

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 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 September 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 2006, and a notice of specific business tax assessment for the year 2005 and year 2006 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: 21 October 2016

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2016</u>	<u>31 December 2015</u>	<u>30 September 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)		(Unaudited but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		19,299,963	20,487,952	11,850,086	12,912,493
Trade and other receivables	4	9,533,574	9,654,189	8,039,883	6,990,967
Inventories	5	7,067,889	6,141,318	4,287,695	3,665,518
Other current assets	6	1,048,774	846,584	198,882	141,669
Total current assets		36,950,200	37,130,043	24,376,546	23,710,647
Non-current assets					
Deposits at bank with restrictions		56,366	72,705	-	-
Investments in subsidiary companies	7	-	-	11,563,121	11,480,275
Investment properties	8	219,883	230,210	-	-
Property, plant and equipment	9	5,686,240	4,941,920	3,159,746	2,767,655
Consolidation goodwill		306,758	306,758	-	-
Other intangible assets	10	485,529	558,565	2,854	5,522
Deferred tax assets		279,444	292,932	-	-
Other non-current assets		65,959	68,537	1,320	1,363
Total non-current assets		7,100,179	6,471,627	14,727,041	14,254,815
Total assets		44,050,379	43,601,670	39,103,587	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 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)		(Unaudited but reviewed)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		312,959	189,931	-	-
Trade and other payables	11	10,816,579	10,111,368	8,155,306	6,965,951
Income tax payable		159,415	130,969	-	5,325
Short-term provisions	14	93,730	155,713	-	-
Other current liabilities	12	332,552	521,408	29,255	109,121
Total current liabilities		11,715,235	11,109,389	8,184,561	7,080,397
Non-current liabilities					
Deferred tax liabilities		72,775	69,199	-	-
Provision for long-term employee benefits	13	1,539,881	1,449,155	276,048	262,636
Long-term provisions	14	476,766	404,738	250,045	234,754
Other non-current liabilities		11,505	11,425	1,145	1,116
Total non-current liabilities		2,100,927	1,934,517	527,238	498,506
Total liabilities		13,816,162	13,043,906	8,711,799	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					
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		29,116,967	29,091,127	27,526,594	27,521,365
Other components of shareholders' equity		(1,747,944)	(1,398,557)	-	-
Equity attributable to owners of the Company		30,234,217	30,557,764	30,391,788	30,386,559
Total shareholders' equity		30,234,217	30,557,764	30,391,788	30,386,559
Total liabilities and shareholders' equity		44,050,379	43,601,670	39,103,587	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 30 September 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		11,611,579	12,102,734	8,703,051	8,192,935
Other income					
Interest income		44,941	56,308	39,340	51,095
Gain on exchange		31,441	188,914	33,332	487,552
Others		64,088	91,920	12,425	14,991
Total revenues		11,752,049	12,439,876	8,788,148	8,746,573
Expenses					
Cost of sales and services		8,533,384	8,944,729	6,187,311	5,835,605
Selling expenses		765,431	714,051	251,036	242,959
Administrative expenses		414,356	406,234	268,712	257,256
Research and development expenses		545,499	536,203	529,156	492,531
Other expenses		30,141	71,225	3,801	24,633
Total expenses		10,288,811	10,672,442	7,240,016	6,852,984
Profit before finance cost and income tax expenses		1,463,238	1,767,434	1,548,132	1,893,589
Finance cost		(14,175)	(12,227)	-	-
Profit before income tax expenses		1,449,063	1,755,207	1,548,132	1,893,589
Income tax expenses	16	(44,225)	(13,720)	(1,221)	(5,691)
Profit for the period		1,404,838	1,741,487	1,546,911	1,887,898
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		(80,003)	592,840	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(80,003)	592,840	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(2,116)	-	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(2,116)	-	-	-
Other comprehensive income for the period		(82,119)	592,840	-	-
Total comprehensive income for the period		1,322,719	2,334,327	1,546,911	1,887,898

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 September 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>1,404,838</u>	<u>1,741,487</u>	<u>1,546,911</u>	<u>1,887,898</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,322,719</u>	<u>2,334,327</u>	<u>1,546,911</u>	<u>1,887,898</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.13</u>	<u>1.40</u>	<u>1.24</u>	<u>1.51</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 nine-month period ended 30 September 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>
Profit or loss:					
Revenues					
Sales and service income		34,087,110	34,556,208	24,880,577	23,847,920
Other income					
Interest income		149,591	162,074	131,414	139,604
Gain on exchange		101,443	317,755	98,499	706,576
Others		292,062	239,010	130,386	101,780
Total revenues		34,630,206	35,275,047	25,240,876	24,795,880
Expenses					
Cost of sales and services		24,982,838	25,236,177	17,913,379	17,149,764
Selling expenses		2,279,706	2,154,434	761,554	679,737
Administrative expenses		1,262,608	1,170,704	848,119	735,209
Research and development expenses		1,873,637	1,363,944	1,828,661	1,194,830
Other expenses		78,871	150,850	5,480	32,497
Total expenses		30,477,660	30,076,109	21,357,193	19,792,037
Profit before finance cost and income tax expenses		4,152,546	5,198,938	3,883,683	5,003,843
Finance cost		(34,893)	(29,739)	-	-
Profit before income tax expenses		4,117,653	5,169,199	3,883,683	5,003,843
Income tax expenses	16	(134,552)	(165,770)	(11,571)	(10,055)
Profit for the period		3,983,101	5,003,429	3,872,112	4,993,788
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		(349,387)	667,779	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(349,387)	667,779	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(90,378)	(48,488)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(90,378)	(48,488)	-	-
Other comprehensive income for the period		(439,765)	619,291	-	-
Total comprehensive income for the period		3,543,336	5,622,720	3,872,112	4,993,788

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 nine-month period ended 30 September 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>3,983,101</u>	<u>5,003,429</u>	<u>3,872,112</u>	<u>4,993,788</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>3,543,336</u>	<u>5,622,720</u>	<u>3,872,112</u>	<u>4,993,788</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>3.19</u>	<u>4.01</u>	<u>3.10</u>	<u>4.00</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 nine-month period ended 30 September 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 operating activities:				
Profit before tax	4,117,653	5,169,199	3,883,683	5,003,843
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	631,391	580,639	468,857	431,800
Amortisation of other intangible assets	58,042	61,630	2,668	5,490
Recording of allowance for doubtful accounts	54,468	24,895	3,632	9,016
Decrease of inventory to net realisable value (reversal)	68,912	(91,726)	(16,683)	(100,812)
Loss from write-off inventories	119,744	176,167	78,786	137,131
Increase in provision for long-term employee benefits	64,686	65,604	25,285	23,386
Recording of the increase in provisions	53,220	136,291	26,780	36,022
Gain from disposal of property, plant and equipment	(8,243)	(1,090)	(5,968)	(698)
Allowance for impairment loss on assets	-	4,142	-	4,142
Loss on disposal of other intangible assets	-	3	-	-
Unrealised gain on exchange	(119,997)	(174,264)	(120,737)	(362,190)
Interest income	(149,591)	(162,074)	(131,414)	(139,604)
Interest expenses	34,893	29,739	-	-
Profit from operating activities before changes in operating assets and liabilities	4,925,178	5,819,155	4,214,889	5,047,526
Decrease (increase) in operating assets:				
Trade and other receivables	(89,901)	(1,762,352)	(1,198,741)	(1,245,519)
Inventories	(1,115,227)	(1,234,482)	(684,280)	(390,998)
Other current assets	(16,330)	(378,176)	23,080	(66,679)
Other non-current assets	2,578	7	43	1,084
Increase (decrease) in operating liabilities:				
Trade and other payables	790,576	2,422,307	1,252,465	1,707,043
Other current liabilities	(152,053)	122,533	(65,716)	(66,906)
Provision for long-term employee benefits	(47,209)	(34,580)	(11,873)	(4,205)
Provisions	(27,611)	(16,160)	-	-
Other non-current liabilities	80	(1,364)	29	(73)
Cash flows from operating activities	4,270,081	4,936,888	3,529,896	4,981,273
Cash received from interest income	115,844	147,838	97,953	123,066
Cash paid for interest expenses	(47,591)	(26,625)	-	-
Cash paid for corporate income tax	(194,460)	(115,963)	(16,605)	(15,156)
Net cash flows from operating activities	4,143,874	4,942,138	3,611,244	5,089,183

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 nine-month period ended 30 September 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 investing activities:				
Decrease in deposits at bank with restrictions	16,339	1,415	-	-
Increase in investment in subsidiary company	-	-	(82,846)	(180,940)
Acquisition of property, plant and equipment	(1,495,196)	(974,782)	(875,119)	(724,945)
Proceeds from disposal of property, plant and equipment	83,489	12,157	20,139	5,128
Increase in other intangible assets	(4,620)	(7,950)	-	(2,118)
Net cash flows used in investing activities	(1,399,988)	(969,160)	(937,826)	(902,875)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	123,028	(29,996)	-	-
Dividend paid	(3,866,883)	(3,742,145)	(3,866,883)	(3,742,145)
Net cash flows used in financing activities	(3,743,855)	(3,772,141)	(3,866,883)	(3,742,145)
Increase (decrease) in translation adjustments	(293,573)	602,294	-	-
Net increase (decrease) in cash and cash equivalents	(1,293,542)	803,131	(1,193,465)	444,163
Unrealised gain on exchange for cash and cash equivalents	105,553	233,368	131,058	282,043
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	19,299,963	18,967,827	11,850,086	12,469,586
	-	-	-	-

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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid share capital		Retained earnings		Other components of shareholders' equity		
					Other comprehensive income		Total other components of shareholders' equity
	Share premium	Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency			
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	-	-	-	5,003,429	-	-	5,003,429
Other comprehensive income for the period	-	-	-	(48,488)	667,779	667,779	619,291
Total comprehensive income for the period	-	-	-	4,954,941	667,779	667,779	5,622,720
Dividend paid (Note 15)	-	-	-	(3,742,145)	-	-	(3,742,145)
Balance as at 30 September 2015	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>27,472,822</u>	<u>(1,291,240)</u>	<u>(1,291,240)</u>	<u>29,046,776</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	-	-	-	3,983,101	-	-	3,983,101
Other comprehensive income for the period	-	-	-	(90,378)	(349,387)	(349,387)	(439,765)
Total comprehensive income for the period	-	-	-	3,892,723	(349,387)	(349,387)	3,543,336
Dividend paid (Note 15)	-	-	-	(3,866,883)	-	-	(3,866,883)
Balance as at 30 September 2016	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>29,116,967</u>	<u>(1,747,944)</u>	<u>(1,747,944)</u>	<u>30,234,217</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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid share capital	Share premium	Retained earnings		Total shareholders' equity
			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	-	-	-	4,993,788	4,993,788
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,993,788	4,993,788
Dividend paid (Note 15)	-	-	-	(3,742,145)	(3,742,145)
Balance as at 30 September 2015	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>26,212,034</u>	<u>29,077,228</u>
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	-	-	-	3,872,112	3,872,112
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,872,112	3,872,112
Dividend paid (Note 15)	-	-	-	(3,866,883)	(3,866,883)
Balance as at 30 September 2016	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>27,526,594</u>	<u>30,391,788</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 nine-month periods ended 30 September 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 September				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	-	-	2,820	2,775	With reference to market prices
Purchase of raw materials	-	-	29	25	With reference to market prices
Commission paid	-	-	34	37	Contract prices
Marketing fee	-	-	53	61	Contract prices
Design and engineering fee	-	-	200	210	Contract prices
<u>Transactions with related parties</u>					
Sales of goods and raw materials	430	607	409	269	With reference to market prices
Purchase of goods and raw materials	1,057	1,500	132	146	With reference to market prices
Commission paid	132	112	132	112	Contract prices
Design and engineering fee	151	87	151	87	Contract prices
Commission received	31	10	-	-	Contract prices
Services income	107	87	-	-	Contract prices
Services paid	41	24	41	24	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2016	2015	2016	2015	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	7,757	7,993	With reference to market prices
Purchase of raw materials	-	-	71	42	With reference to market prices
Commission paid	-	-	97	122	Contract prices
Marketing fee	-	-	210	164	Contract prices
Design and engineering fee	-	-	802	578	Contract prices
Transactions with related parties					
Sales of goods and raw materials	1,212	1,279	1,167	930	With reference to market prices
Purchase of goods and raw materials	3,109	3,790	326	334	With reference to market prices
Commission paid	404	317	404	317	Contract prices
Design and engineering fee	459	87	459	87	Contract prices
Commission received	93	33	-	-	Contract prices
Services income	310	242	-	-	Contract prices
Services paid	126	55	126	55	Contract prices

The balances of the accounts as at 30 September 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 September	31 December	30 September	31 December
	2016	2015	2016	2015
	(Audited)		(Audited)	
Trade receivables, related parties (Note 4)				
Subsidiary companies	-	-	3,417	2,802
Other related companies (under common control)	558	520	411	356
Total trade receivables, related parties	558	520	3,828	3,158
Amounts due from related parties (Note 4)				
Subsidiary companies	-	-	20	-
Total amounts due from related parties	-	-	20	-

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade payables, related parties (Note 11)</u>				
Subsidiary companies	-	-	23	19
Other related companies (under common control)	1,079	1,219	124	63
Total trade payables, related parties	1,079	1,219	147	82

Amounts due to related parties (Note 11)

Subsidiary companies	-	-	187	232
Other related companies (under common control)	217	319	197	291
Total amounts due to related parties	217	319	384	523

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	28	39	12	14
Post-employment benefits	6	5	2	2
Total	34	44	14	16

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	103	110	37	43
Post-employment benefits	17	13	6	6
Total	120	123	43	49

(Unaudited but reviewed)

4. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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	557	518	3,402	2,894
Past due				
Up to 3 months	1	2	426	250
3 - 6 months	-	-	-	6
6 - 12 months	-	-	-	8
Total	558	520	3,828	3,158
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,813	8,048	3,946	3,535
Past due				
Up to 3 months	1,060	1,005	240	298
3 - 6 months	92	93	8	1
6 - 12 months	67	23	5	-
Over 12 months	90	90	-	-
Total	9,122	9,259	4,199	3,834
Total trade receivables	9,680	9,779	8,027	6,992
Less: Allowance for doubtful accounts	(211)	(157)	(7)	(3)
Total trade receivables - net	9,469	9,622	8,020	6,989
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	-	20	-
Other receivables	65	32	-	2
Total other receivables	65	32	20	2
Trade and other receivables - net	9,534	9,654	8,040	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 nine-month period ended 30 September 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	126	-
Less: Reversal of reduce cost to net realisable value of inventories during the period	(57)	(17)
Balance as at 30 September 2016	<u>956</u>	<u>313</u>

6. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015 (Audited)	30 September 2016	31 December 2015 (Audited)
Input tax refundable	398	403	71	97
Advance payments	158	169	36	28
Prepaid expenses	109	65	15	4
Prepaid tax	278	163	-	-
Forward contracts receivable (Note 20)	41	13	31	2
Others	65	34	46	11
Total other current assets	<u>1,049</u>	<u>847</u>	<u>199</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 September 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.	1,704	1,621
Total	13,759	13,676
Less: Allowance for impairment loss of investments in subsidiary companies	(2,196)	(2,196)
Total investments in subsidiary companies - net	11,563	11,480

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

8. Investment properties

Movements of the investment property account during the nine-month period ended 30 September 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	-	(7)	(7)
Translation adjustment	-	(3)	(3)
Net book value as at 30 September 2016	38	182	220

(Unaudited but reviewed)

9. Property, plant and equipment

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	4,942	2,768
Acquisitions during period - cost	1,495	875
Disposals during period - net book value at disposal date	(75)	(14)
Depreciation for the period	(624)	(469)
Translation adjustment	(52)	-
Net book value as at 30 September 2016	<u>5,686</u>	<u>3,160</u>

10. Other intangible assets

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

	(Unit: Million Baht)				
	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
Net book value as at 1 January 2016	530	25	4	559	6
Increase during period	-	4	1	5	-
Amortisation for the period	(43)	(14)	(1)	(58)	(3)
Translation adjustment	(20)	-	-	(20)	-
Net book value as at 30 September 2016	<u>467</u>	<u>15</u>	<u>4</u>	<u>486</u>	<u>3</u>

(Unaudited but reviewed)

11. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,079	1,219	147	82
Trade payables - unrelated parties	5,569	5,187	4,790	4,126
Amount due to related parties (Note 3)	217	319	384	523
Other payables	542	599	493	527
Accrued expenses	3,138	2,487	2,245	1,590
Advance received	272	300	96	118
Total trade and other payables	10,817	10,111	8,155	6,966

12. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Forward contracts payable (Note 20)	3	32	-	13
Withholding tax payable	68	114	8	78
Value added tax payable	163	124	-	-
Others	99	251	21	18
Total other current liabilities	333	521	29	109

13. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the nine-month period ended 30 September 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	174	25
Less: Decrease during period	(47)	(12)
Less: Reversal during period	(19)	-
Translation adjustment	(17)	-
Balance as at 30 September 2016	1,540	276

(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	-	264	89	353	55	55
Decrease during period	(4)	(8)	(16)	(28)	-	-
Reversal during period	-	(231)	(69)	(300)	(28)	(28)
Translation adjustment/unrealised gain on exchange rate	-	(16)	1	(15)	(12)	(12)
Balance as at 30 September 2016	5	510	56	571	250	250
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	5	79	10	94	-	-
Long-term provisions	-	431	46	477	250	250
Balance as at 30 September 2016	5	510	56	571	250	250

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 nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(45)	(57)	(1)	(6)
Deferred tax:				
Increase in deferred tax assets	2	42	-	-
Increase in deferred tax liabilities	(3)	(4)	-	-
Translation adjustment	2	5	-	-
Income tax expenses reported in the statement of comprehensive income	(44)	(14)	(1)	(6)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(111)	(197)	(12)	(10)
Deferred tax:				
Decrease in deferred tax assets	(14)	(4)	-	-
(Increase) decrease in deferred tax liabilities	(4)	10	-	-
Translation adjustment	(6)	25	-	-
Income tax expenses reported in the statement of comprehensive income	(135)	(166)	(12)	(10)

(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 nine-month periods ended 30 September 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 September									
	Power		Energy				Smart green life		Consolidated	
	electronics		management		segment		Others		financial	
	segment		segment		segment				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	8,554	8,228	2,889	3,670	120	62	49	143	11,612	12,103
Total revenue	<u>8,554</u>	<u>8,228</u>	<u>2,889</u>	<u>3,670</u>	<u>120</u>	<u>62</u>	<u>49</u>	<u>143</u>	<u>11,612</u>	<u>12,103</u>
Segment profit (loss)	1,622	1,665	(6)	173	(12)	(22)	(250)	(315)	1,354	1,501
Unallocated income (expenses):										
Interest income									45	56
Gain on exchange rate									31	189
Other income									64	92
Other expenses									(30)	(71)
Finance cost									(14)	(12)
Profit before income tax expenses									1,449	1,755
Income tax expenses									(44)	(14)
Profit for the period									<u>1,405</u>	<u>1,741</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Power		Energy		Smart green life		Others		Consolidated	
	electronics		management						financial	
	segment		segment		segment				statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue										
Revenue from external										
customers	24,257	24,100	9,341	9,835	353	200	136	421	34,087	34,556
Total revenue	24,257	24,100	9,341	9,835	353	200	136	421	34,087	34,556
Segment profit (loss)	4,257	4,910	243	540	(31)	(52)	(780)	(767)	3,689	4,631
Unallocated income (expenses):										
Interest income									150	162
Gain on exchange rate									101	318
Other income									292	239
Other expenses									(79)	(151)
Finance cost									(35)	(30)
Profit before income tax expenses									4,118	5,169
Income tax expenses									(135)	(166)
Profit for the period									3,938	5,003

18. Commitments and contingent liabilities

18.1 Capital commitments and operating lease commitments

18.1.1 As at 30 September 2016, the Company and its subsidiaries had significant capital commitments amounting to Baht 2 million and INR 14 million or approximately Baht 7 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 365 million, EUR 0.3 million or approximately Baht 10 million and INR 19 million or approximately Baht 10 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 September 2016, the subsidiaries had significant operating lease commitments amounting to SEK 1 million or approximately Baht 5 million, PLN 3 million or approximately Baht 24 million, CHF 1 million or approximately Baht 23 million, INR 65 million or approximately Baht 33 million and EUR 4 million or approximately Baht 147 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 September 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 1,336 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 1,308 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 722 million or approximately Baht 373 million, EUR 1 million or approximately Baht 34 million, USD 1 million or approximately Baht 31 million, BRL 0.2 million or approximately Baht 2 million, CHF 0.2 million or approximately Baht 7 million, PLN 0.5 million or approximately Baht 5 million and AUD 0.07 million or approximately Baht 2 million have been issued by banks to meet requirements of its subsidiaries (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 during 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 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. In 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. In 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. In addition, during the current year, the Company received tax assessment notices for the year 2006 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 169 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 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 56 million or approximately Baht 29 million, covering the years 2003 - 2016, and sales tax and excise duties of approximately INR 268 million or approximately Baht 138 million, covering the years 2005 - 2015, 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 September 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 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	287	261	143	136	34.6999	36.0886
Euro	11	15	2	5	38.8895	39.4388
Japanese yen	142	78	331	325	0.3431	0.2996
Polish zloty	2	6	1	1	9.0492	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 September 2016 and 31 December 2015, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

As at 30 September 2016						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	135	million	34.66000 - 35.44500	THB/USD	October 2016 - January 2017
USD/CHF	USD	16	million	0.96725 - 0.97760	CHF/USD	October 2016
EUR/CHF	EUR	1	million	1.09475	CHF/EUR	October 2016
USD/TRY	USD	2	million	2.97120	TRY/USD	October 2016
EUR/TRY	EUR	2	million	3.34200	TRY/EUR	October 2016
PLN/CHF	PLN	1	million	3.94970	PLN/CHF	October 2016
Forward contracts to "Buy"						
USD/INR	USD	10	million	66.73830 - 67.30420	INR/USD	October 2016
EUR/USD	EUR	9	million	1.11780 - 1.12525	USD/EUR	October 2016
USD/AUD	USD	1	million	0.75925 - 0.76375	USD/AUD	October 2016
USD/BRL	USD	1	million	3.28930	BRL/USD	October 2016
JPY/THB	JPY	30	million	0.33750 - 0.33800	THB/JPY	October - November 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

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 September 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)	-	41	-	41
Financial liabilities measured at fair value				
Foreign currency forward contracts (Note 12)	-	3	-	3

	(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)	-	31	-	31

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 21 October 2016.