fair value</b>				
Foreign currency forward contracts (Note 12)	-	20	-	20

	(Unit: Million Baht)			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Foreign currency forward contracts (Note 6)	-	10	-	10
<b>Financial liabilities measured at fair value</b>				
Foreign currency forward contracts (Note 12)	-	4	-	4

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.

**21. Approval of interim financial statements**

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