

26 July 2016

To: The President
The Stock Exchange of Thailand

Re: Q2-2016 operating results

We, Delta Electronics (Thailand) Public Company Ltd, would like to notify the Company's Q2-2016 (Apr - Jun) operating results based on its reviewed consolidated financial statements ended 30 June 2016 as follows.

Highlights on Q2-2016 Operating results

Unit : Million Baht	Q2-16		Q2-15		Q1-16		% Change	
	Amount	%	Amount	%	Amount	%	Q2-16 VS Q2-15	Q2-16 VS Q1-16
Sales Revenue	11,273	100.0	11,466	100.0	11,203	100.0	(1.7)	(0.6)
Gross profit	3,070	27.2	3,124	27.2	2,956	26.4	(1.7)	3.9
Operating profit	1,222	10.8	1,606	14.0	1,114	9.9	(23.9)	9.7
Net profit	1,329	11.8	1,703	14.9	1,250	11.2	(22.0)	6.3
EPS (Baht)	1.07		1.37		1.00			

Sales revenues of this quarter amounting to Baht 11,273 million slightly reduced, 1.7%, from those of the same period last year. Major decrease was caused by a decline in sales of power electronics business, particularly in sales of MPBG (Mobile Power Supplies) products which dropped 13.4%. This was partly due to the change in inventory management of adapter for power tool equipment which affected the revenue's recognition in this quarter. However, this will impact one time only for this product. Sales of EPSBG (Embedded power supplies) also reduced about 5.8% from those of the same period last year especially computer storage and networking power supply owing to the decreasing sales in America zone. However, FMBG (Fan & Thermal management) product's sales significantly grew, 24.7% from those of the same period last year, particularly from the increase in sales of DC FAN. These cooling fans are customised design products which can be used in various areas to serve our customers who are mainly the reputable world class automotive, telecommunication, IT, household appliances and industrial equipment manufacturers. In addition, Industrial Automation's sales booked a 25.6% growth due to the increasing sales in EMEA and India market. Although this business is currently still small but there would be a significant potential growth.

Gross profit of this quarter amounted to Baht 3,070 million, slightly down from the same period last year but its margin stayed at 27.2%, being equal to that of the same period last year. Selling and administrative expenses including R&D (SGA) of this quarter rose 21.8% or Baht 303 million from the same period last year. Major increased items in SGA were R&D expenses especially for the development of products relating to automotive. This is to sustain the business growth. The

ratio of SGA/sales therefore rose from 13.2% in the same period last year to 16.4% in this quarter which resulted in the decrease of operating profit of this quarter by 23.9% from the same period last year and also a lower operating profit margin, from 14.0% in the same period last year to 10.8%. Net profit in this quarter was booked at Baht 1,329 million, 22.0% down from the same period last year, with EPS of Baht 1.07, compared to Baht 1.37 in Q2-15.

Highlights on Financial Position

Unit : Million Baht	30 June 16	31 Dec 15	%Change
Cash and Cash equivalents	18,473	20,488	(9.8)
Trade and other receivables	9,250	9,654	(4.2)
Inventories	6,579	6,141	7.1
Property, plant and equipment	5,434	4,942	10.0
Others	2,493	2,377	4.9
Total Assets	42,229	43,602	(3.1)
Bank overdrafts and short-term loans	309	190	62.6
Trade and other payable	10,279	10,111	1.7
Others	2,730	2,743	(0.5)
Total Liabilities	13,318	13,044	2.1
Total Shareholders' equity	28,911	30,558	(5.4)
Total Liabilities and shareholders' equity	42,229	43,602	(3.1)

Total Assets

As of 30 June 2016, total assets of the Company and its subsidiaries stood at Baht 42,229 million, 3.1% down from those of 31 December 2015. Major changes in key assets are summarized below.

Cash and Cash equivalents as of 30 June 2016 amounted to Baht 18,473 million, which reduced about Bath 2,015 million or 9.8% from 31 December 2015 due to the dividend payment for the year 2015 for Baht 3,867 million.

Net trade and other receivables as of 30 June 2016 were Baht 9,250 million, a decrease of Baht 404 million or 4.2% from 31 December 2015. Most of the outstanding balance of trade and other receivables (almost 90% of total net trade and other receivables) were under due. Average collection period slightly increased from 70 days to 73 days. However, most of the overdue trade receivables are insured and the bad debt provisions have been made accordingly.

Property, plant and equipment as of 30 June 2016 amounted to Baht 5,434 million, an increase of Baht 492 million or 10.0% from those of 31 December 2015. Major investment items are the purchase of land for R&D center and sales office buildings in Bangalore, India for approximately Baht 319 million. The land has gradually been purchased since last year to accommodate the growing operations. In addition, the Company itself has also purchased some machinery and molds totaling Baht 360 million to enhance its production efficiency and some are for replacement.

Total Liabilities

As of 30 June 2016, total liabilities of the Company and its subsidiaries stood at Baht 13,318 million, slightly grew up from those of 31 December 2015. This was mainly due to the increase of Baht 93 million in bank overdrafts and short-term loans from financial institutions in a subsidiary in India. This was used for its working capital to support the increasing sales.

Shareholders' Equity

As of 30 June 2016, shareholders' equity of the Company and its subsidiaries were Baht 28,911 million, a decrease of Baht 1,647 million or 5.4% from those of 31 December 2015. This was largely due to the dividend payment of Baht 3,867 million for the year 2015. However, there were profits of Baht 2,578 million generated during the first six month operations.

Please be informed accordingly.

Anusorn Muttaraid
Director