



2 0 1 5

Annual Report



NELTA
Smarter. Greener. Together.

Content

Financial Highlights 2013-2015	3
Delta Overview	5
Message from the Board of Directors	6
Investment Structure	8
Nature of Business	13
Product Profile	14
Research and Development	27
2015/2016 Industry Outlook	33
2016 Business Directions	39
Risk Management	43
Company General Information	48
Capital Structure	49
Board of Directors	50
Managerial Structure	56
Corporate Governance	62
Corporate Social Responsibility	79
Internal Control	86
Policy for the Related Party Transactions	87
The Nomination and Compensation Committee Report	89
The Audit Committee Report	90
Management's Discussion and Analysis	91
Responsibility of the Board of Directors to the Financial Statements	101
Report and Financial Statement	102

"Investors will be able to learn more about the Company from Form 56-1 on the Company's website www.deltathailand.com/ir_form56-1.php"

This Annual Report is printed on Green Matt Card Paper made from 60% Eco Fiber

Paper made from  40% Fanned Tree 60% EcoFiber



SUSTAINABILITY AWARDS 2015



Thailand's Sustainability Investment 2015

LISTED COMPANY WITH MARKET CAP.
30,000-100,000 MILLION BAHT

16 October 2015



DELTA ELECTRONICS (THAILAND) PCL

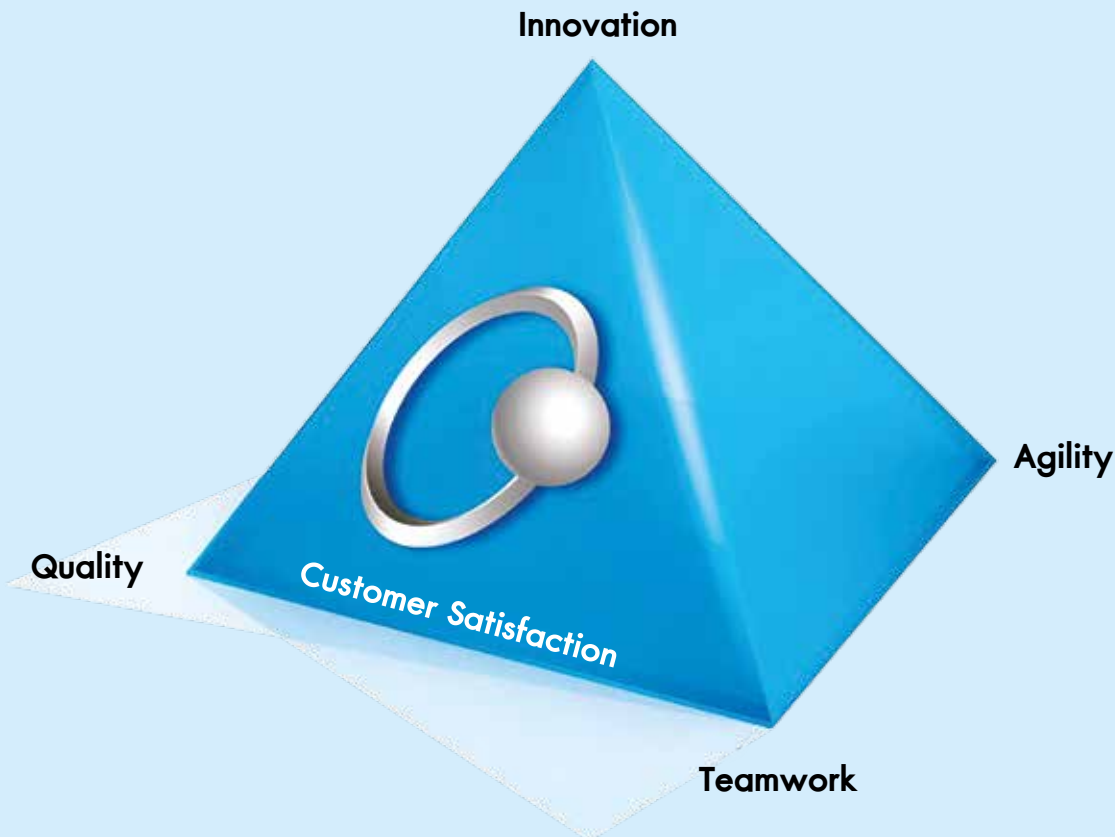
DELTA ELECTRONICS (THAILAND) PCL

Mission

To provide innovative, clean and energy-efficient solutions for a better tomorrow

Corporate Culture

Strive for change, and pursue sustainability



Innovation

Create new ideas and take them to success effectively.

Quality

Consistently deliver superior performance and pursue improvement all the time.

Agility

Identify emerging trends and act quickly to capture new opportunities.

Teamwork

Fully leverage global value network and collaborate to achieve mutual goals.

Customer Satisfaction

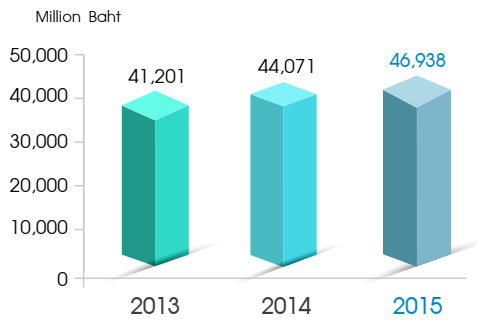
Anticipate customer needs and exceed expectations.

Financial Highlights 2013-2015

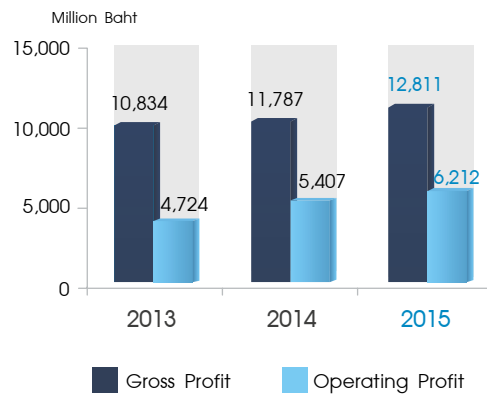
Unit : Million Baht	Consolidated			The Company Only		
	2015	2014	2013	2015	2014	2013
Total Assets	43,602	38,242	36,865	37,965	34,273	32,965
Total Liabilities	13,044	11,076	11,808	7,579	6,448	6,960
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	30,558	27,166	25,057	30,387	27,826	26,005
Sales Revenues	46,938	44,071	41,201	31,824	30,047	28,683
Total Revenues	47,993	45,078	42,360	32,927	30,648	29,453
Cost of Sales	34,127	32,284	30,367	22,753	21,508	20,762
Gross Profit	12,811	11,787	10,834	9,071	8,539	7,921
Selling & Admin expense	6,599	6,381	6,110	3,819	3,752	3,519
Operating Profit	6,212	5,407	4,724	5,252	4,787	4,402
Net Profit	6,714	5,943	5,416	6,303	5,189	4,985
Unit : (%)						
Gross Profit Margin	27.29%	26.75%	26.30%	28.50%	28.42%	27.61%
Operating Profit Margin	13.23%	12.27%	11.47%	16.50%	15.93%	15.35%
Net Profit Per total Revenues	13.99%	13.18%	12.78%	19.14%	16.93%	16.93%
Return On Equity	23.26%	22.76%	22.78%	21.66%	19.28%	19.90%
Return On Assets	16.41%	15.83%	15.49%	17.45%	15.43%	15.99%
Unit : Baht						
EPS	5.38	4.76	4.34	5.05	4.16	4.00
Dividend Per Share	3.10*	3.00	2.70	3.10*	3.00	2.70
Book Value Per Share	24.50	21.78	20.09	24.36	22.31	20.85

* Pending approval from shareholders' meeting

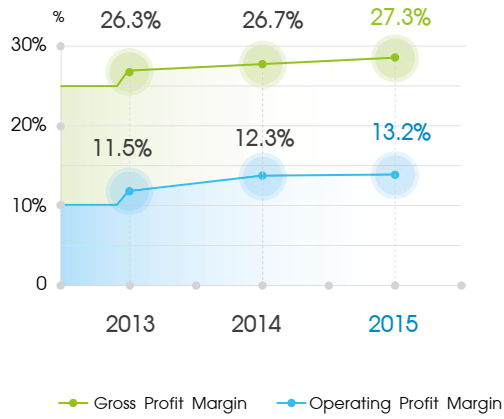
Sales Revenues



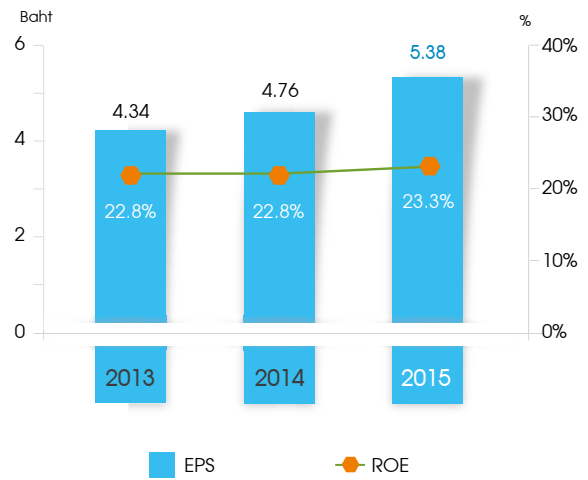
Gross Profit vs Operating Profit



Gross Profit Margin vs Operating Profit Margin



EPS vs ROE





Delta Overview

Delta Electronics (Thailand) Public Company Limited is a manufacturer and exporter of power supplies and electronics equipment and parts, was inaugurated on June 16, 1988 with the initial capital of THB 40 million. The Company was converted to public limited company on September 23, 1994 and listed on the Stock Exchange of Thailand on July 24, 1995 under the symbol of "DELTA". The Company has been in SET50 since 2005. As of December 31, 2015, the Company has a registered capital of THB 1,259,000 with paid up capital of THB 1,247,381,614 at par value of THB 1 per share.

Delta Thailand is one of the world's leading producers of power supplies and electronic components comprising cooling fans, EMI filters and solenoids. Its businesses are now mainly involved in power management solutions. The current power management product line covers various types of power supplies including power systems for information technology, telecommunications, industrial applications, office automation, medical industries and power supplies for server, networking and DC-DC converter and adapter. Presently, the Company is extending its business to cover renewable energies such as solar power, wind power including electrical and hybrid electrical vehicles.



Message from the Board of Directors

The world is changing drastically in many areas which leads to changing landscapes in politics, economies, environments and businesses. It is very important for corporate to prepare well ahead with courage and wisdom. Likewise, with Internet of Things and Alternative Energy Sources, supply chain is changing to a new dimension far different from before. In preparation for any situation that may arise from such changes, the company will be more cautious with our expansion for long term growth while reaping all the benefits from present situation.

Our business strategy in 2016 is moving forward with automotive products for ODM. For Regional Business, India and Southeast Asian regions will be our main focus. We will be creating and cementing our relationship with local players especially in these regions. In addition, while the markets for many of our new products and businesses are still at initial stage, we will be concurrently building our software capability which is a critical element for the next era of Internet of Things and Alternative Energy.

In 2016, expense control will be intensified to protect profitability of our core businesses so as to support our new businesses. Tighter control over cash flow to maintain, if not shorten, our cash cycle. The other challenges are material costs which are already at a very low point, and strong selling price erosion due to general economic performance. At the same time, our SG&A as percentage of sales should be sustained, if not lower, with effort to curb expenses in both new and existing regional offices.

With distinct and equally important roles, the relationship among companies in global Delta Group will become tighter in order to create solid synergies to further strengthen our competitive advantages in preparation for our new business landscapes. Delta Electronics Incorporation (Taiwan), with its scale five times larger than Delta Electronics (Thailand) PCL., will be focusing in the development of new products at all technological levels whereas Delta (Thailand) will be the regional distributor for above regions to provide system integration and solutions with local touch for local businesses. These synergies shall enhance our readiness for the Internet of Things and Alternative Energy era and transform Delta Group into one of the strongest names to be reckoned with in the electronic industry. Ultimately, Delta Group's product and business developments are guided by our mission statement, "To provide innovative, clean, and energy-efficient solutions for a better tomorrow.", through providing green energy with good power conservation, consumption efficiency and environmental friendly products and systems.

Finally, we would like to thank all our business partners and supporters including governments of Thailand and in the regions as well as shareholders for their trusts and the opportunities provided for the management to lead and grow the company this far.



James Ng
Chairman



Dick Hsieh
President

Investment Structure (as of December 31, 2015)

The Company has no certain policy for assigning the businesses to the subsidiaries. It is up to availability of personnel in each location and market demands in each region. The Company's subsidiaries are listed as below.



* Transferred to Delta Energy Systems (Singapore) on 26/06/15

** Delta Electronics (Myanmar) is formally set up on 16/10/15

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
1. DET International Holding Ltd.	Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman KY1-1112, Cayman Islands	Business Investment	-	Common Stock	USD 300,000,000	USD 264,357,329	100
1.1 DET Logistics (USA) Corporation	4405 Cushing Parkway Fremont, CA 94538 USA. Tel: +1 510 668 5100 Fax: +1 510 668 0680	Logistic Service in USA	-	Common Stock	USD 1,000,000	USD 500,000	100
1.2 DET Video Technology Ltd.	Portcullis, Trust Net, Chambers, Po.Box 3444 Road Town, Tortola, British Virgin Island Tel: 284 494 5296 Fax: 284 494 5283	Business Investment	-	Common Stock	USD 100,000	USD 100,000	100
1.3 Delta Energy Systems (Germany) GmbH	Coesterweg 45, D-59494 Soest, Germany Tel: +49 2921 987 0 Fax: +49 2921 987 601	- Marketing & Sales - R&D	- Power System - Power Supply - Other Electronics Products	Common Stock	EUR 18,301,000	EUR 18,301,000	100
1.3.1 Delta Energy Systems Property (Germany) GmbH	Coesterweg 45, D-59494 Soest, Germany	Property	-	Common Stock	EUR 25,000	EUR 25,000	100
1.4 Delta Energy Systems (India) Pvt. Ltd.	Plot No. 43, Sector-35, Industrial Estate, Gurgaon, Haryana, India 122001 Tel: 91 124 4874900 Fax: 91 124 4874945	Marketing & Sales	Electronics Products	Common Stock	INR 494,500,000	INR 490,476,020	100
1.5 Delta Electronics (Slovakia) s.r.o	Priemyselna ulica 4600/1, SK-018 41 Dubnica nad Vahom, Slovakia Tel: 421 42 466 1111 Fax: 421 42 466 1130	Manufacturing & Sales	- Power Supply - Power Systems - OEM Power Systems	Common Stock	EUR 47,120,947	EUR 47,120,947	100
1.6 Delta Energy Systems (Romania) S.R.L.	76 Splaiul Unirii Blvd., Building B, 8th floor, District 4, 040037, Bucharest Tel: +40 21 305 1770 Fax: +40 21 305 1789	R&D	-	Common Stock	RON 395,200	RON 395,200	100
1.7 DET SGP Pte Ltd.	4 Kaki Bukit Avenue 1 #05-04 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	- Business Investment - Management and Consultancy Service - Trading	-	Common Stock	USD 46,736,460	USD 46,736,460	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
1.8 Delta Greentech International Holding Ltd.	Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	USD 100,000,000	USD 28,051,850	100
1.8.1 Delta Greentech International (Singapore) Pte.Ltd.	4 Kaki Bukit Avenue 1 #05-04 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	Business Investment	-	Common Stock	USD 37,153,800	USD 37,153,800	100
2. Delta Energy Systems (Singapore) Pte.Ltd.	4 Kaki Bukit Avenue 1 #05-04 Singapore 417939 Tel: +65 6747 5155 Fax: +65 6744 9228	- Business Investment - Management and Consultancy Service - Trading	-	Common Stock	USD 50,568,490	USD 50,568,490	100
2.1 Delta Energy Systems (Australia) Pty.Ltd.	Unit 20-21, 45 Normanby Road, Notting Hill VIC 3168, Australia Tel: +61 9543 3720 Fax: +61 9544 0606	Marketing	Renewable Energy Products	Common Stock	AUD 1,330,600	AUD 1,330,600	100
2.2 Delta Greentech (Netherlands) Cooperaties UA	Zandsteen 15, 2132 MZ Hoofddorp, The Netherlands Tel: +31 20 655 0900 Fax: +31 20 655 0999	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	No registered	EUR 22,378,784	100
2.2.1 Delta Greentech (Netherlands) B.V.	Zandsteen 15, 2132 MZ Hoofddorp, The Netherlands Tel: +31 20 655 0900 Fax: +31 20 655 0999	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	EUR 22,318,778	EUR 22,318,778	100
2.2.1.1 Delta Greentech Electronics Industry LLC	Serifali Mevkii Soylesi Sok No:19/1, 34775, Yukaridudullu/Istanbul, Turkey	Marketing and distribution	Electronics Products	Common Stock	TRY 770,000	TRY 770,000	100
2.2.1.2 Delta Greentech (USA) Corporation	701 Brazos Street, Suite 1050 Austin TX 78701, USA Tel: (972) 437-7900	Marketing & Sales	- Telecom Power Systems - UPS	Common Stock	USD 10,000,000	USD 6,000,000	100
2.2.1.3 Delta Greentech (Brazil) S/A	Rua Almirante Alexandrino, 3100 Bairro Afonso Pena-83045-210 São José dos Pinhais-PR-Brazil Tel: 55 41 2141 6363 Fax: 55 41 2141 6300	- Marketing & Sales - Assembler	- Power Systems - UPS - OEM Power Systems - Other Electronics Products	Common Stock	BRL 37,877,446.30	BRL 37,877,446.30	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
2.2.1.3.1 Delta Greentech (Curitiba)	Rua Almirante Alexandrino, 1130, Afonso Pena CEP 83040-420, São José dos Pinhais-PR, Brazil	Providing Engineering Service to Delta Greentech (Brazil)	-	Common Stock	BRL 1,000	BRL 1,000	100
2.3 Delta India Electronics Pvt. Ltd.	Plot No. 43, Sector-35, Industrial Estate, Gurgaon, Haryana, India 122001 Tel: +91 124 4874900 Fax: +91 124 4874945	- Marketing & Sales - Manufacturing	Non-Telecom Power System & UPS Products	Common Stock	INR 2,970,000,000	INR 1,849,773,880	100
2.4 Delta Power Solutions (India) Pvt. Ltd.	Plot No. 38, Phase 1, Sector-5, IIE, SIDCUL Pant Nagar, Rudrapur Uttarakhand-263153, India Tel : 91 05944-309000 Fax: 91 05944-662477	- Marketing & Sales - Assembler - R&D	- Telecom Power Systems - UPS	Common Stock	INR 1,700,000,000	INR 1,638,626,520	100
2.5 Delta Electronics (Myanmar) Co., Ltd.	Plot No.91 and 92, Myay Taing Quarter No.25, Shwe Lin Ban Industrial Zone, Hlaing Thar Yar Township, Yangon, Myanmar	Manufacturing	- Mechanical - Electronics Products under CMP system (Cutting, Making and Packaging)	Common Stock	USD 1,500,000	USD 75,000	100
3. Delta Energy Systems (Switzerland) AG	Freiburgstrasse 251, CH-3018, Bern-Bümpliz, Switzerland Tel: +41 31 998 5388 Fax: +41 31 998 5485	- Marketing & Sales - R&D	Power System	Common Stock	CHF 20,000,000	CHF 20,000,000	100
3.1 Delta Energy Systems (Czech Republic), spol. s r.o.	Perucka 2482/7, 120 00 Praha 2, Czech Republic Tel: 420 2 7175 18 00 Fax: 420 271 751 799	Marketing & Sales	Power Systems	Common Stock	CZK 8,000,000	CZK 8,000,000	100
3.2 Delta Energy Systems (Finland) Oy	Juvan Teollisuuskatu 15, PL63, FI-02921 Espoo, Finland Tel: +358 9 8496 60 Fax: +358 9 8496 6100	- Marketing & Sales - Assembler	Power Systems	Common Stock	EUR 269,100,68	EUR 134,550,34	100
3.3 Delta Energy Systems (France) S.A.	Zi du Bois Chaland2-15 rue des Pyrénées, LISSES, 91056 EVRY CEDEX, France Tel: 33 1 69 77 82 60 Fax: 33 1 64 97 05 77	Marketing & Sales	Power Systems	Common Stock	EUR 1,000,000	EUR 1,000,000	100
3.4 Delta Energy Systems (Italy) s.r.l.	Piazza Grazioli 18, 00186 Roma, Italy Tel: +39 06 69941209 Fax: +39 06 69942293	- Marketing & Sales - Assembler	Power Systems	Common Stock	EUR 100,000	EUR 100,000	100

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
3.5 Delta Energy Systems (Spain) S.L.	Calle Luis I n° 60, Nave 1a, P.I. de Valleccas, E-28031 Madrid, Spain Tel: +420 2 7175 18 00 Fax: +420 2 7175 17 99	Marketing & Sales	Power Systems	Common Stock	EUR 200,000	EUR 200,000	100
3.6 Delta Energy Systems (Sweden) AB	Annavägen 3, P.O.Box 3096, S-350 33 Växjö, Sweden Tel: +46 470 70 68 00 Fax: +46 470 70 68 90	Marketing & Sales	Power Systems	Common Stock	SEK 2,010,000	SEK 2,010,000	100
3.7 Delta Energy Systems (Poland) Sp.z.o.o	Poleczki 23, Street 02-822 Warsaw, Poland Tel: +48 22 335 2600 Fax: +48 22 335 2601	Marketing & Sales	Power Systems	Common Stock	PLN 2,500,000	PLN 2,500,000	100
3.8 Delta Energy Systems LLC	Office 401, Vereyskaya Plaza II, Vereyskaya Street 17, 121357, Moscow, Russia Tel: +7 495 644 3240 Fax: +7 495 644 3241	Marketing & Sales	Power Systems	Common Stock	RUR 30,000	RUR 30,000	100
4. Delta Green Industrial (Thailand) Co.,Ltd.	111 Moo 9, Bangwua, Bangpakong, Chachoengsao, Thailand Tel: +66 38 522455 Fax: +66 38 522460	Integration, Sales/Trading, Installation and Service	Solutions for Renewable/Electronic products	Common Stock	THB 200,000,000	THB 190,000,000	100

Currency Exchange Rates (Average): (30 Dec 15)

1 AUD = 0.73084 USD 1 BRL = 0.25247 USD 1 CHF = 0.99850 USD 1 CZK = 0.04019 USD 1 EUR = 1.08585 USD 1 INR = 0.01511 USD
1 PLN = 0.25304 USD 1 RON = 0.23952 USD 1 RUR = 0.01370 USD 1 SEK = 0.11855 USD 1 TRY = 0.34272 USD

Nature of Business

The Company and its subsidiaries are manufacturers and distributors of power supplies and electronic equipments and parts. At present, The Company has 2 main plants in Thailand, our headquarter is located in Bangpoo Industrial Estate, Samutprakarn and another plant is in Wellgrow Industrial Estate, Chachoengsao. The oversea plants now are in India (located in Rudrapur and New Delhi) and Slovakia in Dubnica nad Vahom divides its products into 3 main business groups as follows:

1. Power Electronics Group
 - 1.1 EPSBG Product Group (Embedded Power Supply) which can be further divided down into 4 sub groups as follows;
 - DC-DC converter
 - Power Supply for Computer & Networking i.e. storage, server and networking.
 - DES Power which offers high end custom designed power supplies for information technology, telecommunications, industrial application
 - Power Supply for Automotive
 - 1.2 MPBG Product Group (Mobile Power) including adaptor for broadband, printer, game, industrial and power tools
 - 1.3 FMBG Product Group (Fan & Thermal Management) including Cooling Fan, EMI filter and Solenoid
2. Energy Management Group
 - 2.1 PSBG Product Group (Power System) which can be further divided down into 3 sub groups as follows;
 - Telecom Power Solutions (TPS)
 - Uninterruptible Power Supplies (UPS)
 - Wind Power
 - 2.2 IABG Product Group (Industrial Automation) is automatic equipment for industrial sector
 - 2.3 AEBG Product Group (Automotive Electronics) including electronics equipment for automotive and electric vehicle charger
3. Smart Green Life Group including display products and LED lighting
(Please find further product details in the section of Product Profiles)

Revenue Structure of the Company and its subsidiaries

Unit : Million Baht

Product Group	2015		2014		2013	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	32,050	68.3%	30,464	69.1%	29,306	71.1%
EPSBG (Embedded Power Supplies)	20,329	43.3%	20,006	45.4%	19,448	47.2%
- DC-DC converter	2,695	5.7%	3,481	7.9%	4,067	9.9%
- Power Supply for Computer & Networking	4,854	10.3%	5,191	11.8%	4,455	10.8%
- DES Power	11,528	24.6%	9,774	22.2%	9,631	23.4%
- Power Supply for Automotive	1,252	2.7%	1,560	3.5%	1,295	3.1%
MPBG (Mobile Power Supplies)	5,668	12.1%	4,939	11.2%	4,675	11.3%
FMBG (Fan & Thermal Management)	6,053	12.9%	5,519	12.5%	5,182	12.6%
Energy Management Group	13,015	27.7%	12,061	27.4%	10,224	24.8%
PSBG (Power System)	11,429	24.3%	11,118	25.2%	9,346	22.7%
- Telecom Power Solutions (TPS)	10,321	22.0%	9,852	22.4%	8,214	19.9%
- Uninterruptible Power Supplies (UPS)	1,052	2.2%	1,169	2.5%	1,118	2.7%
- Wind Power	56	0.1%	98	0.2%	15	0.0%
IABG (Industrial Automation)	1,584	3.4%	942	2.1%	784	1.9%
AEBU (Automotive Electronics)	3	0.0%	1	0.0%	94	0.2%
Smart Green Life Group	318	0.7%	568	1.3%	521	1.3%
Others	1,555	3.3%	978	2.2%	1,151	2.8%
Total Sales Revenues	46,938	100.0%	44,071	100.0%	41,201	100.0%

Product Profile



OUR BRAND

"Smarter. Greener. Together"

Delta is responding to a changing world in several ways. For global climate change, we have matched our corporate mission and culture to long-term trends. For new energy, we have made our core competencies in power efficiency and the renewable energy development. Due to the evolving economic landscape we have increased our capabilities in technology, design, manufacturing and responsiveness to partners.

At Delta, we believe in the power of technology and collaboration by listening to our partners, we are able to serve their needs with our energy-efficient products and systems. We recognize the importance of investing in technology for the future.

Delta's brand promise is "Smarter. Greener. Together." To make this a reality, we have dedicated our entire organization to the pursuit of innovative technologies that change the way components, products, and people manage and consume energy. With close collaboration among our partners, we can create a smarter, greener world together.

BUSINESS CATEGORIES



Power Electronics

- Embedded Power Supplies (EPSBG)
- Mobile Power Supplies (MPBG)
- Fans and Electronic Components (FMBG)



Energy Management

- Telecom Power Systems
- UPS
- Wind Power
- Industrial Automation
- Automotive Electronics & EV Charging



Smart Green Life

- Display and Visualization
- LED Lighting

Delta is a leading supplier and provider of switching power supplies and DC brushless fans. We offer a diversified selection of power supplies, thermal management for use in an extensive range of portable devices, cloud computing equipments, home appliances and medical-device applications. Our design customization services are also the first choice of leading OEMs/ODMs. We provide tailor-made components, devices and related services to help our customers advance their competitiveness in the field power electricity. Our business including 3 business groups.

Embedded Power Supplies

As a result of technological advances, Delta has steadily increased the efficiency of power supply products and has introduced products with energy-saving features. Power supply of this group are now mainly divided into 4 sub groups as follows.

DC-DC Power



DC-DC converter's main application is to supply the stable voltage to micro processor that generally generates unstable load (Dynamic load) while being operated. Delta offers high DC-DC converters up to 2,650 W that provide high power density, a low profile and high efficiency.

Storage & Networking Power



This group comprises mainly power supplies for PCs, servers, networking, workstations, storage and other high voltage power supplies that provide power ranging up to 7,200 W per power module, with efficiency over 90% and power density up to 25W/inch³

DES Power



Delta Energy Systems (DES) supplies fully customized innovative solutions/products for the computing (server, networking), office automation, and medical, as well as telecommunications, industrial applications and the automotive industry. As technology leader, our customized solution/products are packed with innovative technologies.

Mobile Power Supplies



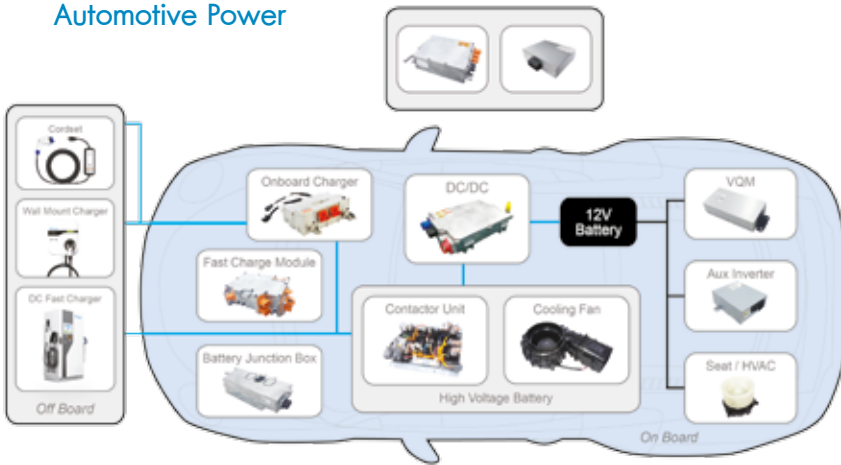
EMI Filter



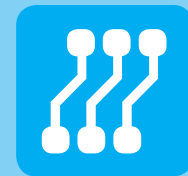
Solenoid



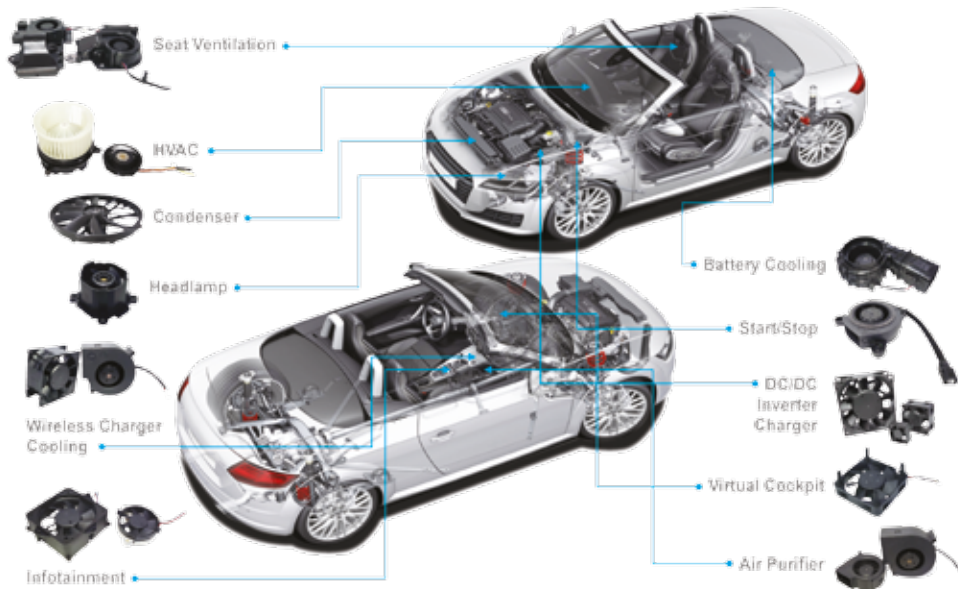
Automotive Power



POWER ELECTRONICS



- Embedded Power Supplies
- Mobile Power Supplies
- Fans and Electronic Components



DC Fan

Automotive Power

Delta are 1st Tier supplier which providing Automotive electronic components to the leading car maker worldwide. Our product portfolio are On Board Charger Module, DC-DC converter, DC-AC inverter and also Automotive electronics component for support new vehicle technology as high efficiency EV (Electric vehicle) such as Hybrid Car, PHEV (Plug-in Hybrid vehicle), BEVs (Battery Electric vehicle).

Mobile Power Supplies

The Mobile Power Business Group includes Delta branded industrial power supplies, adaptor for broadband, printing, game, industrial and power tools. We are one of the world's largest producers of AC/DC adapters for portable computers and other external power source applications. The use of ASIC, hybrid circuits, and thin film technology allow us to produce adapters with industrial leading power density and a broad range of standard power supplies for industrial and medical applications.

Fan / Thermal Management

DC Fan

Delta DC fans are custom-designed and produced with cooling, ventilating and circulating functions in many areas for our reputable world class customers' automotive, telecom, IT, household and industrial applications.

EMI Filter

Electromagnetic Interference (EMI) Filters, with its function for noise & interference reduction, are widely used in home appliances, IT, Telecom to Industrial applications.

Solenoid

Home appliance and automotive Solenoid are available for the customers' unique requirements, such as applications in the automotive ABS system, refrigerator, ice maker and electric door locks.



ENERGY MANAGEMENT



- Telecom Power Systems
- UPS
- Wind Power
- Industrial Automation
- Automotive Electronics & EV Charging

Telecom Power System



Uninterruptible Power Supplies (UPS)



Wind Power





Delta is a world-leading developer and supplier of telecom power systems, uninterruptible power supplies, medium-voltage drives, and solar and wind-energy solutions. We are the number one provider of telecom power solutions in India, and Brazil, and the leading supplier in Europe, Americas and the Asia-Pacific.

At Delta, we offer an extensive range of energy management products and regularly apply our advanced engineering capabilities to the design and/or customization of systems and solutions for applications in data centers, renewable energy, electronic vehicles, eco-friendly transportation infrastructure, green buildings and more.

Telecom Power System

Delta's broad range of telecom power solutions and global services to telecom operators, network manufacturers and system integrators are designed for radio access network, 4G LTE network, broadband access network and core network applications, as well as for Internet backbone and data centers. With its high reliability and economic efficiency, Delta Electronics is a leading provider of telecom power solutions for the telecommunications industry.

The Company provides DC and AC backup power systems, in indoor, outdoor enclosures or as rack mount, OD systems with various cooling technologies i.e. Passive Cooling (using DC Fans+ Filter & Heat Exchangers), Active cooling (using DC Air conditioners) and Hybrid Cooling (Using DC Air conditions with Emergency Free cooling/ Heat Exchangers) to meet different applications.

Delta's products also provide OPEX saving solutions for difficult AC utilities and off-grid sites by adding renewable energy and efficient energy management with the controller. These products are easily compatible with modern remote monitoring technologies which enable significant savings with easy site maintenance. The Company's telecom power solutions are widely used in wireless and fixed line environments and are applicable to network equipment, xDSL access multiplexer, mobile broadband, cellular sites, and transmission applications. Delta's telecom power system offer solutions with international and regional telecom and environmental standards and are manufactured in TL 9000 / ISO 14000 facilities.

Uninterruptible Power Supplies (UPS)

Delta UPS business has more than a decade in designing, manufacturing and marketing UPSs globally. The Company is committed to innovating technically superior products and providing energy efficient solutions for a wide range of home, office, data center and industrial applications. The Company's client base covers world class enterprises in the areas of semiconductors, optoelectronics, food processing, finance petrochemicals and telecommunications. Its UPS solutions include a full line of UPSs and management software, and delivers industry-specific solutions worldwide to a broad range of market sectors and industry leaders. Our UPS solutions not only ensure uninterrupted processes with unmatched reliability but also meet customers' growing business demands with uniquely-designed scalability and flexibility.



Renewable Energy

The Company is aware of the importance of caring for the environment. Therefore, we invest in areas of renewable energy. With our highly innovative products such as Megawatt-Converter for wind power systems, we aim to turn your solution into eco-friendly and competitive drivers for the green environment. We provide custom designed converter both for Doubly Fed Induction Generators (DFIG) as well as Full Power Converters (FPC) technologies. We also provide custom built Nacelle and Tower controllers. Delta solutions for Wind Turbines are aimed at optimum and efficient operation of Wind Turbines and thus helping achieve higher energy harvesting.

Industrial Automation

Delta has been dedicated to quality, reliability, and excellence to realize our commitment to "Automation for a Changing World". We focus our expertise on drive & power, motion, sensor and control, and we integrate our industrial automation products, develop industrial control networks, and offer integration services to our clients around the world.

Info
SCADA & EMS

Control
Programmable Logic Controllers
Programmable Automation Controllers
Industrial Network Solutions
Controllers with Human Machine Interfaces

Robot
SCARA Robot
Robot Controller MS Series
Programmable Automation Controllers
Teaching Pendant
Linear Stage

Field Device
Machine Vision System
Power Meters
Industrial Power Supplies
Timers / Counters / Tachometers
Pressure Sensors
Temperature Controllers

Motion
AC Servo Motors & Drives
CNC Controllers
ECML Linear Motors

Drive & Power Quality
AC Motor Drives
Active Front End
Active Power Filter
Static Var Generator

Electric Vehicle Charger

Delta offers a complete range of proven EV charging solutions to help you go nearby places with ease. We deliver EV charging systems to meet various charging demands with energy efficient charging solutions for a cleaner environment.





Delta group is a pioneer in the design of projection displays. Built with our group’s industry-leading optics and advanced micro display technology, Delta displays span a variety of applications including home entertainment, control rooms, auditoriums, public information systems and exhibition halls.

Due to Delta Thailand’s regional presence and excellent sales platform, we are already an established distributor for some of Delta group’s excellent products like the displays. For instance, our India subsidiary is now distributing the group’s varieties of display product while the other subsidiary in Thailand, Delta Green Industrial Thailand (DGIT), is now the distributor of display through their energy management solution business. With South East Asia’s (SEA) strong economic environment and aggressive industrialization plans, the regional market should see good growth potential for Delta group’s many products.

Display and Visualization

Delta provides a wide range of visual displays including large venue projectors with ultra-high brightness of up to 30,000 lumens, home theater projectors, and business presentation projectors. For control rooms and public information display systems, Delta offers innovative high brightness projection cubes and Distributive Vision Control systems (DVCS) for large area video walls.



Production Capacity 2015

1. Embedded Power (EPSBG)

1.1 DC-DC Converter (DCBU)

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 6,863 sq.m
No. of operators : 195
Production line : 10 lines
Actual production : 89% of production capacity

1.2 Power supply for Computer & Networking (CNBU)

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 7,040 sq.m
No. of operators : 623
Production line : 10 lines
Actual production : 90% of production capacity

1.3 DES Power supply for SNT & IM (CDBU)

Thailand Plant

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 22,000 sq.m
No. of operators : 1,346
Production line : 24 lines
Actual production : 76% of production capacity

Slovakia Plant

Location : Dubnica nad Vahom, Slovak Republic
Production area : 6,500 sq.m
No. of operators : 160
Production line : 8 lines
Actual production : 55% of production capacity

1.4 Power supply for Automotive

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 15,768 sq.m
No. of operator : 531
Production line : 10 lines
Actual production : 70% of production capacity

2. Mobile Power (MPBG)

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 4,865 sq.m
No. of operators : 1,330
Production line : 10 lines
Actual production : 80% of production capacity

3. Fan & Thermal Management (FMBG)

3.1 DC Fan Product

Auto Fan

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 4,896 sq.m
No. of operators : 677
Production line : 24 lines
Actual production : 80% of production capacity

System Fan

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 3,548 sq.m
No. of operators : 622
Production line : 20 lines
Actual production : 80% of production capacity

3.2 EMI & SOL Product (ESP LOB)

EMI Filter

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 2,620 sq.m
No. of operators : 481
Production line : 23 lines
Actual production : 80% of production capacity

Solenoid/ Magnetic

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 645 sq.m
No. of operators : 103
Production line : 16 lines
Actual production : 80% of production capacity

4. Power System (PSBG) (TPS, UPS, Wind Power)

Thailand Plant

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 1,800 sq.m
No. of operators : 112
Production line : TPS 5 lines, System 1 line, Power Distribution Unit (PDU) 1 line
Actual production : TPS 87% of production capacity
: System 69% of production capacity

India Plant

Location	: Plot No 38, Phase 1, Sector 5, Integrated Industrial Estate, Pantnagar (Rudrapur), Udhamsingh Nagar, Uttarakhand India -263153
Production area	: 13,500 sq.m
No. of operators	: 275
Production line	: TPS 8 lines, UPS 2 cell line, Wind Power Converter 3 cell line.
Actual production	: TPS 80% of production capacity UPS 70% of production capacity Wind Power Converter 18% of production capacity

Slovakia Plant

Location	: Dubnica nad Vahom, Slovak Republic
Production area	: 4,000 sq.m
No. of operators	: 200
Production line	: 12 lines
Actual production	: 60% of production capacity

5. Automotive Electronics (AEBU)

Location	: Bangpoo Industrial Estate, Samutprakarn
Production area	: 650 sq.m
No. of operators	: 30
Production line	: 1 line
Actual production	: 60% of production capacity

6. Display Solutions Business unit (DSBU)

Location	: Plot No 43, Sector 35, HSIDC, Gurgaon, Haryana, India -122001
Production area	: 1,040 sq.m
No. of operators	: 30
Production line	: Cube/LCD 1 cell line, Controller 1 cell line, Screen 1 cell line Mechanical workshop 1 cell line.
Actual production	: Cube + LCD 45% of production capacity Controller 68% of production capacity Screen 48% of production capacity Machine shop 97% of production capacity

Most of the Company's products manufactured in Thailand are obtained BOI privileges which are listed as follows

Promotional privileges

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

Details	The Company								A subsidiary in Thailand			
	Certificate No.	Promotional privileges for	The significant privileges are	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	1732(2)/2557	1158(2)/2558	1688(2)/2558	1813(2)/2554	1814(2)/2554
1.				Manufacturing of electro-magnetic products	Manufacturing of electro-magnetic products	Manufacturing of DC FAN	Manufacturing of telecommunication equipment and electronics products for vehicle	Manufacturing of electro-magnetic products	Manufacturing of electro-magnetic products	Manufacturing of DC FAN	Manufacturing of Inverter	Manufacturing of electric light bulbs and display monitor
2.				8 years	7 years (Maximum amount Baht 90,690,852)	7 years (Maximum amount Baht 298,170,000)	8 years	7 years (Maximum amount Baht 124,000,000)	5 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 200,000,000)	7 years (Maximum amount Baht 182,000,000)	7 years (Maximum amount Baht 199,000,000)
3.				Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.1				Non - granted	Granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.2				Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.3				Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.4				Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.5				Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.6				Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
4.				27 January 2009	4 January 2010	15 March 2013	10 January 2015	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation
5.				Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	-	-	-	-	-

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

(Unit: Million Baht)

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

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

- Delta Electronics (Slovakia) s.r.o. was granted tax privileges by the Government of Slovakia for the manufacture of Power Supply and Solar inverters on 22 December 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 10 years from the year in which the promoted operations commenced, which was 2010. The exemption is capped at EUR 6.2 million.
- Delta Power Solutions (India) Pvt. Ltd. was granted tax privileges by the Government of India for the manufacture of Telecom Power Systems and uninterruptible Power Supplies on 1 April 2008. The privileges include exemption from corporate income tax for a period of 5 years from the date the promoted operations commence generating revenues and a 30% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

Raw Material and Suppliers Sourcing

The raw materials shall be classified into two main categories: Electronics parts and Mechanical parts. Electronics parts are composed of semiconductors (IC, Diode, Mosfet, PWM etc.) and passive (capacitors, fuse, resistor, relay etc.), the majority of which are imported from Singapore, Hong Kong, Japan, Taiwan, Europe and the United States of America and paid mainly in US dollar. As for the mechanical parts which composed of metal stamping, die-casting, wire harness, plastic injection, PWB and packaging, these are mostly procured from local manufacturers with some imported from China for risk diversification as well as cost benchmarking purpose. The ratio of imported raw materials to domestic raw materials is approximately 70:30. The Company presently procures its direct raw materials from approximately 1,300 vendors with purchase value per vendor not exceeding 4.0% of total procurement value. Our vendors are also required to fulfilled requirement of ISO9001, ISO14001, ONSAS18001, TS16949 ETC.

Research and Development

R&D expenses of the past 5 years

	Unit	2011	2012	2013	2014	2015
Total R&D Expenses	USD (millions)	68.94	63.15	60.96	60.12	58.15
R&D Expenses as % of Sales	% of Sales	5.4%	4.8%	4.5%	4.4%	4.2%

R&D headcount per location

R&D Locations	2011	2012	2013	2014	2015
Thailand	380	370	359	333	313
Soest	163	170	170	175	175
Teningen	122	118	88	85	83
Switzerland	34	32	20	18	18
Finland & Poland	-	23	22	23	21
Hangzhou	45	44	45	44	49
Gurgaon	65	45	57	64	73
Romania	16	16	16	16	15
East Kilbride	17	17	13	15	15
	842	835	790	773	762

In 2015, Delta has increased the efficiency of its power products by broadening the application of its key technologies. Furthermore, Delta pursues the continuity in developing energy saving power devices and to realize its green environmental targets.

The Company's worldwide R&D centers (10 in total), located in Asia and Europe, have succeeded through their cooperation with the Delta group research centers in Raleigh (USA) and Shanghai (China), to maintain and extend the R&D leadership of the Company in terms of energy saving power supply. In order to fulfill our wish for a better future, the Company has developed a long-term partnership with renowned universities. This is a sustainable way to establish a long-term and continuous relationship with young and experienced people, to take care of technological, innovative and eco-friendly products.

Delta values a close cooperation with key customers who are primarily worldwide market leaders for new technologies, products and innovations as well as customers in new industries. On the basis of this cooperation and the related information exchange, we are prepared to respond to new future market challenges.

Through Delta's leadership position in the market, achieved with green thinking over the past decades, the Company will continue its efforts to expand their know-how to develop new energy-saving technologies in the future and further reduce world pollution.

Server Storage Networking (SSN)

Delta's R&D team has accumulated decades of experience and knowledge in developing highly sophisticated customized power supplies for well-known companies in the IT, networking and telecommunications industry. We have applied our knowledge into developing new products beyond traditional power supplies which enabled us to become a system solution provider.



AC/DC Power Supply (1,200 W) with No.1 listed efficiency (Ecova Plug Load Solutions)

In 2015, an increase in efficiency is an important driver for our customers, especially for the Internet industry, while power density has become the driver of comparable importance. We have met the dynamic market requirements by incorporating a state-of-the-art integrated magnetic component design, the latest semiconductor packaging and a modular design approach, to attain the highest possible power density and efficiency. As a result, Delta's 1200W server power supply was ranked first on the Ecova Plug Load Solution ranking. The efforts in terms of power density led to a new platform design, rated to 3kW power with power density of 60W/in³. This platform is multifunctional and can be used in servers, networking and data centers at 12V and 48V output.

Delta Thailand's R&D has also overcome the challenge to combine increased functionality with extraordinary specifications in the customized AC/DC power supply (PSU) product category, outdoor units for communication and data traffic applications as well as system and subsystem approaches. In particular, this mixture led to various opportunities for subsystems in networking and storage applications. Our R&D team was able to meet and even surpass our customers' expectations.

Power Solutions for Electric Vehicles (EV)

Besides the power supply solutions for AC/DC on-board charging units, Delta's R&D has broadened its product portfolio in the demanding automotive market with highly efficient DC/DC converters and various on-board-charging products. Innovative applications of DC/DC converters, battery power management with Battery Junction Boxes (BJB) and combinations of these functions in joined packages were introduced to key customers in 2015.

The 7.2kW On-Board-Charger (OBC) product was successfully introduced to the market and applied to more car lines and models. A second model of the 7.2kW was developed to the C-sample stage to be used in second-hand vehicles in 2016's mass production.

The new flagship of chargers is an 11kW model, operational at single phase as well as 3-phase, applicable in US, Europe and Asia. This model incorporates the latest innovations in terms of topology and component selection. Furthermore, it has many sophisticated software functions, optimized production and assembly strategies, high power density and high efficiency.



11kW On-Board-Charger with adjustable 1-phase and 3-phase input

The investments in wireless charging technology were continued at a reasonable level. A new demonstrator was built at 7.4kW power level for fork-lift truck applications in close collaboration with lead customers. The sample is ready to test in customers' application.

Custom Designed Power Supplies for Industrial/Medical Device Applications

Several major innovations have been performed by Delta's European R&D teams in 2015 to provide our customers with the best-in-class cost-performance ratio for industrial and medical applications, such as factory automation, machinery and robotics, battery charging technology, ultrasound application, artificial respiration and dialysis.

The use of advanced power and control technology has led to products with the best-in-class parameter stability, efficiency, operation flexibility and reliability.

Our R&D team in Thailand expanded the scope of delivery due to our system design experience gained from past charge module developments for market leading lead acid battery vendors to develop whole charging systems including system rack, interfaces and management software.

The system implements a flexible solution that meets multiple customer needs based on a core technology platform. The system will allow charging of different battery chemistries, from Lead-Acid to Lithium-Ion over a wide range from 100-2000 A/hr. The high efficient 3kW charge module core is managed by a system controller that defines different charging profiles. The system is modular and can be configured from two modules in parallel up to ten, allowing 6kW to 30kW charge power. The innovative communication interface ensures the module's parallel operation and precise power share. Careful battery current, voltage and temperature control ensures maximum battery lifetime.

In addition to the industrial charger product line, unique and highly complex multi-output power supplies have been introduced for Medical Ultrasound Products serving global market leaders with the best power conversion products of Delta Thailand.



Charger Cabinet: Modular System for Industrial Applications



Medical Power Supply for Ultrasound

Custom Designed Power and Control Solutions for Residential Green Energy Systems

One major innovation of the Thailand, Soest and Teningen R&D teams was done by transforming know-how and technology accumulated over the last four decades from all teams in the existing segments for Data IT / Industrial and Solar power conversion to the new business segment of Residential Green Energy Systems. By using a unique transformer-less inverter technology derived from the existing Solar products technology platform for on-grid and backup operation, together with a new bi-directional DC/DC power conversion linking the battery to the system, Delta Thailand could provide leading edge products to new customers deploying residential green energy and storage solutions (RGES) for residential households for best cost versus performance. The company's new products have the highest efficiency and dense power conversion technology. Moreover, they implement the new high performance full digital control technology on all levels of the system, from digital modulation of the semiconductor devices to the wireless interface to the graphical user interface on the main gateway of the system. The system allows the customer to utilize green solar energy with the highest efficiency for maximum self-consumption, backup the residential owner on grid outages with enough power to run the major consumers and also allows the grid operator to utilize the system to build up a virtual power plant to stabilize the future smart grid.



RGES

DC/AC Inverters for new Generation 4G towers



As part of the Delta Thailand R&D team, our Indian R&D team has successfully developed a new range of compact 48V telecom supply inverters. These inverters use a state-of-the-art DSP control, low THD and meet all environmental and safety requirements applicable to telecom. Inverters are available from 300VA to 3.5KVA

These inverters, integrated with the Delta DC SMPS and outdoor and pole mounted system, enabled the large deployment of 4G in India. This unique solution, utilizing Delta leadership in telecom power supply market, is providing our customers with a one-stop-solution, thus enhancing the value of Delta offerings.

The inverter can also be used to supply air conditioners at telecom towers, enhancing the usage of battery/ main power and reducing diesel consumption, enabling more green energy.

Later on this year, these products will be launched for global customers and a new integrated Rectifier outdoor solution with IP 55 pole mount capability is under development as well.



During 2015, Delta India R&D has improved its strength both in terms of product delivery and competency. The team has successfully launched wind power converters (enhanced to 2.5 megawatt systems), new generation inverters for telecom and solar hybrid UPS in India. During the year, these innovative solutions for UPS and telecom power were deployed in to the market, enhancing value proposition to our customers.

In the coming years, the team will enhance the product innovation in storage and alternate power usage. This will include hybrid storage systems utilizing solar power along with Li-ion and new storage devices. To leverage our strong presence in the wind and solar inverter market, R&D will further develop solutions harnessing these technologies along with our solutions on battery charging and storage.

Over the last years, the R&D team has enhanced competency in digital control and software (SW). In the coming years, we see more products and solutions developed by deploying large SWs and digital systems. R&D developed remote monitoring, surveillance and data acquisition solutions in telecom, solar, wind power, and other applications. These product developments implemented the latest trends on cloud based applications and large SW systems. The R&D competence in SW and digital technology will be further enhanced to effectively exploit the opportunities in India and other markets.

Our Indian R&D team will be cooperating with other Delta R&D centers in leveraging technical strength across the group and providing competencies that add value to Delta globally.

Utility Scale Power Converter Systems for Megawatt Wind Turbines

Following the worldwide endeavors to reduce the carbon oxide emissions, our R&D team contributes with the development of customer-specific highly efficient power converter systems for modern wind turbines. In 2015, we continued the field testing of the DFIG system for an Indian customer as well as installations for several windfarms with full power converters in India. The German and Indian R&D teams continued their professional cooperation to drive the technology development to a higher level of sophistication. The R&D teams have proven to be highly competent with both the FPC as well as DFIG technologies which enable Delta to address all potential customers in the market. Our R&D team in Germany has been selected as a lead team member of the EcoSwing 3.6MW High Temperature Superconducting (HTS) wind turbine project, a European project funded under the EU Horizon 2020 program. Delta will provide the Converter, Exciter, Quench Detection and DAQ systems. 2016 will see the team putting efforts into both the development of new products and ramping up production for existing products.

The R&D directions are developments for turbine controls as well as solutions for prognostic and diagnostic functions. Further developments are power converters for upcoming battery storage solutions.



Standard Industrial Power Supplies

In 2015, IPS (Industrial Power Supplies) R&D teams in Thailand and Taiwan successfully delivered many new products and received great responses for the new products series in our DINRAIL family like the DRM series, DRS series and DRL series. The DRM series are especially designed to fulfill marine requirements such as GL & ABS approvals and this series are additionally certified for safety standard EN 61558-2-16, especially for power transformers used in SMPS. Other noticeable new series are DRS & DRL. The DRS series comes with an optional feature of fault relay and options with NEC Class 2 compliance in small form factor. The DRL series are ideal for economic designs and match their cost vs. performance ratio, a perfect fit for low cost solutions.

With good design capabilities, IPS is able to serve a wide range of customers from the cost demanding ones to the performance centric ones. This also enables IPS to penetrate many regions in a very short time

With several new standard power supplies released for the LED market, LNE series and many more new medical standard power supplies, 2016 will be another exciting year. The LNE series will have new upcoming products in 2016 with our IPS team focusing on high power outdoor lighting. As the Delta brand becomes more recognizable as a great standard power supply in the channels and with continuing discipline in market and product researches, IPS will continue to gain market share globally in 2016.



2015/2016 Industry Outlook

General Economic Outlook

Worldwide

According to the World Economic Situation and Prospects (WESP) report of 2016 from The United Nations, the world economy is projected to grow by 2.9% in 2016 and 3.2% in 2017. Growth in developed economies will gain momentum in 2016, surpassing the 2% mark for the first time since 2010. Global economy faces headwinds with only modest improvements projected for 2016 to 2017. The 5 major headwinds for the global economy are: persistent macroeconomic uncertainties; low commodity prices and diminished trade flows; rising volatility in exchange rates and capital flows; stagnant investment and productivity growth and; continued disconnect between finance and real sector activities.

IHS Market Research: China's economic activity will decelerate even more

Since 2010, China's growth rate has steadily declined. The past year was no exception, with 2015 growth expected to be 6.8%, compared with 7.3% in 2014 and 7.7% in 2013. IHS predicts that China's growth rate will decline even further to 6.3% in 2016. In fact, the Communist Party has set a target to double the level of real GDP between 2010 and 2020, which implies an annual average target growth rate of 6.6% between now and 2020, which is the lowest target growth rate in a long time. The actual growth rate is likely to be even lower. Continuing problems (overcapacity, high debt levels and low or negative rates of return) in the heavy manufacturing, utilities and mining sectors have been, and will continue to be, the principal drags on the economy. On the other hand, the services and light manufacturing sectors are proving more resilient. At the same time, news on the real estate market is no longer uniformly bad. Home sales are picking up, although high inventories will continue to dampen construction activity. Neither the change in the government's one-child policy nor the Chinese renminbi's inclusion in the IMF's special drawing rights basket is likely to have a big impact in the short term.

Commodity prices have fallen by about one-third over the past year and are down nearly 60% since the beginning of 2014. The biggest factors behind the plunge in non-oil commodity markets have been the struggles in China's manufacturing sectors and the associated large declines in its imports from the rest of the world. While suppliers have cut production, demand has weakened even more. Production cutbacks are likely to continue and IHS expects that prices will begin to firm during 2016.

In the case of oil, weak demand from China was compounded by strong production from the United States and the decision by OPEC to not cut production. Low prices are having an effect on US producers. IHS expects a cut in US output of roughly 600,000 barrels per day between mid-2015 and mid-2016. This will likely be enough to put a floor on prices. However, lower US production costs and increased productivity will continue to push break-even points lower, limiting upside price risks in 2016. The prices of both oil and other commodities are expected to be flat through the first half of 2016, and then begin to rise very gradually in the second half.

Forecasts for Growth and Inflation

	GDP			Inflation				GDP			Inflation		
	2014	2015E	2016E	2014	2015E	2016E		2014	2015E	2016E	2014	2015E	2016E
Global	3.2	2.9	3.3	3.0	3.0	3.6	Non-Japan Asia	6.3	6.0	6.1	3.2	2.4	3.0
G-3	1.5	1.9	1.9	1.3	0.2	1.5	China	7.4	7.1	7.0	2	1.5	2.1
BRIC	6.0	5.0	5.7	4.1	4.4	3.9	Hong Kong	2.3	2.6	3	4.3	3.5	3.2
EM-8	5.8	5.3	5.6	3.9	3.4	3.7	India (fiscal year)	7.4	6.9	7.3	7.0	5.4	6.0
USA	2.4	2.5	2.3	1.6	0.1	1.9	Indonesia	5	4.7	5.1	6.3	6.7	5.2
Canada	2.4	1.2	1.6	1.9	1.2	2.2	South Korea	3.3	2.6	3.1	1.3	0.8	2.0
Eurozone	0.9	1.5	1.7	0.4	0.1	1.0	Singapore	2.9	1.8	2.1	1.0	(0.5)	0.6
Ger.amu	1.6	1.6	1.6	0.8	0.2	1.1	Thailand	1.0	2.5	3.0	1.9	(0.5)	2.0
Italy	(0.4)	0.7	1.5	0.2	0.2	0.7	CEE & Russia	1.3	(0.6)	1.7	6.4	10.6	6.1
France	0.2	1.1	1.3	0.6	0.2	1.1	Poland	3.5	3.5	3.5	0.0	(0.5)	1.3
Spain	1.4	2.9	2.7	(0.2)	(0.4)	1.0	Russia	0.6	(3.5)	0.5	7.8	15.4	7.5
United Kingdom	3.0	2.5	2.5	1.5	0.1	1.2	Turkey	2.9	3.2	2.8	8.9	7.7	7.2
Norway	2.2	1.2	1.5	2.0	2.0	2.0	Latin America	1.1	(0.5)	0.7	11.3	16.3	18.1
Sweden	2.3	2.7	2.7	(0.2)	0.3	1.6	Argentina	0.5	0.5	0.8	32.5	25	28.0
Switzerland	2.0	0.8	1.2	0.0	-	0.0	Brazil	0.1	(3.2)	(1.2)	6.3	8.8	6.4
Japan-Pacific	0.5	0.8	1.4	2.6	1.0	1.3	Mexico	2.1	2.6	3.0	4.0	2.7	3.5
Japan	(0.1)	0.5	1.1	2.7	0.9	1.0	Middle East & Africa	3.2	3.1	3.0	5.1	5.6	5.7
Australia	2.7	2.2	2.4	2.5	1.8	2.3	GCC	3.4	3.4	2.8	2.8	3.1	3.4
New Zealand	3.3	2.3	2.4	1.2	0.5	1.9	South Africa	1.5	1.5	1.8	6.1	4.8	6.0

G-3: EMU, Japan, USA, EM-8: Brazil, China, India, Indonesia, South Korea, Mexico, Turkey and South Africa.

GCC: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE. Regional figures are PPP-weighted.

Source: Datastream, Credit Suisse.

Power Supply Market - Trend & Regions

From IHS latest power supply report from July 2015, the worldwide merchant power supply market was worth USD 21.5 billion in 2014. This was an increase of 5.3% from 2013, the highest growth rate in the past few years. The growth is projected to remain relatively high through 2017 before stabilizing in 2018 and 2019. This will drive the market to a projected value of USD 25.74 billion in 2019. Unit shipments are projected to peak in 2018 at USD 4.4 billion units. The major reason for this is the widespread introduction of the wired universal charging solution (UCS). Revenues will also continue to rise as the average selling price is expected to increase.

In 2014, Asia was estimated to have the largest regional market share with 65% of total revenues, the America's came in second largest with 20% and the EMEA region, accounting for 15%, on third place.

The Merchant Power Supply Market is split into 3 different product types:

AC-DC Commodity, AC-DC Non-Commodity and DC-DC Converters

The AC-DC Commodity Market

The commodity AC-DC power supply market includes all high-volume, consumer-based power supplies. The world market for AC-DC commodity power supplies was worth roughly USD10 billion in 2014. The market is forecasted to peak in 2018 at around USD 11 billion. The market in unit shipments is projected to peak in 2017. The forecasted decline in the market is because of the declining demand from several applications such as cell phones and the introduction of the wired universal charging solution (UCS).

The top three application markets in 2014-2019 consist of: 1. Consumer, 2. Cellular Handsets and 3. Computer & Office. For example, power supplies for notebooks, tablets and mobile phones. Fastest growing markets for AC-DC commodity: Wireless Power & Charging sector: 87% GAGR 2014-19.

The AC-DC Non-Commodity Market

The AC-DC non-commodity market includes all internal AC-DC power supplies which are used in lower volume for higher value applications such as Telecom/Datacom, industrial and medical. The world market for non-commodity AC-DC power supplies is estimated to have been worth roughly USD 8.5 billion in 2014. Growth is projected to be high, driving the market to USD 11.7 billion in 2019. The AC-DC non-commodity market is projected to be the fastest-growing market from 2014 to 2019, growing with approximately 6.5% CAGR. The strong growth is driven by SSN (server, storage and networking) and the lighting market in particular. In fact, the AC-DC non-commodity market is forecasted to overtake the AC-DC commodity market in revenues in 2018.

IHS predicts that Asia's market share will decrease slowly from 2014 to 2019 because of two main reasons: First, there is a small trend that production is moving back from Asia to the USA, where domestic production provides a marketing advantage. Secondly, the adoption of LED lighting in these two regions will drive part of the rise in growth. For the growth in EMEA, the trend is following the other two regions. Although business confidence and investment is on the rise in the region, it is not yet apparent in all markets.

The top three application markets in 2016 will be: 1. Lighting; 2. Server and; 3. Cellular Infrastructure. The fastest growing markets for AC-DC non-commodity: with approximately 25% GAGR (2014-2019), Lighting is the fastest growing application because of its low power consumption and long life expectancy.

The DC-DC Converter Market

The DC-DC converters include converters used in all applications: encapsulated and enclosed converters, open frames, bricks, point-of-load and voltage regulator modules. The world market for DC-DC converters is estimated to have been worth roughly USD 3 billion in 2014. The market is forecasted to grow at a low and stable CAGR of roughly 2% from 2014 to 2019. The market is forecasted to be worth around USD 3.5 billion in 2019. Unlike the revenue growth, which is projected to decrease in 2017, unit shipments are forecasted to grow strongly from 2014 to 2019 with a CAGR of approximately 5%. The slowdown in revenue growth is predicted to be caused by a drop in the average selling point (ASP) and change in product mix in the DC-DC converter market.

The top three application markets in 2016 will be: 1. Server; 2. Cellular Infrastructure and; 3. Access market. The fastest growing market for DC-DC converters is the server and storage with around 6% GAGR during 2014 to 2019.

Power Supply Market - Supplier Market Share

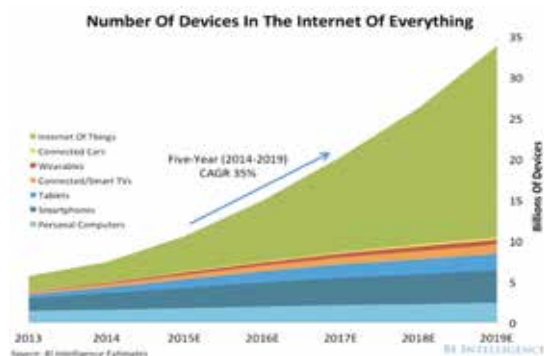
According to IHS' latest report, Delta Group remained the worldwide largest supplier of merchant power supplies in 2014 with 17.5% of market share. This number will rise to 20% once the acquisition with Eltek is fully completed. Delta was also the largest supplier of merchant power supplies to the Asian market in 2014 with 15.6% of market share.

Emerging Markets & Growing Technologies

Digital Power Market

The world market for digitally controlled power supplies is estimated to be worth USD 5 billion in 2016 and is projected to grow to USD 10.5 billion in 2019. In comparison, analogue will reach USD 18 billion in 2016. The world market for non-commodity AC-DC power supplies with digital power is estimated at USD 4 billion in 2016, growing to 31.8% CAGR (2014-2019). Analogue with USD 5.6 billion in 2016 will decline, 11.4% (2014-2019).

Intelligent production, M2M and Internet of Everything



Smart technologies such as smart manufacturing, smart self-learning machines and Internet of Industrial Things are becoming more popular. Robots, drones, driverless vehicles, intelligent sensors and smart appliances will be in the rise. BI Intelligence recently predicted a CAGR of 35% (2014-2019) for the Internet of Everything. New connections to the Internet of Things (IoT) will grow worldwide from approximately USD 1.7 billion to USD 3.1 billion from 2015-2019 says IC Insight.

Frost & Sullivan (F&S) predicts the new Internet of Industrial Things (IIoT) market will reach Euro 420 billion and nearly Euro 12 billion devices will be connected via advanced Machine 2 Machine (M2M) technology by 2020.

The market for Micro Controller Units ties to rise in Internet of Things Applications says IHS. MCUs used in connected cars, wearable electronics, building automation and other IoT applications are expected to grow at 11% CAGR, from USD 1.7 billion in 2014 to USD 2.8 billion in 2019.

Cognitive Technology

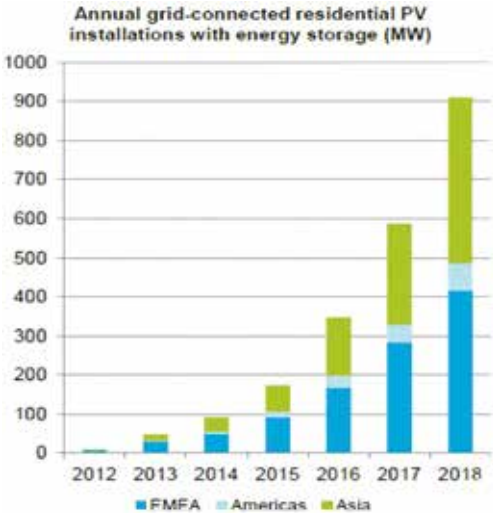
According to IBM, the future of IoT is "cognitive": The ability to think, learn and understand. Realizing, analysing and understanding the data which is transferred between devices like wearables, cars, household devices, through sensors in mobility, security and many more. 80% of data is dark and invisible. Thanks to cognitive technology, data will be visible and understood. Cognitive computing involves self-learning systems that use data mining, pattern recognition and natural language processing to mimic the way the human brain works. The goal of cognitive computing is to create automated IT systems that are capable of solving problems without requiring human assistance. It will change what people make, how they operate and what they are in the future.

The cognitive computing market is forecasted to generate worldwide revenues of USD 13.7 billion by 2020, growing at a CAGR of 33.1% from 2015 to 2020 says Allied Market Research. Large growth of the global cognitive computing market is expected for verticals with large unstructured data in healthcare, retail, banking, finance, security and IT & Telecom. Natural language processing is the highest revenue generating technology of cognitive computing. Asia-Pacific and LAMEA (Latin America, Middle East & Africa) are expected to be the most lucrative markets in terms of growth.

Smart Building Market and the Market of Building Automation and Controls

According to R&R Research, the global Smart Building Market is expected to grow from USD 7.3 billion to USD 36.4 billion (2015-2020) with an impressive 38% CAGR from 2015 to 2020. Europe is the biggest market in terms of adoptions of building technology and APAC is estimated to be the fastest-growing region with a CAGR of 47.8%. The smart building market is in high demand due to government initiatives and the rising cost of energy. It is expected that energy demand would increase by 40% between 2010 and 2040.

More than 75% of buildings have no Intelligent Controls. According to BSRIA's predictions, the Building Automation & Control Systems (BACS) and Building Energy Management System (BEMS) market will grow with 10-11% CAGR until 2020. Multiple technologies/ companies are moving into the BACS space, covering areas such as cloud based BACS and Energy Management Systems, IoT, Cyber Security, communicating room controllers, LED Lighting, Intelligent Heating Controls and Smart Home Energy Management Systems. The biggest markets are residential with 50%, commercial buildings 38% and hotels 12% says BSRIA.



Energy Storage, PV+Storage, PV Inverter

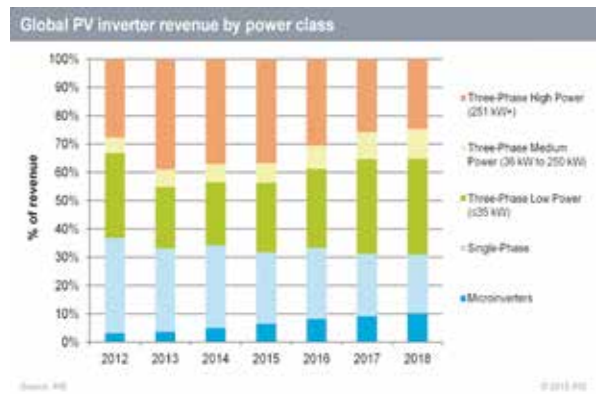
There are different energy storage types and applications. One way to store energy is via flywheels, thermal storage, fuel cells, batteries and others. IHS predicts that 3.6 GW of new energy storage systems will be installed in 2018, which is 15 times greater than 231 megawatts (MW) installed in 2014. Rising demand for electricity and increasing renewable penetration are driving a need for more energy storage.

The market for residential solar combined with energy storage is growing by factor 10 from 2014 to 2018, reaching more than 900 megawatts in 2018. Up to 60% less electricity from the grid is needed by using solar power storage solutions, which means less dependency from grid suppliers. The need for energy storage solutions has become popular as people and companies can save money on energy costs by charging their battery storage in the evening, when grid prices are lower.

Further, the costs for Li-Ion batteries has fallen rapidly with 50% over the last 3 years due to economies of scales, further technology development and cross-sector research for consumer electronics and automotive applications.

IHS also expects the PV inverter market to return to growth. The revenue from PV inverter sales will increase by more than 10%, from USD 6.6 billion in 2014 to USD 7.5 billion in 2018. Global inverter unit shipments will also increase to nearly 70GW of alternating current (AC) in 2018, due to strong growth in China, Japan and emerging markets.

Three-phase low power inverters, less than 36kW, will account for the majority of revenue, garnering a 34% share of the market in 2018. Low power inverters are gaining traction in commercial and utility-scale installations globally, particularly in China, United States, and other key markets.



Vehicle to the Grid (V2G)

One of the promising areas in the energy storage sector is Vehicle-to-the-grid (V2G), where the car is acting as a battery storage device for residential use. A Tesla car with 85 kWh can provide more than 7 days of electricity to an average household that uses 11 kWh/ day. From 2015 to 2020, global V2G unit sales are projected to grow from USD 103,900 to USD 1.06 million units with a CAGR of 59%. According to ZigBee’s research, the V2G Technology market value will grow with 46.8% CAGR, from USD 1.5 billion to USD 10.5 billion between 2015 and 2020.

2016 Business Directions

Delta Thailand Operation Review

As the whole industry is currently shifting towards Industry 4.0, Delta Thailand is implementing automation. In 2015, Delta finished more than 100 automation projects to improve the overall manufacturing productivity and quality.

To cope with the declining Thai working population, Delta Thailand decided to move human intense production to other countries. In 2015, we started building a new factory in Myanmar to produce magnetic products. The new factory is under construction and will start operation in February 2016.

Delta is responding to the changing market in several ways. The company is focusing on its Quality Management System, enhancing the quality to match the highest international standards and to get ISO13485 certified (Quality Management System for Medical Device Products). We also initiated the "Quality Diagnosis" activity in 2015 and plan to organize this for three consecutive years. The purpose of this activity is to identify the quality improvement opportunities during daily operation processes, to adapt to new business models and satisfy our high-end customer's requirements.

To contribute in the fight against global climate change, Delta Thailand has developed an Energy Management System (EnMS) to reduce energy consumption in the entire grid by decreasing the electricity intensity (electricity consumption/ production amount). In 2015, 65 projects were implemented, which combined, should save electricity consumption by 8,282,600 kWh annually, representing a 65% decrease from the base year, which is higher than the initial target of 50%.

Telecom Power Business in India

After witnessing a growth of 44% in 2014, Delta India Telecom business has grown by another 15% in 2015. Once more, Delta India's market share stood tallest among competitors with a market share of approximately 60%.

The year 2015 was a good year for the Indian Telecom Market. Greenfield deployment of Rel-Jio to roll-out a nationwide 4G LTE network and the new site upgrades by Indus and Bharti, has kept the overall demand high, resulting in increased revenues and growth. Delta India's capability to offer multiple products and solutions i.e. power conversion, SMCS, cooling, hybrid and renewable solutions and end-to-end site roll out, puts us ahead of competition and strengthens our position as a trusted partner.

The Rel-Jio network launch was scheduled in December 2015, but has been deferred to the end of Q1, 2016. It is expected that after its network launch, Rel-Jio will shake the market. To take care of this competition, Airtel India's largest telecom operator has committed an investment of approximately USD 10Bn for the next 3 years, to expand the 4G/ 3G network. Vodafone and Idea have committed an investment as well of approximately USD 2Bn and USD 700 Mln respectively in a year.

3G/4G site upgrades and the government's focus on improving the network quality shall be the focus of various operators. Data growth is rampant and this shall continue to rise in 2016. The telecom infrastructure and operator sectors have both witnessed many mergers and acquisitions which is likely to continue in 2016.

Continuous focus on innovation, development of new products and solutions, improving product quality and addressing non-telecom markets shall be the key focus of Delta India in 2016.

Telecom Power Business in EMEA Region

The EMEA market was under pressure in 2015 due to the weak Euro, down-swinging LTE rollouts, oil price drops and political issues, especially in MEA and Turkey, affecting key customer investment plans. Despite the challenging market landscape, Delta's EMEA team maintained the businesses with nearly all major mobile operators in the region. Towards the end of 2015, LTE infrastructure investment was slightly delayed, mainly in Germany and the United Kingdom. Delta's EMEA team is putting in the best effort to follow LTE deployments, 3G refresh programs and TPS solution businesses in all major EMEA countries. Emphasis will be put on speeding up the hybrid solution business and energy data management solutions which provide significant energy and cost savings to our clients. These areas are potential growth engines for the team in 2016. It is therefore vital to invest more attention and resources in establishing sales and service offices close to these customers.

Delta Standard Industrial Power Supply

2015 has been a good year for the IPS team despite the challenging market conditions. More than 70 new products (designed in Taiwan and Thailand) and two new series were introduced. More than six customized projects were also initiated. The new product series include the LNE series of LED driver and the high performance, Thailand designed, CliQ M DIN rail power supply series, which offer the industry one of the highest power density power supplies in its range.

2016 will see significant investments in R&D and front end sales. These investments are necessary to build upon the momentum in the growth of our channels and product demand. With more than 20% resource investment in both R&D and front end sales, IPS expects to introduce a lot more new products than in 2015 and significantly increase its key accounts, especially in EMEA and USA. The team shall continuously improve our services and product varieties to our channel partners while refining our business processes like the revamped homepage and partners' portal that will provide essential business information like stock availability and new product schedules. Other key projects in the pipeline are more marketing support for our partners like co-advertising and more impressive show booth designs.

Southeast Asia (SEA), Australia and New Zealand (ANZ)

Industrial Automation (IA)

As a leading industrial automation manufacturer, Delta Electronics offers efficient and reliable products and solutions to serve global customers. With the integration of drives, controllers, motions, sensors, communication devices and software, we cooperate with machine makers in various applications such as textiles, cranes and elevators, plastics and rubber, printing and packaging and electronics. We also provide energy-saving solutions, drive systems, facility management control systems, visualization and surveillance solutions, robot stations, power quality solutions and factory automation for electronics and high tech equipment, oil and gas, chemicals, metallurgy, transportation and municipal construction sectors. Delta Electronics has devoted itself to the factory automation industry for years and has a strong sense of mission in this area. Through its research and development arm, Delta has a complete automation product line, including powerful AC motor drives, AC servo drives, programmable logic controllers, human machine interfaces, machine vision systems, temperature controllers and more. In addition, Delta provides complete and reliable solutions such as energy-saving systems for elevators, air conditioners, lighting, air compressors and power quality improvement, to significantly reduce energy consumption for customers, increase overall plant energy efficiency and capacity. Furthermore, we provide energy management and production line visualization management interfaces to help customers succeed in a highly competitive marketplace.

In SEA, the IA team managed to grow under the major economical down-turn in most of the major markets in this region by developing new business segments such as energy saving projects. Aligning the planning and actions with all channel partners in SEA and ANZ regions will be crucial to meet the desired sales targets.

Mission Critical Infrastructure Solution (MCIS)

The MCIS business unit continues to position itself as a leading industry player in power management and energy efficiency by providing highly reliable and market leading efficient UPS (uninterruptible power supplies). Our accessories and data center infrastructure solutions (DCIM) ensure continuity of our customers' mission critical operations while exceeding customers' total cost of ownership (TCO) objectives.

Year-on-year, we grew nearly 80% as the business is strengthening its fundamentals while the Delta brand attracts a steady stream of valued and loyal partners across the SEA and ANZ regions.

Key growth strategies for 2016 include seamless integration of mission critical infrastructure equipment with our next generation software solutions, expanding our pre and post sales service footprint and increased branding efforts.

Engaging on the right brand/ value proposition, channel and key account management, the SEA team continues to gain traction, particularly in IT computing, high-tech manufacturing and healthcare industries. We will continue to expand our market breadth through our valued partners and the value chain within the power supply industry.

Delta Energy System (DES)

Server, Networking and Telecom Business (SNT)

In 2015, SNT business has been above the budgeted expectation. Strong demand from data center customers, especially in the first half year, boosted the sales while telecommunication and networking business reached the budget. Server business sales had been strong in the first half but slowed down in the second half. New customer system introductions have led to higher market demands in H1 while end customers had postponed new investments from 2014 to 2015.

New competitive designs that have been introduced for SNT's networking and telecommunication customers, helped to maintain market share in the highly technical and challenging environment while profitability improved at the same time.

SNT is staying on its strategy to design and compete in the high power density and high efficient design market segments. SNT products are powering customer systems at global leading companies in data centers, super computers, networking switches and routers as well as telecommunication sites around the world

In 2016, SNT will maintain market share with well-developed global leading key accounts while introducing new customers by leveraging from the broad portfolio of products and technology that SNT has to offer. A newly designed product family will add new revenue opportunities with mid-size companies to use customized standard products in the 3kW power range for AC/DC and DC/DC applications.

Industrial & Medical Device Business

2015 has been a year focused on development proficiency for the industrial and medical line of business. The projects under development are a core basis, not only for their seven to ten year revenue stream, but also as pillars to be leveraged for our future 1->N product expansion.

The excitement for the release of the next generation DIN Rail power supplies is brewing. The innovative features and benefits incorporated into these designs will bring new possibilities of control, never seen before in the power supply industry.

Within the industrial segment, the strategic focus on the non-auto vehicle (NAV) market is showing signs of success. The 720 W OBC is the key product, enabling the acquisition of four of the top five material handling customers. In addition, the 3.2 kW charging station for an auto guided vehicle (AGV) is currently in development with a target production schedule by the end of 2016.

The medical business, although very challenging for its standard requirements, remains a key emphasis for sustainable growth. The IMA-series in conjunction with complex OEM designs ensure that the abilities meet the ever changing demands of the traditional market leaders. Furthermore, the IMA-series is being designed into multiple niche applications due to the resilient efforts of diverse front end sales teams.

Automotive Business

DES'automotive business has constantly grown in 2015 and new product launches will be the basis for growing business throughout the next couple of years due to long lifetimes of the products in that business. While demand is increasing from the market side on existing platforms, same or slightly modified on-board chargers have been launched for new additional car platforms at OEM's continuously, each quarter throughout 2015.

New OEM products of leading car manufacturers, mostly for the plug-in hybrid electrical vehicle (PHEV) market, will be launched in 2016. These new product launches will not only comprise of OBC's with power level from 3.3 kW to 7.2 kW, but also DC/ DC converters at 1.8 kW to 3.2 kW power ratings as well as battery junction boxes, to route the electrical power from either high voltage DC or AC terminal to the battery pack in the vehicle. Apart from OBC and DC/ DC converters, DES is developing combined integrated solutions to provide charging and DC conversion in one package. DES is also investing in wireless charging technology and has started trials in industrial vehicle applications. Besides the expanded product roadmap and successful new product launches, DES will add new global leading OEM's to its customer portfolio in 2016 and the following years to come.

Risk Management

Risk is inherent in all administrative and business activities and becoming more complex with higher speed of change in today's business. Risk management is believed to be one of the most effective tools to ensure the good management practice and facilitate the achievement of organization's objectives. Every member of the Company and its subsidiaries' are required to continuously manage risk.

The Board of Directors has appointed a Risk Management Committee to prescribe risk management policy that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate impacts to the businesses of the Company.

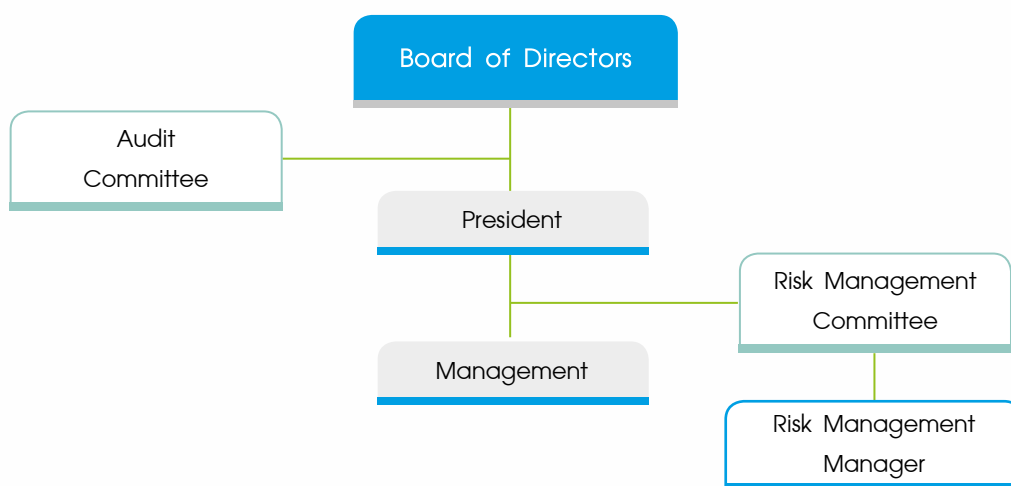
Risk Management Committee

The Risk Management Committee's Chairman is from members of the Board of Director and it comprises of not less than 5 members consisting of head of major functions and/or the person assigned by board of directors or chairman of the Committee. The Committee may, when necessary, invite other persons, who are involved with or responsible for any matters related to the meeting agenda, to participate in the Risk Management Committee meeting.

Duties and Responsibilities of Risk Management Committee

1. Establish risk management procedures
2. Implement risk management, to delegate the risk management to their respective managers
3. Develop and review strategic risk management plans
4. Semi-Annually and/or any time that is necessary report to the Audit Committee and at least once a year report to the Board
5. Monitor and continuously improve risk management
6. The Committee may seek advice from relevant professional consultant in some cases

Risk Management Committee Organization



Risk Management Process

In order to put the risk management framework into practice, the Risk Management Committee has set up the risk assessment and risk policy to the management and the information is documented in the "Risk Management Committee Charter".

The Committee has advised the management to perform risk management according to the risk management policy with the support from Risk Management Manager who acts as the focal point for each department. The management need to identify the risks and how the risks happen, risk foundation, the area which risks occurred; measure the risks, ranked them, and prioritized them then form the risk management strategies and processes. Risk Management Manger will summarize the documentation and present to the Committee.

The Committee will review the documentation, allocate priorities, develop and review of strategic risk management plans proposed by each function (if any), and ensure the compliance with risk assessment and management procedures. Finally, submit a report on the status of the risk management to the Audit Committee or the Board at least 2 times a year.

Key Risks and Management Strategies

1. Financial Risk Management

1.1 Risks Arising from Fluctuations in the Global Economy

In 2015, there were several major events occurred like a slowdown in China economic growth, low oil price, US gradually tightening its monetary policy and increasing federal fund rate which had significantly impacted the global economy recovery, especially in Europe, Asia and the emerging markets. Despite these unfavorable factors, the Company still maintains its constant sales growth with an average sales growth of 7% for the past three years .

The Company believes that the world economy still vulnerable and remains cautious over the economic situation and adopts two measures to help lessen the above-mentioned risk. One is by expanding customer base such as India, Southeast Asia and where growth potential has been seen promising. The other is by developing products and services to correspond market demands.

1.2 Exchange Rate Risk

In 2015, Thai Baht had been depreciated against the US dollar from the exchange rate of Baht 33 for a dollar to Baht 36 for a dollar caused by a slowdown in World economy, especially the slowdown of China's economy. This situation has affected positively to the Company's operating results due to the major revenues of the Company and its subsidiaries are mainly denominated in US dollar which help induce foreign exchange gains worth approximate Baht 412 million.

Despite potential benefit towards depreciation of Thai Baht, the Company adopts hedging policy to mitigate the foreign exchange risk by using natural hedging for the Company's assets and liabilities in foreign currencies. In addition, the Company also uses the foreign currency forward contracts to entirely protect net position of each currency. This policy provides maximum efficiency in minimizing risk from fluctuations of exchange rates or interest rates. In managing foreign exchange rate risk, the Company aims mainly to lessen risk, avoid speculation as well as taking into account of the overall costs that may arise. This is to ensure that the costs incurred must be justified with appropriate and acceptable risk.

Apart from managing the risk on US dollar currency, the Company also deals with other currencies in relation to where subsidiaries are located such as India Rupee and others. Risk management for each currency is varying in accordance with the situation in each country. It is therefore necessary to monitor closely.

1.3 Accounts Receivable Collections

With the efficient accounts receivable management, credit control system and experienced personnel, the Company, even it has encountered various challenges, has managed the accounts receivable and collections satisfactorily during the past years. This can be seen from the amount of the past due trade receivables of 6 months and over which were accounted for around 2% of total trade receivables. This has helped ensure the sufficient and smooth cash flows to support the business operations.

However, given the vulnerable world economics, the Company therefore needs to closely monitor and constantly evaluate the situation if there will be any factors affecting the Company's operations and the customers' financial position to ensure collection of receivables.

2. Corporate Investment Risk Management

Investments and financial assistances given to the subsidiaries are generally risk inherent transactions. Risk management practices that the Company adopts are close monitoring and control of treasury, accounts receivable and some other significant financial and administrative activities. The executives of subsidiaries are from time to time gathering at the Company, either for training, meeting or performance review which is regularly done through video conference. Not only efficiency in administration towards the same business direction can be assured, working morale and cooperation among the group are also built up.

3. Supply Chain Risk Management

The Company assesses the major risk factors throughout the supply chain, this is because any misalignment in the supply chain management would affect the confidence of consumers and other stakeholders as well as impact future operations. To ensure good quality and continuity of supply, the Company always places strong emphasis on managing "Key/Critical suppliers" and "Key/Critical parts" in our supplier management framework. Apart from evaluating the technology, quality, responsiveness, delivery performance and price of the supplier, the Company also focuses on managing the supply and demand of critical parts by utilizing end customers demand forecast, system integrators and suppliers inventory level. Generally, local suppliers are preferable as they offer an advantage in delivery time and responsiveness but they are also required to meet our standards for technology, quality and price.

The Company also conducts in-depth analysis of key suppliers' financial status after the global financial crisis as well as reviewing the supply chain diversification/ geographical distribution of suppliers' production lines in order to reduce the risk of material shortage caused by extreme climate conditions or possible major disasters in the future. In 2015 the overall supply situation was stable and the Company did not encounter any serious supply related issue. The Company also does not foresee any potential risk of supply issue and will continue to monitor closely to ensure no disruption to our operations.

In addition, to lower environment social and governance (ESG) risks in the supply chain and improve competitiveness, Delta Thailand started promoting EICC Verification Consultation since 2014. A verification and consultation team has been organized jointly by Delta's human resources, labor safety, plant affairs, and purchasing departments to perform EICC verification and consultation of key suppliers with high ESG risks. Room for improvement has been verified for most suppliers in health and safety aspects of the EICC management system.

Excessive work hours are common managerial problems in the industry. Addressing these findings, the Delta verification and consultation team provided experience in introducing and promoting Delta's Management System for reference to suppliers, with continuous follows up to ensure continued improvement.

4. Information Risk Management

The Company believes a sound and highly secured corporate IT management system can provide the management with fast, effective and transparent information for decision making and reduce the IT security threats. The Company has built a state of the art Data Center in 2015 and engaged with professional contractors to buildup firewall to reduce risks of data loss and improve the information security. Awareness programs and regular audits are prepared and implemented by IT department together with the cooperation of vendors, to improve the software compliance.

5. Legal and Intellectual Property Rights Risk Management

Intellectual Property refers to legal rights over creation by human intellect in form of invention including copyright, patent, trademark, petty patent, trade secret and layout-designs of integrated circuit.

Intellectual property has values both beneficially and commercially which results from intellect ability, knowledge, monetary investment and time.. Therefore, inventors and authors should be protected and maintained from any kind of infringement, while the intellectual property of the others should be respected and legally used.

In recognition of the importance of intellectual property, the Company makes the policy to guard and protect the intellectual property owned by the Company from violation and unauthorized uses, while also to maintain strict respect for the intellectual property of the others.

When using, duplicating, adapting, disclosing or disseminating copyrighted materials to the public, whether in whole or in part, executives and employees should proceed only after being granted approval or permission from the copyright owners. In the case of any doubt in dealing with such copyrighted materials, prior to proceeding-it is the duty of the employees to consult on such matters with the legal department.

When using legally registered logos or trademarks of the Company or Delta Group, executives and employees should take into account appropriateness of use, and apply it prudently only for the benefit of the Company or Delta Group.

Any invention and design, new product or any discovery which results in a new and improved product or service, which has not yet been registered for a patent or petty patent, must be safely guarded and protected from intellectual property infringement.

When duplicating, adapting, disclosing and disseminating copyrighted works or other people's trade secrets to a third party or the public, either in whole or in part, permission or consent must first be legally granted from the copyright owners.

Employees who have access to trade secrets (for example, trade information, production cost information, production formulas, product pricing formulas, patterns, software, technical methods, production procedures, business management information, product price details, customer lists and advertising strategies) are required to safely guard such information and comply with relevant policies, rules and regulations.

6. Environmental Risk Management

It is the Company's mission to provide innovative, clean and energy-efficient solutions for a better tomorrow. The Company pays special attention on the Environmental care especially in Energy Management to improve energy efficiency and the Green House Gas emission control.

The Company has set up a 12 year plan to reduce the Electricity Intensity and hence reduce the Green House Gas emission: Phrase I (2010-2014) using year 2009 as base year to reduce 50% Electricity Intensity by 2014 was already complete and successfully achieved the target. The Company now is in Phrase II (2015-2020) to use year 2014 as base year to further reduce Electricity Intensity 30% by year 2020. It is engaging with various Green Partners to conduct activities such as energy recycling, adapting renewable energy, implementing process improvement to increase energy efficiency.

For more info or further update on our campaign on greenhouse gas emission, please visit our website: http://www.deltathailand.com/about_csr_Greenhouse.php

Regarding the management of environment-related substances (ERS) in products, the Company has incorporated it into our material supply system by introducing the IECQ/QC080000 quality system and promoted Green Product Management (GPM) systems in major plants. IECQ is implemented based on the risk classification of material. We take the Green Products Management (GPM) system as a shared platform of environmental information in the supply chain. The most recent international environmental requirements such as the latest controlled substances of EU's RoHS 2.0, REACH SVHC, and others, are simultaneously relayed to supplier partners for their reference and compliance with the requirements and establishing the management system for the material supply system.

7. Occupational Health and Safety (OHS) Risk Management

Evaluation of environmental and OHS impacts by using of "Environment Aspect & Risk Assessment" tools by using chance of appear harm and level violence of harm event to bring factors of level score of risk into 4 level to prevent of Injury Frequency Rate and Injury Severity Rate in sustainability.

In the meantime, the Company has been implemented Occupational Health and Safety action plan and activities into three major activities of;

1. Employee development such as, Basic Fire Training, Basic First Aid Training, Basic Safety training for new employees, Safety training for Subcontractor and vendor, Safety Officer at Supervision and at Management level training, Safety committee training, Radiation training, Chemical spill drill training and Emergency response drill, Ergonomic Training, Fork lift training, Radio communication for Emergency Response Team, Safety machine training and Confined space training
2. Audit and Improvement such as Safety committee audit, Environmental at workplace and stack air monitoring, Drinking water inspection, Waste water inspection, Radiation monitoring from X-Ray machine, Annual physical checkup for exposure risk factor
3. Arrange activities such as Safety week campaign, Corporate Social Responsibility (CSR) Safety project

Company General Information

Name	Delta Electronics (Thailand) Public Company Limited
Company Registration Number	0107537002559
Headquarter Contact Address	909 Soi 9, Moo 4, E.P.Z., Bangpoo Industrial Estate, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn Province 10280, Thailand Tel. : (662) 709-2800 Fax : (662) 709-2833
Nature of Business	Manufacturing and exporting of power supplies and other electronic equipment and components
Home Page	www.deltathailand.com
Registered Share Capital	1,259,000,000 ordinary shares at par value of Baht 1
Paid up Capital	1,247,381,614 ordinary shares at par value of Baht 1 (As of 16 February 2016)
Juristic persons which Company holds more than 10%	Please find details in the section of "Investment Structure"
References	<p>1. Auditor</p> <p>EY Office Limited (Formerly know as Ernst & Young Office Limited) 33rd Floor, Lake Rajada Office Complex, 193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 264-0777, (662) 661-9190 Fax : (662) 264-0789, (662) 661-9192</p> <p>2. Share Registrar</p> <p>Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel. : (662) 009-9000 Fax : (662) 009-9991</p>

Capital Structure

Registered and paid up share capital (31 December 2015)

Type of Equity	No. of Shares	Par value (Baht)	Total Value (Baht)
1. Registered Share Capital	1,259,000,000	1	1,259,000,000
2. Paid up Capital	1,247,381,614	1	1,247,381,614

Top 10 shareholders (as of 26 February 2015)

No.	Name	Holding	%
1	Citibank Nominees Singapore Pte Ltd-S.A. PBG Clients SG	718,158,350	57.5%
2	Thai NVDR Co.,Ltd.	108,098,079	8.7%
3	Delta Electronics Inc.	69,128,140	5.5%
4	UBS AG Singapore, Branch	53,172,220	4.3%
5	State Street Bank Europe Limited	49,674,023	4.0%
6	Nortrust Nominees Ltd-CL AC	14,032,872	1.1%
7	State Street Bank and Trust Company	13,807,836	1.1%
8	HSBC (Singapore) Nominees Pte Ltd.	10,153,335	0.8%
9	Deutsche Bank AG Singapore (DCS) a/c The Navis Asia Navigator Master Fund	10,099,400	0.8%
10	The Bank of New York (Nominees) Limited	7,408,695	0.6%
11	Others	193,648,664	15.5%
	Total	1,247,381,614	100.0%

Dividend Policy

The Company has a policy to pay dividend at least 30% of its net profits. However, the dividend payout ratio would be subject to change depending on the investment plan and/or other capital requirements the Company may have in the future.

The Company's Board of Directors' Meeting No. 1/2016 held on 18 February 2016 resolved to pay dividend for the year 2015 at Baht 3.10 per share, representing a payout ratio of 57.60%. This is subject to the 2016 Annual General Meeting of Shareholders' approval. (The dividend paid in 2015 was Baht 3.00 per share, representing a payout ratio of 62.97%).

Dividend payment of the subsidiaries would be determined based on the profitability and reinvestment opportunities of each subsidiary. In addition, the relevant laws, regulations, tax and foreign exchange control of the country where the subsidiary is located at will also be taken into consideration for greatest benefits of the Company and shareholders.



Board of Directors

1. **Mr. Ng Kong Meng (James)**
Chairman of the Board
2. **Mr. Ming-Cheng Wang (Stronger)**
Vice Chairman of the Board
3. **Mr. Hsieh, Shen-Yen**
Director of the Board
4. **Mr. Chu, Chih-Yuan (Roger)**
Independent Director
5. **Mr. Hsieh, Heng-Hsien (Henry)**
Director of the Board
6. **Mr. Anusorn Muttaraid**
Director of the Board
7. **Emeritus Professor Supapun Ruttanaporn**
Independent Director
8. **Professor Lee, Ji-Ren**
Independent Director
9. **Dr. Witoon Simachokedee**
Independent Director

Mr. Ng Kong Meng (James)

Age : 69

01

Chairman of the Board (Authorized Director) Appointment Date : 3 May 1990

Education

- M. Sc Electronic Engineering, University of Southampton, UK
- B.E. Electrical Engineering, National Taiwan University, Taiwan
- Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2007
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2009
- Financial Statements Demystified for Directors (FDD), Thai Institute of Directors Association, Year 2009

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

Present	Chairman of the Board, Delta Electronics (Thailand) Pcl (1990-present)
2004-2008	Executive Committee Member, Delta Electronics (Thailand) Pcl
1990-2006	President, Delta Electronics (Thailand) Pcl
2000-2004	President, Delta Electronics Inc. Taiwan

Non-Listed Company

Present	Director (2012-present) Delta Electronics International (Singapore) Pte.Ltd
---------	-----------------------------------------------------------------------------

Mr. Ming-Cheng Wang (Stronger)

Age : 70

02

Vice Chairman of the Board (Authorized Director) Appointment Date : 3 May 1990

Education

- EMBA, National Taipei University of Technology, Taiwan
- Industrial Engineering (Diploma), National Taipei Institute of Technology, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2015

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

Present	Vice Chairman of the Board, Delta Electronics (Thailand) Pcl (1990-present)
2009-Jan 2014	Risk Management Committee Vice Chairman, Delta Electronics (Thailand) Pcl
1999-Jan 2014	Executive Committee Member, Delta Electronics (Thailand) Pcl
1990-Jan 2014	Vice President, Delta Electronics (Thailand) Pcl

Mr. Hsieh, Shen-Yen

Age : 64

03

- Director of the Board (Authorized Director) Appointment Date : 13 Aug 2013
- President
- Executive Committee Chairman
- Risk Management Committee Chairman
- Sustainability Development Committee Chairman

Education

- EMBA, National Taipei University of Technology, Taiwan
- B.A. Navigation, China's Maritime College, Taipei, Taiwan
- Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2014

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

Present	<ul style="list-style-type: none">• Director of the Board (2013-present)• President/Executive Committee Chairman/Risk Management Committee Chairman (2014-present)• Sustainability Development Committee Chairman (2015-present) Delta Electronics (Thailand) Pcl
Aug 2013-Feb 2014	Executive Committee Member Delta Electronics (Thailand) Pcl
1991-2003	Vice President Sales & Marketing, Delta Electronics (Thailand) Pcl

Non-Listed Company

Present	<ul style="list-style-type: none">• Director, Taiwan Powder Technologies Co.,Ltd (2013-present)• Director, Delta Greentech (China) Co.,Ltd. (2012-present)• Executive Vice President, Delta Electronics (Dongguan) Co.,Ltd. (2003-present)
---------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Mr. Chu, Chih-Yuan (Roger)

Age : 69

04

- Independent Director
Appointment Date : 30 Apr 1988 and appointment be Independent director on 27 Oct 2015
- Nomination and Compensation Committee Member

Education

- B.A in Economics, Chinese Culture University, Taiwan
- Executive Program of Graduate School of Business Administration, Chung Yuan Christian University, Taiwan
- Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2007

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

- Present
- Director of the Board (1988-present) (appointment to Independent director on October 2015)
 - Nomination and Compensation Committee Member (Oct'15-present)
Delta Electronics (Thailand) Pcl
- 1986-Sep 2013 Senior Vice President and Corporate CFO, Delta Electronics, Inc. (Taiwan)

Non-Listed Company

- Present
- Director, Digital Projection International Holding Ltd. (2011-present)
 - Supervisor, Delta Electronics Capital Company (2010-present)
- 2009-Jun 2015 Supervisor, NeoEnergy Microelectronics
- 2012-Mar 2014 Supervisor, Delta Green Life Co., Ltd.
- 2004-Mar 2014
- Director, Delta Electronics International Ltd. (Labuan)
 - Supervisor, Delta Electronics (Korea), Inc.
- 2002-Mar 2014 Supervisor, Delta Greentech (China) Co., Ltd.
- 1998-Mar 2014 Supervisor, Addtron Technology (Japan) Co., Ltd.
- 1995-Mar 2014 Director, Delta Power Sharp Ltd.
- 1991-Mar 2014 Supervisor, Delta Electronics (Japan), Inc.
- 2012-Mar 2013 Supervisor, Allied Material Technology Corp.

Mr. Hsieh, Heng-Hsien (Henry)

Age : 52

05

Director of the Board (Authorized Director) Appointment Date : 30 Mar 2006

Education

- MBA, California Miramar University, USA
- MBA, Pacific Western University, USA
- Electrical Engineering (Diploma), National Taipei University of Technology, Taiwan
- Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2006

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

- Present Director of the Board, Delta Electronics (Thailand) Pcl (2006-present)
- 2009-Mar 2014
- Executive Committee Chairman, Delta Electronics (Thailand) Pcl
 - Risk Management Committee Chairman, Delta Electronics (Thailand) Pcl
- 2007-Mar 2014 President, Delta Electronics (Thailand) Pcl
- 2004-2008 Executive Committee Member, Delta Electronics (Thailand) Pcl
- 2003-2006 Vice President Sale & Marketing, Delta Electronics (Thailand) Pcl

Non-Listed Company

- 2004-Mar 2014 President of Delta Energy Systems (DES) group

Mr. Anusorn Muttaraid

Age : 62

06

- Director of the Board (Authorized Director) Appointment Date : 22 Aug 1994
- Executive Committee Member
- Nomination and Compensation Committee Member
- Risk Management Committee Member
- Sustainability Development Committee Member
- Human Resources & Administration/ Public Relations Director

Education

- B. Sc., Kasetsart University
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2004

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

- Present
- Director of the Board (1994-present)
 - Executive Committee Member (1999-present)
 - Nomination and Compensation Committee Member (Oct'15-present)
 - Risk Management Committee Member (2009-present)
 - Sustainability Development Committee Member (2015-present)
 - Human Resources & Administration/ Public Relations Director (1993-present)
Delta Electronics (Thailand) Pcl

2007-Oct 2015 Compensation Committee Member, Delta Electronics (Thailand) Pcl

Non-Listed Company

- Present
- Nomination and Compensation Committee Chairman/Relation Affair Committee Chairman/Information Technology Committee Chairman (2015-present)
 - Director/Executive Director (2011-present)
The Small and Medium Enterprise Development Bank of Thailand (SME Bank)
 - Member of sub-committee of Comprehensive Economic Partnership in East Asia (ASEAN+6), Board of Trade of Thailand (2011-present)
 - Managing Partner, Anupong Globalize Limited Partnership (2010-present)
 - Chairman of Committee on Indian Affairs, Board of Trade of Thailand (2009-present)
 - Chairman of Thailand-India Business Council, Board of Trade of Thailand (2007-present)
 - Managing Partner, Anusorn Globalize Limited Partnership (2007-present)
- 2011-2015 Risk Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank)
- 2011-2014 Director of Advisory Board, Department of Trade Negotiations Ministry of Commerce

Emeritus Professor Supapun Ruttanaporn

Age : 72

07

- Independent Director Appointment Date : 29 Mar 2004
- Audit Committee Chairperson

Education

- M.B.A (Accounting), Michigan State University, USA
- B.A (Accounting) (Hons), Chulalongkorn University
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2002

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

- Present
- Independent Director (2004-present)
 - Audit Committee Chairperson (2007-present)
Delta Electronics (Thailand) Pcl
 - Audit Committee of Charoen Pokphand Foods Pcl (2009-present)
 - Audit Committee of Grow Energy Pcl (1999-present)

2013-2015 Audit Committee of Thai Poly Acrylic Pcl

Non-Listed Company

- Present
- Treasurer of Wat Yannasangvararam Foundation
 - Honorable auditor of Som Dej Pra Thep Rattanasuda Foundation
 - Pension staff of Chulalongkorn University
- 1983-2013 Executive Director, S.S Grain Overseas Company Limited

Professor Lee, Ji-Ren

Age : 57

08

- Independent Director Appointment Date : 1 Apr 2011
- Audit Committee Member
- Nomination and Compensation Committee Member

Education

- Ph.D., University of Illinois at Urbana-Champaign, Illinois, U.S.A
- M.B.A., National Taiwan University, Taipei, Taiwan
- B.E., National Tsing Hua University, Hsin-Chu, Taiwan

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

Present

- Independent Director/Audit Committee Member (2011-present)
- Nomination and Compensation Committee Member (Oct 2015-present)
Delta Electronics (Thailand) Pcl
- Independent Director of Wowprime Group, Taiwan (2010-present)
- Independent Director of Esun FHC, Taiwan (2006-present)

2011-Oct 2015

Compensation Committee Member, Delta Electronics (Thailand) Pcl

2003-2015

Director of AVerMedia Technology, Taiwan

Non-Listed Company

Present

- Director Taidah Entrepreneurship Center and Creativity and Entrepreneurship Program, National Taiwan University, Taiwan (2012-present)
- Professor of Strategy and Management Department of International Business, College of Management, National Taiwan University, Taiwan (2002-present)

Dr. Witoon Simachokedee

Age : 62

09

- Independent Director Appointment Date : 30 Mar 2015
- Audit Committee Member
- Nomination and Compensation Committee Chairman

Education

- Honorary Doctorate of Engineering, Safety Engineering, Kasetsart University
- Doctor of Philosophy Public Administration (Management of public and private sector), Ramkhamhaeng University
- Honorary Doctorate of Science, Safety Technology Occupational Health, Rajabhat Suan Sunanta University
- Master's degree of Business Administration, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Laws degree, Thammasat University
- Bachelor of Engineering (The Electrical Engineering), Kasetsart University
- Director Certification Program (DCP), Thai Institute of Directors year 2009
- Financial Statements for Directors (FSD), Thai Institute of Directors year 2009

Shareholding in the Company As of 31 Jan 16 : None

Work Experience

Listed Company

Present

Independent Director/Audit Committee Member/Nomination and Compensation Committee Chairman
Delta Electronics (Thailand) Pcl (2015-present)

2011

Directors, PTT Exploration and Production Pcl

Non-Listed Company

Present

President of Foundation for Business and Industrial Development (2013-present)

2014

Acting Industry Minister, Ministry of Industry

2009-2014

Permanent Secretary, Ministry of Industry

2011

- Chairman of the board, Industrial Estate Authority of Thailand
- Directors, Small and Medium Enterprise Development Bank of Thailand (SME Bank)

Profiles of Management Team

Mr. Hsieh, Shen Yen (Dick)

- President
(For further details, please refer to his profile in the Board of Director)

Mr. Anusorn Muttaraid

- Human Resources & Administration/ Public Relations Director
(For further details, please refer to his profile in the Board of Director)

Mr. Vichai Saksuriya

Age 54

- Operations Vice President

Education

- EMBA, National Taipei University of Technology, Taiwan
- B.E. Electrical Engineering, National Taipei Institute of Technology, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2014

Shareholding in the Company As of 31 Jan 16 None

Work Experience

Listed Company

- | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present | <ul style="list-style-type: none"> • Operations Vice President (2011- present) • Sustainability Development Committee Member (2015-present)
Delta Electronics (Thailand) Pcl |
| 2010-2011 | Sr. Operation Director, Delta Electronics (Thailand) Pcl |
| 2008-2010 | Operation Director PSBG, Delta Electronics (Thailand) Pcl |

Mrs. Aruwan Sangrungsarun

Age 53

- Chief Financial Officer (CFO)

Education

- B.A. (Accounting), Ramkhamhaeng University

Shareholding in the Company As of 31 Jan 16

1,000 shares (0.00008% of paid up capital)

Work Experience

Listed Company

- | | |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present | <ul style="list-style-type: none"> • Chief Financial Officer (CFO) (Feb 2016-present) • Accounting Director (2013-present)
Delta Electronics (Thailand) Pcl |
| 1999-2013 | Accounting Manager
Delta Electronics (Thailand) Pcl |

Mr. Chen, Chin-Ming

Age 46

- Chief Information Officer (CIO)

Education

- EMBA, National Taipei University of Technology, Taiwan
- EMBA of Information Management, National Taiwan University of Science and Technology
- Industrial Management, National United University

Shareholding in the Company As of 31 Jan 16 None

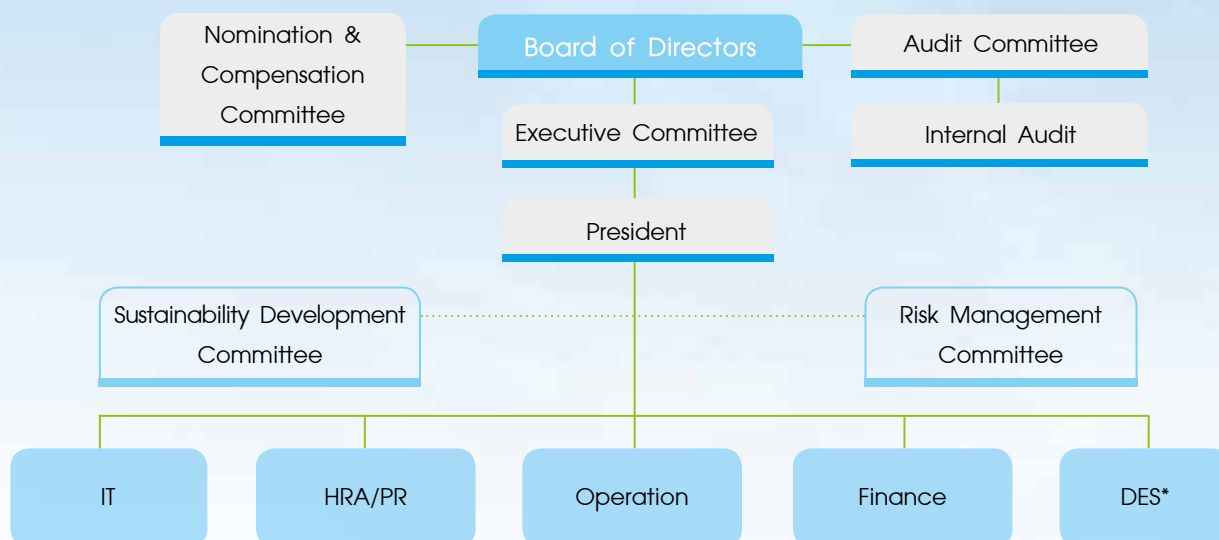
Work Experience

Listed Company

- | | |
|---------------|-----------------------------------------------------------------------------------------|
| Present | Chief Information Officer (CIO) (Nov 2011-present),
Delta Electronics (Thailand) Pcl |
| 1999-Aug 2011 | Business IT, Delta Electronics, Inc. Taiwan |

Managerial Structure

The Company's managerial structure as of 31 December 2015



Remark : * Delta Energy Systems Group; subsidiaries mainly located in Europe

Board of Directors

The Company's Board of Directors is now composed of 9 members, 2 executive directors, 7 non-executive directors. As reported in the Ministry of Commerce's certification dated February 16, 2016, list of the members of the Board of Director is shown below.

Name	Position	Appointment Date	Attendance Meeting
1. Mr. Ng Kong Meng	Chairman of the Board	3 May 1990	5/5
2. Mr. Ming-Cheng Wang	Vice Chairman	3 May 1990	4/5
3. Mr. Hsieh, Shen-Yen***	Director and President	13 Aug 2013	5/5
4. Mr. Hsieh, Heng-Hsien	Director	30 Mar 2006	5/5
5. Mr. Anusorn Muttaraid***	Director	22 Aug 1994	4/5
6. Mr. Chu, Chih-Yuan	Independent Director*	30 Apr 1988	5/5
7. Emeritus Professor Supapun Ruttanaporn	Independent Director	29 Mar 2004	5/5
8. Prof. Lee, Ji-Ren	Independent Director	1 Apr 2011	4/5
9. Dr. Witoon Simachokedee**	Independent Director	30 Mar 2015	4/4

Ms. Wilailak Fungthanakun is Company Secretary and Secretary to the Board of Directors

* Appointed by the Board of Directors' meeting held on October 26, 2015

** Appointed by the 2015 AGM held on March 30, 2015

*** Executive director

Authorized Directors:

The following 5 directors are authorized to act on behalf of the Company under following conditions, "Either one of Mr. Ming-Cheng Wang or Mr. Anusorn Muttaraid jointly signs with Mr. Hsieh, Heng-Hsien or Mr. Hsieh, Shen-Yen to be two directors and affixes the Company seal, or either one of Mr. Ming-Cheng Wang or Mr. Anusorn Muttaraid or Mr. Hsieh, Heng-Hsien or Mr. Hsieh, Shen-Yen signs with Mr. Ng Kong Meng to be two directors and affixes the Company seal."

Scope of Responsibilities of the Board of Directors:

1. To manage the business of the Company faithfully and prudently and comply with the laws and the Company's objectives, Articles of Association as well as the resolution of the shareholders' meeting, for the benefits of the Company.
2. To determine the vision, mission or business strategies of the Company and reviewed every year
3. To determine/approve policies, business plan and budget of the Company, and to supervise the administration and management including monitor the implementation. Follow up the operation result performed by the Executive Management and reported to the Board of Directors regularly in order to ensure that it is in line with the policies, plan and budget.
4. To review the Company's internal control systems and risk management to be correctly and efficiently conducted.
5. To ensure that the Company complies with the Securities and Exchange Act and other securities and exchange laws e.g. SEC rules and regulations and the SET regulations, for instance, regulations concerning the entry into connected transactions and regulations concerning the substantial acquisition of assets, including any law governing the Company's business.
6. To arrange for the preparation and submission of the audited balance sheet and profit and loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval.
7. To monitor on the adequacy and timely of the Company's disclosure of information.
8. To authorise any other person to perform any action on behalf of the board of directors under the supervision of the board of directors, or granting the power-of-attorney to such person to perform any action as the board of directors may think fit; provided, however, that the board of directors has the sole discretion to revoke or modify such power-of-attorney as the board of directors may think fit.

For this purpose, no authorization will be enable the grantee under the power-of-attorney to consider and approve the transaction which may cause a conflict of interest between himself or any related person or interested person as the one party and the Company as the other party, unless it is granted following the approved policies and criteria previously set out by the board of directors.

Responsibilities of the Chairman of the Board

1. To be the leader in policy establishment to oversee the operation performed by the executive committee in order to ensure the achievement as planned
2. To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.
3. To have a casting vote in case the Board of Directors' meeting has a tie vote.
4. Perform the duty specified by law as the duty to be performed by the Chairman

Management Team

The management team of the Company consists of 5 members as follows:

Name	Position
1. Mr. Hsieh, Shen-Yen	President
2. Mr. Anusorn Muttaraid	Human Resources & Administration/Public Relations Director
3. Mr. Vichai Saksuriya*	Operation Vice President
4. Mrs. Aruwan Sangrungrun**	Chief Financial Officer
5. Mr. Chen, Chin-Ming	Chief Information Officer

*Appointed on March 1, 2015

**Appointed on February 8, 2016

Scope of Responsibilities of the President:

1. To manage, control and responsible for the operation of the Company in accordance with the directions set out in the Company's budget as approved by the Board of Directors and/or the executive committee of the Company including taking care, advising and improving the operation continuously.
2. To propose policies, strategy of the Company and of the business unit of the Company to the Board of Directors for acknowledgement and approval and to be responsible for applying such strategy with its operation.
3. To be jointly responsible with the executive committee for preparation of the annual budget and the operational plan of the Company, reviewing the annual budget quarterly and proposing the amended budget to the Board of Directors.
4. To report the operational result to the Board of Directors quarterly.
5. To have the authorization to approve the payment in accordance with the Approval Authorization Instruction of the Company, which had already been copied to all directors for consideration. However, with respect to the matters other than the normal course of business, the president shall have the authorization to approve such payment only upon receipt of the Board's approval
6. Undertakes its duties and responsibilities to ensure that systems are established, supports are provided and supervision of good corporate governance and anti-corruption is carries out to ensure that all employees and concerned parties' practices are fully in compliance with policy. Also include reviews on suitability of the systems and measures to accommodate changes in business, regulations and Law requirements.
7. To be eligible in appointing and managing any working groups or any persons for benefit of the Company and efficient management, transparency, or empowering to any person or assigning any person to do any specific tasks in such authorization complies must be within the scope of the power-of-attorney and/or regulations, notifications or orders as determined or approved by the Board of Directors and/or the Company.
For this purpose, no authorization will be enable the president to approve the transaction which may cause a conflict of interest between himself/his assignee and any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.
8. To do any acts as assigned by the Board of Directors.

Company Secretary

The Board of Directors appointed Ms. Wilailak Fungthanakun the Company Secretary. The main responsibilities are: to prepare meetings, inform and advise on relevant law and regulations, take care of the Board's activities, and coordinate to ensure that the Board's resolutions are put into practice. All are to facilitate efficiency of the Board's administration in order to comply with good corporate governance principle and other responsibilities as required by law.

Remuneration of Director and Management

The Nomination and Compensation Committee will determine remuneration of directors, sub-committee members, the President and the Management, and propose to seek approval from the board of directors. For compensation of the board of director and sub-committee, it requires approval from the shareholders' meeting. Follows are some key guidelines;

1. Policy and Guidelines for Director and Sub-Committee Remuneration
 - 1.1 Remuneration package must be reasonable in order to attract and retain competence director. Major factors to determine director remuneration include
 - Scope of works and responsibilities
 - Current market rate
 - The Company's overall performances
 - Others specified by the compensation committee or the Board
 - 1.2 Chairman of the board and chairman of Sub-committees would receive higher remuneration in accordance with their responsibilities
 - 1.3 Non-executive director would receive a competitive remuneration which would be higher than that of executive director. This is to attract the knowledgeable and capable person to be non-executive director or independent director
 - 1.4 Remuneration may be entirely fixed or partially fixed with some variable amount such as meeting allowance or other incentives
2. Policy and Guidelines for the Top Executives Remuneration
 - 2.1 The nomination and compensation committee is assigned to determine the compensation principle and structure for the President and the Executive level (11 and up) in accordance with the policies given by the Board of directors and to be in line with the Company's operating result and individual performances.
 - 2.2 Remuneration package must be reasonable in order to attract, retain, and motivate the executive to work at their best.
 - 2.3 The nomination and compensation committee must define Key Performance Indicators (KPI) to help assess performance of the executives and propose to the Board for approval before end of each fiscal year.
 - 2.4 Compensation including annual salary increment, bonus and other compensation (if any) of the management is to be considered by the president based on each individual KPI achievement.
 - 2.5 Consideration to adjust remuneration or annual salary will depend upon KPI achievement and other accomplishments. Determination of remuneration should take into account the current market rate. Market survey or advice from human resource professional may be used in consideration and at the expense of the Company.

Remunerations of Directors and Management in 2015 are listed as follows;

1. Remuneration

1.1 Remuneration of Directors

The Annual General Meeting of shareholders approved the remuneration of the Directors for the year 2015 with details shown below;

Name of Director	Remuneration		Meeting fee ¹⁾		Other ²⁾		Total Amount	
	2015	2014	2015	2014	2015	2014	2015	2014
Unit : Baht								
Mr. Ng Kong Meng	1,650,000	1,650,000	60,000	70,000	-	-	1,710,000	1,720,000
Mr. Ming-Cheng Wang	1,150,000	1,150,000	50,000	50,000	-	-	1,200,000	1,150,000
Mr. Hsieh, Shen-Yen	500,000	500,000	-	-	-	-	500,000	500,000
Mr. Hsieh, Heng-Hsien	1,150,000	1,150,000	60,000	50,000	-	-	1,210,000	1,150,000
Mr. Chu, Chih-Yuan	1,150,000	1,150,000	60,000	50,000	-	-	1,210,000	1,150,000
Mr. Anusorn Muttaraid	500,000	500,000	-	-	-	-	500,000	500,000
Emeritus Prof. Supapun Ruttanaporn	1,250,000	1,250,000	110,000	130,000	-	-	1,360,000	1,380,000
Prof. Lee, Ji-Ren	1,150,000	1,150,000	90,000	70,000	-	-	1,240,000	1,220,000
Dr. Witoon Simachokedee	1,250,000	-	90,000	-	-	-	1,340,000	-
Mr. Supat Limpaporn ³⁾	-	1,250,000	20,000	160,000	-	-	20,000	1,410,000
Total	9,750,000	9,750,000	540,000	580,000	-	-	10,290,000	10,330,000

- Remarks:
1. Meeting attendance fee are for Chairman of the Board, non-executive director and Independent Director for their participation in every committee meeting and Shareholders' meeting.
 2. The Company has no other remuneration such as bonuses, pension and other benefits
 3. Completion of the office term on 30 March 2015

1.2 Remuneration of the Management

Remuneration of the 5 members of the management team including salary and bonus in 2015 amounted to 42,761,870 baht as compared to that of last year (2014) of 42,782,135 baht.

2. Other remuneration

- None -

Share/warrant holdings of Directors and Management

Name of Director	Holding DELTA (Shares)					
	Self			Spouse & Minor child		
	31 Jan 16	31 Jan 15	Inc (Dec)	31 Jan 16	31 Jan 15	Inc (Dec)
Mr. Ng Kong Meng	-	-	-	-	-	-
Mr. Ming-Cheng Wang	-	75,010	(75,010)	-	-	-
Mr. Hsieh, Shen-Yen	-	-	-	-	-	-
Mr. Hsieh, Heng-Hsien	-	-	-	-	-	-
Mr. Chu, Chih-Yuan	-	-	-	-	-	-
Mr. Anusorn Muttaraid	-	-	-	-	-	-
Emeritus Prof. Supapun Ruttanaporn	-	-	-	-	-	-
Prof. Lee, Ji-Ren	-	-	-	-	-	-
Dr. Witoon Simachokedee	-	-	-	-	-	-
Mr. Vichai Saksuriya	-	-	-	-	-	-
Mrs. Aruwan Sangrungrun	1,000	1,000	-	5,000	3,500	1,500
Mr. Chen, Chin-Ming	-	-	-	-	-	-

Human Resource

In 2015, the Company and its subsidiaries had a total number of employees of 12,207 and the total remuneration including salary, bonus and provident fund paid to employees was Baht 7,648 million. In Thailand, there were 9,911 employees with Baht 4,280 million paid for remuneration including salary, bonus and provident fund. Employees in Thailand are divided as follows.

1. Production	No. of Employees (31 Dec 15)
• EPSBG Product Group	4,324
• MPBG Product Group	1,314
• FMBG Product Group	2,544
• PSBG Product Group	204
2. Administration and others	<u>1,525</u>
Total	<u>9,911</u>

Human Resource Development

The Company committed and gave priority to develop its personnel in terms of both education and quality. There was cooperative program with various educational institutions to enhance employees' knowledge continuously. In 2015, the Company's development project as followings:

❖ Educational Support Project

- Program to improve potential of employees, in particular on Thai language to 17 foreigner executives by Huachiew Chalermprakiet University and in cooperation with Easy Burmese Language Center to teach Myanmar language course to 20 employees who need to work at a new subsidiary in Myanmar, enhancing their knowledge and skill on Thai and Myanmar language communication work effectively.
- Annual scholarships to employees and their children who have outstanding academic performance

❖ Human Resource Development

The Company has policy to provide training courses for both new-comers exist employees with clear written scheme of each training course. These training courses aim to continuously develop employees' performance in the view of their efficiency as well as quality. In 2015, the Company's training courses hours can be projected as followings:

- Consolidated training hours 31,195 hours had scheduled for 2,566 staff; average 12.1 hours/person
- Consolidated training hours 100,269 hours had scheduled for 7,334 operators; average 13.7 hours/person
- Internal training hours 129,286 hours had scheduled for 9,554 employees; average 13.5 hours/person
- External training hours 2,178 hours had scheduled for 346 employees; average 6.3 hours/person

Corporate Governance

The Board of Directors realized the importance of operating its business under good corporate governance. The corporate governance policy has been prepared and implemented since 2007. Regarding to the Board of Director Meeting no. 5/2015 dated 26 October 2015, the Board of Director resolved to approve the 4th revision of the corporate governance policy, for further details of the Company's Corporate Governance Policies can be read from the Company's website: http://www.deltathailand.com/about_corp.php for public access as well as internally on intranet for employee's access. The policy covers 5 major categories as follows:

- Rights of Shareholders
- Equitable Treatment to Shareholders
- Role of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board

The implementation on the good corporate governance activities during the year 2015 can be summarized as follows.

○ Rights of Shareholders

The Company realizes and emphasizes the shareholders' rights with a policy to support, promote, and facilitate every shareholder including institutional investors to ensure that shareholders are entitled to all basic legal rights and obtain adequate business information including the updated important information via the SET and Company's website. In addition, all shareholders as well as institutional shareholders have been continuously encouraged to participate and vote in the shareholders meeting for material matters that may affect their rights and interests etc. The Company shall not obstruct or cause obstacle to communication opportunities among shareholders or when a shareholders agreement is to be executed by any shareholders, the Company shall endeavor to ensure that such shareholders agreement will not materially affect the Company or other shareholders.

The Company generally holds an annual general meeting of shareholders (AGM) once a year within four months after each fiscal year end. In 2015, the AGM was held on March 30, 2015 at the Company's office located at Bangpoo Industrial Estate, Samutprakarn province and meeting was conducted in accordance with the good governance principles, the Company has been rated "Excellent" for the high standard of annual general meeting (AGM Assessment) conducted in the year 2015 with full score of 100 from the Thai Investors Association. There was no extraordinary general shareholders' meeting held during the year.

- **Prior to the Meeting**

Record date was used to justify the shareholders who entitled to attend the meeting. The Company entrusted Thailand Securities Depository Co., Ltd. (TSD) who acted as registrar to send out invitation for the meeting in both Thai and English together with other supporting information and documents to all shareholders 21 days prior to the AGM date. At the same time, it announced the call for the AGM meeting on a Thai daily newspaper for three consecutive days and at least three days before the meeting date. All those documents were also made available to the shareholders on the Company's website for 30 days in advance. All information made available for easy access by shareholders was to provide adequate time for them to review the agenda. The meeting invitation had expressly indicated the matters to be tabled at the meeting, whether for acknowledgement, approval or consideration. In addition, it enclosed the Board's opinions and supported document to ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the Company provided a list of necessary evidences must be presented to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate the shareholders who cannot attend the meeting and wish to give proxy to others.

In addition, the Company always inform and invite institutional investor to join the the meeting as well as facilitate them by arranging proxy and related documents collection when they can't participate the meeting.

- **On the Meeting date**

The Company provided shuttle services at The Stock Exchange of Thailand building for shareholders who wished to attend the Meeting. On meeting date, attendance registration commenced not less than 1 hour before the meeting started. Shareholders who came late were allowed to vote for the remaining agenda and shall constitute part of the quorum starting from the agenda item for which they are in attendance and can exercise their voting rights unless the Meeting states otherwise. Barcode system had been employed to facilitate the attendance registration and vote count. Duty stamps were available to shareholders without charges.

In the meeting, there were 8 directors out of 9 attended the meeting since 1 director had to attend funeral of his mother held in Taiwan. The Chairman of the Board, Chairman of Audit committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were presented in order to listen to the shareholders' opinions or suggestions and also answered any questions they might have similar to what were done in prior year. The company had implemented its registration and vote count systems which could demonstrate the result of the vote count immediately. Before the meeting started, the Company notified number of shareholders who attended the meeting in person and proxy, and clarified voting procedure and vote count method. With regard to the voting criteria, each share is eligible for one vote and an ordinary resolution requires the majority votes (except the voting on a special resolution, the meeting must comply with the Company's Articles of Association and/or relevant laws). Votes are not allowed to shareholders who have interests related to any particular agenda. For the election of directors, individual votes are required. At the time of voting, in order to expedite the process, only the ballots voted for objections and abstentions were collected and deducted from total votes which attended the meeting and eligible to vote. In regard to the agenda on compensation to directors, the company notified shareholders for their consideration, the amount that each director received in form of remuneration and meeting allowances.

There was no any objection or request for re-inspection from shareholders on such arrangement. The meeting proceeded according to the agenda and had no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A representative from, the Capital Law Office Limited, was appointed to help inspect the vote count. During the meeting, shareholders were allowed to voice their opinions and raise questions in appropriate time. In fact, shareholders may submit

their questions by e-mail to info@deltathailand.com, mail or fax to the Company before the meeting date. This year, the Company had disseminated the invitation to shareholders to send their questions or opinions on the Company's website since 15 October-31 December 2015. Generally, the company secretary will review and gather the questions before submitting to the Board of Director for their consideration. However, in the meeting, the Board will principally attend the questions that related to the Company's operations or considered to create material impact on the operating results. There was no question proposed in 2016 Annual General Meeting.

- **After the Meeting Date**

Minutes of meeting recorded in writing every resolution, showing the number of approval, objection and abstention votes for each agenda. Questions, response, and opinions arose during the meeting were documented in order to examine afterwards. Report of the meeting had been disclosed on the website of the SET as well as and the Company's within 14 days after the meeting date (Please find further details in the 2015 Minutes of Annual General Meeting posted on the Company's website)

○ **Equitable Treatment to Shareholders**

If the shareholder is unable to attend the meeting, the shareholder may give a proxy to a person or to the Company's nominated independent directors to attend the meeting and vote on his/her behalf by completing and sending to the Company a proxy form enclosed with the invitation for the meeting or by downloading the proxy form from the Company's website.

In addition, the Company opened for the shareholders to propose additional agenda and to nominate candidate to be director of the Company in advance. Procedures and details were disclosed on the Company's website http://www.deltathailand.com/ir_share.php during 15 October - 31 December 2014. Generally, the company secretary will review and gather the additional agenda and director nomination before submitting to the Board of Director for their consideration, but none had exercised the rights. For 2016 annual general meeting of shareholders, the Company also provided this opportunity to shareholders during the period of 15 October - 31 December 2015.

Insider Information Policy

Under the Company's policy, the inside information is restricted to the executives from the middle to the top levels. All employees are prohibited from taking the Company's document or information for personal use, or bring outside the Company. Use of inside information without permission or lead to any damage is deemed serious wrongful conduct for the equitable treatment protection of shareholders from gaining advantage by concerned. The policy and prohibition of usage of inside information for securities trading is formally written in the Company's Code of Conduct Guideline to urge employee's awareness. This also includes prohibits the trading activity by director within 1 month prior to public announcement of the Company's operation result through the SET.

Moreover, The Company has policy that its directors and executives must disclose the information on the securities holding by themselves (including their spouses and minor children) to the Office of the Securities and Exchange Commission (the Office of the SEC) within 3 days after the change of ownership of Securities taken place and inform the Company's secretary to report the Board of Directors accordingly.

Prevention on Conflict of Interest

In general practice, decision making of the directors and executives must come out in a way to enrich the Company's ultimate benefit. In case of having conflict of interest, the directors or the executives shall submit the issue to the Board or the shareholders' meeting for their consideration on necessity to execute such transaction and potential impact on the Company if the matter is approved. At the time of voting on the issue, the person who has conflict of interest is not allowed to vote. According to the recent Securities and Exchange Act, the directors and executives of the Company have filed their and their related persons' report on their interest with the Company with an extra copy to the Chairman and Audit Committee Chairperson of the Company through the Company's secretary. And such reports are required to update annually and submit to the Company. In addition, the Company also deals with related party transaction as regulated by the Capital Market Supervisory Board and also disclosed inter-transaction with its affiliates in the Company's financial statements and in the annual information disclosure form (Form 56-1). In 2015, there was not connected transaction during the year.

● Role of Stakeholders

The Company has contributed extensively to the rights of all stakeholder groups such as shareholders, customers, employees, business partners, competitor, creditors and society in accordance with laws or agreements with the Company. The Company opened various passages to accept suggestions or complaints from all stakeholders. The Company also has other guidelines to treat each specific stakeholder groups as follows;

Shareholders :

The Company aims to bring a long-term sustainable growth to its business, thereby enhancing the Company's value and ultimately providing favorable returns to its shareholders and paid dividend consistently at a satisfactory rate. In fact, from 2010 to 2015, dividend payout ratio averages over 60% of net profits annum.

Customers :

The Company has policy to its mission to provide products, services and solutions under short to long term contracts to fulfill customer's requirements. In addition, the Company has policy to produce quality product in accordance with international standards to gain customer's confidence and satisfaction.

Employees :

The Company deems human resource its greatest asset. Competitive compensation and equal career opportunities are provided on the basis of their aptitude and capability. In addition, all the employee have their rights to join any assembly or social group (G4-11). Domestic and international trainings are organized

- regularly to enhance their skills. The relevant policies have been determined as follows.
- The Policy of Working Safety, Health, Hygiene & Environment
- The Policy of Labor Relations
- The Policy of Employee's Remuneration
- The Policy of Human Resources Management
- The Policy of Activities Misconduct, Harassment and Unfair Treatment
- The Policy of Antitrust

(The detail of the policies above, please see the Corporate Governance policy from the Company's website: www.deltathailand.com/about_corp.php)

Business Partners :

The Company will respect the rights and treat business partner equally and fairly and perform according to the agreement or conditions as agreed.

The Company has arranged 2015 Supplier meeting to encourage our vendor for improving quality and keep the standard of the services and products which the company has policy to arrange this meeting in every year.

Competitor :

The Company has a policy of promoting free competition under the fair rules which is also respected on professional basis under the rules of sound competition defined in Company's Code of Conduct which complies with Electronics Industry Code of Conduct (EICC).

Creditors :

The Company will strictly comply with the agreements and agreed conditions. In the case of non-compliance with any of the conditions, it shall inform the creditors promptly in order to jointly solve the problems by applying reasonable principles. The Company will keep conducting business with efficiency and effectiveness as to maintain the sustainable growth and financial stability for gaining creditor's confidence. During the past year, the Company and its subsidiaries have a good relationship with financial institutions in fully comply with borrowing obligation both in terms of debt repayment and other agreeable conditions.

Society and environment :

The Company is committed to conducting business according to the Company's Corporate Social Responsibility Policy. The policy shall provide guidelines for the directors, management and employees to operate our business ethically with transparency, accountability, and respect for human rights and fair treatment to all stakeholders.

As a global corporate citizen, we support international standards such as the Electronic Industry Code of Conduct (EICC), the Universal Declaration of Human Rights, the International Labor Office Tripartite Declaration of Principles and Global Reporting Initiative (GRI).

For the activities with stakeholders, please find in the 2015 Sustainability Development Report

Whistleblowing and Complaints

Company has policy to support and encourage employees and stakeholders to make complaints on misconduct. By the policy, they can provide clues concerning the wrongful acts including any unlawful activity, any behavior against the rules and Code of Conduct of the Company to the management or board of directors. This is to ensure the Company's transparent and efficient operations of the Company. The Company has established the following communication channels to allow all stakeholders to provide their feedback or file complaints concerning this issue.

- Communication channel for Delta employees
 - (1) Head of the unit the employee belongs to.
 - (2) Head of audit department, head of human resources department or head of legal.
 - (3) Local external opinion box.
 - (4) Email: whistleblow@deltathailand.com

- Communication channel for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280);
 - (2) Email: whistleblow@deltathailand.com
 - (3) Website: www.deltathailand.com

The board's secretary will gather and submit the complaints to the executive committee or the audit committee or the board, depending on the relevance of the complaints

The details of the concerns and issue will be kept confidential in order to avoid an infringement of privacy.

Action against Corruption

The Board of Directors Meeting No. 3/2014 held on 31 March 2014 approved the adoption of the Anti-Corruption Policy in order to rule out principles, set practice guidance, arrange communication and provide training in the area of anti-corruption to make clear to all employees and signed on the declaration of intent in establishing Thailand's Private Sector Collective Action Coalition against Corruption. On May 2014, shown on the 315 rank of ratification sign-up is the signature of the President who represents the company in affirming intention to combat all kinds of corruptions and open all stakeholders can suggestions and complains to the Company via whistleblow@deltathailand.com



This year, The Company had activity of International Anti-corruption day which our employees, top management and vendors coordinated for a Symbolic Acts on International Anti-corruption on 9 Dec 2015.

More details on practice guidance can be found from the Company's website http://www.deltathailand.com/about_corp_anti_corruption.php.

● Disclosure and Transparency

The Company has the policy to disclose data and information accurately, adequately and timely so as to allow stakeholders to know about operating performance, financial position, key developments and information such as financial statements, annual report and disclosure Form 56-1, in both Thai and English language. Such information is available on websites of relevant authorities such as the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) as well as on the Company's website www.deltathailand.com. Interest persons may telephone or email to request for more information at info@deltathailand.com. The Company also has investor relations unit to provide information to shareholders, investors, securities analysts, and others and they can be reached at IR@deltathailand.com.

Since 2009, with support from SET, the Company organized press conference quarterly to announce and explain each quarter's consolidated financial data, business performance and future plans to securities analysts, reporters and general investors and for those people to meet with its top management in a bid to nurture confidence of all stakeholders. Analyst meetings are arranged in every quarter. In addition, private meetings upon investors requests were also arranged by Investor Relations unit to establish good understanding about the company's operation and its business strategies. In 2015, The Company had arranged the factory visit for both local and oversea institutional investors to Bangpoo factory in Samutprakarn.



Press conference quarterly at SET



Delegation from SCB Assets Management visits Delta,
July 24, 2015

IR manager represents our management in regional conferences several times a year to provide updated information on the Company's operation and business outlook.

Responsibilities of the Board

Structure of the Board

The Board of Directors comprises nine directors; two of whom are executive directors and the other seven are non-executive director which three of independent directors are included, which over one-third of the Board. Qualifications of independent director have been set to meet the criteria ruled by the SEC.

Currently, Chairman of the Board and the President are held by two individuals with clearly separated responsibilities. Roles and responsibility of the Board and management are also distinctively defined so as to ensure management transparency. (Please find details of the Board members and scope of duties in the section of Managerial Structure).

Director's Term of Office

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate from the office. A director who vacates from office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and having shares in aggregation not less than a half of the number of shares held by shareholders attending the meeting and having the voting rights and limit the number of terms for which an individual may serve as an independent director to a maximum of three consecutive terms.

The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals.

Sub-committee

The Board of Directors appointed sub-committees to help study, scrutinize, and to give opinion on various matters. At present, there are four sub-committees including executive committee, audit committee, compensation committee and risk management committee with details as described below.

Executive Committee

The executive committee of the Company consists of 7 members as follows;

Name	Position
1. Mr. Hsieh, Shen-Yen	Executive Committee Chairman
2. Mr. Anusorn Muttaraid	Executive Committee Member
3. Mr. Yu, Po-Wen	Executive Committee Member
4. Mr. Vichai Saksuriya	Executive Committee Member
5. Mr. Sim, Kuik-Keong	Executive Committee Member
6. Mr. Chang, Tsai-Hsing	Executive Committee Member
7. Mr. Chung, Chia-Long	Executive Committee Member

Scope of Responsibilities of Executive Committee

1. To operate and manage the business of the Company in compliance with Company's objectives, Memorandum of Association, policies, regulations, notifications, orders as well as the resolution of the board of directors and/or shareholders' meeting.
2. To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the Company including the organization chart in order to propose to the board of directors for its consideration and approval as well as to monitor and follow up the result of the operation of the Company to be in accordance with the policies.
3. To be eligible to do the following transactions with banks and to report these transactions to the board of directors in the following board meeting after execution of those transactions.
 - (a) Open or close bank accounts,
 - (b) Enter into any contract which is in the Company's normal course of business and/or any other transactions with banks or other financial institution for a total combined amount of not exceeding USD 50 million or equivalent in any other currencies per bank, in case there is a need to use any assets of the Company as collateral to support the banking facilities, approval of the board of director must be obtained,
 - (c) Issue corporate guarantee to support banking facilities granted to Subsidiaries for a total amount of not exceeding USD 50 million or equivalent in any other currencies per company.
 - (d) Renew banking facilities without any limit.

4. To be eligible to approve the investment in subsidiary companies for the amount of not exceeding USD 5 million or equivalent in any other currencies per company per project and in the aggregate amount, after combining all investments, of not more than USD 20 million or equivalent in any other currencies within a calendar year. Such investment transactions are required to report to the board of directors in the following board meeting
5. To be eligible to appoint, promote, transfer or discharge directors and/or executives of the subsidiary companies.
6. To authorize any one or more persons to perform any action under the supervision of the Executive Committee, or granting the power-of-attorney to such person (s) to perform any action within the specified time as the executive committee may think fit; provided, however, that the executive committee has the sole discretion to revoke or modify such designated person or power-of-attorney as the executive committee may think fit. For this purpose, no authorization will be enable a member of the executive committee under the power-of-attorney and/or his sub power-of-attorney to approve the transaction which may cause a conflict of interest between such attorney or any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.
7. To perform any other duties assigned by the Board of Directors.

Audit Committee

The audit committee of the Company consists of 3 members and all the members are independent directors. Term of office shall follow the annual director election and qualifications and responsibilities of the Committee as prescribed by the SET. List of the members of the audit committee is shown below.

Name	Position
1. Emeritus Professor Supapun Ruttanaporn*	Audit Committee Chairperson
2. Prof. Lee, Ji-Ren**	Audit Committee member
3. Dr. Witoon Simachokedee	Audit Committee member

Remark: * Being a director who is knowledgeable and experienced in reviewing Company's financial statements appointed since 2004

** Being a Strategy and Management professor of National Taiwan University

Qualifications of Audit Committee:

1. All members must be independent director.
2. Not being a director who is authorized by the board of directors to make decisions relating to the operations of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person.
3. Not being a director of a parent company, subsidiary or parallel subsidiary company which is a listed company.
4. Having duties and responsibilities according to the SET's rules.
5. Having sufficient knowledge and experience to perform his/her duties as a member of the audit committee provided that at least one member of the audit committee must have sufficient knowledge and experience to review the reliability of the financial statements.
6. Being appointed by the Board or shareholders meeting.

Scope of Responsibilities of Audit Committee:

1. To review the Company's financial reporting to ensure that it is accurate and the disclosure is adequate;
2. To review that the Company employs appropriate and efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;

3. To review that the Company complies to the law on securities and exchange, the regulations of the SET and other laws related to the Company business;
4. To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the Connected Transactions or the transactions that may lead to conflicts of interests, that they are complied with the SEC laws and regulations, and to ensure that they are reasonable and yield the highest benefit to the Company;
6. To report the governance activities of the Audit Committee in the Company annual report, which must be signed by the chairman of the Audit Committee. The report has to consist of at least the following information:
 - (a) An opinion on the accuracy, completeness and reliability of the company financial reports,
 - (b) An opinion on the adequacy of the Company internal control system,
 - (c) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the Company,
 - (d) An opinion on the suitability of the external auditor,
 - (e) An opinion on the connected transactions or the transactions that may lead to conflicts of interest,
 - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) An overall opinion or comment of the Audit Committee in performing its duties as specified in the audit committee charter.
 - (h) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the company board of directors.
7. To do any other matters assigned by the Board of Directors of which the Audit Committee agrees.

Nomination and Compensation Committee

The Board of Directors Meeting No. 5/2015 held on 26 October 2015 approved to change Compensation Committee to Nomination and Compensation Committee were consists of 3 members, 2 independent directors and 1 executive director. Term of office shall follow the annual director election. List of the members of the compensation committee is shown below.

Name	Position
1. Dr. Witoon Simachokedee	Nomination and Compensation Committee Chairman (Independent Director)
2. Mr. Anusorn Muttaraid	Nomination and Compensation Committee Member
3. Mr. Chu, Chih-Yuan	Nomination and Compensation Committee Member (Independent Director)

Scope of Responsibilities of Nomination and Compensation Committee:

1. Appraise the performances of the President and the Executives in Level 11 and up annually.
2. Determine the remuneration of the directors of the Company and members of sub-committee, which would include monthly remuneration, meeting allowance, annual bonus and other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors and shareholders for approval.
3. Determine the remuneration policy of the Company's president and the Executives in Level 11 and up which includes short term and long term remuneration such as salary, annual bonus and/or other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the Board of Directors for approval.

- Review the remuneration policy of directors, committee President and the Executives in Level 11 and up based on their performances, the Company's performances and best practice in the market and/or among the listed companies in Thailand's stock exchange.

The Committee shall have the following duties and responsibilities regarding nomination:

- Define the qualifications of the Board member, Sub-committee and Top management must have and aid in identifying and attracting qualified candidates for Board of Directors' consideration.
- Assess the structure, size, composition of the Board of Directors/Sub-committee, as well as recommend any improvement to the Board of Directors.
- Conduct an annual evaluation of the performance and achievements of the Board of Directors and Sub-committee and of the individual member, and report to the Board of Directors on the evaluation.
- Assist in the establishment of succession plan and/or talent management pool development in order to fulfill the requirement for medium to top key management positions
- Perform any other duties assigned by the Board. To perform the assigned job, the Nomination and Compensation Committee may seek advice or opinion from the relevant independent professionals as necessary and appropriate. The Committee may also need to attend training or seminar with the purpose to enhance knowledge and capability in performing their job at the expense of the Company.

Risk Management Committee

Risk Management Committee consists of 10 members as follows;

Name	Position
1. Mr. Hsieh, Shen-Yen	Risk Management Committee Chairman
2. Mr. Anusorn Muttaraid	Risk Management Committee
3. Mr. Yu, Po-Wen	Risk Management Committee
4. Mr. Vichai Saksuriya	Risk Management Committee
5. Mr. Sim, Kuik-Keong	Risk Management Committee
6. Mr. Chen, Chi-Chen	Risk Management Committee
7. Mr. Chen, Chin-Ming	Risk Management Committee
8. Mr. Basile Margaritis	Risk Management Committee
9. Mr. See Kai Mun	Risk Management Committee
10. Mr. Tam, Chung-I	Risk Management Committee

Scope of Responsibilities of the Risk Management Committee:

- Establish risk management procedures.
- Implement risk management, to delegate the risk management to their respective managers.
- Develop and review strategic risk management plans
- Quarterly and/or annually and/or any time that is necessary report to the Board or to the Audit Committee as assigned by the Board.
- Monitor and continuously improve risk management.
- The Committee may seek advice from relevant professional consultant in some cases

Selection of Directors and Independent Directors

The Board of Director assigned the Nomination and Compensation Committee to search, selection and nomination of the qualified candidate to be director or member of any committee. The selection are considered whether that person knowledgeable and experience in area such as accounting, finance, management, strategy, including skill individual and expertise in line with the Company business and strategies without restrictions on gender and race in order to have board diversity structure and firmed company. This is to achieve business objectives under management according to the principles of good corporate governance standards. Currently, the Company has provided the opportunity to the shareholder to nominate the candidates to be directors of the Company with basic qualifications set forth in the Company's Website. The Board will consider and approve selecting the candidate by the majority votes of the Board meeting. After selected, the Board shall nominate such candidate to the shareholders' meeting for approval.

Qualifications of Director

1. A director shall have qualifications and shall not have prohibited characteristics as specified in the law on public limited companies, as well as shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in the notification of SEC.
2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics, telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participating in all board's meetings and shareholders' meetings (except in case of emergency).
5. Other qualifications that the board may later consider appropriate or are required by law.

Qualifications of Independent Director

Qualifications of independent director (ID) have been defined based on the requirement of Office of Securities and Exchange Commission as follows:

1. Not holding shares exceeding 1% of the total shares with voting rights of the company, its parent company, its subsidiary, its associated company, or potential conflicting person provided that any shares held by his or her Related Person must be taken into account.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the company, or its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person with the company except that he/she has no such characteristic for at least two years before becoming an independent director.
3. Not being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person, or such other person who will be nominated to take up the position of executive or controlling person of the company or its subsidiary.
4. Not having nor having had any business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before becoming independent director. Details of business relations are summarized as follows:

- 4.1 Professional advisor
 - 4.1.1 Not being an auditor for any cases
 - 4.1.2 Not being the advisors (such as legal advisor, financial advisor, appraiser or others) with value of transactions of greater than 2 million Baht per year
- 4.2 Other business relationship
 - 4.2.1 Scope of business covers normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
 - 4.2.2 Not having business relationship with the value of transactions of 20 million Baht or more or 3% or more of its net tangible assets, whichever is lower (including transactions undertaken with the same person in 6 months).
 - 4.2.3 For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with the unanimous resolution may except the transaction which exceeding the above value. In such case, the business transaction is required to be disclosed in the registration statement, Form 56-1, and annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.
- 5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's major shareholders.
- 6. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the company's operations.
- 7. An independent director who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

Appointment of Directors

After consideration and selection of the qualified candidate, the board of directors will nominate such person to the shareholders' meeting for approval based on the Article of Association of the Company, an appointment of director is made through a majority vote of shareholders meeting. One share shall count for one vote and each shareholder shall exercise all the votes he has to appoint the nominated person or nominated persons to be director on a person-by-person basis or en bloc basis, provided that he cannot divide his vote to any person to any or in the basis extent vote for nominated persons but the votes are indivisible. The person obtaining the most votes in descending order shall be elected as directors equal to the number of directors required. In the event that persons receiving votes in respective orders receive equal votes and the number of position exceed the positions required, the chairman of the meeting shall have a casting votes.

The Orientation for New Director

The Company sets up an orientation for new director which include a briefing on the Company business on top of its operations and plant visits conducted by Management. Subsequently, summary of the Board of Director's roles and responsibilities, Listed company Director's handbook and Company's information in detail will be presented by Corporate Secretary.

Directorship in other Companies

To ensure the director's efficient performance and in compliance with Corporate Governance Principles, the board of directors requires that

1. Each director may retain the office of director in, apart from the Company, other 3 listed companies as a maximum

2. President is not permitted to be the director of the other listed company except being the director of the subsidiaries. Moreover, before participating as board director of any other company must first seek approval from the board of directors.

The Company's executive directors and top management are encouraged to be the director of subsidiaries for purposes of the group's working efficiency and policy consistency.

The Board's Meeting

The Company schedules the board meeting at least four times a year or on a quarterly basis. An extraordinary meeting may be arranged when there is an issue to consider. The regular meeting date will be set in advance for the entire year. At least seven days prior to the meeting date which shall be not less than 5 days, the Company will send out invitation letter with agenda to all directors, In case of emergency, invitation letter may be less than seven days. Each director is free to propose agenda. Company secretary has duties to arrange the meeting, take care and give suggestion to ensure that the meeting is in compliance with all relevant laws and regulations, minutes of meeting will be put in writing, and those endorsed by the Board are kept as evidence at the Company's office.

Meeting Attendance of directors in 2015 as follows;

Unit : Times

Name	Board of Directors	Audit Committee	Compensation Committee*	AGM
No. of total meetings held	5	5	2	1
Mr. Ng Kong Meng	5/5	n/a	n/a	1/1
Mr. Ming-Cheng Wang	4/5	n/a	n/a	1/1
Mr. Hsieh, Shen-Yen	5/5	n/a	n/a	1/1
Mr. Hsieh, Heng-Hsien	5/5	n/a	n/a	1/1
Mr. Chu, Chih-Yuan	5/5	n/a	n/a	1/1
Mr. Anusorn Muttaraid	4/5	n/a	2/2	1/1
Emeritus Prof. Supapun Ruttanaporn	5/5	5/5	n/a	1/1
Prof. Lee, Ji-Ren**	4/5	5/5	0/2	0/0
Dr. Witoon Simachokedee	4/4	4/4	1/1	1/1

* Change to Nomination and Compensation Committee on October 26, 2015

** Prof. Lee, Ji-Ren had teleconference in compensation committee meeting 2 meeting.

The Quorum for Voting

The Board of directors had considered additional policy constituting the quorum at the time of vote of the Board of director meeting by requiring the quorum not less than two third of the total number of directors. This included the case if the director is not able to attend the meeting in person. The conference call is allowed to constitute the quorum. However, the meeting quorum is still required to comply with the Company's Articles of Association that at the meeting of the board of directors, there shall be not less than one half of the total number of directors attending the meeting in order to constitute a quorum.

The Meeting without Attendance of Management

The independent directors may hold a meeting without attendance of management as it sees appropriate. Normally, meeting of the audit committee is held without executive participation. The Company's auditor generally attends the audit committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the audit committee may request particular executive to clarify issue as it sees fit.

Board Self-Assessment

The Board generally arranges four self-assessment forms once a year, namely; Assessment of the Board, Assessment of Individual Directors (self-assessment), Audit Committee's self-assessment and Compensation Committee's self-assessment. The assessments forms stipulated the percentages corresponding to the levels of performance achieved in each of area as detailed below.

Over 85% = Excellent

Over 75% = Very good

Over 65% = Good

Over 50% = Fair

Below 50% = Need improvement

The findings from the self-assessments were as follows

Overall Board Self-Assessment consists of 6 items as below;

- 1) Structure and characteristics of the board
- 2) Roles and responsibilities of the board
- 3) Board meetings
- 4) The board's performance of duties
- 5) Relationship with management
- 6) Self-development of directors and executive development

The results indicated excellent/ most suitable overall performance, with an average score of 99.99%.

Individual Board Self-Assessment consists of 2 items as below;

- 1) Knowledge and understanding of being a director and
- 2) Performance of director

The results indicated excellent/ most suitable overall performance, with an average score of 100%.

Sub Committee Self-Assessment

Audit Committee Assessment consists of 5 items as below;

- 1) Understanding
- 2) Work Performance
- 3) Meeting
- 4) Self development
- 5) Performance evaluation

The results indicated excellent/ most suitable overall performance, with an average score of 93%.

Compensation Committee Assessment consists of 12 items as below;

- 1) Understand of core business objectives
- 2) Assessment of possible outcomes from decisions
- 3) Appreciation of potential risks
- 4) Quality of interaction with management
- 5) Rigor of debate
- 6) Quality of chairmanship
- 7) Members with appropriate skill and experience
- 8) Ongoing briefing and knowledge update
- 9) Structured and appropriate annual agenda

- 10) Regular, appropriately timed and well-attended meetings
- 11) Access to relevant, concise and timely information
- 12) Assumption of responsibility for content of the published compensation report

The results indicated excellent/ most suitable overall performance, with an average score of 100%.

Performance Assessment of the President

The Board assigns the compensation committee to determine and propose Key Performance Indicators (KPI) of the President. The KPI must be approved by the Board and be reviewed annually.

Training for the Board and Management

The Company has a policy to encourage directors, executives and the Company secretary to continuously train on good corporate governance, both organized internally or externally by relevant institutions such as the SET, the SEC and the Thai Institute of Directors Association (IOD).

In 2015, Mr.Ming-Cheng Wang, the director joined of the Director Accreditation Program (DAP) of Thai Institute of Directors Association and Ms.Wilailak Fungthanakun, the Company's secretary joined the Advance for Corporate Secretaries program of Thai Listed Companies Association

Succession Plan/ Talent Pool Management

The Company adopted Talent Pool Management for succession planning as it does not only offer flexibility in recruiting the suitable person but also well support dynamic business strategy rather than the traditional plan that tend to be more towards specific individual. With talent pool management, candidates can be from both internal and external. This project has continuing progress in obtaining sufficient qualified candidates.

The Board of Directors has established a Talent Pool Management Committee to select, groom, and develop the potential candidate for key positions that aligns with the Company's five-year strategic and operational plans. At present, the company is now in the process of planning development the recruited potential personnel.

Supervision of Subsidiary and Associated companies

The Board of Directors has assigned the Executive Committee to supervise the operations of the subsidiary and associated companies. The Executive Committee has a certain authority to make investment in subsidiaries and associate and may assign some directors or top executives of the Company and/or appoint some local people to participate in the Board of Directors or management of its subsidiaries or associates in order to support the management and determine business policies and direction. After appointed, the Executive Committee will report such appointment to the Board of Directors for their acknowledgement. However, if the investment amount exceeds the granted authority, the Executive Committee is required to seek for Board's approval.

The supervision and monitoring have been further done through the implementation of ERP solutions which effectively gathers and provides important information including finance, accounting and other information, to support the management, controlling and monitoring the operations of those subsidiaries and associates. Furthermore, Treasury and Investment Section of the Company also actively participate in monitoring and supporting the sourcing of fund, capital increase and reduction by seeking approval from the Executive committee or Board of Directors. And as almost all of the companies in the group are wholly owned subsidiaries, there would be no connected transactions occurred. In case there might be some transactions with the other related companies in Delta group, those subsidiaries have been instructed that prior approval from the Company's Executive Committee or Board of Directors is required and it is also required to comply with the relevant SET or SEC's requirements.

Audit Fee

The audit fee paid for the year 2015 to its auditor is Baht 4,620,000 including all actual out of pocket expenses (equal to the amount of the Audit fee in 2014). In addition, 4 subsidiaries had paid their audit fees to the same auditing firm for a total amount of Baht 1,590,000.

The Company and some of its subsidiaries hire the same international audit firm but different branch offices in various countries as all of the Company's subsidiaries are abroad. Other subsidiaries (most of which are in Europe) use the services provided by Pricewaterhouse Coopers (PWC) and the rest of them employ other audit firms to provide them with the audit services. Selection criteria of its auditor principally are based upon the service quality and charge rate of the auditor.

Corporate Social Responsibility

Sustainability Development Policy

Delta Electronics (Thailand) Public Company Limited is committed to operate business in accordance with social responsibility policy and towards sustainable development. These approaches provide practical guidance for the directors, management and employees of the Company to conduct business ethically, transparently, auditable, and with respect to human rights. Stakeholders including employees, shareholders, customers, suppliers, and society will also be fairly treated. To comply with the policy set forth, the Company follows international standards and related laws. Employees will be educated in order to conduct business with social responsibility and towards sustainability development.

CSR Commitment for DELTA's Sustainable Business

To Delta, Sustainability Development with CSR encompasses sound corporate governance, balancing of stakeholder benefits, protecting the Earth's environment and social contribution. As a global corporate citizen, Delta supports international standards such as the Electronic Industry Code of Conduct (EICC), the Universal Declaration of Human Rights, the International Labor Office Tripartite Declaration of Principles and the OECD Guidelines for Multinational Enterprises.

Followings are the Company's endeavor to achieve sustainable development;

- Maintain corporate governance and strictly follow business ethical standards
- Comply with laws and related regulations
- Provide employees with a safe and healthy workplace and hygiene environment for their well beings as well as returning reasonable remuneration and benefits
- Support environmental care, provide energy conservation knowledge and encourage employees to take part in community activities
- Create value, reasonable and sustainable returns to the Company and shareholders
- Promote CSR ideals and practical guidance throughout Delta's supply chain with cooperation for better efficiency
- Develop environmentally-friendly and energy saving products as well as reduce environmental impact
- Invest in innovation creation and research development for patent and intellectual property rights while devote to progress of human culture and technology in order to develop society and economy similar to sustainable development of the world and environment

Sustainability Strategy

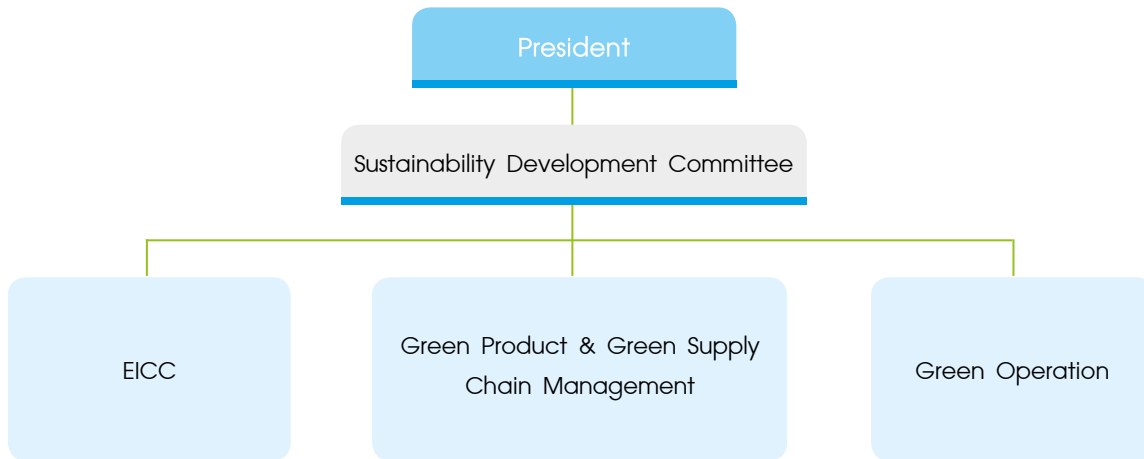
The Company's mission outlines commitment towards sustainable development by integrating the concept into operations of all organizational units. Regular training will be arranged to extend boundary and intensity of sustainable development activities. In addition with forming alliance, outlining well communication mechanism to all stakeholders, the Company strongly believes that commitment on sustainable development would create maximum benefits for entire organization and stakeholders.

With commitment towards sustainable development, the company integrates CSR principles to be part of business operation since 2007 and emphasizes sustainability development in economic, social and environment. Delta received 2015 sustainability awards namely "Thailand Sustainability Investment 2015" granted by The Stock Exchange of Thailand and is commended among 100 companies for having outstanding business performance in parallel with corporate governance that entails social responsibility (ESG 100) from Thaiptat Institute

Implementation of the Corporate Social Responsibility (CSR)

A Sustainability Development Committee (SD Committee) has been formed to define policies and set practical guidelines that align with the Electronic Industry Code of Conduct (EICC) who regulates standards for entrepreneur in electronic sector to ensure having production processes as well as business operation with safety measures and responsibility to both social and environment. Directors, management and employees of the Company are abided to adopt those guidance for business operation and determine on improvement to create foundation for continuing and sustainable CSR. CSR communication to employees, suppliers, outsourcers, and all related parties are urged to joint responsibility to the society.

Sustainability Development Committee Structure



CSR Implementation

The Company operates CSR with emphasize on issues affecting its stakeholders in accordance with the principles set by the Stock Exchange of Thailand as listed below.

1. Corporate Governance

The Board of Directors of Delta Electronics (Thailand) Public Company Limited recognizes and continues carry business operation with good corporate governance in an attempt to promote sustainable growth and development. Details of these policies can be found on the Company's website www.deltathailand.com, and on its Intranet. Commitment and strict compliance to the good corporate government policy made the Company becomes one of the 50 companies in Thailand to receive score above 90% from ASEAN Corporate Governance (CG) Scorecard and rated "Very Good" on the 2014 Corporate Governance Rating Survey conducted by Thai Institute of Directors Association (IOD) in collaboration with The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET). Details of the Company's corporate governance policies are disclosed on the Company's website www.deltathailand.com and report on compliance with good corporate governance each year are also published in the Company's annual reports.

2. Corporate Ethics

The Company operates business in an ethical, transparent and responsible manner. In this regards, the Board of Directors has developed the Company's Code of Conduct, in which integrates the Electronics Industry Code of Conduct (EICC), as an operational standards for its directors, management and employees to follow. The Company's Code of Conduct has been published on its Intranet and company's website http://www.deltathailand.com/th/about_corp_code.php. New employees will receive training to understand Company's Code of Conduct. Human Resources Department is responsible for ensuring that all employees are aware of and comply with the Company's Code of Conduct while Internal Audit Department is responsible for monitoring and reporting significant non-compliance incidents to the Company's management.

Additionally, the Company has established the following communication channels to allow all stakeholders to provide their feedback or file complaints concerning this issue

- Communication channels for employees
 - (1) Head of the unit the employee belongs to
 - (2) Head of Internal Audit department, head of Human Resources department or head of Legal department
 - (3) Opinion box
 - (4) E-mail : whistleblow@deltathailand.com
- Communication channels for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280)
 - (2) E-mail : whistleblow@deltathailand.com
 - (3) Website : www.deltathailand.com

Incident reports and complaints are collected by the Company's secretary and escalated to the Company's management or Audit Committee or Board of Directors for further investigation on a case by case basis. To date, no compliant or dispute has been reported.

3. Anti-corruption

To affirm the Company's genuine commitment to transparent and auditable business dealings, in the meeting of the Company's Board of Directors No.4/2013 held on 6 November 2013, the Company approved in principle an anti-corruption measures and assigned the Company's Audit Committee to establish or review policy, set procedures and follow-up mechanism in accordance with the anti-corruption policy. In 2014, the Company's Board of Directors approved signing participation with the Thailand's Private Sector Collective Action Coalition against Corruption. The Company has officially declared intention to operate business with integrity and indicate intention to against all kinds of corruptions. New employee will not only be trained on operational code of conducts but also this anti-corruption policy.

4. Human Rights Protection

The Company sets policy in regards to respect human rights by defining wrong doing practices and mistreatment. It has introduced a non-discrimination policy which governs equitable treatment towards all genders, races, physical disabilities including immunodeficiency, HIV/AIDS and tuberculosis (TB). The Company strictly acts on this policy and made known to employees by means of training so that all employees adopt a positive attitude towards their co-workers with respect and equitable. The Company awards a Gold Standard of ASO-T Thailand for best TB-HIV/AIDS Prevention and Management in Workplace Program issued by the Department of Labour Protection and Welfare, Ministry of Labour, in corporation with Department of Disease Control, Ministry of Public Health, and the Thailand Business Coalition on AIDS. There is mechanism available for feedback and filing complaints concerning human rights issues. To date, no complaint has been filed.

The ongoing war in the Democratic Republic of the Congo which appeared to be deteriorating is believed to be majority funded by mining of precious metals including tantalum, gold, zinc, and tungsten. Those rare metals are key raw materials for production of electronic devices. Given their availability in the country of human rights violations such as Congo and Rwanda, they are consequently known as Conflict Minerals/Metals. The Company realizes the importance of human rights and therefore responds to such conflicts by examining the sources of minerals and seeks for procurement from location outside the conflict areas. The Company laid out Conflict Minerals/Metals-free Policy to address prohibits usage of minerals from the Democratic Republic of the Congo and adjoining countries, either directly or indirectly. Implementation of this policy had also been extended to all supply chains. Suppliers were required to sign up for acknowledgement on the "Minerals/Metals Source Survey" and "Declaration on Non-use of Conflict Minerals/Metals". The signing is hold as part of managerial process of company's business.

5. Equitable Treatments to Employees

Occupational Health, Safety and Work Environment

Safety, Occupational Health and Work Environment are equally importance among other operational business goals of the Company. Management of each division will be responsible for keeping effective implementation of this policy. Every operational unit is to be assessed of impact and its staff is to be consistently trained.

An environmental committee is also established to ensure compliance of occupational health and safety in accordance with the Standards of environmental management system - ISO14001 and Standards of occupational health and safety - OHSAS18001. The Company has been certified with these two standards for 16 consecutive years.

Promoting Zero Accident campaign in workplace is one of the key goals that the Company aims to achieve and consistently perform towards. In 2015, there are 45 injury cases, from 53 cases in 2014. However, the cases of severe injuries (work absence of 3 days or more) declined by 13 person or representing only 0.13% of total employees. The Company strives to reduce accidents to zero to meet our "Zero Accident" campaign.

Although work-related accidents are on a downward trend, the Company still actively runs a Safety Week event in a bid to achieve zero accident. This event promotes and educates employee to have safety awareness through a variety of activities such as slogan and drawing contests and quizzes.

Employee Welfare

The Company set up a welfare committee to take care the benefits of employees. Labor Relations policy is also established to ensure fair treatment to all employees. As concrete evidence of its achievement, the Company has been awarded Outstanding Entrepreneur on Labor Relations and Labor Welfare Awards for nine consecutive years from Department of Labor Protection and Welfare, Ministry of Labor .

- **Breastfeeding Corner**

As 84% of the Company's employees are female, it pays special attention to pregnant employees by setting up working corners for pregnant staff and providing them with antenatal training. Breastfeeding corner was established in 2008 to facilitate expressing and storing breast milk during work hours. This is regarded as a way to improve the quality of life of the Company's employees and their families.

- **Happy Workplace**

The Company involves in various activities to help promote well-being and quality of life for employees. For example, the Company has participated in the "Happy 8 Workplace" program initiated to help create balance family life, work and social life to employees. The program has been carried in coordination with the Thai Health Promotion Foundation and the Association of Thai Electrical & Electronic Industries. This program has positively enhanced quality of life of employees and, as a results, the Company had been selected by the program's runner to supervise another four operational agents. The Company had also been recognized as role model for another work place to adopt "Happy 8 Workplace" program.

6. Responsibility to consumers

The Company strives to bring the highest level of satisfaction to its customers by offering high quality products and impressive services. In this connection, the Company applies various international standards to its operations to raise consumer confidence and it is certified to a number of internationally-recognized standards as follows:

- ISO9001: 2008 - International Standard of quality management system
- TS16949 - International Standard of quality management system for the automotive industry
- TL9000 - International Standard of quality management system for telecommunications Industry
- ISO/IEC17025 - Standard of quality laboratory system
- IEC-61340-5-1 and ANSI / ESD S20.20 - Standards of Electrostatic Discharge Control Program
- Authorised economic operator (AEO) Certificate - European commission declared by The Customs department, Thailand
- ISO 27001 - Information security management
- ISO 13485: 2003 - Quality management system for medical device

The Company also concerns about consumer safety and has in place procedures to properly manage environmental-related substances to control and prevent the use of hazardous chemicals in production processes. This effort is to assure consumers that the Company's products contain no toxic substances that are harmful to them.

The Company actively communicates with customers of every segment to ensure maximum reach as well as help fulfill their needs. Customers can learn more about the Company and the products from www.deltathailand.com. Feedback can also be emailed to CSR@deltathailand.com as displayed on the Company's website. Feedback and comments will be presented to the Company's management for analysis and solution findings for further development.

7. Environmental Protection

The Company also focuses on importance in setting up an environmental management system in order to drive business operation on the back of PDCA principle (Plan / Do / Check / Action). The system determines to cope with various context of social and environmental management that employees at all level can continue applying as part of their daily activities. At present, the Company has been certified with various standards, both national and international level, as follows:

- ISO14001 - Standard of Environmental Management System
- ISO14067 - Standard of Product Carbon Footprint Assessment
- ISO14064-1 - Standard of Management System for Quantification and Reporting of Greenhouse Gas Emissions.
- IECQ QC08000 - Standard of Hazardous Substance Process Management
- ISO50001 - Standard of Energy Management System
- OHSAS18001 - Standard of Occupational Health and Safety Management

The Company is the first in Thailand being certified ISO14064-1 and ISO50001 and remains commitment to the standards in order to further enhance company's competency towards the future.

The Company has organized a variety of activities to raise environmental and energy efficiency awareness of its employees, such as drawing contest and reforestation campaign.

Green Industry

The Company has participated in Ministry of Industry's "Green Industry" program to showcase its serious commitment to following environmentally-friendly practice by shaping up its production and environmental management processes to be greener as well as displaying greater social responsibility internally and externally throughout its supply chain to arrive at sustainable development. The Company's two plants at Bangpoo Industrial Estate and Wellgrow Industrial Estate are certified to Green System, Level 3 which is a level for industries with systematic environmental management processes, which include monitoring, evaluation and improvement. The Company has also received a number of awards and certification relating to environmental management and will keep improving its operations to reach the levels of Green Culture and Green Network.

Energy Management

The Company valued energy conservation and promoted efficient usage of resources and therefore established an energy management policy with commitment for ongoing elaboration and communication to employee at all levels within organization. The Company outlined procedures to monitor, follow-up, improve all the related projects, and sponsored training for employees to obtain more knowledge and be aware of importance of energy conservation. Some energy management concepts have been implemented for improving air conditioning system and lighting system. Solar panels have been installed to generate electricity for usage inside factories and this program has been carried on with gradual development. Results of energy management projects in 2014 include;

Energy Saving Project

The Company has developed an Energy Management System (EnMS) Plan to reduce energy consumption in the entire grid by decreasing Electricity Intensity (Electricity consumption/Production amount). In 2015, there will be addition of 65 projects that is expected to save electricity consumption by 8,282,600 kWh annually or to a decrease rate of 65% from base year which is higher than the previous target of 50%.

Reducing Impact on Climate Change

Global warming is one of crisis that threatens daily living of human beings. The Company envisages the importance of responding to these changes and therefore provided concrete measures to continuously implement energy management in practice in order to improve efficiency on usage of energy as well as reduce carbon emissions. The Company participated in the Carbon Disclosure Project - CDP since 2007. Started in 2009, the Company collected data on greenhouse gas (GHG) emissions, both direct and indirect, and reported progress on the website of Standard for quantification and reporting of greenhouse gas emissions and removals (ISO14064-1) in 2010.

8. Participation in Community or Social Development

The Company has been involved in various joint-community development projects to promote activities among educations, religion related, public health and other community developments such as signing MOU with Huachiew Chalermprakiet University to help develop student's working skills and facilitating the employees for blood donation to the Thai Red Cross every quarter.

9. Innovations and its Dissemination

One of the Company's missions is "to provide innovative, clean and energy-efficient solutions for a better tomorrow." Therefore, the Company works to develop clean and energy-efficient products. Its key lines of green products are listed below.

1. Products of energy-efficient or reduce losing of energy - such as high efficiency power supplies with energy efficiency of 90% especially telecom power supplies energy efficiency of 97%, and other products such as DC fans and LED lamps.
2. Energy saving solutions products which most are parts or industrial automation of add-on devices that help the equipment to efficiently use energy
3. Clean energy products or product that reduces environmental impact such as solar inverters, power supplies and charging station for hybrid vehicles and inverters for wind turbines

These three product lines are not only create economic growth to the Company as being key revenue generator, they are also conserve environment

These three product lines are not only create economic growth to the Company as being key revenue generator, they are also conserve environment.

Dissemination of innovations

The Company promotes and supports production operation under Green Label standards that emphasizes environmentally-friendly processes embracing waste management, pollution reduction and efficient usage of resources. Production activities are recorded and measured for a monthly assessment on environmental impact. Employee training is also arranged to enrich knowledge of employees.

Company's products and packaging are unique and comply with international environmental standards, such as EU RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment). Those measures provide guidelines to control pollution and waste from electronic products. On company's products, there are labels informing environmental certification obtained such as Energy Star and 80 PLUS.

The Company is the first in Thailand certified ISO50001 standard on energy management and has continually successful in carrying out energy conservation campaigns in the factories. It also organized Delta Green Sharing Day with Department of Alternative Energy Development and Efficiency, WSI Co., Ltd. and Kasetsart University at its Bangpoo Plant on 20 May 2013 to disseminate knowledge about energy conservation innovations, best practices and latest technologies which can be applied in different organizations and communities.

More information please find 2015 Sustainability Development Report or www.deltathailand.com/about_csr.php

Internal Control

The Company set up its Internal Audit Department under the supervision of the Audit Committee since 1999 to handle internal audit matters and review its own performance. The Internal Audit has been supporting by and reporting to Audit Committee whom was assigned by the Board of directors to take account of internal audit in order to evaluate company's sufficiency and efficiency of its internal control systems including managing any possible risk which may affect the firm. Presently, the internal audit function leads by Mr. Liu, Chih-Hong. For the time being, the Company's internal control system is up to a satisfactory level.

Moreover, during 2010 the Company has set up risk management policy and procedure in order that the Company can operate well in the long term for the benefit of all stakeholders.

For better Corporate Governance, the Audit Committee proposed "Whistleblow Misconduct Claim Process" to the Board of Director in 2012 and proposed to set up Anti-Corruption policy and include specified terms/procedures in the Company's Code of Conduct in 2013.

According to the Board of Director Meeting No.1/2016 held on 18 February 2016, the Audit committee reported the audit result and evaluation that current company's internal control system is sufficient and efficient.

Policy for the Related Party Transactions

The Company and its subsidiaries still need to do the business with the related parties in the future as it is considered normal course of business. Moreover, supports from the group's network help strengthen the Company's business and improve its competitiveness in the world market and will utmost benefit the Company. The Company shall comply with rules, regulations and notifications of the Capital Market Supervisory Board and other relevant authorities re Connected Transactions and also adequately disclose the transaction in the Company's quarterly and annual financial statements.

Procedures for Related Party Transactions

Procedures for related party transactions are principally based on the notification of the Capital Market Supervisory Board re Connected Transactions. According to the said notification, business transactions are generally classified into 6 major categories:

1. Normal business transactions
2. Supporting normal business transactions
3. Rent or lease of immovable property (\leq 3 years)
4. Sale/purchase of asset or service
5. Offer or receipt of financial assistance
6. Transactions other than 1-5

Procedures for each business category are established and summarized as follows:

1. In case of normal business and supporting normal business transactions, the Board of Directors has approved in principle that such transactions can be done under normal/general business terms and conditions which the Company and/or its subsidiaries performs with other general parties without any control or influences from the related parties.
2. In case of other business categories, the related party transactions shall be classified by its transaction size and are required to follow below procedures.
 - Small sized transaction, being the transaction with the size of not more than THB 1 million or 0.03% of net tangible assets (NTA), whichever is higher, requires the management's approval.
 - Medium sized transaction, being the transaction with the size of greater than THB 1 million but less than THB 20 million, or greater than 0.03% but less than 3% of NTA, whichever is higher (except Item 5: Financial assistance that its size is less than THB 100 million or 3% of NTA, whichever is lower), requires board of directors' approval and information disclosure.
 - Large sized transaction, being the transaction with the size of THB 20 million and higher or 3% of NTA and higher, whichever is higher (except Item 5: Financial assistance that its size is equal to THB 100 million and higher or 3% of NTA or higher, whichever is lower), requires board of directors' approval, shareholders' approval and information disclosure.

For other details and definitions, the Company will perform according to the relevant notification as mentioned above.

In addition, the Audit Committee generally reviews and discusses about the related party transactions with the Company's external auditor in order to help protect conflicts of interest and see if the related party transactions are adequately and properly disclosed.

The Company and its subsidiaries have engaged into business transactions with their related companies in Delta group. The major transactions and reasons for having such related party transactions can be summarized as follows.

1. Sales of Goods/Raw materials

In order to manage trade constraints in certain countries for either the Company or its customers e.g. local content requirements, Delta group has established its trade network in local area for better service to customers as well as to enhance its business opportunities in those countries. The transactions are made based on certain trade agreement or with reference to market price. Sales of raw material are normally due to the urgent need of some raw materials from the related companies and the selling prices are based on the market price or cost of the materials sold.

2. Purchase of Goods/Raw materials

Currently Delta Thailand has also expanded its trade network through its subsidiaries which are located in major regions. To offer a full range of products, those subsidiaries may have to purchase some products from related companies to serve their clients. However, the transactions are made based on certain trade agreement which may also include their operating costs, or with reference to market price.

Delta group has set up material network in order to create bargaining power for better price and availability for the group members. Purchase price of raw material is generally charged based on cost plus other actual out of pocket expenses such as insurance, freight and others. Handling fee is charged based on value of purchase/sale transaction and considered general business condition.

3. Commissions

Since various services are generally required to serve the global clients, the Company needs to offer such services to customers in the area where they are located in. This makes Delta group to establish business network which enables the Company to have customer relations offices worldwide to provide effective marketing and after sales services to its clients at the competitive costs. Commissions are normally charged based on transaction size (e.g. sales or purchase amount) and considered general business condition.

4. Service Fee

Currently the operations of the Company's subsidiaries, Delta Energy Systems (DES) group, have covered in several regions, especially Europe. Some related companies, therefore, occasionally request for supports from DES group to provide some services such as reworking, tooling service and others. Service fees are generally based on the estimated man hour used for each service.

The Nomination and Compensation Committee Report

The Nomination and Compensation Committee (NCC) is a newly established committee (body) initiated to support the Board of Directors in selecting/ nominating additional members to the Board of Directors, the sub-committee and our top management more efficiently. Furthermore, the NCC also decides upon the compensation of directors, sub-committee members, the President and the top management level.

In 2015, NCC nominated properly qualified candidates, recruited from both internal and external source, for the Board of Directors' to take into consideration to appoint as a member of the Board of Directors, the sub-committee and for the Company's top management. In selecting capable and qualified candidates to be appointed as a member of the Board of Directors, the sub-committee or within Delta's top management, NCC takes many aspects into consideration such as experience, perception and management vision, which all have to be in line with the Board of Directors. Other elements, such as ethical and moral standards and integrity are also important in the selection process. This should ensure that competent candidates fill all key roles within our organization enabling an efficient coordination in order for our target to be achieved effectively.

NCC has proposed a compensation structure for the Board of Directors by comparing other companies in the same or similar industry, market size and other equivalent measures. Furthermore, NCC is closely involved with our Talent Management Team program, corporate social responsibility activities and is coordinating these to accomplish Delta's plans and targets.

NCC would like to thank management for their support, cooperation and dedication which contributed to the satisfactory growth and successful target achievements and policies of the Company.



Dr.Witoon Simachokedee

Nomination & Compensation Committee Chairman

The Audit Committee Report

The Audit Committee consists of three independent directors in 2015: Emeritus Professor Supapun Ruttanaporn as Chairperson, Professor Lee Ji-Ren, Mr. Supat Limpaporn (from Jan'15 till Mar'15 then be replaced by Dr. Witoon Simachokedee) and Dr. Witoon Simachokedee (from Mar'15 till now) as Committee member with the Internal Audit Manager as its secretary.

During the year 2015, the Audit Committee held 5 meetings, of which Emeritus Professor Supapun Ruttanaporn and Professor Lee Ji-Ren attended all the meetings, Dr. Witoon Simachokedee attended 4 meetings and Mr. Supat Limpaporn attended 1 meeting.

The Audit committee performed its work during the year according to the Audit Committee Charter, which complies with the guidelines of the Stock Exchange of Thailand. The AC also fulfilled the matters assigned by the Board of Directors which could be summarized as follows:

1. Reviewed the quarterly and year-end financial statements independently with the external auditors to ensure that the financial statements and the disclosures were accurate, appropriate, and reliable, and then submitted them to the Board of Directors. The AC also received reports from the external auditor that there was no any irregularity that should be investigated.
2. Reviewed and evaluated the company internal control whether it is adequate and appropriate. The committee has not been reported that the company internal control has any significant deficiency.
3. Reviewed the risks and the risks management of the company so that all the risks were properly managed. This year, the Audit Committee reviewed the operation of Risk Management Committee and was of the opinion that the company should set up relevant procedures to manage any potential risk that may impact the company.
4. Reviewed and approved the annual internal audit plan, acknowledged the internal audit reports and having some suggestions to DET Management, also evaluated the performance of the Chief Audit Executive as well.
5. Reviewed that the company complied with relevant laws and regulations with the Head of Legal Department. The Audit Committee is of the opinion that the company has proper practices in this matter.
6. Reviewed the related party transactions or the conflict of interest transactions together with the external auditors that these transactions were reasonable, proper and fully disclosed.

The Audit Committee reviewed that the internal control of the related party transaction was adequate.

7. Completed the AC self-assessment for 2015 and submitted to the Board.
8. Considered the proficiency and the independence of the external auditor and propose to the Board of Directors including the audit fee in order to propose for approval in the Annual General Shareholder Meeting. The Audit Committee proposed to reappoint EY Office Limited as the Company's auditor for the accounting period ended December 31st, 2016 by Mr. Narong Puntawong C.P.A. Registration No. 3315, or Miss Waraporn Prapasirikul, CPA. No. 4579, or Miss Supanee Triyanantakul C.P.A. Registration No. 4498 from EY Office Limited with the audit fee of Baht 6,150,000 for DET group and Baht 4,620,000 for DET only plus some out-of-pocket expenses.

The Audit Committee is happy to know that the management performed a better operation in this year through cost reduction and recovery from India.



Emeritus Professor Supapun Ruttanaporn
Chairperson

Management's Discussion and Analysis

The following Management's Discussion and Analysis should be read in conjunction with the consolidated financial statements and notes to financial statements. If not defined otherwise, all financial information presented in this document is in Thai Baht. The Company presented financial statements in accordance with Thai Financial Reporting of Thailand (TFRS) which is adjusted to conform to International Financial Reporting Standards (IFRS). All financial information to be discussed further herein is the fiscal year ending 31 December 2015, 2014, and 2013 and has been prepared on consolidated basis.

Consolidated Financial Information		2015	2014	2013
Total assets	million baht	43,602	38,242	36,865
Total liabilities	million baht	13,044	11,076	11,808
Total shareholders' equity	million baht	30,558	27,166	25,057
Registered capital	million baht	1,259	1,259	1,259
Paid-up capital	million baht	1,247	1,247	1,247
Key Financial Ratios				
Liquidity Ratios				
Current ratio	times	3.34	3.44	2.92
Quick ratio	times	2.71	2.80	2.24
Cash ratio	times	0.68	0.73	0.51
Receivable turnover	times	5.23	5.34	5.45
Average collection period	days	69	67	66
Inventory turnover	times	5.96	5.67	5.32
Average inventory turnover period	days	60	63	68
Account payable turnover	times	5.70	5.88	5.40
Average payment period	days	63	63	67
Cash Conversion Cycle	days	66	67	67
Financial Data and Profitability Ratios				
Sales revenues	million baht	46,938	44,071	41,201
% change	(%)	6.51%	6.97%	1.04%
Gross profit	million baht	12,811	11,787	10,834
Gross profit margin	(%)	27.29%	26.75%	26.30%
Operating expenses (include Research and Development)	million baht	6,599	6,381	6,110
Operating expenses to sales	(%)	14.06%	14.48%	14.83%
Operating profit margin	(%)	13.23%	12.27%	11.47%
Other income to total revenues	(%)	2.20%	2.23%	2.74%
Net profit	million baht	6,714	5,943	5,416
% change of net profit	(%)	12.97%	9.74%	24.57%
Net profit margin	(%)	14.30%	13.49%	13.14%
Net profit to total revenues	(%)	13.99%	13.18%	12.78%
Return on equity	(%)	23.26%	22.76%	22.78%
Operating Efficiency				
Return on assets	(%)	16.41%	15.83%	15.49%
Return on fixed assets	(%)	161.08%	147.51%	128.20%
Asset turnover	times	1.17	1.20	1.21
Financial Policy Ratios				
Debt to equity	times	0.43	0.41	0.47
Interest coverage	times	248.18	114.10	82.17
Dividend payout	(%)	57.60%*	62.97%	62.19%

* Pending for approval from the 2016 annual shareholders' meeting

Operating Results for the year 2015, 2014, and 2013

Unit: Million Baht

	2015	%	2014	%	Increase (Decrease)	%	2013	%	Increase (Decrease)	%
Revenue from sales and services	46,938.2	100.00	44,071.4	100.00	2,866.8	6.50	41,201.3	100.00	5,736.9	13.92
Cost of sales and services	<u>34,127.2</u>	72.71	<u>32,283.9</u>	73.25	<u>1,843.3</u>	5.70	<u>30,367.3</u>	73.70	<u>3,759.9</u>	12.38
Gross profit	12,811.0	27.29	11,787.5	26.75	1,023.5	8.70	10,834.0	26.30	1,977.0	18.25
Operating expenses	<u>6,599.4</u>	14.06	<u>6,380.6</u>	14.48	<u>218.8</u>	3.40	<u>6,110.1</u>	14.83	<u>489.3</u>	8.01
Operating profit	6,211.6	13.23	5,406.9	12.27	804.7	14.90	4,723.9	11.47	1,487.7	31.49
Other income	1,055.0	2.25	1,006.3	2.28	48.7	4.80	1,158.9	2.81	(103.9)	(8.97)
Other expenses	238.6	0.51	314.9	0.71	(76.3)	(24.20)	354.7	0.86	(116.1)	(32.73)
Share of profit from investment in an associated company	0.0	0.00	2.2	0.00	(2.2)	(100.00)	17.8	0.04	(17.8)	(100.00)
Finance cost	<u>39.4</u>	0.08	<u>72.7</u>	0.16	<u>(33.3)</u>	(45.80)	<u>62.8</u>	0.15	<u>(23.4)</u>	(37.26)
Profit before income tax	6,988.6	14.89	6,027.8	13.68	960.8	15.90	5,483.1	13.31	1,505.5	27.46
Income tax expense	<u>274.8</u>	0.59	<u>84.7</u>	0.19	<u>190.1</u>	224.40	<u>67.4</u>	0.16	<u>207.4</u>	307.72
Net profit for the period	<u>6,713.8</u>	14.30	<u>5,943.1</u>	13.49	<u>770.7</u>	13.00	<u>5,415.7</u>	13.14	<u>1,298.1</u>	23.97

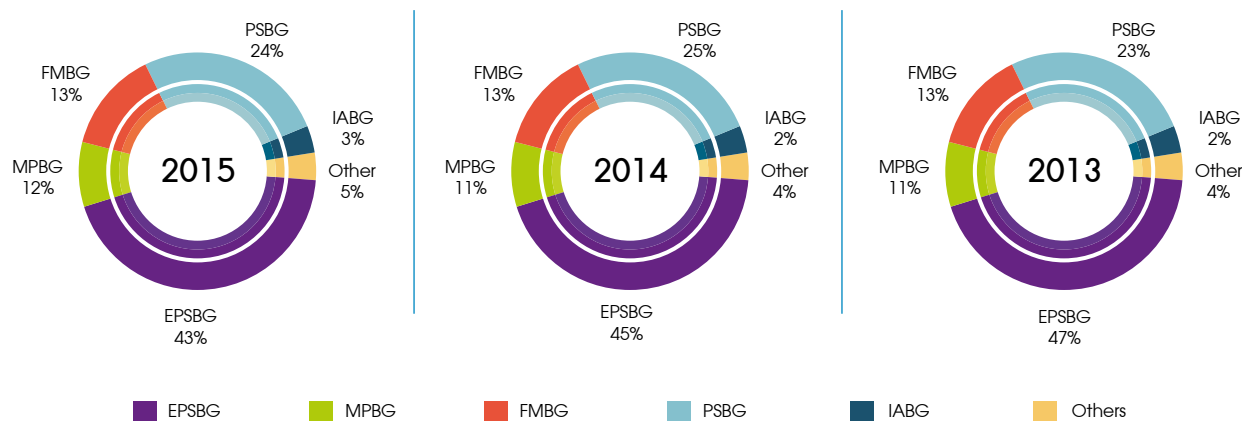
Breakdown of Sales Revenues by business group

Unit: Million Baht

Product Group	2015		2014		2013	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	32,050	68.3	30,464	69.1	29,306	71.1
EPSBG (Embedded Power Supplies)	20,329	43.3	20,006	45.4	19,448	47.2
- DC-DC converter	2,695	5.7	3,481	7.9	4,067	9.9
- Power Supply for Computer & Networking	4,854	10.3	5,191	11.8	4,455	10.8
- DES Power	11,528	24.6	9,774	22.2	9,631	23.4
- Power Supply for Automotive	1,252	2.7	1,560	3.5	1,295	3.1
MPBG (Mobile Power Supplies)	5,668	12.1	4,939	11.2	4,675	11.3
FMBG (Fan & Thermal Management)	6,053	12.9	5,519	12.5	5,182	12.6
Energy Management Group	13,015	27.7	12,061	27.4	10,224	24.8
PSBG (Power System)	11,429	24.3	11,118	25.2	9,346	22.7
- Telecom Power Solutions (TPS)	10,321	22.0	9,852	22.4	8,214	19.9
- Uninterruptible Power Supplies (UPS)	1,052	2.2	1,169	2.7	1,118	2.7
- Wind Power	56	0.1	98	0.2	15	0.0
IABG (Industrial Automation)	1,584	3.4	942	2.1	784	1.9
AEBU (Automotive Electronics)	3	0.0	1	0.0	94	0.2
Smart Green Life Group	318	0.7	568	1.3	521	1.3
Others	1,555	3.3	978	2.2	1,151	2.8
Total Sales Revenues	46,938	100.0	44,071	100.0	41,201	100.0

Note

- Power Electronics business comprises 1) EPSBG Product Group (e.g. Power Supply for storage devices in Computer and Networking system, Customized design Power supplies, Power Supply for Automobile and DC-DC converter); 2) MPBG Product Group (e.g. charger/adaptor for both industrial and personal use, broadband, and printer); and 3) FMBG Product Group (e.g. cooling fan, EMI filter and Solenoid)
- Energy Management business includes Power Systems for Telecom Power Solutions (TPS), Uninterruptible Power Supplies (UPS), and automatic equipment for industrial sector (Industrial automation)
- Smart Green Life business includes Display products and LED lighting

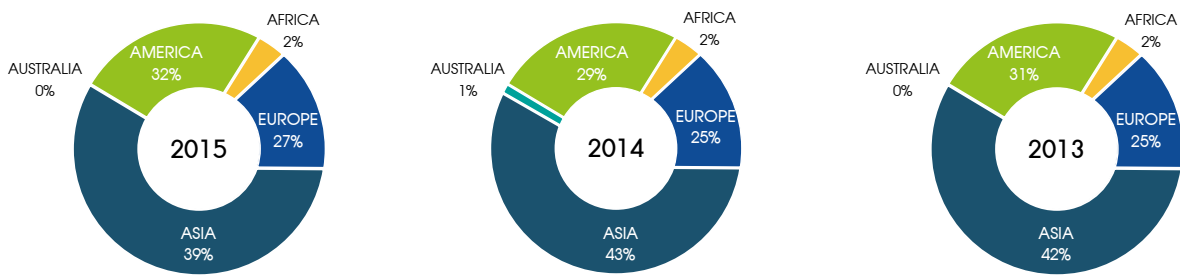


In 2015, consolidated sales revenue increased to Baht 46,938.2 million or 6.5% from Baht 44,071.4 million in 2014, and 13.9% from Baht 41,201.3 million in 2013, driven by sales growth of power electronics and energy management businesses, as shown in the table of sales breakdown above. In 2015, sales were generated mainly in US dollars, euros and Indian rupees, respectively. Thai baht depreciation against USD has positively affected the increase in this year's sales revenues.

The growth in sales revenues of power electronics business was particularly contributed by MPBG products which rose Baht 728.9 million or 14.8% from 2014 and Baht 992.8 million or 21.2% from 2013. This is mainly due to continuing sales growth of power supplies products used in power tool equipment following the resumption of construction sector in developed countries (especially in America and Europe) post economic recovery. The Company took this opportunity to capture the growth in market demand by developing new models to support cost reduction, enhance energy efficiency and product's applications.

Sales of high end power supplies with customized design also increased Baht 1,754.0 million or 17.9% from 2014 and Baht 1,897.2 million or 19.7% from 2013. These sales growths were mainly driven by products for Server, Networking and Telecom devices (SNT), especially in the US market where expansion of information technology and internet spurs demand of bulk power supply for high end servers. With the Company's core competency in high energy efficiency power supplies, the Company therefore could offer the energy-efficient power supplies in various sizes and applications to serve the demands in several market segments. On the contrary for DC-DC converter, change in market demand caused its sales declined by Baht 786.2 million or 22.6% from 2014 and Baht 1,372.5 million or 33.7% from 2013. The Company then turned to focus on Industrial channel business in a bid to stimulate sales in this segment. Sales revenues of Energy Management business also increased, driven by the power systems used for Telecom Power Solutions, whose sales grew by Baht 469.0 million or 4.8% from 2014 and by Baht 2,107.4 million or 25.7% from 2013. Thanks to the continued expansion of 4G LTE network communication systems in India. Again, further product development to meet the new requirements of Indian customers has also helped continually extend Telecom Power sales. Meanwhile, sales of Smart Green Life business were relative light as it was still new to the market and sales of display products experienced a decline.

Sales Revenues Breakdown by geographic location

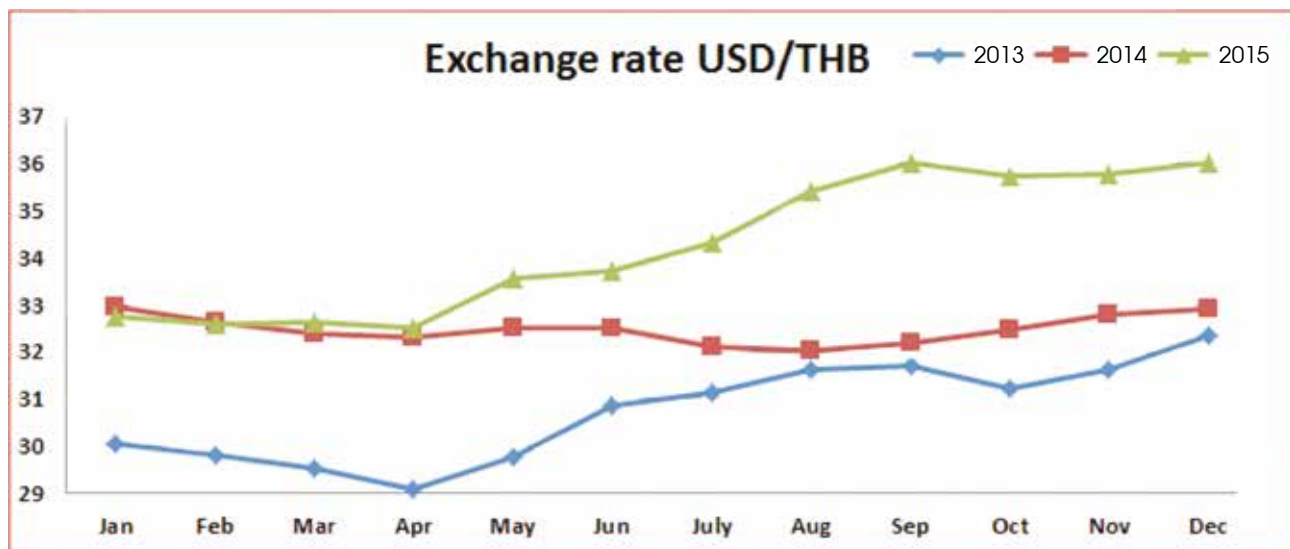


In 2015, sales revenues from the North America market, contributing 32% of total sales, saw a marginal increase from 2014 and 2013. Key market in this region is the United States, where sales improved in accordance with economic recovery. Sales in Asia, 39% of total, declined from 2014 but increased from 2013. China and India played a key role in Asia. Sales in India steadily increased from 2013 to 2015 while sales in China declined during the last two years because of economic slowdown. However, sales in Europe increased from 2014 and 2013, driven by higher sales in Germany.

Other Income

Other income worth Baht 1,055.0 million in 2015 consists of the following key items:

- Interest income of Baht 224.2 million, increased Baht 14.1 million from 2014, in relation to higher operating cash flow worth Baht 2,311.8 million of the company and its subsidiaries
- Foreign exchange gains worth Baht 412.1 million increased from Baht 231.1 million in 2014 and Baht 271.5 million in 2013 due to depreciation of exchange rate from Baht 32-33 per US dollar in 2014 to Baht 32-36 per US dollar in 2015*. Nevertheless, the Company had foreign currency exposure fully hedged on each currency's net position to minimize potential impact from exchange rate fluctuation.



*Source: Bank of Thailand

Cost of Sales and Expenses

In 2015, cost of sales accounted for 72.7% of total sales, below the level in 2014 and 2013 of 73.3% and 73.7%, respectively. Cost of sales was mainly in the US dollar currency, Thai baht, Indian rupee and euro respectively.

Given the relatively high proportion of raw material cost of approximate 78% of cost of goods sold, the Company emphasized on managing risk of raw material prices by sourcing materials from a number of raw material suppliers with diversified sources from various regions around the world. Substitution is also an alternative in order to obtain raw materials at a reasonable price and to minimize shortage risk. In addition, the Company has also adopted value engineering to help lower the production costs by improving the product design and production process. There is an ongoing intense campaign to reduce energy consumption to lower production costs as well as preserve the environment.

In 2015, selling and administrative expenses (including research and development-R&D) increased as selling expenses (mainly commission and sales personnel expenses) rose by 223.0 million baht from 2014 or 3.4% in relation to sales rise, but at a lower rate than growth of sales. As a result, selling and administrative expenses to sales ratio declined to 14.1%, from 14.5% in 2014 and 14.8% in 2013.

Financial costs or interest expenses worth Baht 39.4 million decreased Baht 33.3 million or 45.8% from previous year. This is because in 2014, to enhance business growth, the Company's subsidiary in India used short term loans from financial institutions to support its working capital.

Corporate income tax of Baht 274.8 million increased Baht 190.1 million from 2014, in relation to profitability improvement of the Company and subsidiaries.

Net Profit

The Company managed to maintain gross margin in 2015 at satisfactory level of 27.3%, a slight improvement compared to the level in 2014 of 26.8% and in 2013 of 26.3%. Combined with further decline of selling & administrative expenses (including R&D), operating margin rose to 13.2%, respectively from 12.3% and 11.5% in 2014 and 2013. Consequently, net profit in 2015 increased to Baht 6,713.8 million, a 13.0% and 24.0% from 2014 and 2013 respectively. Earnings per share rose to Baht 5.38 from Baht 4.34 in 2014 and Baht 4.76 in 2013.

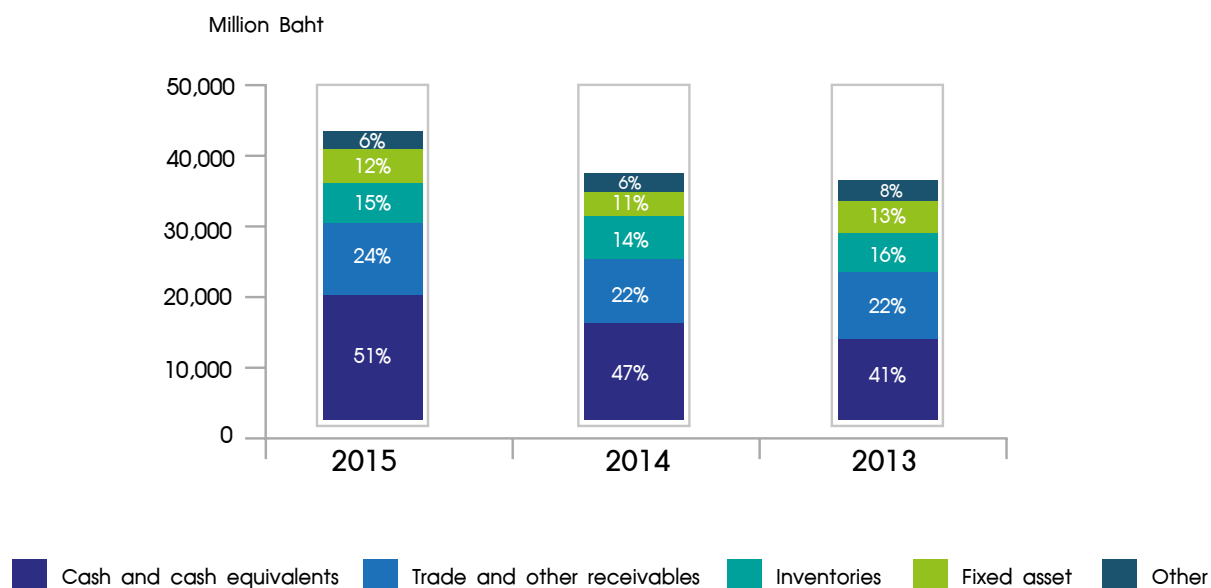
Asset Management

As at 31 December 2015, the Company had total assets worth Baht 43,601.7 million, a 14.0% rise from 2014 of Baht 38,241.8 million and 18.3% hike from 2013 of Baht 36,864.7 million. Return on assets boosted to 16.4%, from 15.8% and 15.5% in 2014 and 2013 respectively, in relation to the higher net profit for the year. Major assets and the changes in those assets are as follows:

Unit: Million Baht

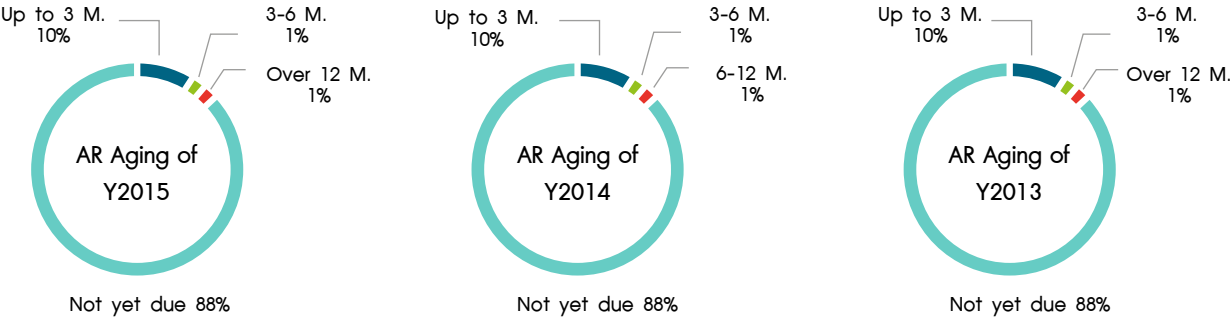
	2015 VS 2014						2015 VS 2013			
	31 December 2015	%	31 December 2014	%	31 December 2013	%	Increase (Decrease)	%	Increase (Decrease)	%
Cash	20,488.0	47.0	17,931.3	46.9	14,952.8	40.6	2,556.7	14.3%	5,535.2	37.0%
Trade and other receivables	9,654.2	22.1	8,370.7	21.9	8,254.1	22.4	1,283.5	15.3%	1,400.1	17.0%
Inventories	6,141.3	14.1	5,320.2	13.9	5,949.1	16.1	821.1	15.4%	192.2	3.2%
Property, plant and equipment	4,941.9	11.3	4,361.3	11.4	4,766.8	12.9	580.6	13.3%	175.1	3.7%
Other assets	2,376.3	5.5	2,258.3	5.9	2,941.9	8.0	118.0	5.2%	(565.6)	(19.2%)
Total Assets	43,601.7	100.0	38,241.8	100.0	36,864.7	100.0	5,359.9	14.0%	6,737.0	18.3%

Breakdown of Assets in 2013, 2014, and 2015



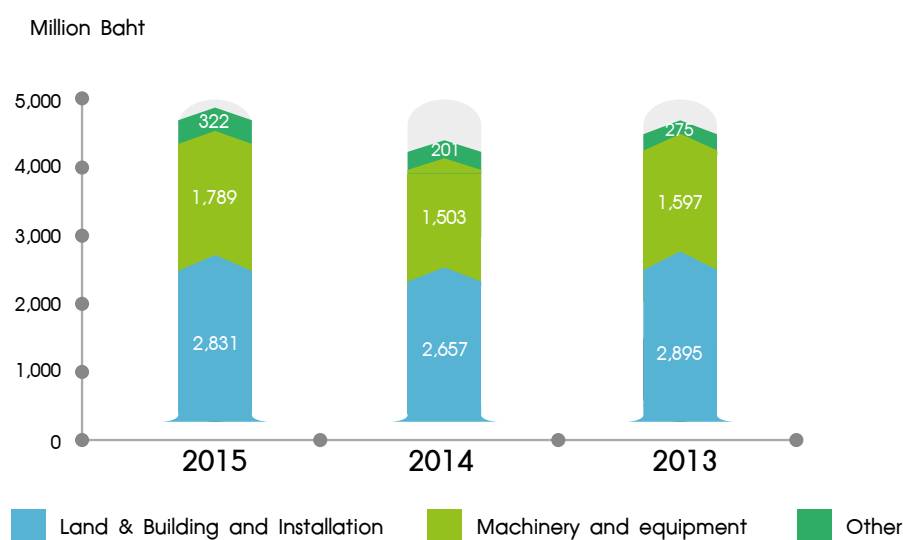
- Cash and bank deposits as at 31 December 2015 amounted to Baht 20,488.0 million, increased Baht 2,556.7 million or 14.3% from 2014 and Baht 5,535.2 million or 37.0% from 2013, in relation to the improved operating results. Cash Conversion Cycle in 2015 was 66 days, a slight improvement from 67 days in both 2014 and 2013 and this reflected continuing strong liquidity of the Company. Average collection period which is paired with average payment period to trade payable helped balance liquidity. Current ratio consecutively increased for the fifth year to 3.34 times in 2015, respectively from 2.61, 2.79, 2.92, and 3.44 times during 2011 to 2014. So as to further increase of quick ratio of 2.71 times in 2015, respectively from 1.84, 2.11, 2.24, 2.80 times during 2011 to 2014.
- Net trade receivables as at 31 December 2015 of Baht 9,654.2 million rose 15.3% from 2014 and 17.0% from 2013, due to higher sales of the products under “DELTA” brand which the Company wanted to promote the brand awareness. However, collection period for this business is slightly longer than ODM’s, but remains in an acceptable range for normal business operation. Nevertheless, the Company and its subsidiaries closely monitored and actively managed receivables by consistently assess customers’ financial position. To counter with risk from collection of receivables, the Company insures receivables with a world leading insurance company as well as conservatively set aside allowance for doubtful accounts. Receivables passed due by more than 15 days will be allowed at a rate of 0.5% and at a higher rate for the longer aging. As at 31 December 2015, the Company and its subsidiaries recorded allowance for doubtful accounts totaled Baht 157.2 million, increased from 2014 and 2013 of Baht 131.4 million and Baht 156.4 million, respectively. Of the total receivables, the amount not-yet-due accounted for 87.6% and average collection period in 2015 was 69 days, higher than 67 days in 2014 and 66 days in 2013. At end of 2015, net trade receivables and other receivables represented 22.1% of total assets.

Breakdown of trade receivable aging during 2013 - 2015



- **Inventories** as at 31 December 2015 amounted to Baht 6,141.3 million, increased Baht 821.1 million or 15.4% from 2014, and Baht 192.2 billion or 3.2% from 2013. The increase of inventory was to absorb rising demand. However, the Company managed to maintain efficiency as inventory turnover declined gradually to 60 days in 2015, from 68 days in 2013 and 63 days in 2014. With prudent control, the Company set aside provisions for obsolete inventory aging more than three months and higher for the older. The allowance for obsolete inventory in 2015 amounted to Baht 887.0 million, down from 2014 and 2013 of Baht 931.8 million and Baht 945.9 million, respectively.
- **Investments in subsidiaries and associates**
 During 2015, Delta Energy Systems (Singapore), a 100% owned subsidiary, established its new subsidiary company namely Delta Electronics (Myanmar) with USD 1.5 million registered capital. The new company manufactures electronic parts and devices that used as components for production in Thailand in order to help reduce labor costs.
- **Property, plant and equipment** amounted to Baht 4,941.9 million, increased Baht 580.6 million or 13.3% from 2014 and Baht 175.1 million or 3.7% from 2013. During the year, the Company and its subsidiaries gradually invested Baht 1,365.3 million in plant and equipment. In Thailand alone, investments in plant and equipment steadily increased from 2013 to 2015 by Baht 292.2 million, Baht 519.8 million and Baht 1,014.1 million, respectively. Investment in equipment was mostly for replacement and improvement of production capacity and efficiency. Meanwhile, a subsidiary in India also invested Baht 543.9 million in plant and equipment, mostly for Mumbai sales office and plant expansion for a total investment of Baht 163.9 million. The Company recognizes the potential of economic growth in India, the continued investments have been planned to capture such opportunity.
 Given above-mentioned satisfactory performances, return on fixed assets increased to 161.1% in 2015, from 147.5% in 2014 and 128.2% in 2013.

Comparison of net book value of property, plant and equipment during 2013 to 2015 is illustrated below.



Liabilities and Liquidity

As at 31 December 2015, the Company's total liabilities amounted Baht 13,043.9 million, increased Baht 1,968.3 million or 17.8% from 2014 and Baht 1,235.9 million or 10.5% from 2013. Debt to Equity ratio of 0.43 times was lowered from 2013 of 0.47 times but slightly higher than 2014 of 0.41 times, the level at which signified reasonable capital structure and low financial risk.

Breakdown of major liabilities

Unit: Million Baht

	31 December 2015		31 December 2014		31 December 2013		2015 VS 2014		2015 VS 2013	
		%		%		%	Increase (Decrease)	%	Increase (Decrease)	%
Bank overdrafts and short-term loans from financial institutions	189.9	1.46	249.6	2.25	666.7	5.65	(59.70)	(23.92%)	(476.80)	(71.52)
Trade and other payables	10,111.4	77.52	8,654.9	78.14	8,969.0	75.96	1,456.5	16.8%	1,142.4	12.7
Other current liabilities	808.1	6.2	481.8	4.35	684.4	5.80	326.3	67.7%	123.7	18.1
Provision for long-term employee benefit	1,449.2	11.11	1,334.2	12.05	1,254.6	10.63	115.0	8.6%	194.6	15.5
Other non-current liabilities	485.3	3.72	355.1	3.21	233.3	1.98	130.2	36.7%	252.0	108.0
Total liabilities	13,043.9	100.00	11,075.6	100.00	11,808.0	100.00	1,968.3	17.8%	1,235.9	10.5

Bank overdrafts and short-term loans from financial institutions were incurred by subsidiaries. The outstanding balance as at 31 December 2015 amounted to Baht 189.9 million, down from 2014 of Baht 249.6 million or 23.9% due to depreciation of Brazilian Real currency and down from 2013 of Baht 666.7 million due to loan repayment of the subsidiaries given its strong operating performance during such period.

Trade and other payables as at 31 December 2015 increased Baht 1,456.5 million or 16.8% from 2014 and Baht 1,142.4 million or 12.7% from 2013. Overall, the increase was due to trade payable and accrued expenses incurred in relation to sales growth. On average, period of payment to trade payable in 2015 was 63 days, unchanged from the level in 2014 but declined from 67 days in 2013.

Provision for Long-Term Employee Benefits

In 2015, the Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income. So, The Company adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

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

As at 31 December 2015, the Company and its subsidiaries' provision for long-term employee benefits amounted to Baht 1,449.2 million, increased Baht 115.0 million from 2014 and Baht 194.6 million from 2013.

Return on Equity

As at 31 December 2015, shareholders' equity amounted to Baht 30,557.8 million, rose Baht 3,391.6 million or 12.5% from 2014 and Baht 5,501.1 million or 22.0% from 2013. Gradual improving profitability enhanced return on equity in 2015 to 23.3% from 22.8% in both 2014 and 2013.

Commitments and Contingent Liabilities

As at 31 December 2015, the Company and its subsidiaries had commitments and contingent liabilities both in baht and foreign currencies. Below table summarizes commitments and contingent liabilities in equivalent to Thai Baht currency based on exchange rate at the end of 2015.

Obligation	Total	Due from Term of Payment			
		Not over than 1 Year	Over than 1-3 Years	Over than 3-5 Years	Over than 5 Years
Obligation in Operating Lease Contract	222	94	63	46	20
Obligation in Asset purchase	541	541			
Obligation in Other Debts-Bank Guarantee	1,571	151	211	11	1,198
Total	2,334	786	273	56	1,218

Key factors or events that could affect financial position or operating performance in the future

Key factors that could affect financial position or operating results in the future consist of both external and internal factors. External factors include growth of the global economy, costs of raw materials and sourcing ability, adequacy and quality of labor, fluctuations in exchange rates. Natural disasters may impact both directly and indirectly to business operations of the Company.

According to the World Bank report, 2016 world GDP is forecasted to expand by around 2.9%*. The Company anticipated appreciation of the US dollar which implies depreciation of Thai Baht against US dollar and therefore expects exchange rate at the range of USD/THB 35-37. Despite potential positive impact on operating performance, the Company remains cautious and closely monitors in case the situation diverse from expectation and may impact business operation.

As for internal factors, continuing development remains the key. The Company moves further on improving innovation capabilities towards product development and production processes, enhancing human resources in both quality and sufficiency of workforce, controlling of costs and expenses, and operating business with responsibly to society and environment. The management recognizes the importance of all the above factors and therefore schedules plans and nominates committees or working groups to ensure smooth operation and sustainable growth.

*Source: Global Economic Prospects: January 2016.

Responsibility of the Board of Directors to the Financial Statements

The Board of Directors of Delta Electronics Public Company Limited is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with Thailand's generally accepted accounting standards. The appropriate accounting policies are applied consistently with adequate disclosure of material information in the notes to the financial statements.

The Board of Directors has assigned the Audit Committee which is composed of all independent directors to review the quality of financial statements and the effectiveness of the internal control system to ensure that accounting records are booked properly and accurately in order to safeguard the Company's assets. The opinions of the Audit Committee have been reported in the annual report. Furthermore, the Company's external auditor has also provided their opinions on the financial statements of the Company and its subsidiaries in the auditor's report which has also been disclosed in the annual report.



Ng Kong Meng (James)
Chairman of the Board
On behalf of Board of Directors

Report and Financial Statements

Independent Auditor's Report

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

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

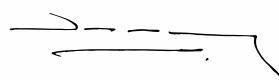
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

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



Narong Puntawong
Certified Public Accountant (Thailand) No. 3315
EY Office Limited
Bangkok: 18 February 2016

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

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

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 December 2015	31 December 2014 (restated)	1 January 2014	31 December 2015	31 December 2014 (restated)	1 January 2014
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans							
		189,930,764	249,599,588	666,699,774	-	-	-
		from financial institutions					
	16	10,111,368,127	8,654,912,177	8,969,013,539	6,965,951,308	5,940,736,822	6,559,907,294
		Trade and other payables					
		130,969,052	40,397,071	51,139,622	5,324,806	1,927,104	-
		Income tax payable					
	19	155,713,446	139,169,177	246,676,167	-	-	-
		Short-term provisions					
	17	521,408,389	302,195,684	386,643,627	109,121,176	100,586,646	120,479,907
		Other current liabilities					
		Total current liabilities	11,109,389,778	9,386,273,697	10,320,172,729	7,080,397,290	6,680,387,201
Non-current liabilities							
	15	69,198,718	56,923,119	35,924,606	-	-	-
		Deferred tax liabilities					
	18	1,449,154,812	1,334,217,020	1,254,560,628	262,635,979	227,549,377	210,332,466
		Provision for long-term employee benefits					
	19	404,737,572	285,323,629	189,983,408	234,754,362	175,622,564	68,081,288
		Long-term provisions					
		11,425,036	12,874,518	7,381,448	1,115,402	1,190,400	1,050,000
		Other non-current liabilities					
		Total non-current liabilities	1,934,516,138	1,689,338,286	1,487,850,090	498,505,743	279,463,754
		Total liabilities	13,043,905,916	11,075,611,983	11,808,022,819	7,578,903,033	6,959,850,955
Shareholders' equity							
Share capital							
Registered							
		1,259,000,000 ordinary shares					
		of Baht 1 each	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid-up							
		1,247,381,614 ordinary shares					
		of Baht 1 each	1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
		Share premium	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Retained earnings							
	20	125,900,000	125,900,000	125,900,000	125,900,000	125,900,000	125,900,000
		Appropriated - Statutory reserve					
		29,091,127,321	26,260,025,953	23,829,342,269	27,521,365,170	24,960,391,781	23,139,583,979
		Unappropriated					
		(1,398,557,847)	(1,959,019,459)	(1,637,864,493)	-	-	-
		Other components of shareholders' equity					
		Equity attributable to owners of the Company	30,557,763,588	27,166,200,608	25,056,671,890	30,386,559,284	27,825,585,895
		Total shareholders' equity	30,557,763,588	27,166,200,608	25,056,671,890	30,386,559,284	26,004,778,093
		Total liabilities and shareholders' equity	43,601,669,504	38,241,812,591	36,864,694,709	37,965,462,317	32,964,629,048
			-	-	-	-	-

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

Directors

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2015	2014 (restated)	2015	2014 (restated)
Profit or loss:					
Revenues					
Sales and service income		46,938,249,622	44,071,356,302	31,823,975,698	30,047,023,925
Other income					
Interest income		224,168,140	210,104,957	194,719,500	182,368,782
Gain on exchange		412,118,347	231,121,051	750,116,636	224,178,930
Gain on sales of investment in subsidiary company		-	2,718,142	-	-
Gain on sales of investment in associated company		-	192,326,393	-	-
Others		418,728,576	370,077,900	158,470,495	194,197,132
Total revenues		<u>47,993,264,685</u>	<u>45,077,704,745</u>	<u>32,927,282,329</u>	<u>30,647,768,769</u>
Expenses					
Cost of sales and services		34,127,201,544	32,283,939,263	22,753,427,047	21,507,905,261
Selling expenses		2,936,637,114	2,713,657,515	927,050,380	860,755,891
Administrative expenses		1,668,835,393	1,721,646,233	1,098,321,195	1,094,072,477
Research and development expenses		1,993,943,175	1,945,287,958	1,793,141,561	1,797,566,056
Other expenses		238,616,130	314,938,152	32,927,147	194,039,923
Total expenses		<u>40,965,233,356</u>	<u>38,979,469,121</u>	<u>26,604,867,330</u>	<u>25,454,339,608</u>
Profit before share of profit from investment in an associated company, finance cost and income tax expenses		7,028,031,329	6,098,235,624	6,322,414,999	5,193,429,161
Share of profit from investment in an associated company		-	2,225,972	-	-
Profit before finance cost and income tax expenses		7,028,031,329	6,100,461,596	6,322,414,999	5,193,429,161
Finance cost		(39,382,969)	(72,687,637)	-	-
Profit before income tax expenses		6,988,648,360	6,027,773,959	6,322,414,999	5,193,429,161
Income tax expenses	15	(274,833,130)	(84,705,471)	(19,296,768)	(4,691,001)
Profit for the year		<u>6,713,815,230</u>	<u>5,943,068,488</u>	<u>6,303,118,231</u>	<u>5,188,738,160</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

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

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
for the year ended 31 December 2015

(Unit: Baht)

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

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

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

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u> (restated)
Cash flows from operating activities:				
Profit before tax	6,988,648,360	6,027,773,959	6,322,414,999	5,193,429,161
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	779,148,389	789,161,882	578,868,528	555,435,363
Amortisation of other intangible assets	98,540,606	91,088,585	6,466,766	14,395,169
Recording of allowance for doubtful accounts (reversal)	25,785,672	(25,003,915)	2,342,817	(10,650,619)
Decrease of inventory to net realisable value (reversal)	(44,798,599)	(14,147,868)	(56,376,521)	(16,583,420)
Loss from write-off inventories	232,715,346	200,783,710	164,645,812	117,267,293
Increase in provision for long-term employee benefits	104,046,683	96,643,852	42,521,230	28,318,034
Recording of the increase in provisions	134,033,872	51,374,593	38,730,899	105,519,317
Share of profit from investment				
in an associated company	-	(2,225,972)	-	-
Gain on sales of investment in subsidiary	-	(2,718,142)	-	-
Gain on sales of investment in associated company	-	(192,326,393)	-	-
(Gain) loss from disposal of property, plant and equipment	(1,719,749)	8,466,156	(1,062,169)	(2,730,744)
Allowance for impairment loss on assets	4,142,319	98,525,373	4,142,319	98,525,373
Loss on disposal of other intangible assets	124,818	92,614	-	-
Unrealised (gain) loss on exchange	(183,655,857)	45,379,580	(244,871,943)	45,612,536
Interest income	(224,168,140)	(210,104,957)	(194,719,500)	(182,368,782)
Interest expenses	39,382,969	72,687,637	-	-
Profit from operating activities before changes in operating assets and liabilities	7,952,226,689	7,035,450,694	6,663,103,237	5,946,168,681
Decrease (increase) in operating assets:				
Trade and other receivables	(1,306,680,001)	(227,827,277)	(957,364,861)	582,655,982
Inventories	(1,008,992,864)	442,235,672	(464,032,446)	(154,037,174)
Other current assets	(220,715,493)	320,783,822	(66,352,369)	18,918,207
Other non-current assets	11,094,736	(9,432,674)	1,209,777	1,645,322
Increase (decrease) in operating liabilities:				
Trade and other payables	1,438,324,120	(264,737,315)	989,543,199	(555,322,185)
Other current liabilities	208,137,376	(115,802,489)	7,464,840	(17,961,634)
Provision for long-term employee benefits	(67,454,207)	(68,013,194)	(7,434,628)	(11,101,123)
Provisions	(22,927,303)	(34,646,291)	-	-
Other non-current liabilities	(1,449,482)	5,454,664	(74,998)	140,400
Cash flows from operating activities	6,981,563,571	7,083,465,612	6,166,061,751	5,811,106,476
Cash received from interest income	226,454,204	208,325,321	194,948,374	182,540,737
Cash paid for interest expenses	(28,926,693)	(63,906,658)	-	-
Cash paid for corporate income tax	(165,576,453)	(64,781,847)	(15,307,087)	(5,527,794)
Net cash flows from operating activities	7,013,514,629	7,163,102,428	6,345,703,038	5,988,119,419

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (restated)	<u>2015</u>	<u>2014</u> (restated)
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	4,063,376	44,079,531	-	-
Increase in investments in subsidiary company	-	-	(729,350,970)	-
Net cash from sales of investment in subsidiary	-	(2,923,798)	-	-
Cash received from sales of investment in associated company	-	426,233,247	-	-
Acquisition of property, plant and equipment	(1,365,321,059)	(659,557,355)	(1,014,060,768)	(519,750,539)
Proceeds from disposal of property, plant and equipment	15,364,188	8,460,705	5,894,997	8,106,046
Increase in other intangible assets	<u>(26,372,303)</u>	<u>(30,058,008)</u>	<u>(3,588,473)</u>	<u>(2,323,500)</u>
Net cash flows used in investing activities	<u>(1,372,265,798)</u>	<u>(213,765,678)</u>	<u>(1,741,105,214)</u>	<u>(513,967,993)</u>
Cash flows from financing activities:				
Decrease in bank overdrafts and short-term loans from financial institutions	(59,668,824)	(417,141,621)	-	-
Dividend paid	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>
Net cash flows used in financing activities	<u>(3,801,813,666)</u>	<u>(3,785,071,979)</u>	<u>(3,742,144,842)</u>	<u>(3,367,930,358)</u>
Increase (decrease) in translation adjustments	<u>472,345,091</u>	<u>(260,171,656)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	2,311,780,256	2,904,093,115	862,452,982	2,106,221,068
Unrealised gain on exchange for cash and cash equivalents	244,842,841	74,442,746	306,659,228	45,228,908
Cash and cash equivalents at beginning of year	<u>17,931,328,537</u>	<u>14,952,792,676</u>	<u>11,743,380,445</u>	<u>9,591,930,469</u>
Cash and cash equivalents at end of year	<u>20,487,951,634</u>	<u>17,931,328,537</u>	<u>12,912,492,655</u>	<u>11,743,380,445</u>
	-	-	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. Corporate information

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Delta Electronics Inc., which is incorporated in Taiwan. The registered office of the Company is at 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

The Company and its subsidiaries are principally engaged in the manufacture and distribution of electronic products, together with related research and development.

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

2.2.1 The consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100

The subsidiaries which the Company owns through DET International Holding Limited are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Holding business	The British Virgin Islands	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100
DET SGP Pte. Ltd.	Holding business and marketing and after sales services	Singapore	100	100
Delta India Electronics Pvt. Ltd. (owned by DET SGP Pte. Ltd.)	Manufacture, marketing and trading of electronic products	India	-	100
Delta Greentech International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Greentech International (Singapore) Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Holding business	Singapore	100	100
Delta Power Solutions (India) Pvt. Ltd. (owned by Delta Greentech International (Singapore) Pte. Ltd.)	Manufacture, research and development and trading of electronic products	India	-	100

The subsidiaries which the Company owns through Delta Energy Systems (Switzerland) AG are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2015	2014
			Percent	Percent
Delta Energy Systems (Czech republic), spol.s.r.o.	Trading of electronic products	Czech Republic	100	100
Delta Energy Systems (Spain) S.L.	Trading of electronic products	Spain	100	100
Delta Energy Systems (France) S.A.	Trading of electronic products	France	100	100
Delta Energy Systems (Italy) s.r.l.	Trading of electronic products	Italy	100	100
Delta Energy Systems (Sweden) AB	Trading of electronic products	Sweden	100	100
Delta Energy Systems (Finland) Oy	Manufacture and trading of electronic products	Finland	100	100
Delta Energy Systems (Poland) Sp.zo.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC	Trading of electronic products	Russia	100	100

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

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

- 2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.2.7 A meeting of the Company’s Board of Directors held on 30 March 2015 approved the incorporation of the Delta Electronics (Myanmar) Co., Ltd. in Myanmar with a registered capital of USD 1.5 million, which is 100% held by Delta Energy Systems (Singapore) Pte. Ltd.. The incorporation of this subsidiary was completed during the current year.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income and its subsidiaries have changed the recognition of the return on plan assets in profit or loss calculated by using the return rate on plan assets to calculate using the same rate as the discount rate for applying the post-employment benefit obligation.

The Company and its subsidiaries adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of *TAS 27 Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiaries.

TFRS 11 Joint Arrangements

TFRS 11 supersedes *TAS 31 Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiaries.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the financial statements of the Company and its subsidiaries.

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

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

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

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the changes has been separately presented in the statements of changes in shareholders' equity.

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December 2014			
	financial statements		financial statements	
Statements of comprehensive income				
Profit or loss:				
Decrease (increase) in actuarial losses		(19)		5
Increase (decrease) in profit		(19)		5
Other comprehensive income:				
Increase in actuarial losses		(144)		-
Decrease in other comprehensive income		(144)		-
Earnings per share (Baht):				
Increase (decrease) in basic earnings per share		(0.015)		0.004

5. Significant accounting policies

5.1 Revenue Recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

5.4 Inventories

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

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

5.5 Investments

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.6 Investment properties

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

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

5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

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

Depreciation is recognised in profit or loss.

No depreciation is provided for land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, they are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets have the following useful lives:

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

5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel and directors with authority in the planning and direction of the operations of the Company and its subsidiaries.

5.11 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are charged to profit or loss.

5.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments, they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

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

5.14 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Research and development expenses

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

5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

5.17 Forward currency contracts

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

5.18 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment of the Company and its subsidiaries and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which these deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Tax assessments

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

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	10,562	9,399	With reference to market price
Purchase of raw materials	-	-	62	59	With reference to market price
Commission paid	-	-	7	70	Contract price
Marketing fee	-	-	239	277	Contract price
Design and engineering fee	-	-	972	1,232	Contract price
Services paid	-	-	31	42	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,668	1,377	1,285	1,255	With reference to market price
Purchase of goods and raw materials	4,980	3,156	403	161	With reference to market price
Commission paid	392	356	392	356	Contract price
Design and engineering fee	217	-	217	-	Contract price
Commission received	69	61	-	-	Contract price
Services income	345	266	-	-	Contract price
Services paid	122	57	122	57	Contract price

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

(Unit: Million Baht)

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

Trade payables, related parties (Note 16)

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

Amounts due to related parties (Note 16)

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

Directors and management's benefits

During the year ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	150	153	62	54
Post-employment benefits	17	20	7	7
Termination benefits	3	3	-	-
Total	<u>170</u>	<u>176</u>	<u>69</u>	<u>61</u>

8. Trade and other receivables

(Unit: Million Baht)

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

9. Inventories

(Unit: Million Baht)

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

(Unit: Million Baht)

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

10. Other current assets

(Unit: Million Baht)

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

11. Investments in subsidiary companies

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

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

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

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

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

12. Investment properties

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

(Unit: Million Baht)

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

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

13. Property, plant and equipment

(Unit: Million Baht)

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

13. Property, plant and equipment (continued)

(Unit: Million Baht)

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

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

14. Other intangible assets

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

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

14. Other intangible assets (continued)

(Unit: Million Baht)

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

15. Income tax

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

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

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

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

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

16. Trade and other payables

(Unit: Million Baht)

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

17. Other current liabilities

(Unit: Million Baht)

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

18. Provision for long-term employee benefits

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

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

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

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

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

The amount of each major category constitutes of the fair value of the total plan assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Debt securities	224	199	-	-
Equity securities	216	196	-	-
Properties	404	380	-	-
Others	165	154	-	-

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

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

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

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

Significant actuarial assumptions are summarised below:

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

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

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

19. Provisions

(Unit: Million Baht)

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

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Dividends

Dividends declared in 2015 and 2014 consisted of the followings:

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividend for year 2014	Annual General Meeting of the shareholders on 30 March 2015	3,742	3.00
Final dividend for year 2013	Annual General Meeting of the shareholders on 31 March 2014	3,368	2.70

22. Expenses by nature

Significant expenses classified by nature are as follows:

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

23. Promotional privileges

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

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

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

(Unit: Million Baht)

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

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

- Delta Electronics (Slovakia) s.r.o. was granted tax privileges by the Government of Slovakia for the manufacture of Power Supply and Solar inverters on 22 December 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 10 years from the year in which the promoted operations commenced, which was 2010. The exemption is capped at EUR 6.2 million.
- Delta Power Solutions (India) Pvt. Ltd. was granted tax privileges by the Government of India for the manufacture of Telecom Power Systems and uninterruptible Power Supplies on 1 April 2008. The privileges include exemption from corporate income tax for a period of 5 years from the date the promoted operations commence generating revenues and a 30% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

24. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the years ended 31 December 2015 and 2014 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

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

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

Geographic information:

Revenue from external customers is based on locations of the customers

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

Non-current assets

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

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 7 percent of basic salary (2014: 7 percent of basic salary). The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 74 million (2014: Baht 68 million) were recognised as expenses.

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

26. Commitments and contingent liabilities

26.1 Capital commitments and operating lease commitments

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

26.1.2 As at 31 December 2015, the subsidiaries had significant operating lease commitments amounting to SEK 2 million or approximately Baht 7 million, PLN 1 million or approximately Baht 6 million, CHF 1 million or approximately Baht 28 million, INR 57 million or approximately Baht 31 million and EUR 2 million or approximately Baht 97 million (2014: SEK 2 million or approximately Baht 7 million, PLN 1 million or approximately Baht 8 million, CHF 1 million or approximately Baht 28 million, INR 36 million or approximately Baht 19 million and EUR 2 million or approximately Baht 94 million).

26.2 Guarantee obligations

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

26.2.1 Outstanding letters of guarantee totaling approximately Baht 1,164 million (2014: Baht 1,162 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,137 million (2014: Baht 1,135 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 26.3.1 to the financial statements).

26.2.2 Outstanding letters of guarantee for totals of approximately INR 582 million or approximately Baht 315 million, EUR 1 million or approximately Baht 43 million, USD 0.9 million or approximately Baht 33 million, BRL 0.2 million or approximately Baht 2 million, CHF 0.2 million or approximately Baht 7 million, PLN 0.5 million or approximately Baht 5 million and AUD 0.07 million or approximately Baht 2 million have been issued by banks to meet requirements of its subsidiaries (2014: INR 466 million or approximately Baht 240 million, EUR 1 million or approximately Baht 56 million, USD 0.9 million or approximately Baht 30 million, BRL 0.7 million or approximately Baht 9 million, PLN 0.6 million or approximately Baht 6 million and AUD 0.07 million or approximately Baht 2 million).

26.3 Tax assessment

- 26.3.1 a. In 2006, the Company received a corporate income tax assessment notice from the Revenue Department, covering the years 1997 through 2000, and assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department (“the Committee”), and in 2011, the Committee decided to reduce the assessment to approximately Baht 734 million (including penalties and surcharges). However, the Company petitioned the Central Tax Court to consider revoking this tax assessment and, during the year 2012, the Central Tax Court ordered a 50% reduction of the penalties (reduced to Baht 121 million from the amount of Baht 241 million previously calculated by the Revenue Department), while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court’s judgement and therefore submitted a letter appealing the judgement of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.
- b. During the year 2012, the Company received notice of corporate income tax assessment covering the years 2001 through 2004 from the Revenue Department, assessing tax amounting to approximately Baht 401 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. During 2013, the Committee rejected the Company’s appeal. The Company therefore petitioned the Central Tax Court to consider revoking this tax assessment. On 24 June 2014, the Central Tax Court ordered a reduction of the penalties and surcharges to Baht 201 million from the amount of Baht 270 million previously calculated by the Revenue Department, while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court’s judgement and therefore submitted a letter appealing the judgement of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.
- However, the independent legal counselor of the Company believes that eventually the Company will win the above 2 cases and therefore the Company has not recorded provision for the tax assessments in the accounts.

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

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

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

27. Fair value hierarchy

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, other receivables, investments, short-term loans, trade payables and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade receivables and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables as stated in the statement of financial position.

Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to their cash at banks, bank overdrafts and short-term loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2015

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

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2014

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

(Unit: Million Baht)

Separate financial statements

As at 31 December 2015

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

(Unit: Million Baht)

Separate financial statements

As at 31 December 2014

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

Foreign currency risk

The Company and its subsidiaries have significant foreign currency risk in respect of the purchase and sales transactions, lending and borrowing, and investments in foreign companies. As at 31 December 2015 and 2014, outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	As at 31 December					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	261	157	136	112	36.0886	32.9630
Euro	15	23	5	3	39.4388	40.0530
Japanese yen	78	124	325	247	0.2996	0.2738
Swiss franc	-	-	1	-	36.3704	33.3016
Polish zloty	6	5	1	1	9.3132	9.3164

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate except for the foreign currency risk arising from investments in foreign countries, which the Company and its subsidiaries consider to have an insignificant effect to the financial statements.

As at 31 December 2015 and 2014, the outstanding derivatives are as follows:

Forward contracts

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

As at 31 December 2014						
			Amount	Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	117 million	32.38000 - 33.44000	THB/USD		January - April 2015
USD/CHF	USD	11 million	0.95760 - 0.98180	CHF/USD		January 2015
EUR/CHF	EUR	7 million	1.20080 - 1.20300	CHF/EUR		January 2015
USD/TRY	USD	3 million	2.25150	TRY/USD		January 2015
EUR/TRY	EUR	2 million	2.80900 - 2.86300	TRY/EUR		January 2015
PLN/CHF	PLN	2 million	3.55600 - 3.63000	PLN/CHF		January 2015
EUR/USD	EUR	1 million	1.22050 - 1.25410	USD/EUR		January 2015
Forward contracts to "Buy"						
USD/INR	USD	7 million	62.02000 - 64.45000	INR/USD		January - February 2015
USD/BRL	USD	6 million	2.57720 - 2.70400	BRL/USD		January 2015
EUR/USD	EUR	6 million	1.22510 - 1.25220	USD/EUR		January - February 2015
USD/AUD	USD	3 million	0.83840 - 0.87030	USD/AUD		January 2015
USD/TRY	USD	2 million	2.24300 - 2.33650	TRY/USD		January 2015
USD/CHF	USD	1 million	0.98510	CHF/USD		January 2015

28.2 Fair values of financial instruments

The majority of the financial instruments of the Company and its subsidiaries are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives.

29. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.43:1 (2014: 0.41:1) and the Company's was 0.25:1 (2014: 0.23:1).

30. Approval of financial statements

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