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Annual Report



Smarter. Greener. Together.

Contents

Financial Highlights 2012 - 2014	3
Delta Overview	5
Message from the Board of Directors	6
Investment Structure	8
Nature of Business	13
Product Profile	14
Research and Development	26
2014 / 2015 Industry Outlook	30
2015 Business Directions	33
Risk Factors	37
Company General Information	40
Capital Structure	41
Board of Directors	42
Managerial Structure	47
Corporate Governance	53
Sustainability Development Report	69
Internal Audit	86
Related Party Transactions	87
The Audit Committee Report	89
Management's Discussion and Analysis	90
Report and Financial Statement	96
GRI G4 Content Index	149

“Investors will be able to learn more about the Company from Form 56-1 on www.sec.or.th or the Company's website www.deltathailand.com”

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



SET AWARDS 2014



SET Awards 2014 “Best Company Performance”

By the Stock Exchange of Thailand and
Money and Banking Magazine

27 November 2014

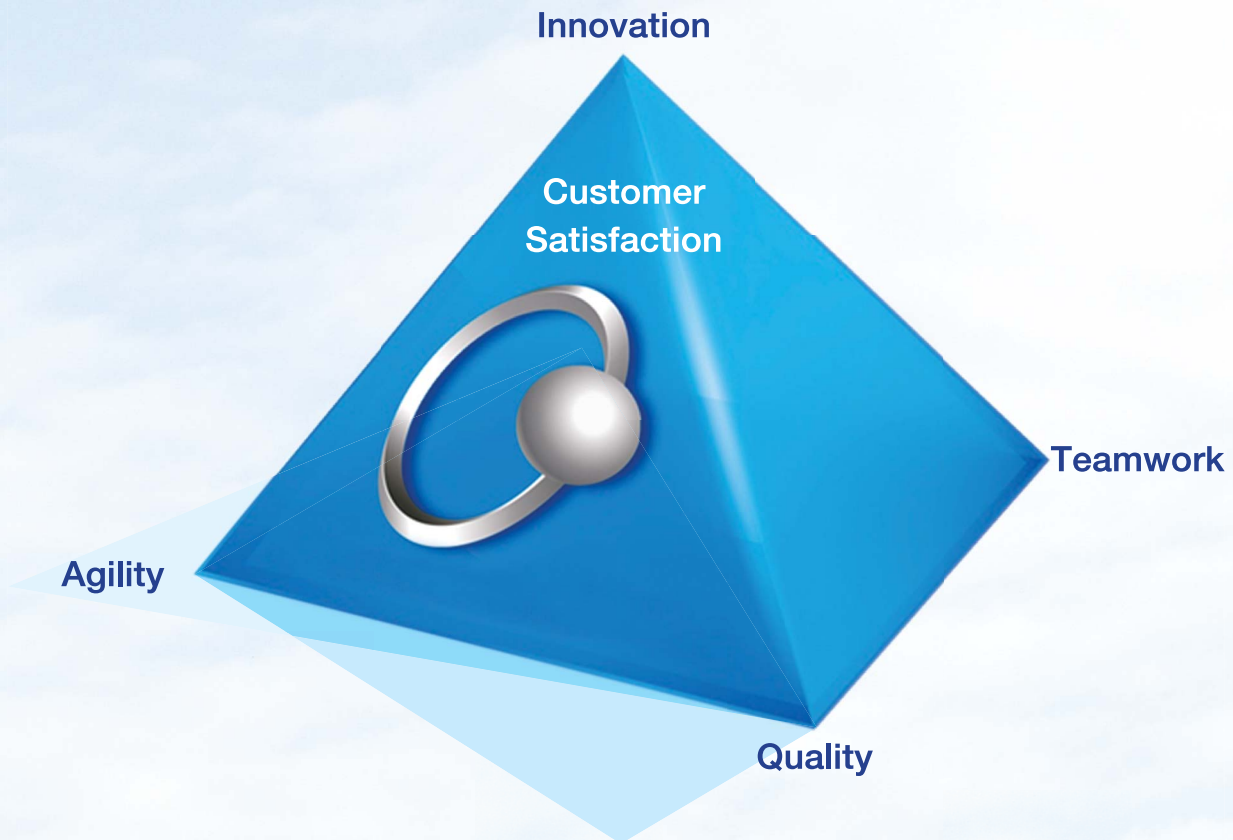


Mission

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.

Customer Satisfaction

Anticipate customer needs and exceed expectations.

Quality

Consistently deliver superior performance and improvement all the time.

Teamwork

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

Agility

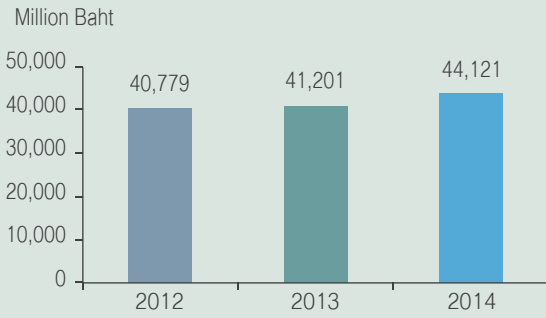
Identify emerging trends and act quickly to capture new opportunities.

Financial Highlights 2012-2014

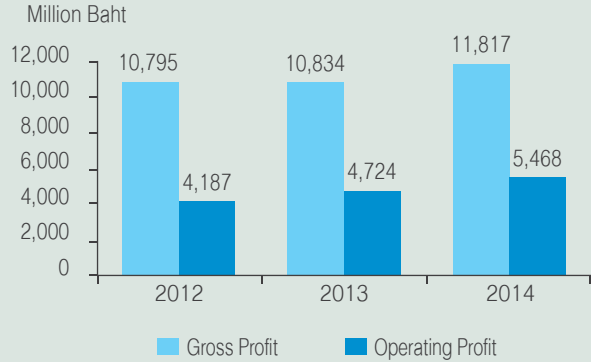
Unit : Million Baht	Consolidated			The Company Only		
	2014	2013	2012	2014	2013	2012
Total Assets	38,245	36,865	33,075	34,276	32,965	29,378
Total Liabilities	10,646	11,539	10,578	6,372	6,876	5,281
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	27,598	25,326	22,497	27,904	26,088	24,096
Sales Revenues	44,121	41,201	40,779	30,096	28,683	27,690
Total Revenues	45,095	42,360	41,528	30,665	29,453	28,161
Cost of Sales	32,304	30,367	29,984	21,528	20,762	20,016
Gross Profit	11,817	10,834	10,795	8,568	7,921	7,674
Selling & Admin expense	6,348	6,110	6,608	3,755	3,519	3,690
Operating Profit	5,468	4,724	4,187	4,814	4,402	3,984
Net Profit	5,962	5,416	4,347	5,183	4,985	4,407
Unit : (%)						
Gross Profit Margin	26.78%	26.30%	26.47%	28.47%	27.61%	27.71%
Operating Profit Margin	12.39%	11.47%	10.27%	15.99%	15.35%	14.39%
Net Profit Per total Revenues	13.22%	12.78%	10.47%	16.90%	16.93%	15.65%
Return On Equity	22.53%	22.65%	20.53%	19.20%	19.87%	19.46%
Return On Assets	15.87%	15.49%	13.81%	15.42%	15.99%	15.83%
Unit : Baht						
EPS	4.78	4.34	3.49	4.16	4.00	3.53
Dividend Per Share	3.00*	2.70	2.40	3.00*	2.70	2.40
Book Value Per Share	22.12	20.30	18.04	22.37	20.91	19.32

* Pending approval from shareholders' meeting

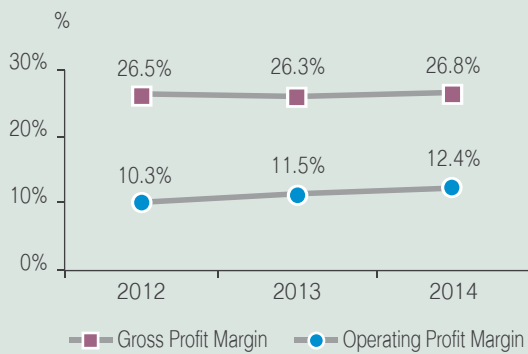
Sales Revenues



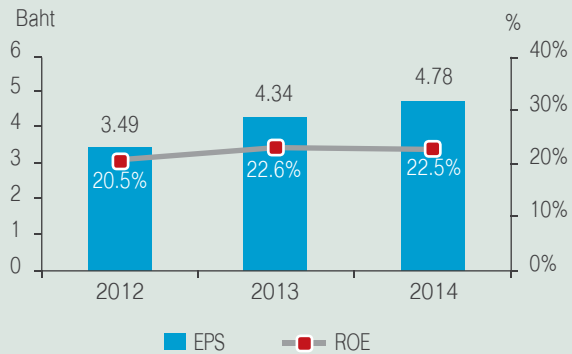
Gross Profit vs Operating Profit



Gross Profit Margin vs Operating Profit Margin



EPS vs ROE



DELTA stock price in 2004 - 2014 Compared to SET Index



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, 2014, 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.





James Ng

James Ng
Chairman

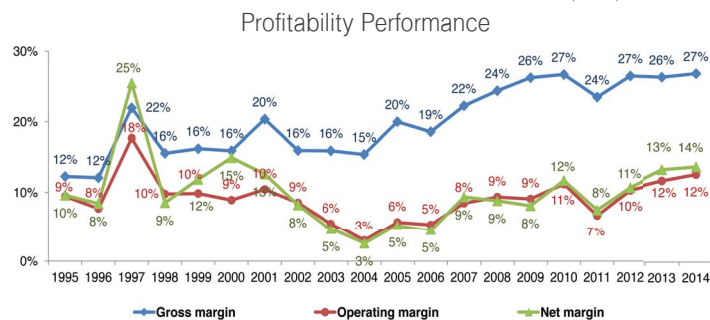
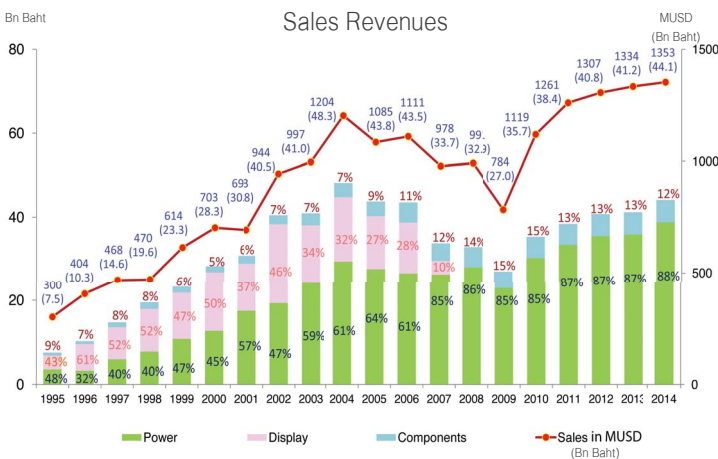
Dick Hsieh

Dick Hsieh
President

Message from the Board of Directors

Oil price, political tension, and poor economic situations in many parts of the world are the main concerns for business. For us, we perceive those turbulences as the nature because these problems seem to happen often times now. With 300 million US dollars cash on hands policy started in 2008, now our company becomes sizable enough to afford diversification in many areas all at one time to earn long term growth momentum and the solid steady platform for the Company.

Since the acquisition of Ascom Energy Systems in 2003, we have been investing in R&D, which accounted about 5% to total sales revenue, for new product lines, especially for the growth of our ODM business. And, we have also been expanding into many local markets by establishing "Regional Business" to sell products and solutions in many countries around the globe via our local offices in many countries. With continuation of many product lines and international markets developments, our operation costs grow each year as our R&D and regional offices investments grow owing to our conservative accounting policy since 2007. Recently, we have seen good sales growth in India and Singapore office and our SG&A to sales ratio starts to fall as sales grow resulting in a better operating margin. This trend will continue for the new several years.



ODM Business: Technology company's ODM product demand is less vulnerable to general economic situation because it is mainly driven by new applications and product innovations. Our R&D is focused on higher density and efficiency in all our standard and customized power supplies product portfolio including the value add of intelligent system integration and extended functionality. New technologies such as GaN and SiC based semiconductors in combination with advanced topologies have been the key drivers. At the same time, our R&D teams are focusing on expanding product range in each product line.

ODM Products R&D Milestones:

- 2006 – Automotive fan
- 2010 – Automotive power chargers for hybrid vehicles
- 2010 – Solar Inverters
- 2012 – Wind Turbine Inverters

For electronic supply chain, It is the wave of outsourcing from OEM that drives the demand for players in the supply chain in almost each decade as shown below :

- 1980s – Mainframe
- 1990s – Personal Computer (PC)
- 2000s – Telecommunication
- 2010s – Data Center
- 2020s – Alternative energies (Solar Inverters, Wind Turbines, Hybrid cars, EV cars , etc.)

If we look closer to the type of customers , market structure, and marketing approach, Alternative energy business is more end user approach, thus, requiring much of after-sales service and maintenance as well as close relationship with customers which is different country by country. Regional business is, therefore, a key platform to gear toward alternative energy business in the long run.

Regional Business : By nature, regional business demand is driven entirely by the stage of economy , and government spending. After initial penetration, we are aiming to grow more after sales service and solutions revenue as our teams engage more in turn key business for power related products, not limited to our own, but to include both that of Delta Electronics, Inc. and of other companies. Success in regional business depends on good team who understands the need of the customers and is able to help customers to reduce their energy costs and to improve its operation efficiency with our products and solutions.

Establishment of Regional Offices :

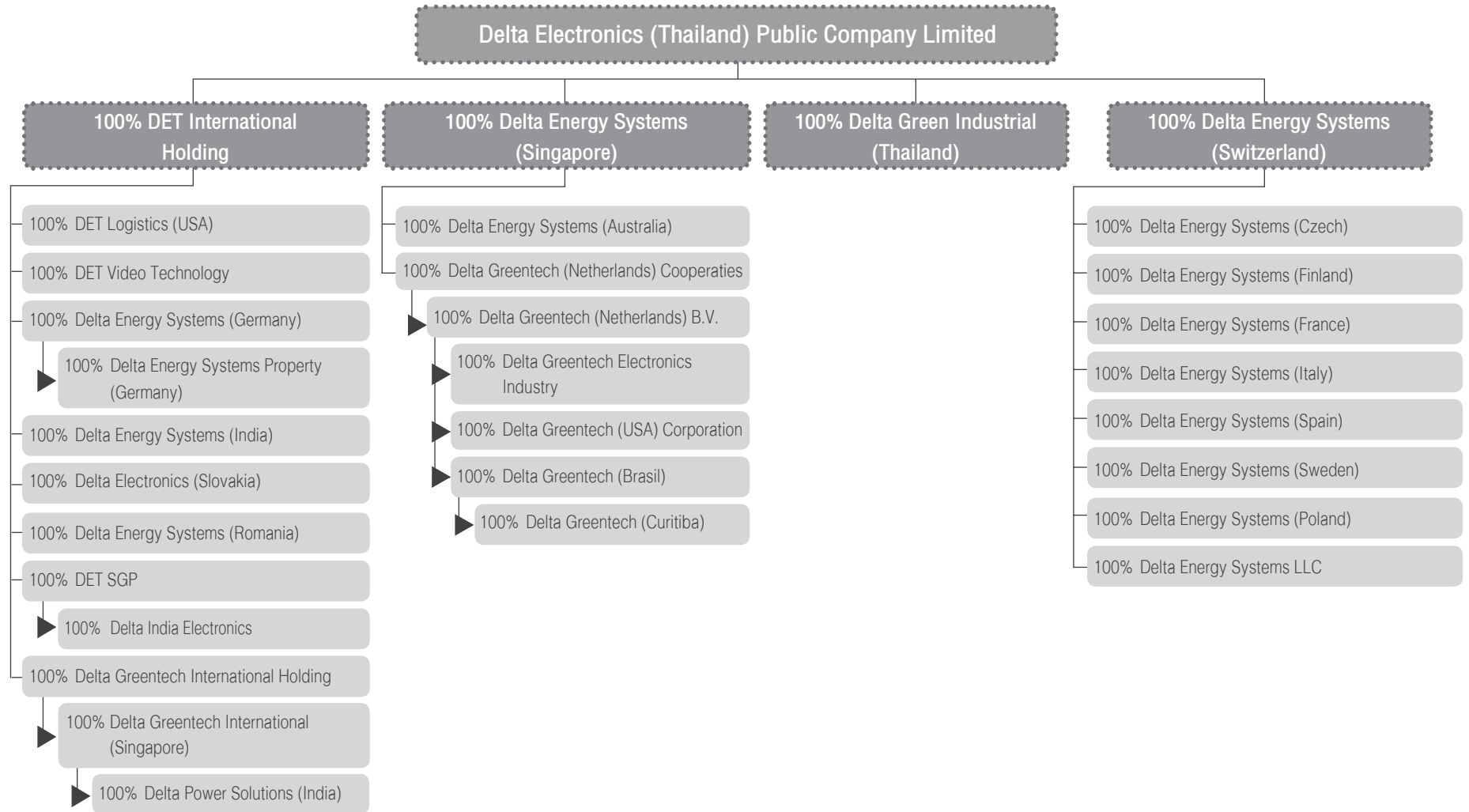
- 2007 – Established Delta Electronics (Slovakia) s.r.o.
- 2008 – Established Delta Power Solutions (India) Private Limited
- 2008 – Established Delta India Electronics Private Limited
- 2010 – Established Delta Greentech (Brasil) S/A
- 2010 – Established Delta Green Industrial (Thailand) Co.,Ltd.
- 2010 – Established Delta Energy Systems (Australia) Pty.Ltd.
- 2011 – Established Delta Energy Systems (Singapore) Pte.Ltd.
- 2014 – Established representative office of Delta Energy Systems (Singapore) in Indonesia
- 2014 – Established representative office of Delta Energy Systems (Singapore) in Vietnam

With our good vision and right business strategy, the Company has been operated quite successfully under close supervision of the management and the board. Many awards received in each year are not only a token of appreciation to us but also for our suppliers. Therefore, since 2014, we started giving awards to our suppliers as a reflection of appreciation and recognition of their work for present and for the future. For our staffs, the awards received in this year such as Prime Minister's Business Enterprise Awards 2014, SET Awards 2014 and many more are tokens of honor to continue to work diligently and efficiently for our customers and society.

The board would like to take this opportunity to thank our business partners, shareholders, and government officers in all countries for their support and commitment. We also would like to express our appreciation to our staffs now located around the globe for their commitment to work as one international team for the customers and our shareholders.

Investment Structure (as of December 31, 2014)

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.



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, Bristish 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 Supply - Solar Inverter - Wind Turbine Power - 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.	Str.Negru Voda Nr.2, Bl. C4 Sc.A, Suite 14-15 Sect 3, RO-70462 Bucharest, Romania Tel: +40 1 321 3653 Fax: +40 1 322 1644	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
1.7.1 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	- Telecom Power System - UPS - Other Electronics Products	Common Stock	INR 1,650,000,000	INR 1,604,446,780	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
1.8.1.1 Delta Power Solutions (India) Pvt. Ltd.	Plot No. 38, Phase 1, Sector - 5, IIE, SIDCUL Pant Nagar, Rudrapur Ultrakhand-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. 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 30,393,490	USD 30,393,490	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 500,000	AUD 500,000	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 S_o Jos_ 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
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
3.5 Delta Energy Systems (Spain) S.L.	Calle Luis I n° 60, Nave 1a, P.I. de Vallecas, 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	Annvägen 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.zo.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

Company	Location	Type of Business	Type of product	Type of Stock	Registered Capital	Paid up Capital	% Holding
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	Manufacturing, Integration, Installation, Service and Trading	- LED Street light - Solar system - Telecom Power System	Common Stock	THB 200,000,000	THB 190,000,000	100

Currency Exchange Rates (Average): (30 Dec 14)

1 AUD = 0.82584 USD	1 BRL = 0.37915 USD	1 CHF = 1.02505 USD	1 CZK = 0.04467 USD	1 EUR = 1.23347 USD	1 GBP = 1.56428 USD	1 INR = 0.01595 USD
1 PLN = 0.29272 USD	1 RON = 0.27685 USD	1 RMB = 0.16161 USD	1 RUR = 0.017027 USD	1 SEK = 0.13120 USD	1 TRY = 0.43721 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 Váhom divides its products into 3 main business groups as follows;

1. Power Electronics Group
 - 1.1 EPSBG Product Group (Embedded Power Supplies) 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 Supplies) including adaptor for broadband, printer, game, industrial and power tools
 - 1.3 FMBG Product Group (Fan & Thermal Management) including DC 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 AEBU 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	2014		2013		2012	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	30,469	69.1%	29,306	71.1%	28,439	69.7%
EPSBG (Embedded Power Supplies)	20,012	45.4%	19,448	47.2%	18,708	45.9%
- DC-DC Converter	3,481	7.9%	4,067	9.9%	3,997	9.8%
- Power Supply for Computer & Networking	5,191	11.8%	4,455	10.8%	3,750	9.2%
- DES Power	9,779	22.2%	9,631	23.4%	9,730	23.9%
- Power Supply for Automotive	1,560	3.5%	1,295	3.1%	1,231	3.0%
MPBG (Mobile Power Supplies)	4,939	11.2%	4,675	11.3%	4,502	11.0%
FMBG (Fan & Thermal Management)	5,519	12.5%	5,182	12.6%	5,229	12.8%
Energy Management Group	12,154	27.5%	10,224	24.8%	9,669	23.7%
PSBG (Power System)	11,118	25.2%	9,346	22.7%	8,934	21.9%
- Telecom Power Solutions (TPS)	9,852	22.3%	8,214	19.9%	7,931	19.4%
- Uninterruptible Power Supplies (UPS)	1,169	2.6%	1,118	2.7%	991	2.4%
- Wind Power	98	0.2%	15	0.0%	12	0.0%
IABG (Industrial Automation)	942	2.1%	784	1.9%	709	1.7%
AEBU (Automotive Electronics)	94	0.2%	94	0.2%	26	0.1%
Smart Green Life Group	568	1.3%	521	1.3%	364	0.9%
Others	929	2.1%	1,151	2.8%	2,307	5.7%
Total Sales Revenues	44,121	100.0%	41,201	100.0%	40,779	100.0%

Smarter . Greener . Together

Product Profile

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
- Mobile Power Supplies
- Fans and Thermal Management



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 of power and thermal management solutions, and is the world's leading provider of switching power supplies and DC brushless fans.

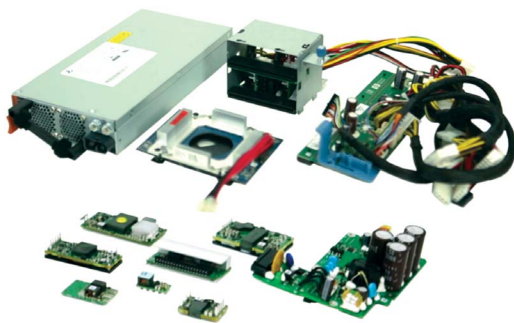
We offer a diversified selection of power supplies, thermal management and electronic components and systems for use in an extensive range of portable devices, cloud computing equipment, home appliances and medical-device applications. Our design customization services are also the first choice of leading OEMs / ODMs.

We provide tailor-made components, devices and related services to help our customers advance their competitiveness in the field power electricity. This our business including 3 business group.

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 700W that provide high power density, a low profile and high efficiency.

DES Power



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



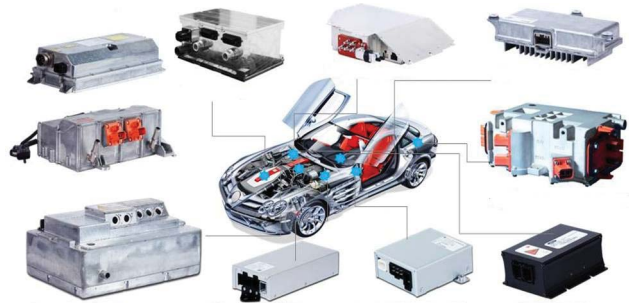
Embedded Power Supplies

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

Automotive Power



Delta is 1st Tier supplier which providing automotive electronic components to the leading car maker worldwide. Our product portfolio is 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 Supplies 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.





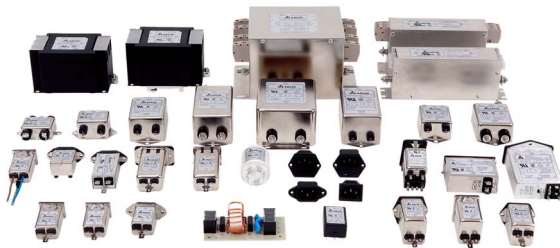
Fan & Thermal Management

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.



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 datacenters, renewable energy, electronic vehicles, eco-friendly transportation infrastructure, green buildings and more.

Telecom Power Solutions



Delta's broad range of power systems and global services to telecom operators, network manufacturers and integrators are designed for wireless broadband access and fixed-line applications, as well as for internet backbone and data centers. With its high reliability and economic efficiency, Delta is a leading provider of telecom power systems for the telecommunications industry. The Company provides DC and AC backup power systems in indoor, outdoor enclosures or as rack mount devices 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 systems are widely used in wireless and fixed

line environments and are applicable to network equipment, xDSL terminal, 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 caring for environmental issues. Therefore we invest in the area 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



Industrial Automation

Drive & Power Quality



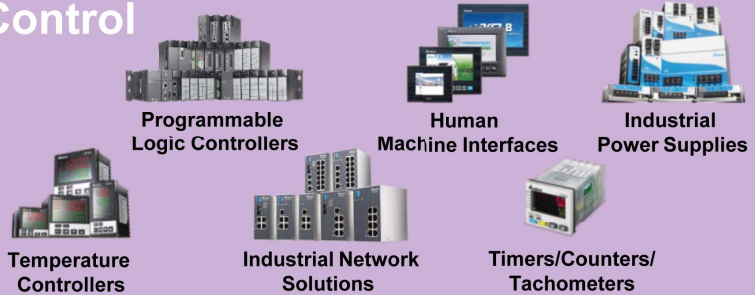
Motion



Sensor



Control



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.

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 and Delta LED lights 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.

LED Lighting



Delta's LED lighting offers advanced technologies, reliable quality, on-time delivery, optimized design and active services to customers through the three product applications of street lighting, retrofit lamp, and luminaire. We also have LED boards and drivers available for flexibility in meeting industry demand.

Production Capacity 2014

1. Embedded Power Supplies (EPSBG)

1.1 DC-DC Converter (DCBU)

Location	: Bangpoo Industrial Estate, Samutprakarn
Production area	: 6,863sq.m
No. of operators	: 313
Production line	: 12 lines
Actual production	: 89% of production capacity

1.2 Power supply for Computer & Networking (CNBU)

Location	: Bangpoo Industrial Estate, Samutprakarn
Production area	: 5,866 sq.m
No. of operators	: 733
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	: 1,354
Production line	: 24 lines
Actual production	: 78% of production capacity

Slovakia Plant

Location	: Dubnica nad Vahom, Slovak Republic
Production area	: 6,500 sq.m
No. of operators	: 291
Production line	: 8 lines
Actual production	: 65% of production capacity

1.4 Power supply for Automotive

Location	: Bangpoo Industrial Estate, Samutprakarn
Production area	: 14,800 sq.m
No. of operators	: 485
Production line	: 10 lines
Actual production	: 70% of production capacity

2. Mobile Power Supplies (MPBG)

Location	: Bangpoo Industrial Estate, Samutprakarn
Production area	: 4,865 sq.m
No. of operators	: 1,100
Production line	: 9 lines
Actual production	: 80% of production capacity

3. Fan & Thermal Management (FMBG)

3.1 DC Fan

Location	: Wellgrow Industrial Estate, Chachoengsao
Production area	: 19,180 sq.m
No. of operators	: 1,600
Production line	: 40 lines
Actual production	: 70% of production capacity

3.2 EMI & Solenoid Product (ESP LOB)

EMI Filter

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 3,500 sq.m
No. of operators : 657
Production line : 28 lines
Actual production : 65% of production capacity

Solenoid

Location : Wellgrow Industrial Estate, Chachoengsao
Production area : 1,000 sq.m
No. of operators : 146
Production line : 19 lines
Actual production : 50% of production capacity

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

Thailand Plant

Location : Bangpoo Industrial Estate, Samutprakarn
Production area : 967 sq.m
No. of operators : 110
Production line : TPS 5 lines
Actual production : 89% of production capacity

India Plant

Location : Plot No 38, Phase 1, Sector 5, Integrated Industrial Estate, Pantnagar (Rudrapur), Udham Singh Nagar, Uttarakhand India -263153
Production area : 13,500 sq.m
No. of operators : 275
Production line : Telecom Power Systems 8 lines, UPS 2 Cell Line, Wind Power Converter 3 Cell Line.
Actual production : Telecom Power Systems 55% of production capacity
UPS 30% of production capacity
Wind Power Converter 25% of production capacity

Slovakia Plant

Location : Dubnica nad Vahom, Slovak Republic
Production area : 6,500 sq.m
No. of operators : 264
Production line : Telecom power systems 8 lines + 1 line Wind Power
Actual production : 70% 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	
	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	2062(1)/2553	1732(2)/2557	1813(2)/2554	1814(2)/2554
1. Certificate No.	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	2062(1)/2553	1732(2)/2557	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 and electronics products for vehicle	Manufacturing of telecommunication	Manufacturing of electro - magnetic products	Manufacturing of Inverter	Manufacturing of electric light bulbs and display monitor
3. The significant privileges are								
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.	8 years	7 years (Maximum amount Baht 90,690,852)	7 years (Maximum amount Baht 298,170,000)	8 years	8 years	7 years (Maximum amount Baht 124,000,000)	7 years (Maximum amount Baht 182,000,000)	7 years (Maximum amount Baht 202,400,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Non - granted	Granted	Granted	Non - granted	Granted	Granted	Granted	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	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	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	Granted	Non - granted	Non - granted	Non - granted
4. Date of first earning operating income	27 January 2009	4 January 2010	12 March 2013	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 are below shown divided according to promoted and non-promoted operations.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
<u>Separate financial statements</u>						
Sales						
Domestic sales	393	420	-	-	393	420
Export sales	29,490	27,967	213	296	29,703	28,263
Total	29,883	28,387	213	296	30,096	28,683

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 Un-interrupted Power Solutions 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, Resister, 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

In 2014, Delta's worldwide R&D centers located in Thailand, China, Germany, Switzerland, Romania and Scotland have endeavored to strive for higher power density and efficiency in our standard and customized power supplies by mainly integrating more value added intelligent system and functions. New technologies such as GaN and SiC based semiconductors in combination with advanced topologies had been the key drivers.

Together with our R&D counterparts in Delta Corporate Research Centers in Raleigh (NC/USA) and Shanghai (China), universities as well as our customers, we are penetrating further into all industries with technologies for sustainable utilization of electrical energy resources. Delta R&D knowledge and synergy are further enhanced with several trainings and innovation workshops as well as personal development seminars.

Our local presence in all key markets for power management and conversion products enables us to effectively incorporate customer requirements and achieving an extraordinary level of application know-how. This allows Delta R&D to stay in the leadership position in a highly competitive power management industry.

Server Storage Networking (SSN)

Delta R&D has accumulated decades of experience and knowledge in developing highly sophisticated AC/DC customized power supplies for well-known companies in the IT, networking and telecommunications industries. We had extended such know-how into developing new products beyond traditional power supplies that enable us to become a system solution provider.

In 2014 the increase in efficiency was still the top driver for our customers, especially in the Internet industry. We have met the dynamic market requirements by incorporating state-of-the-art integrated magnetic component design to attain the highest possible power density and efficiency. As a result Delta R&D achieved 98% efficiency with our newly developed platform for server power supplies.

Delta R&D had also overcome the challenge to combine increased functionality with extraordinary specifications in the widely used 3kW customized AC/DC Power Supply (PSU) product category. By developing PSUs with impressive figures related to electrical and mechanical performance in conjunction with system functionality for battery backup and battery charging, Delta R&D has once again wowed our valued customers in data center application.



AC/DC Power Supply with Battery Backup and Battery Charger Function

Power Solutions for Electric Vehicles (EV)

Besides the power supply solutions for AC/DC on-board charging units, Delta R&D has broadened our product portfolio in the demanding automotive market with highly efficient DC/DC converters and variations of on-board-charging products. New solutions for battery power management with Battery Junction Boxes (BJB) were also introduced in 2014.

The 7.2 kW On-Board-Charger (OBC) product was successfully introduced to the market, with benefits such as doubled power density as well as new standards with respect to performance and functionality.

Committing to be on top of the promising new automotive power processing applications for HEV/BEV, effort has been focused on the wireless charging technology. In 2014 a 3.6 kW technology demonstrator system was developed and put into operation with outstanding power transfer performance even under misalignment condition between the transmitter and the receiver coil systems.

In 2015, this technology will be extended towards higher level of transferred power (~30kW) and will be made available for a broad range of automotive as well as industrial applications, e.g. for material handling with fork-lifters.



7.2 kW On-Board-Charger

Custom Designed Power Supplies for Industrial/ Medical Applications

Several major innovations have been performed by Delta’s European R&D teams in 2014 to provide our customer’s best-in-class cost/performance ratios for industrial and medical applications, such as factory automation, machinery and robotics, battery charging technology and ultrasound application as well as Artificial Respiration and dialysis.

The use of advanced power and control technology had led to outstanding parameter stability, efficiency and operation flexibility. In developing these innovative technologies, Delta has set a new level of customer satisfaction for customized power electronic products for the industrial and medical areas. This is especially so in the very challenging demand for high quality to meet and exceed the requirements set forth for medical standards.

One of the product design highlights in 2014 is a power supply for ultrasound application developed for a major market player in the medical field.

The product has set an outstanding benchmark in terms of quality and performance thus giving us a Class A supplier ranking from the customer.

In addition, many other successful ODM product releases have been launched in 2014 in the field of industrial battery chargers and custom industrial power supplies with standard output voltages like the DC/DC converter for fork lifters.



Medical Power Supply for Ultrasound



Heavy duty DC/DC converter for fork lifters

Remote Communication and Management Software

As part of Delta R&D team, Delta India's R&D team has successfully developed the "Remote Monitoring Software" to ride on its Orion Controller so as to read a telecom site's infrastructure data remotely from its Network Operation Center.

The easy to install solution was successfully deployed across many sites in India. Known as ProTecht, the intelligent solution is one of the lynchpins in a robust security framework for many banks. While similar solution has been around for a long time, increasing maturity of the industry and technology of the solution are finally resulting in the acceptance of the solution. Exclusive network infrastructure has given Delta the edge over our competitions in the market.

Delta India has further enhanced the software capabilities by integrating the face recognition, picture recognition and picture as well as data analytical capabilities into the whole security platform.

This platform has active deterrence capability to ward off potential security threats and provides real time picture and videos on various ATM locations. Furthermore the platform provides the benefit of energy saving at the ATM site. The surveillance capability at the site is further enhanced by the Delta's Network Operation center where all the ATM sites are viewed by the operators for 24X7. Immediate Action or Trouble tickets are generated when alarm or unauthorized activity is detected.



Delts India at work in the Network Operation Center

Converter Systems for Megawatt Wind Power Energy

With Delta's highly innovative products such as the Megawatt-Converter Wind power, Delta R&D had turned customers' systems into eco-friendly green environment drivers. 2014 was marked by the success of acquiring several new customers in India. The professional cooperation between Germany and India R&D teams has driven the technology development to a higher level of sophistication. Beside the full power converter technology, WPE (Wind Power Europe) team has now adopted the well-established DFIG (double fed induction generator) converter technology. This technology has been successfully tested in a 2MW system for a leading customer in India. This is an important milestone for the team to penetrate further into market players using such technology. The R&D teams from Germany and India 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. The first series of products had been successfully installed in a 50 MW wind park in India. 2015 will see the team putting effort in incorporating Delta's own control components.



Delta's eco-friendly wind turbine

Standard Industrial Power Supplies



In 2014, both IPS (Industrial Power Supplies) R&D teams in Thailand and Taiwan had garnered great responses for many new products like the PMH panel mount power supply series which is especially designed to fulfill household safety standard EN60335-1. Another noticeable new product is the PJT open frame power supply series which comes in small standard footprints at 2"x3", 2" x 4" and 3" x 5". The PJT series comes with built-in active PFC circuit and achieving very low earth leakage current.

A big part of the success in IPS product is attributed to great products. 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 very short time.

With several new medical standard power supplies merged into IPS in Q4 2014, in addition to new LED and DIN rail products, it will be another exciting year in 2015. As 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 2015.

2014 / 2015 Industry Outlook

General Economic Outlook

Worldwide

According to United Nations' global economy report for 2015, global growth will improve slightly but continue at a moderate level. Global economy had grown by 2.6% in 2014. For 2015, the global economy is expected to grow at a slightly faster pace of 3.1% WGP (World Gross Product).

Europe Area

The recovery in the new European Union (EU) member states gained further ground in 2014. Inflation in the region hits record low in 2014. Thanks to lower food and energy prices, inflation rates are expected to be negative in a number of countries and remain very low in others in 2015. Labour markets will continue to improve although progress should be very uneven across the region. In countries with flexible currencies, interest rates were reduced to record low and in 2015, monetary policy should remain accommodative. The aggregate GDP of the new EU member States is expected to grow by 2.9% in 2015, compared with an estimate of 2.6% in 2014. For the overall EU region (EU15 + New EU member States), a growth of 1.6% for 2015 is expected.

Africa

Among the developing countries, Africa's overall growth momentum is set to continue with GDP growth forecasted to accelerate from 3.5% in 2014 to 4.6% in 2015.

Power Supply Market Trend

Market research from IHS market reported that the worldwide merchant power supply market was worth USD 20.7 billion in 2013. The market is projected to grow by 4.6% to USD 21.6 billion in 2014 and revenue growth will remain healthy with further revenue projection of USD 25.1 billion in 2018.

Market Share Power Supplies – World Wide & EMEA

In 2013, Delta group retained its position as the leading supplier of merchant¹ power supplies with a global market share of 17% and also as the largest supplier of merchant power suppliers in EMEA market.

¹ (Selling to other companies)

The AC-DC Commodity Market

The market for AC-DC commodity power supplies was worth USD 9.4 billion in 2013. The market is projected to peak at a forecast USD 10.1 billion in 2016 before declining to USD 9.6 billion in 2018. This decline is caused by a fall in demand from several applications, most notably mobile phones which are shipping without bundled adapters in some markets now. The commodity AC-DC power supply market include all high-volume, consumer-based power supplies, for example, power supplies for, notebooks, tablets and mobile phones.

The AC-DC Non-Commodity Market

The AC-DC Non-commodity market covers applications such as Telecom/ Datacom, industrial and medical devices. It is projected to be the fastest growing segment of the merchant power supply market in the coming years, driven by strong growth for the server, storage and lighting markets. The market was worth USD 8.3 billion in 2013 and is projected to grow to USD 12.4 billion by 2018 at an average of more than 8% a year. However, many of the larger, more traditional AC-DC non-commodity power supply markets such as the industrial segment are forecast to grow at a more modest rate.

The DC-DC Converter Market

The world market for DC-DC converters is estimated to have been worth USD 2.9 billion in 2013. The market is forecasted to grow in 2014 although only by 1% from 2013. Growth is then predicted to increase as pent-up demand in the market is released and the market is expected to reach USD 3.1 billion in 2018.

Growing Markets

Digital Power Market

The Digital Power Market is estimated to have been worth USD 2.84 billion in 2014, accounting for 13% of the total market. IHS predicts that in 2019 the market for digital power supplies will be worth USD 11.3 billion, accounting for 37% of the overall global market.

Wireless Power, Charging & Lighting Market

The application with the strongest projected growth rate is wireless power & charging. It is forecasted to grow from USD 7.9 million in 2013 to USD 719.7 million in 2018 with an impressive 146.5% CAGR. Even though the merchant power supply market for the Lighting sector is the second biggest growth rate with 31% CAGR, it holds the number one position in the demand and adoption for LED lighting solutions. IHS expects a growing demand from 2013 with USD 1.086 billion to USD 4.193 billion in 2018. Other applications with significant growth are media tablets and storage.

Other Markets

UPS Market Outlook

For the third consecutive year, there will be a decline in global revenues in 2014 for the UPS hardware market. The projected decline of 0.8% which will take total revenues to USD 7.7 billion, while smaller than in 2012 and 2013, still indicates that UPS sales worldwide are in a state of flux as businesses and economies continue their recoveries from the global economic slowdown. There is no consistent pattern across the five major regions that IHS had surveyed. The rest of EMEA region is forecasted to grow by 1.7% in 2014, with Latin America and Western Europe projected to be flat without any growth. This leaves North America and Asia as regions in which the market will decline, by a projected -1.8% and -1.9%, respectively. In contrast, IHS predicted UPS service revenues to grow by 7.7% in 2013 to reach USD 3.1 billion in 2014 - an increase from USD 2.894 despite sluggish hardware sales. However, it is projected that the UPS industry will return to growth slowly over the subsequent five years.

Photovoltaic Market (PV)

The year 2014 saw dramatic shifts in the demand landscape, with China installing more than the whole of Europe. In 2015, IHS again predicts that installation demand will grow at a double-digit rate of 16 to 25 percent and installations in the range of 53 to 57 GW. The drivers of growth will remain largely unchanged from 2014.

In 2014, the world's 10 largest photovoltaic (PV) Engineering, Procurement and Construction (EPC) companies were to install a combined 8 gigawatts (GW) of solar capacity. That is equivalent to 20% of the world's non-residential PV demand.

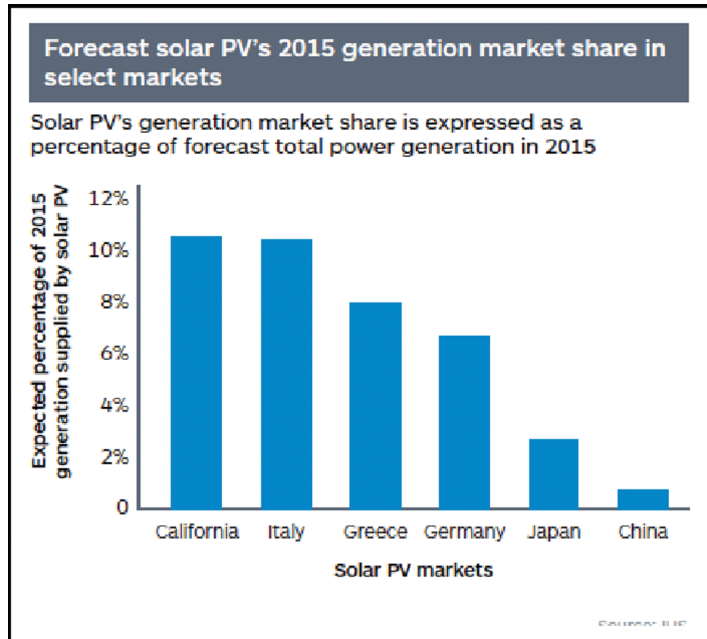
According to IHS the World's Top Five PV Integrators from 2014 are:

1. First Solar, 2. TBEA Sun Oasis, 3. SunEdison,
4. SunPower and 5. GD Solar

In 2015, market share by country in terms of installations will be similar to 2014:

1. China 14.4%, 2. Japan: 9%, 3. USA: 8.4%,
4. UK: 3.2% and 5. Germany with 2.5%. The largest contributors in terms of absolute growth will be China, USA and India. The underlying driver of growth will be the ongoing cost reduction in the solar industry.

IHS expects by the end of 2015, California will be the largest renewable power market in the United States, followed by Italy, Greece, Germany, Japan and China.



The Top 10 - PV Key Predictions for 2015 - by IHS

1. Global solar PV demand to grow by up to 25 percent in 2015
2. CPV to see accelerated growth in 2015
3. Distributed PV in China to fall behind expectations, but continues to grow
4. Grid-connected PV energy storage installations to triple in 2015
5. Emerging markets mature - Chile follows South Africa to reach 1 GW of installed PV capacity
6. Monocrystalline technology to increase market share in 2015
7. Systems up to 100 kilowatts to account for 30 percent of global installations in 2015
8. Q2 halt to UK utility-scale PV triggers new wave of consolidation among European EPCs
9. Three-phase string inverters to account for one-third of global solar inverter revenue in 2015
10. California in 2015 will become global leader in solar power penetration

Note:

The market numbers being used in the text are taken from the United Nations Market Report 2014-2015 and from a collection of different reports from IHS Market Research. Delta has received special approval from IHS Research to publish the text and data in unchanged format as written above.

2015 Business Directions

Delta Thailand Operations Review

Delta Thailand's overall manufacturing productivity for the factories in 2014 had achieved 10% improvement from the previous year. Our focused investment and effort in process automation and continuous process improvement projects had been the main contributors. More than 14 process automation related projects were implemented and subsequently deployed to all sites in Thailand. This improvement in productivity translates to approximately THB 2.5M annual savings.

The "Production Technology Upgrade (PTU)" program has continued to yield good results in increasing our First Pass Yield Rate (FPYR) while decreasing Verified Line Reject Rate (VLRR).

In 2015, Delta Thailand will up the ante in process automation investment with the installation of robotic arms. Delta Automation Center will be leading the SCARA (Selective Compliance Assembly Robot Arm) project installation with their expertise. Due to increasing volume and quality demands from leading car manufacturers, our fan factory will be one of the first to adopt this system.

Telecom Power Business in India

Telecom Power Business in India has seen a revenue growth of 44% in the year 2014. Delta India is the country's market leader in telecom power and commands a market share of over 60%. The continuous growth and dominance can be attributed to the extensive project roll out by major service providers in 2014, largely encouraged by new government policies and regulatory framework implemented by Telecom Regulatory Authority of India (TRAI).

Driven by 3G and 4G services, it is expected that there will be huge machine-to-machine (M2M) growth in India in coming years. More big players are thus expected to be increasing investments in India's telecom and IT sectors. Two examples are Japan's Softbank US\$10 Billion investment plan in India's IT sector and Reliance Jio's intention to invest US\$ 1.5 Billion to strengthen its 4G network. Such investments and government policies should help India telecom market to expand further.

In 2015, Delta would like to penetrate more into industrial and government projects as a Turn Key Solutions Provider (TSP). These turn key projects will enable us to synergize and leverage products and solutions across all Delta businesses like UPS, display solutions and remote monitoring solution. The government's ambitious US\$1.1 Billion Smart City program provides a lot of opportunities. Reliance Jio plans to deploy >50K small power solutions to provide last mile connectivity. Similarly industry giants like Indus Tower and Bharti Infratel are also planning to have compact power solutions for Smart Cities. Such promising developments in this sector will result in further growth in demand for services such as security and surveillance, remote monitoring of ATMs, home automation, traffic management, retail, logistics and grid energy which could eventually facilitate the optimization of resources.

Telecom Power Business in EMEA Region

EMEA market had another good run in 2014 for the telecom power business. Delta's EMEA team had achieved amicable growth in sales revenue compared with 2013. Despite the challenging market landscape, the team had maintained the businesses with nearly all major mobile operators in the region. Gross profit margin had widely exceeded the budget and shows payback of all operational activities. In later part of 2014, LTE

infrastructure investment was slightly delayed especially in United Kingdom. However, the investments in other EMEA countries such as France, Spain and Germany are expected to materialize in 2015. Delta's EMEA team is putting in the best effort to follow LTE deployments and 3G refresh programs in all major EMEA countries. Key focus will be to speed up hybrid solution business which provides significant energy and cost savings to our clients. These areas are potential growth engines for the team in 2015. 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

The Industrial Power Supply (IPS) team had another successful year in 2014. Despite being a relatively young business started in 2008 and the very first with Delta power supplies sold in the standard distribution channels, the IPS team has seen rapid growth that makes it one of the fastest businesses to break even in Delta. 2014 had seen more than 25% growth compared with 2013 and a double digit net profit. Several milestones were achieved in 2014 like the partnership with regional distributors that command market leadership positions in EMEA and USA. IPS power supplies and modules include DIN rail, panel mount and open frame mounting types. A series of products for LED applications will be introduced in 2015 followed by two new series of DIN rail power supplies and many more. The LED products have already garnered much interest from our distribution partners and will be IPS' key growth product in 2015 alongside a new series of competitively priced DIN rail power supply. With nearly monthly release of new products, IPS is expected to continue the momentum in 2015. Nevertheless, without good quality, great services and excellent partners, new products alone cannot make a successful business.



Industrial Power Supply (IPS)

2015 will see the IPS team aggressively pushing into Southeast Asia region with tradeshows and closer focus on selecting more suitable distribution partners in the region while enhancing our marketing programs with existing global partners. For key accounts, the team is expecting significant growth in USA and China. With continuing industrial trend of OEM customers transitioning to standard products for more dependable supply and better costs, IPS is anticipating a healthy growth in 2015. However, due to increasing price competitions and volatile currency fluctuations in key regions, IPS will face these challenges with caution from design to delivery of our products.

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

Industrial Automation (IA)

Delta's industrial automation solutions can be found in a broad range applications including machinery for metal processing machines used in industries such as food, textiles, chemicals, electronics, and plastics; automation equipment used in pharmaceuticals and printing; and energy-saving air-conditioning system and water supply facilities used in buildings. In 2014, the SEA team has grown IA business revenue by nearly 30% comparing with 2013. The general product distribution partners has been the main revenue source for the past decade in this region, and with the new solutions coming out such as HES (injection molding electrical control), SCADA and EMS, Delta IA business in the region is rapidly transforming into a solution provider.

In IA business, ready stock availability and domain know-how are crucial factors for growth. In order to cope with the market demand in SEA, the IA team has started operating in two local sales and services offices in Vietnam and Indonesia. We expect to achieve more than 40% growth comparing with 2014 revenue by closer collaboration with existing channel partners' to achieve their respective sales target provided by Delta and developing new business segments such as energy saving projects and injection molding machine retrofit business. To align the planning and actions with more than 14 channel partners in SEA+ANZ regions shall be the key successful factor to meet the desired sales targets. In addition, we will work with our partners to develop system integration capability which will allow both Delta team and the distributors to enter new markets and gain solid shares from major competitors from Europe and Japan.

Mission Critical Infrastructure Solutions (MCIS)

MCIS plays an important role in power management and energy efficiency by providing highly reliable and efficient UPS (uninterruptible power supplies) products, and data centre infrastructure solutions to ensure continuity of our customers' mission critical operations while reducing their Total Cost of Ownership (TCO).

MCIS business in SEA had seen a year-on-year growth of 21.8% from 2013 to 2014. This significant organic growth is achieved against a backdrop of a watershed year in 2014 where the MCIS team builds its core competencies across SEA and ANZ. Delta's market share in SEA is estimated to be over 4%, one of the top five brands in this region. With a positive outlook for these developing markets, the forecasted CAGR stands at no less than 120% each for the next three years.

Engaging the right brand/value proposition and channel management, the SEA team continues to gain strength, enhancing our reach and touch-time with our targeted customers. To further penetrate the UPS market strategically, re-balancing our sales from pre-dominant OEM sales to well-balanced mix of OEM and own-brand UPS is vital and necessary. Key directions in 2015 for SEA will be the launch of a full suite of Mission Critical Infrastructure equipment, complemented with next generation software solution and expanding our pre and post sales service reach, offering a complete "Peace of Mind" Power Management Solutions for the most demanding customers.

Telecom Power Systems (TPS)

TPS Business in SEA is focusing on new business development and transitioning to be an energy solution provider. In the past, the team had been focused on DC power system business through telecom equipment providers. From second half of 2014, TPS team for SEA had integrated Delta high efficiency DC rectifiers, site management controller, energy management software and hybrid solar/ genset power solutions to become a competent energy solution provider. Delta's well established TPS products have brought about highly effective solutions which have helped our customers to optimize their CAPEX and OPEX investment.

From 2015 to 2017, most SEA countries will be upgrading their BTS to 4G/LTE/LTE-A BTS in order to meet the continuous growth in mobile data demand. Due to the peak of investment for operators in SEA will be from 2015 to 2017, we forecasted the total market share of TPS in SEA, including Oceania countries, will grow significantly in 2018. Our major growth direction shall be from new customers rather than equipment vendors.

The team is continuously strengthening our knowledge and manpower with professional sales and services, solutions engineering and product development capability to provide customer oriented solutions. Australia, Myanmar, Thailand and Vietnam will be our key growth markets. Mainstream products will be outdoor power solutions and hybrid solar solutions.

Delta Energy Systems (DES)

Server, Networking and Telecom Business (SNT)

2014 has been a challenging year for SNT due to hesitation in investments in high end server platforms globally. Nevertheless, the launch of various new high-end power supplies for leading companies in the server industry during the last quarter of 2014 had increased market demand and will also boost sales in 2015 as end customers are expected to expand and modernize their high end computing machines in line with new technology. New DES high power density and high efficient designs are sold to global leading companies to power servers in data centers, super computers and telecommunication sites.

SNT has further increased its product portfolio to include all stages of power conversion and power distribution from the grid to the bulk load and beyond to the heart of the electronics in the customer systems. With increasing demand for power supplies in new and harsh environment, DES R&D team has been constantly upgrading their electrical design skills and pushing for innovations like new cooling and packaging concepts. DES will be launching new product families in 2015 to support demand for mid-size companies requiring standard products in the 3kW power range. This platform will comprise AC/DC as well as DC/DC solutions.

Industrial & Medical Business

DES's primary industrial business relates to customized DIN Rail power converter products. The next generations of DIN Rail products currently under development have reached a stage of delivering prototypes to the customer. The test results are encouraging. The features and benefits included in these designs are industry leading including never seen before features in the power supply market. The successful launch of these products will be crucial for our growth in the industrial segment.

In 2014 DES I&M team has completed the development of our first modified standard power supply series the IMA series. The series comprises of power ratings at 400W, 600W and 1kW with 12V, 24V or 48V output. These products are designed for both medical and industrial applications. The IMA series will allow DES to extend our revenue growth and customer base. Among new key customers that are implementing these products is a leading global beverage company. One of the key focuses for the I&M team in 2015 is to penetrate medical application market with the IMA series.



Standard power supply series the IMA series

Automotive Business

In 2014 DES' automotive business unit has launched the first two key on-board chargers (OBC) to mass production for two top tier European OEM customers. Those two on-board chargers will be launched in new additional car platforms at those OEM's continuously each quarter throughout 2015. The team had also received new awards from other major European OEMs for On-board charger as well as DC/DC modules in 2014 and the team is also designing battery junction box.

New OEM products for leading car manufacturers, mostly for Plug-in hybrid electrical vehicle (PHEV) market, will be launched in 2015. OBCs with power level from 3.3kW to 7.2kW are currently being designed for basic to demanding applications. DC/DC products are available from 1.8kW to 3.2kW power ratings as a stand-alone product or as part of an integrated solution. Apart from the traditional 12V DC, DES is extending the product range for 48V DC applications as demand for this specification is increasing in the market. Another exciting project for DES is wireless charging technology. With ambitious product roadmaps and continuously attaining excellent customer audit results, the Automotive team is quickly establishing Delta as a world class automotive power management products supplier.

Risk Factors

The Company assesses the risks affecting business operation that occurred in the previous year and projects potential factors that might influence 2015 operation. Followings are guidance setting to help ease impact from potential risks should it occur.

1. Risks arising from fluctuations in the global economy

In 2014, the world economy had unevenly recovered. There has been improving trend in the US but slow recovery in some regions including Europe. Nevertheless, impact on performance of subsidiaries in Europe is minimal and there is no effect on operation of the Company as a whole. As consolidated revenues grow continuingly at the rate of 7% year on year, given a strong sales growth in several key markets such as the US, Australia and Asia, the overall performance of the Company has been quite satisfactory.

The Company believes that the world economy remain vulnerable, especial in Europe that sees slow recovery as mentioned above. Although the Quantitative Easing measure launched by the European Central Bank might help stimulate economy and speed up recover, the Company remains cautious over the economic situation and adopt two measures to help lessen the above-mentioned risk. One is by expanding customer base in other markets such as India, in Southeast Asia and more where growth potential has been seen promising. The other is by developing products and services to correspond market demand.

2. Exchange rate risk

During the first half of 2014, Thai baht had been appreciated against the US dollar at exchange rate of THB32 for a dollar. External factors affecting appreciation was capital outflow from the US post implementation of the Quantitative Easing.

During the second half of 2014, Thai baht became depreciated to the level of Baht 33 per a US dollar as global financial markets begin recovering. This situation is positive for the Company's operating results because appreciation of the US dollar in accordance with improvement of the US economy that led relaxation of the US's Quantitative Easing measure and help induce the Company's foreign exchange gains of approximate Baht 231 million.

In 2015, there has been projection in the market on potential rising of the US policy rate in second half. If the rate rises as market anticipated, the US dollar currency would be appreciated. Nevertheless, uncertainty remains as there are numbers of factors affecting world economy such as poorer than expected economy growth, volatility of oil price in world market, Japan's Quantitative Easing operation, and crisis among Euro zone countries.

Apart from managing the risk on US dollar currency, the Company also has to deal 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.

Despite potential benefit towards depreciation of Thai Baht, the Company continues adopt hedging policy that entirely protects 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 at lessen risk, avoid speculation as well as taking into account of the overall costs that may arise. All to be ensure that the costs incurred must be justified with appropriate and acceptable risk.

3. Raw materials

To ensure good quality and continuity of supply, we always placed strong emphasis on managing “Key/Critical suppliers” and “Key/Critical parts” in our Supplier Management framework. Apart from evaluating the Price, Quality, Technology, Delivery performance and Responsiveness of the Supplier, the Company also focuses on managing the Supply and Demand of critical parts by connecting to End Customers, System Integrators and Suppliers through an Information Platform. The comprehensive information Flow Management and Logistics Management helps us reduce risk by providing us with up-to-date change information as well as a mechanism for long-term inventories and Production Planning purpose. Generally, local suppliers are preferable as they offered an advantage in Delivery time and Responsiveness but they also must meet our standards for Technology, Quality and Price.

As reported previously, we had conducted in-depth analysis of our Key Suppliers’ Financial status after the Global Financial Crisis as well as reviewed our Supply Chain Diversification/ Geographical Distribution of our Suppliers’ production lines in order to reduce our risk of part shortages caused by extreme climate conditions or possible major disasters in the future. In 2014 the overall Supply Situation was stable and we do not encounter any serious supply related issue.

Going forward to 2015, we also do not foresee any potential risk of Supply Issue and will continue to monitor closely to ensure no disruption to our operations.

4. Account receivables collections

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

However, given the recovery global economic circumstances such as USA that has shown some recovery signs and the ECB’s recent launch of Quantitative Easing to stimulate the Euro zone economy, the Company still has some concerns on how the global economy would be recovered. The Company therefore needs to closely monitor and constantly evaluate the impacts from those concerns and assess if they would affect the Company’s operations and the customers’ financial position to ensure collection of receivables.

5. Investments and financial assistance given to its subsidiaries

Investments and financial assistances given to the subsidiaries are generally risk inherent transactions. Risk management practices that the Company adopts are closely monitor 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.

6. Labor Relations

With almost 10,000 employees in Thailand, the Company gives priority to labor relations and it put into an action by continuing support various activities arranged by employees and labor union to promote good relationship as well as preventing and solving common problems that may arise. The Company established a labor relation committee with joint members from both employers and employees. The meetings generally take place on a monthly basis to listen to problems, find solutions together, and arrange activities to promote labor relations. Not only it helps create a good relationship but it also builds beneficial impact to both employees and organization.

Despite various protection arrangements, the Company also has a contingency plan in case of labor dispute that may arise and would lead to protest and strike. In such event, executive officers, chief departments, relevant staff and government agencies are assigned specific responsibilities to help collaborate so as to solve the problem instantaneously.

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) 709-2827
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 21 January, 2015)
Juristic persons which Company holds more than 10%	Please find details in the section of "Investment Structure"
References	<p>1. Auditor 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 Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 229-2800 Fax : (662) 359-1259</p>

Capital Structure

Registered and paid up share capital (31 December 2014)

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 March 5, 2014)

No.	Name	Holding	%
1	Citibank Nominees Singapore Pte Ltd-S.A. PBG Clients SG	718,254,990	57.6%
2	Thai NVDR Co.,Ltd.	88,707,475	7.1%
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	40,329,453	3.2%
6	The Bank of New York (Nominees) Limited	16,005,131	1.3%
7	HSBC (Singapore) Nominees Pte Ltd.	14,526,775	1.2%
8	Mr.Paisarn Chatpitak	13,734,800	1.1%
9	The Hong Kong and Shanghai Banking Corporation Limited, Fund Services Department	11,546,900	0.9%
10	State Street Bank and Trust Company	8,238,300	0.7%
11	Others	213,737,430	17.1%
	Total	1,247,381,614	100.0%

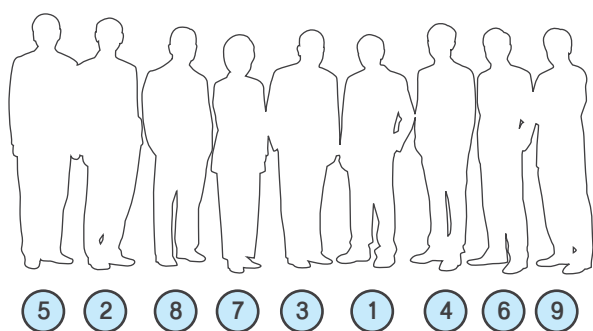
Dividend Policy

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. 1/2015 held on 10 February 2015 resolved to pay dividend for the year 2014 at Baht 3.00 per share, representing a payout ratio of 62.8%. This is subject to the 2015 Annual General Meeting of Shareholders' approval. (The dividend paid in 2013 was Baht 2.70 per share, representing a payout ratio of 62.2%).

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. Ng Kong Meng (James)
2. Ming-Cheng Wang (Stronger)
3. Hsieh, Shen-Yen (Dick)
4. Hsieh, Heng-Hsien (Henry)
5. Chu, Chih-Yuan (Roger)
6. Anusorn Muttraid
7. Emeritus Professor Supapun Ruttanaporn
8. Supat Limpaporn
9. Professor Lee, Ji-Ren

Ng Kong Meng (James)

Age : 68

Position

Chairman of the Board (Authorized Director)

Education/Training

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

Shareholding in the Company (31 Jan 15) : None

Work Experience

Present	Chairman of the Board, Delta Electronics (Thailand) Plc (1990-present)
2012-present	Director, Delta Electronics International (Singapore) Pte.,Ltd
2004-2008	Executive Committee Member, Delta Electronics (Thailand) Plc
1990-2006	President, Delta Electronics (Thailand) Plc
2000-2004	President, Delta Electronics Inc.,Taiwan

Ming-Cheng Wang (Stronger)

Age : 69

- Position** Vice Chairman of the Board (Authorized Director)
- Education/Training**
- Taking EMBA course at National Taipei University of Technology
 - Industrial Engineering (Diploma), National Taipei Institute of Technology, Taiwan

Shareholding in the Company (31 Jan 15) : 75,010 shares (0.006% of paid up capital)

Work Experience

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

Hsieh, Shen-Yen (Dick)

Age : 63

- Position**
- Director of the Board (Authorized Director)
 - President
- Education/Training**
- Taking EMBA course at National Taipei University of Technology
 - B.A. Navigation, China Marine Time College.
 - Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2014

Shareholding in the Company (31 Jan 15) : None

Work Experience

- Present
- Director of the Board (Aug 2013-present)
 - President (Mar 2014 - present)
- Delta Electronics (Thailand) Plc
- 2013-present Director, Taiwan Powder Technologies Co.,Ltd
- 2012-present Director, Delta Greentech (China) Co Ltd.
- 2003-present Executive Vice President, Delta Electronics (Dongguan) Co.,Ltd.
- Aug 2013-Feb 2014 Executive Committee Member
- 1991 - 2003 Vice President Sales & Marketing, Delta Electronics (Thailand) Plc

Hsieh, Heng-Hsien (Henry)

Age : 51

- Position** Director of the Board (Authorized Director)
- Education/Training**
- 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 (31 Jan 15) : None

Work Experience

- Present Director of the Board, Delta Electronics (Thailand) Plc (2006-present)
- 2009-Mar 2014
- Executive Committee Chairman
 - Risk Management Committee Chairman
- Delta Electronics (Thailand) Plc
- 2007-Mar 2014 President, Delta Electronics (Thailand) Plc
- 2004-Mar 2014 President of Delta Energy Systems (DES) group
- 2004-2008 Executive Committee Member, Delta Electronics (Thailand) Plc

Position	Director of the Board (Authorized Director)
Education/Training	<ul style="list-style-type: none"> • B.A in Economics, Chinese Culture University (Taipei), 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 (31 Jan 15) : None	
Work Experience	
Present	<ul style="list-style-type: none"> • Director of the Board, Delta Electronics (Thailand) Plc (1988 – present) • Supervisor, Delta Green Life Co.,Ltd. (2012 – present) • Director, Digital Projection International Holding Ltd. (2011- present) • Supervisor, Delta Electronics Capital Company (2010 – present) • Supervisor, NeoEnergy Microelectronics (2009 – present) • Director, Delta Electronics International Ltd. (Labuan) (2004 – present) • Supervisor, Delta Electronics (Korea), Inc. (2004 – present) • Supervisor, Delta Greentech (China) Co., Ltd. (2002 – present) • Supervisor, Addtron Technology (Japan) Co., Ltd (1998 – present) • Director, Delta Power Sharp Ltd. (1995 – present) • Supervisor, Delta Electronics (Japan), Inc. (1991 – present)
2012-Mar 2013	Supervisor, Allied Material Technology Corp.
1986-Sep 2013	Senior Vice President and Corporate CFO, Delta Electronics, Inc. (Taiwan)

Position	<ul style="list-style-type: none"> • Director of the Board (Authorized Director) • Executive Committee Member • Compensation Committee Member • Risk Management Committee Member • Human Resources & Administration/ Public Relations Director
Education/Training	<ul style="list-style-type: none"> • B. Sc, Kasetsart University • Director Certification Program (DCP), Thai Institute of Directors Association, Year 2004
Shareholding in the Company (31 Jan 15) : None	
Work Experience	
Present	<ul style="list-style-type: none"> • Director of the Board (1994-present) • Executive Committee Member (1999-present) • Compensation Committee Member (2007-present) • Risk Management Committee Member (2009-present) • Human Resources & Administration/Public Relations Director (1993-present) Delta Electronics (Thailand) Plc
2011-Present	<ul style="list-style-type: none"> • Director/Executive Director/Risk Committee Chairman, 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
2010-Present	Managing Partner, Anupong Globalize Limited Partnership
2009-Present	Chairman of Committee on Indian Affairs, Board of Trade of Thailand
2007-Present	<ul style="list-style-type: none"> • Chairman of Thailand-India Business Council, Board of Trade of Thailand • Managing Partner, Anusorn Globalize Limited Partnership
2011-2014	Director of Advisory Board, Department of Trade Negotiations Ministry of Commerce

Emeritus Professor Supapun Ruttanaporn**Age : 71**

- Position**
- Independent Director
 - Audit Committee Chairperson
- Education/Training**
- 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 (31 Jan 15) : None**Work Experience**

- Present
- Independent Director (2004-present)
 - Audit Committee Chairperson Plc (2007-present)
- Delta Electronics (Thailand)
- Audit Committee of Thai Poly Acrelic Plc (2013-present)
 - Audit Committee of Charoen Pokphand Foods Plc (2009-present)
 - Audit Committee of Grow Energy Plc (1999-present)
 - Treasurer of Wat Yannasungvararam 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
- 2007-2010 Member of Ethics Committee, Federation of Accounting Profession
- 2001-2009 President of Thai Accounting Association

Supat Limpaporn**Age : 70**

- Position**
- Independent Director
 - Audit Committee Member
 - Compensation Committee Chairman
- Education/Training**
- M.E Mechanical Engineering, Technical University, Hannover, West Germany
 - B.E Mechanical Engineering, Technical University, Hannover, West Germany
 - Thai Institute of Directors Association;
 - Director Accreditation Program (DAP), Year 2007
 - Director Certification Program (DCP), Year 2008
 - Role of Compensation Committee (RCC), Year 2008
 - Audit Committee Program (ACP), Year 2011
 - Monitoring Fraud Risk Management (MFM), Year 2012
 - Monitoring the Internal Audit Function (MIA), Year 2012
 - Monitoring the Quality of Financial Reporting (MFR), Year 2012

Shareholding in the Company (31 Jan 15) : None**Work Experience**

- Present Independent Director/ Audit Committee Member/ Compensation Committee Chairman, (2007-present)
- Delta Electronics (Thailand) Plc
- 2010-Present Chairman of Audit and Evaluation Committee, Ministry of Industry
- 2005-2013 Performance Agreement Subcommittee, Ministry of Finance
- 2006 Committee on Labour Relations, Ministry of Labour
- 2003 Director General of The Industrial Promotion Department, Ministry of Industry

Position	<ul style="list-style-type: none"> • Independent Director • Audit Committee Member • Compensation Committee Member
Education/Training	<ul style="list-style-type: none"> • 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 (31 Jan 15) : None	
Work Experience	
Present	Independent Director/ Audit Committee Member/ Compensation Committee Member, (2011-present) Delta Electronics (Thailand) Plc
2010-Present	<ul style="list-style-type: none"> • Associate Dean in Resources/Teaching Development, College of Management, National Taiwan University, Taiwan • Independent Director of Wowprime Group, Taiwan
2006-Present	Independent Director of Esun FHC, Taiwan
2003-Present	Director of AVerMedia Technology, Taiwan
2002-Present	Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University, Taiwan
2007-2008	Compensation Committee Member, Delta Electronics (Thailand) Plc
2006-2008	Independent Director/Audit Committee Member, Delta Electronics (Thailand) Plc

Profiles of Management Team

Mr. Hsieh, Shen-Yen (Dick)

- President & DES 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. Yu, Po-Wen (Beau)

- Chief Financial Officer (CFO)

Education

- M.B.A, University of South Australia
- B.A (Accounting), Chinese Culture University (Taipei)

Shareholding in the Company 10 shares
(31 Jan 15) (0.0000008% of paid up capital)

Work Experience

- | | |
|---------|---|
| Present | <ul style="list-style-type: none"> • Executive Committee Member (1999-present) • Risk Management Committee Member (2009-present) • Chief Financial Officer (CFO) (1991-present)
Delta Electronics (Thailand) Plc |
|---------|---|

Mr. Vichai Saksuriya

- Operations Vice President

Education

- Taking EMBA course at National Taipei University of Technology
- Electrical Engineering, National Taipei Institute of Technology, Taiwan
- Director Accreditation Program (DAP)
Thai Institute of Directors Association Year 2014

Shareholding in the Company (31 Jan 15) None

Work Experience

- | | |
|-----------|--|
| Present | Operations Vice President (2011-present)
Delta Electronics (Thailand) Plc |
| 2008-2011 | Sr. Operation Director,
Delta Electronics (Thailand) Plc |
| 2007 | Operation Director,
Delta Electronics (Thailand) Plc |

Mr. Chen, Chin-Ming

- Taking EMBA course at National Taipei University of Technology
- Chief Information Officer (CIO)

Education

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

Shareholding in the Company (31 Jan 15) None

Work Experience

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

Managerial Structure

Board of Directors

The Company's board of directors is now composed of 9 members, 2 executive directors, 7 non-executive directors, 3 of them are independent director. As reported in the Ministry of Commerce's certification dated January 21, 2015, 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	6/6
2. Mr. Ming-Cheng Wang	Vice Chairman	3 May 1990	6/6
3. Mr. Hsieh, Shen-Yen*	Director and President	13 Aug 2013	6/6
4. Mr. Hsieh, Heng-Hsien	Director	30 Mar 2006	6/6
5. Mr. Chu, Chih-Yuan	Director	30 Apr 1988	6/6
6. Mr. Anusorn Muttaraid*	Director	22 Aug 1994	5/6
7. Emeritus Professor Supapun Ruttanaporn	Independent Director	29 Mar 2004	6/6
8. Mr. Supat Limpaporn	Independent Director	29 Mar 2007	6/6
9. Prof. Lee, Ji-Ren	Independent Director	1 Apr 2011	3/6

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

** Executive director*

Authorized Directors:

The following 6 directors are authorized to act on behalf of the Company under following conditions, "Mr. Ng Kong Meng, Mr. Ming-Cheng Wang, Mr. Anusorn Muttaraid, either one of these directors jointly sign with Mr. Hsieh, Heng-Hsien or Mr. Hsieh, Shen-Yen or Mr. Chu, Chih-Yuan 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 and mission of the Company and reviewed every 5 years.
3. To determine/approval policies, business strategy, business plan and budget of the Company, and to supervise that the administration and management including to follow up the result of the operation performed by the executive committee in order to ensure its proper compliance with the plan, policies 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.

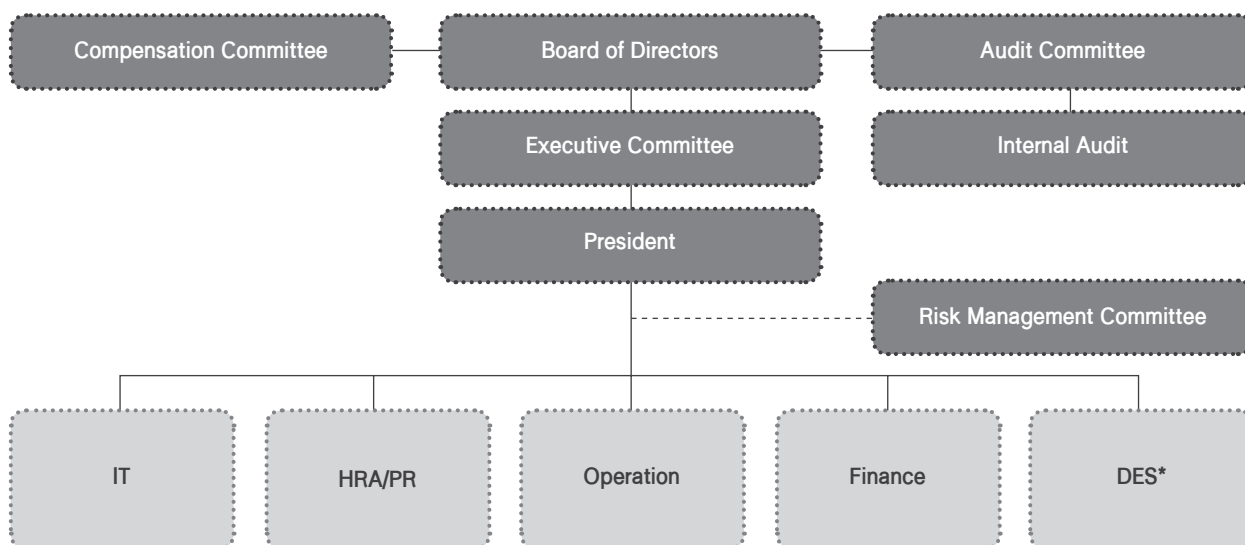
For this purpose, no authorization will be enable the grantee under the power-of-attorney to consider and approve the transaction which may cause a conflict of interest between himself or any related person or interested person as the one party and the Company as the other party, unless it is granted 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 Company's managerial structure as of 31 December 2014



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

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. Yu, Po-Wen	Chief Financial Officer
4. Mr. Vichai Saksuriya**	Operation Vice President
5. Mr. Chen, Chin-Ming	Chief Information Officer

* Appointed by the Board of Director on 17 Feb 2014, effective on 1 March 2014

** Effective on 1 March 2015

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 Funghanakun 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 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 compensation committee is assigned to determine the compensation principle and structure for the president and executive level (10 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 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 2014 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 2014 with details shown below;

Name of Director Unit : Baht	Remuneration		Meeting fee ¹⁾		Total Amount ²⁾	
	2014	2013	2014	2013	2014	2013
Mr. Ng Kong Meng	1,650,000	1,650,000	70,000	40,000	1,720,000	1,690,000
Mr. Ming-Cheng Wang	1,150,000	500,000	50,000	-	1,150,000	500,000
Mr. Hsieh, Shen-Yen	500,000	-	-	-	500,000	-
Mr. Hsieh, Heng-Hsien	1,150,000	500,000	50,000	-	1,150,000	500,000
Mr. Chu, Chih-Yuan	1,150,000	500,000	50,000	-	1,150,000	500,000
Mr. Anusorn Muttaraid	500,000	500,000	-	-	500,000	500,000
Emeritus Prof. Supapun Ruttanaporn	1,250,000	1,250,000	130,000	120,000	1,380,000	1,370,000
Mr. Supat Limpaporn	1,250,000	1,250,000	160,000	150,000	1,410,000	1,400,000
Prof. Lee, Ji-Ren	1,150,000	1,150,000	70,000	90,000	1,220,000	1,240,000
Total	9,750,000	7,800,000	580,000	400,000	10,330,000	8,200,000

- Remarks:
1. Meeting attendance fee are for Chairman of the Board, Director and Independent Director for their participation in every committee meeting and Shareholders' meeting excluding executive director.
 2. No other remuneration such as bonuses, pension and other benefits were given to the above directors.

1.2 Remuneration of the Management

Remuneration of the 5 members of the management team including salary and bonus in 2014 amounted to 42,782,135 baht as compared to that of last year (2013) of 46,375,233 baht.

2. Other remuneration

- None -

Share/warrant holdings of Directors

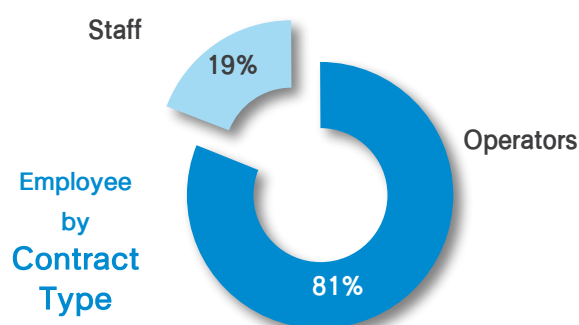
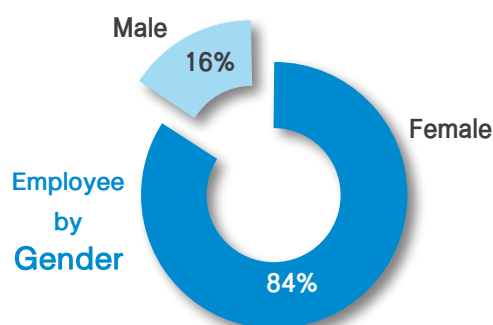
Name of Director	Shares (DELTA)*		
	31 Jan 15	31 Jan 14	Inc (Dec)
Mr. Ng Kong Meng	-	-	-
Mr. Ming-Cheng Wang	75,010	75,010	-
Mr. Hsieh, Shen-Yen	-	-	-
Mr. Hsieh, Heng-Hsien	-	140,755	(140,755)
Mr. Chu, Chih-Yuan	-	-	-
Mr. Anusorn Muttaraid	-	-	-
Emeritus Prof.Supapun Ruttanaporn	-	-	-
Mr. Supat Limpaporn	-	-	-
Prof. Lee, Ji-Ren	-	-	-
Mr. Yu, Po-Wen	10	10	-
Mr. Vichai Saksuriya	-	-	-
Mr. Chen, Chin-Ming	-	-	-

Remark: *No. of shares and warrants included those held by spouse and minor children

Human Resource

In 2014, the Company and its subsidiaries had a total number of employees of 11,682 and the total remuneration including salary, bonus and provident fund paid to employees was Baht 7,525 million. In Thailand, there were 9,712 employees with Baht 4,004 million paid for remuneration including salary, bonus and provident fund. Employees in Thailand are divided as follows.

Number of Employee as of 31 Dec 2014	Female	Male	Total
Operators	7,452	390	7,842
Staff	692	1,178	1,870
Total	8,144	1,568	9,712



Human Resource Development

The Company committed and gave priority to develop its personnel in terms of both education and working skill. There was cooperative program with various educational institutions to enhance employees' knowledge continuously.

❖ Educational Support Project

- With coordination with Huachiew Chalermprakiet University, Delta has conducted Thai language for executives foreigner and Chinese for Thai staff to enhance knowledge and skill on language communication for work and daily life to employees. There were 84 employees participated in the class.
- Annual scholarships to employees and their children who have outstanding academic performance



20 Annual scholarships were awarded to employees and their children.



Employees participating in Chinese language training.

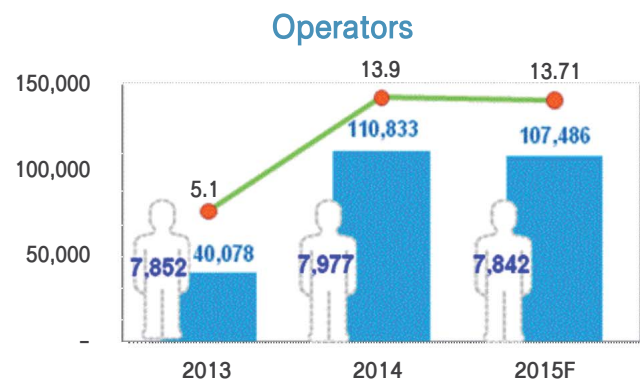
❖ Human Resource Development

The Company has policy to provided 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 2014, the Company's training courses hours can be projected as followings:

- consolidated training hours 31,709 hours had scheduled for 1,829 staff; average 17.3 hours/person
- consolidated training hours 110,833 hours had scheduled for 7,977 operators; average 13.9 hours/person



■ Learning hours of staff ● Avg. hour/person



■ Learning hours of Operator ● Avg. hour/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. 5/2014 dated 28 July 2014, the Board of Director resolved to approve the 3rd revision of the corporate governance policy, for further details of the Company's Corporate Governance Policies can be read from the Company's website: 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 2014 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 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 generally holds an annual general meeting of shareholders (AGM) once a year within four months after each fiscal year end. In 2014, the AGM was held on March 31, 2014 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 2014 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 14 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, all directors attended the meeting. The Chairman of the Board, Chairman of all sub-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, Allen and Overy (Thailand) Co., Ltd, 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 October 15, 2014. 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 2014 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 2014 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 during 1 October - 31 December 2013. 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 2015 annual general meeting of shareholders, the Company also provided this opportunity to shareholders during the period of 15 October - 31 December 2014.

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 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 2014, there was connected transaction during the year as follow;

- Delta Greentech International Holding Ltd (a wholly owned subsidiary of the Company), has entered into a related party transaction by signing the sale and purchase agreement regarding disposal of investment in Delta Greentech SGP PTE Ltd. for 5,499,102 shares or 45.17% of its total issued shares with Delta International Holding Ltd., a subsidiary of Delta Electronics Inc. (DEI), a major shareholder holding approx. 21% direct and indirect in the Company at the price of USD 12.93 million (approx Baht 423 million) or 1.77% of net tangible assets (NTA) of the Company and 1.16%, based on the method of Value of Consideration received, compared with total assets of the Company's consolidated balance sheet as of 31 Dec 2013). The fair market value was based on net asset value

which has adjusted the investment value of Delta Greentech (China) Co.,Ltd with the fair market value by using Income Approach appraised by an independent party on 17 Sep 2012. Fair Market Value is based on Net Asset Value (NAV), which has been adjusted with the investment value of Delta Greentech (China) Co., Ltd with the fair market value by using Income Approach appraised by an independent party on 17 Sep 2012. Fair Market Value is assessed in a range of USD 2.16 - 2.34 / share. After this transaction, the Company or its subsidiary will no longer hold any share in DG SGP.

- DET International Holding Limited (a wholly owned subsidiary of the Company), has entered into a related party transaction by signing the sale and purchase agreement regarding disposal of investment in Delta Electronics Europe Ltd (DEU) for 500,000 shares or 100% of its total issued shares with Delta International Holding Ltd., a subsidiary of Delta Electronics Inc. (DEI), a major shareholder holding approx. 21% direct and indirect in the Company at the price of USD 3,66 million (approx Baht 119 million) or 0.5% of net tangible assets (NTA) of the Company and 0.49%, based on NTA of the asset to be disposed, compared with the NTA of the Company and its subsidiaries as of 30 June 2014. The fair market value by using Asset-Based Approach based on net book value as of 30 June 2014.

Directors of the Company was no any other different opinion from directors or Audit Committee

■ 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 2014, dividend payout ratio averages 50% - 69% of net profits annum. In 2014, the company, Delta Electronics (Thailand) Plc. (DELTA), has been added to MSCI Global Standard Indexes. This addition makes the company become known and widely accepted by investors globally. Moreover, providing an outstanding performance during the past three years, the company wins "SET Awards 2014" in the Category of "Best Company Performance" for its excellent results among listed companies with SET market capitalization of over THB 50 billion. The company will manage to sustain capabilities in order to continue supplying superior return to investors.

Customers:

The Company is committed to its policy and mission in providing products, services and solutions to fulfill customer's both short and long term requirements. In addition, the Company is also committed produce quality products in accordance with international standards to gain customer's confidence and satisfaction. This year we received several awards from customer like Best Lifecycle Performance Award from Philips Ultrasound and Supplier Efficiency Award from Brocade



Best Lifecycle Performance Award
from Philips Ultrasound

MSCI Index (Morgan Stanley Capital International Index) is designed as a benchmark for foreign institutional investors to measure the return on investment.

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. 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 Employee's Remuneration
- The Policy of Labor Relations
- The Policy of Human Resources Management
- The Policy of Activities Misconduct, Harassment and Unfair Treatment

(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.

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 section of CSR report

Whistle Blowing 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: csr@deltathailand.com
- Communication channel for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280);
 - (2) Email: csr@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 Company has signed on the declaration of intent in establishing Thailand's Private Sector Collective Action Coalition against Corruption. On May 2014, shown on the 314 rank of ratification sign-up is the signature of the President who represents the Company in affirming intention to combat all kinds of corruptions. The Company performs self-assessment and set out measures to combat 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. The Company is open for suggestions and complains from all stakeholders. More details on practice guidance can be found from the Company's website http://www.deltathailand.com/th/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 investor@deltathailand.com.

In 2014, with support from SET, the Company organized press conference quarterly to clarify its operating results to securities analysts, reporters and general investors and for those people to meet with its executives in a bid to nurture confidence of all stakeholders. In addition, meetings were also arranged by Investor Relations unit from time to time in order to provide information to both local and oversea securities analysts and investors. Since most local and foreign investment companies invests in our

stocks for long term holding, the company's investor relations does offer periodical updates for investors in the region by joining conferences and events a few times each year. For investors in other regions, conference calls are normally set up upon request. In 2014, the company was awarded "Best Senior Management IR Support" from Alpha Southeast Asia Magazine. The winner of this award was based on the poll that was completed by 477 institutional investors who have an investment interest in the region including pension funds, hedge funds, equity securities and fixed income brokers, and securities analysts.

■ 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 accounts for 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 first term started from 2015 AGM onward.

At the 2014 Annual General Meeting of Shareholders, the retired directors, Mr. Ming-Cheng, Wang, Mr. Anusorn Muttaraid and Professor Lee, Ji-Ren were re-appointed.

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

* Appointed by the Board of Directors on 11 March 2014

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.	Mr. Supat Limpaporn	Audit Committee member
3.	Prof. Lee, Ji-Ren**	Audit Committee member

Remark: * Being a director who is knowledgeable and experienced in reviewing the 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 of directors 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.

Compensation Committee

The Compensation Committee consists of 3 members, 2 independent directors and 1 executive director in charge of human resources function. Term of office shall follow the annual director election. List of the members of the compensation committee is shown below.

Name	Position
1. Mr. Supat Limpaporn	Compensation Committee Chairman (Independent Director)
2. Prof. Lee, Ji-Ren	Compensation Committee Member (Independent Director)
3. Mr. Anusorn Muttaraid	Compensation Committee Member (Human Resources & Administration Director)

Scope of Responsibilities of Compensation Committee:

1. Appraise the performances of the president and the Executives level 10 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 level 10 and up which would include 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.
4. Review the remuneration policy of directors, committee President and the Executives level 10 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.
5. Perform any other duties assigned by the board. To perform the assigned job, the compensation committee may seek advice or opinion from the relevant independent professionals as necessary and appropriate. Compensation 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:

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. 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.
5. Monitor and continuously improve risk management.
6. The committee may seek advice from relevant professional consultant in some cases

Selection of Directors and Independent Directors

Since the director is one of the most important positions, the board of director, therefore, is of the opinion that the selection should be performed by itself and considered not to establish the nomination committee. The board is responsible for the search, selection and nomination of the qualified candidate to be director or member of any committee. The director 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 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 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 five listed companies as a maximum except being the director of the subsidiaries.
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 2014 as follows;

Unit : Times

Name	Board of Directors	Audit Committee	Compensation Committee	AGM
No. of total meetings held	6	6	3	1
Mr. Ng Kong Meng	6/6	n/a	n/a	1/1
Mr. Ming-Cheng Wang	6/6	n/a	n/a	1/1
Mr. Hsieh, Shen-Yen	6/6	n/a	n/a	1/1
Mr. Hsieh, Heng-Hsien	6/6	n/a	n/a	1/1
Mr. Chu, Chih-Yuan	6/6	n/a	n/a	1/1
Mr. Anusorn Muttaraid	5/6	n/a	3/3	1/1
Emeritus Prof. Supapun Ruttanaporn	6/6	6/6	n/a	1/1
Mr. Supat Limpaporn	6/6	6/6	3/3	1/1
Prof. Lee, Ji-Ren*	3/6	3/6	0/3	1/1

* Prof. Lee, Ji-Ren had teleconference in audit committee meeting 3 meetings and compensation committee meeting 3 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 arrange its self assessment once a year to evaluate its overall and individual performance and also to enhance a better understanding and cooperation among all members in following topics;

Overall Board Self-Assessment Topics

- 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

Individual Board Self-Assessment Topics

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

Sub Committee Self-Assessment Topics

Audit Committee Assessment Topics

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

Compensation Committee Assessment Topics

- 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

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. Appraisal results will be submitted to the Board on a quarterly basis.

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 2014, Mr.Hsieh, Shen-Yen, the President joined of the Director Accreditation Program (DAP) of Thai Institute of Directors 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 candidates for key position that align with the Company's five-year strategic and operational plans. At present, the Company is now in the process of planning to develop the recruited 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 2014 to its auditor is Baht 4,620,000 excluding all actual out of pocket expenses. (Audit fee in 2013 amounted to Baht 4,568,026 including all actual out of pocket expenses). 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.



*“Without ethical
and sustainable
business practices
from sourcing,
manufacturing to delivery
and long term investments
for the well-being
of our environment,
employees and the
communities,
the task to
a cleaner and better
tomorrow will not be
possible.”*

Sustainability Development Report

Message from the President

With another successful year gone by, on behalf the management team at Delta Electronics (Thailand) PLC., I would like to thank the stakeholders and communities that have made Delta's sustainable growth possible year over year.

Corporate Social Responsibility program which is one of the most important parts of Sustainability Development constantly reminds us to leave a footprint that will benefit our next generation and those that have been part of Delta directly or indirectly. It is essentially the lynchpin to our efforts to give back to the society. In addition to abiding by strict corporate citizenship practices in all our subsidiaries and entities with ethical business practices and constant pursuit for greener product and processes, we especially enjoy the privilege to participate in community services that aim to bring immediate to long term benefits to our stakeholders and the next generation.

2014 had seen Delta accomplishing more community projects than we had planned. Some of the memorable activities include the signing of MOU with Huachiew Chalermprakiet University to share resources for developing talents in the industry; Delta sponsored seminar on Understanding the Impact of Earthquake in Thailand at Mae Fah Luang University; donation of medicines and funds for Wat Toong Hieang School in Chonburi; scholarships and bursaries for several schools and many other activities. It is also heartening for the team that Delta has been awarded the CSR-DIW award by the Ministry of Industry's Department of Industrial Works. The award was set up to encourage factories to apply the CSR-DIW (Corporate Social Responsibility, Department of Industrial Works) standard which essentially encompasses the core elements from ISO 26000. To be able to give back is already a privilege.

The importance of CSR in Delta Thailand is most aptly highlighted in our company's mission statement- "To provide innovative, clean and energy-efficient solutions for a better tomorrow." Without ethical and sustainable business practices from sourcing, manufacturing to delivery and long term investments for our environment, our employees' and the communities' well-being, the task to a cleaner and better tomorrow will not be possible. Delta shall continue to embrace these values and look forward to another fruitful year.

The environmental and business challenges before us could be volatile but the future will thus present many opportunities for both businesses and societies to work together for a sustainable growth.



Dick Hsieh
President

About this report

- **Report Cycle**

January - December 2014

- **Report Boundary**

This report covers the Company's operations in Thailand which includes two factories located in Bangpoo Industrial Estate, Samutprakarn and one factory in Wellgrow Industrial Estate, Chachoengsao.

- **Methodology**

Report according to General Standard Disclosure G4 of Global Reporting Initiative (previously the CSR content had reported as CSRI guidance Content of this report can be obviously indicated with GRI Content Index which is continue to the final page of Delta's Annual Report's English edition. The report is included the text and data in accompanying table by using quantitative and qualitative methodology.

- **Materiality**

The Materiality of this report had prioritized form stakeholder's aspects collected by publishing a questionnaire on the Company's website http://www.deltathailand.com/th/about_csr.php to communicate with involved stakeholders, identify sustainability context and review related aspects as GRI G4 framework which is outlined in page 76

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.

Development towards sustainability 2012 -2014



- (1) PMBEA Prime Minister's Business Enterprise Awards
- (2) GHG Greenhouse Gas Certificate
- (3) PMEIA Prime Minister's Export Awards
- (4) PMIA Prime Minister Best Industry Awards

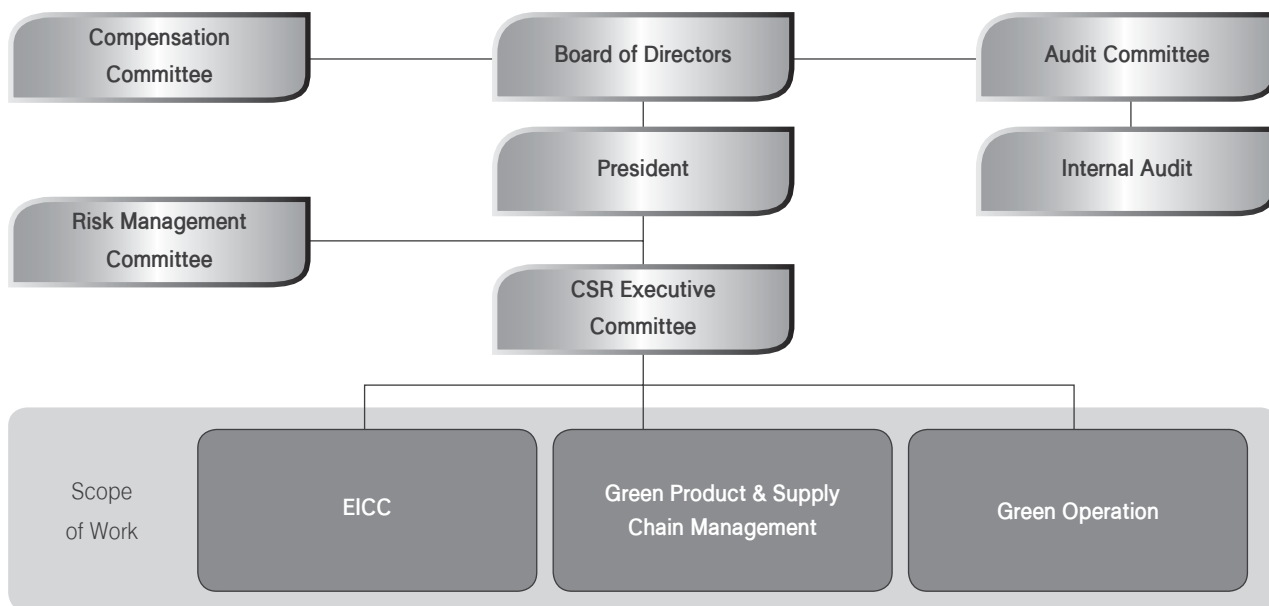
With commitment towards sustainable development, the company integrates CSR principles to be part of business operation since 2007 with various activities focused on sustainability in three dimensions including economic, social, and environment. Awards and international certificates given to the Company are followings;

- **Prime Minister's Business Enterprise Awards 2014** in Best Exporter for Multinational Corporation organized by Department of International Trade Promotion, Ministry of Commerce received on 18 September 2014
- **SET Awards 2014** in Best Company Performance Awards with high market capitalization over 50,000 Baht organized by The Stock Exchange of Thailand and Money and Banking Magazine received on 27 November 2014
- **Thailand Corporate Brand Rising Stars 2014** in the highest growth for corporate brand values in technology industry organized by The Master of Science in Marketing Program, Chulalongkorn Business School partnered with Manager Online, Settrade, and Interbrand received on 18 September 2014
- **Institutional Investor Corporate Awards 2014** in Best Senior Management IR Support organized by Alpha Southeast Asia Magazine received on 8 September 2014
- **Outstanding Establishment on Labor Relations and Welfare Award 2014** for 5 years consecutively organized by Department of Labour Protection and Welfare, Ministry of Labour received on 20 August 2014
- **CSR-DIW Continuous Award 2014** organized by Department of Industrial Work, Ministry of Industry received on 21 October 2014
- **National Best Safety and Occupational, Health & Environment Award** at The 28th National Safety Week 2014 organized by Department of Labor Protection and Welfare received on 3 July 2014
- **2014 AGM Full Score** organized by Thai Investor Association received on 1 July 2014

Implementation of the Corporate Social Responsibility (CSR)

A CSR Executive 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.

CSR Executive Committee



Stakeholders Prioritization

The Company classifies its stakeholders into five categories: employees, customers, supplier, shareholders and community. Stakeholder analysis is carried out based on the principles laid down by Delta Group. Impact analysis is also carried out by the Company's business units interfacing with the stakeholders. Findings from these analyses are used to formulate measures to mitigate potential impacts and to promote sustainable business operations. The findings are presented below.

Stakeholders	Engagement and Communication Approach	Expectation	Action
Employee	<ul style="list-style-type: none"> - Intranet - www.deltathailand.com - Company's sign-board - Meeting of employee with the Company's Welfare Committee - Employee's satisfaction survey - Complaint procedures 	<ul style="list-style-type: none"> - Good relationship between employer and employee - Occupational health and welfare - Job opportunity and promotion - Human rights respect - Fair treatment & operation 	<ul style="list-style-type: none"> - Code of conduct - Occupational health, safety and environment team - Sustainability development policy - Corporate governance - Green operation - Welfare committee
Customer	<ul style="list-style-type: none"> - www.deltathailand.com - Recurring meeting - Customer audit - Joint meeting 	<ul style="list-style-type: none"> - Deliver quality products and services - Suitable pricing for products and services - Environmental friendly products - Conduct business with integrity and fairness - Good business relationship 	<ul style="list-style-type: none"> - Product stewardship - Code of conduct - Corporate governance - Sustainability development policy - Occupational health, safety and environment policy - Green house gas emission management - Green operation - On-time delivery

Stakeholders	Engagement and Communication Approach	Expectation	Action
Supplier	<ul style="list-style-type: none"> - www.deltathailand.com - Supplier e-commerce - Supplier training program - Supplier audit - Supplier quality management (SQM) - Delta's Supplier Award Contest 	<ul style="list-style-type: none"> - Fair business operation - Fair and transparent selection of suppliers - Meet payment obligation for goods and services - Green operation - Occupational health and safety - Supply chain management - Climate changes 	<ul style="list-style-type: none"> - Code of conduct - Sustainability policy - Operation compliance with EICC guidelines - Green operation
Investor (Shareholder)	<ul style="list-style-type: none"> - www.deltathailand.com - Annual Report - E-mail to investors - Annual General Meeting of Shareholders - Public Relations through medias / Conference with institutional investors - Meeting with investors & meet institutional investors 	<ul style="list-style-type: none"> - Good return on investment - Consistently meet business target growth - Consistently pay appropriated dividend - Corporate governance - Risk management - Innovation management 	<ul style="list-style-type: none"> - Code of conduct - Sustainability policy - Opportunity day - Annual general meeting
Community	<ul style="list-style-type: none"> - www.deltathailand.com - Philanthropy activities - Activities to disseminate innovation / knowledge of energy saving 	<ul style="list-style-type: none"> - Operation without impact on environment - Operation without impact on safety and occupational health of the community - Participation with community 	<ul style="list-style-type: none"> - Green operation - Sustainability policy - Social contribution and charity - Environment management policy - Occupational health working team - Water resources management - Product stewardship - Reaction to climate change

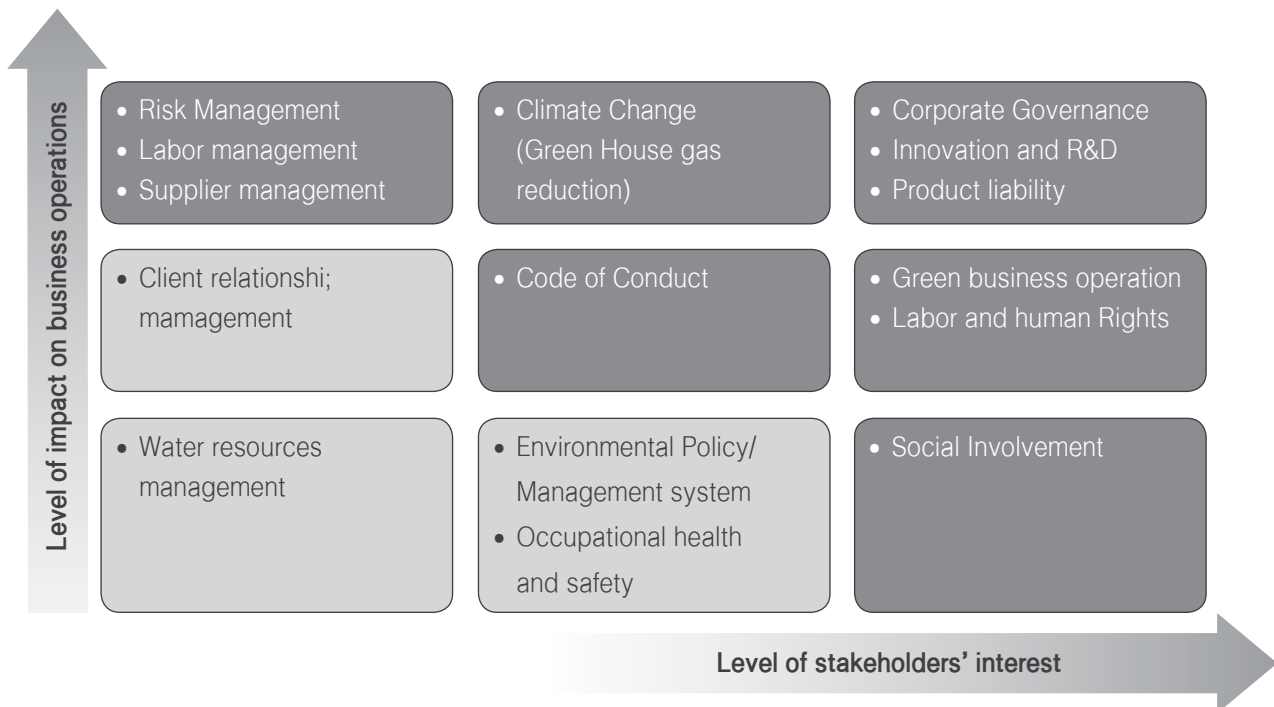
Note : more details regarding the said policies can be found on company's website http://www.deltathailand.com/th/about_corp.php under corporate governance portion

Determining of Material Aspects for Sustainability Development

The Company assesses material aspects for sustainability by taking guidance in the GRI Reporting Principles for Defying Report. The key procedures are suggested as follows.

1. **Identify aspects** regarding sustainability of the Company by taking into account of expectations of stakeholders who replied to questionnaire posted on company's website regarding view on key factors affecting company's sustainability and response from shareholders during the 2014 Annual General Shareholders Meeting
2. **Prioritization** of material aspects regarding sustainability development by considering and ranking, from 1 to 3, the importance of each topic on economy, society and environment.
3. **Report the assessment results** to related department head to certify whether those aspects shall be further analyzed or adjusted
4. **Review report framework** to ensure that they are appropriate and adequately covered

Relationship between impacts on stakeholders and Company's performance



Potential issues which may affect the Company's business operations

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 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) email: (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

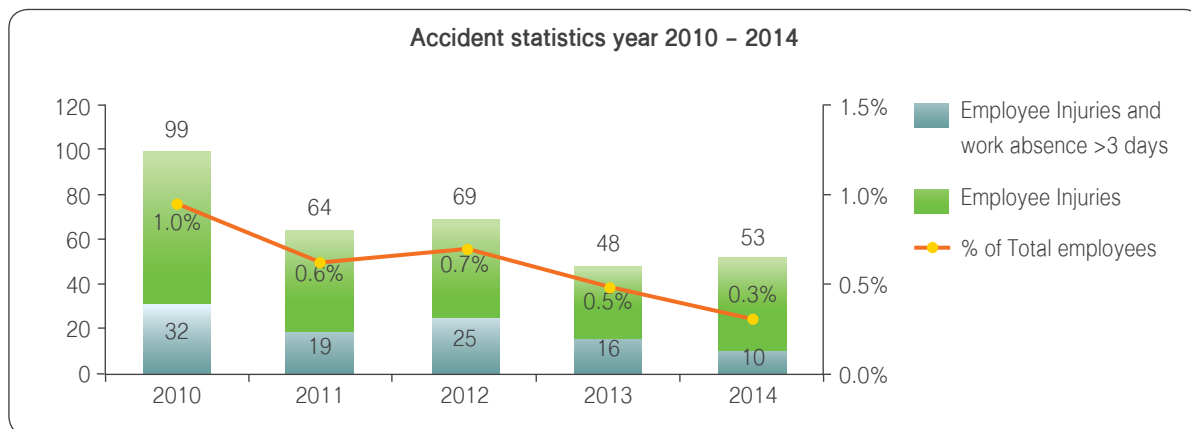
Safety, occupational health and work environment are equally importance among other operational business goals of the Company. Management of each division will be responsible for keeping effective implementation of this policy. Every operational unit is to be assessed of impact and its staff is to be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



Occupational Health, Safety and Work environment team

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 2014, there are 53 injury cases, from 48 cases in 2013. However, the cases of severe injuries (work absence of 3 days or more) declined by 37.5% or representing only 0.3% 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 .



Both Bangpoo and Wellgrow factories have awarded Outstanding Entrepreneur on Labor Relation and Labor Welfare in 2014

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.



5. 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 certification

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

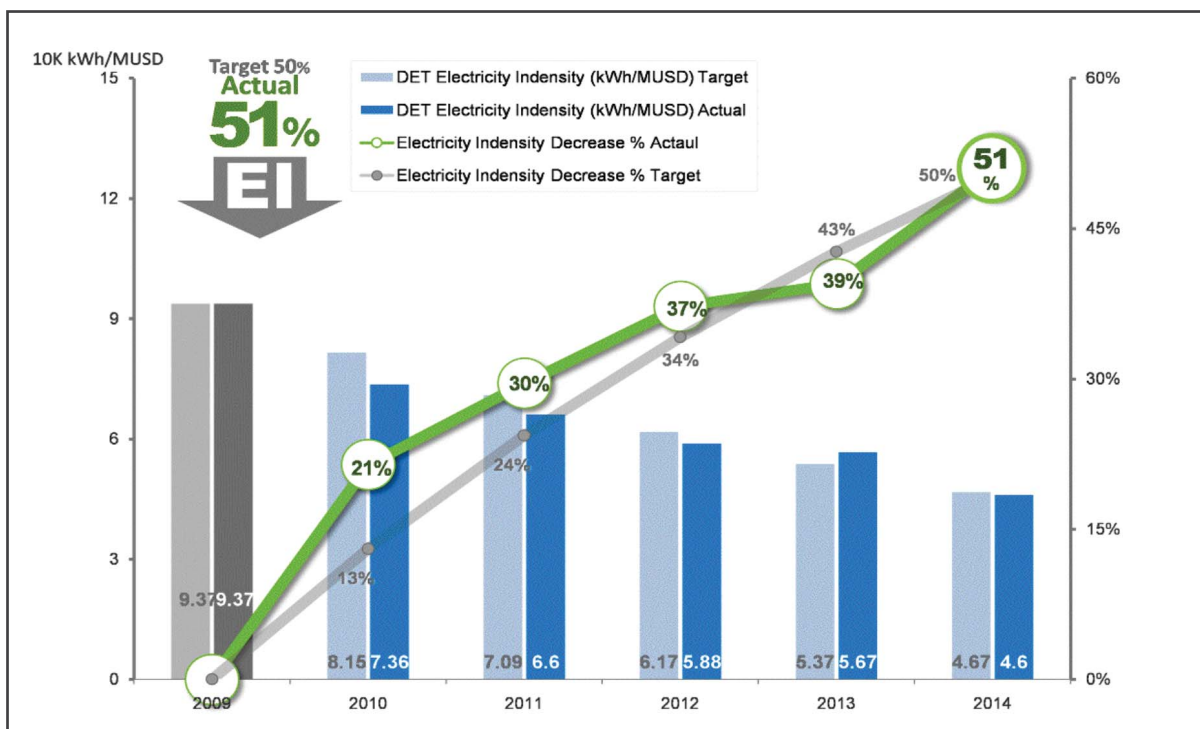
The Company valued energy conservation and promoted efficient usage of resources and therefore established an energy management policy with commitment for ongoing elaboration and communication to employee at all levels within organization. The Company outlined procedures to monitor, follow-up, improve 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) by 51% by 2014 (compared to 2009 based year). In 2014, there were 61 projects on this program which conclusively reduced Electricity Intensity from 2013 by 1,070 kWh to 1 USD million production quantity or by 51% (compared to base year). 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%.

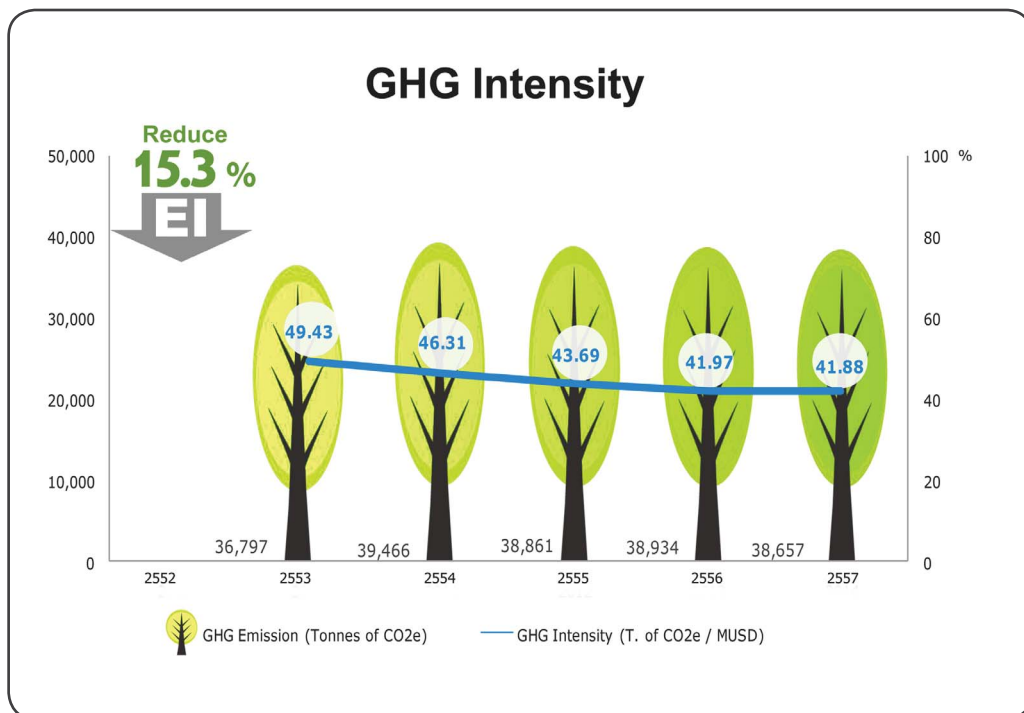
Delta has certified and registered its carbon credit management operation systems according to Thailand Voluntary Emission Reduction Program (T-VER) by Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment 6/2014 dated 17 September 2014. This T-VER project is to promote voluntary participation to reduce GHG in Thailand. In addition, the carbon credit calculated for the decreased amount of greenhouse gas emission can be traded in domestic voluntary carbon market.



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.

The Company has a plan to reduce GHG emissions in place since 2009. In 2014, the Company managed to reduce 15% of GHG intensity compared to base year (equivalent of GHG emission to sales amount).



Remark: Calculation base on 2010

With the above achievement, the Company was given Thailand Energy Awards 2013 for Outstanding Personnel under Energy Management Team category from H.E. Yingluck Shinawatra, Prime Minister of Thailand, on 18 September 2013. The awards were given to honor the organizations with outstanding achievements in relation to energy efficiency and development of renewable energy. On 17 September 2014, Delta has been listed on T-VER program of the committee of Thailand Greenhouse Gas Management Organization (TGO), Ministry of Natural Resources and Environment meeting no. 6/2014 to perform T-VER pilot project to promote greenhouse gas emission reduction in Thailand. The reduced greenhouse gas emission can also be claimed as carbon credit and able to sell locally. Above all, this activity will also be a good sample for other organization.

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, painting and renovating temples together with sharing and implementing 5s which is our daily working concept to those temples, facilitating the employees for blood donation to the Thai Red Cross every quarter, donating and installing LED lights which are our energy-saving products to schools and nearby communities, reforesting magroove forests at Samutprakarn and Samutsakorn provinces.

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 continuingly 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.

Major CSR Activities in 2014

Education



Academic collaboration MOU with Huachiew Chalermprakiet University



Education Fund for Rajabhat Dhonburi University



Education Fund for Employee's children



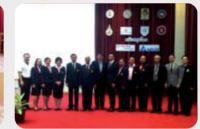
Research Fund for Kasetsart University



Education Fund for students in Chiangmai and Chiangrai



Energy Conservation Contest, Samutprakarn



Sponsoring for Earthquake Seminar, Chiangrai

Social



Donation of Delta LED light tubes Chiangmai and Chiangrai



Blood donation



Knowledge and Experience sharing on Happy Work Place Activities



Temple Painting in 6 provinces



5S and street light donation Samutprakarn



Essential stuff for school Donation Chonburi



Donation to fire victims Bangpli, Samutprakarn

Environment



Mangrove Reforestation Samutprakarn



Introduction of Recycle Bins to Uea Athorn, Samutprakarn



Lighting Improvement for energy conservation



Other Activities



Opportunity Day at SET



2014 Annual General Meeting



Safety Week



Valued Partners Sport day



DET Open House Investor Visit



Annual Supplier Meeting And Supplier Awards



2014 Children day Samutprakarn

More information or suggestion, please contact CSR committee for sustainable development
e-mail : CSR@deltathailand.com

Internal Audit

Company organizes an Internal Audit function to internally review its own performance. Since 1999, the Internal Audit has been supporting and reporting to Audit Committee whom assigned by the Board of directors to take account of internal audit in order to evaluate company's sufficiency and efficiency of its internal systems including managing any possible risk which may affect the firm. Presently, the internal audit function leads by Mr. Liu, Chih-Hong.

According to the Board of Director Meeting No.1/2015 held on 10 February 2015, the Audit committee reported the audit result and evaluation that current company's internal system is sufficient and efficient.

Related Party Transactions

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.

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 (< 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.

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.

The Audit Committee Report

The Audit Committee consists of three independent directors: Emeritus Professor Supapun Ruttanaporn as Chairperson, Khun Supat Limpaporn, and Professor Lee Ji-Ren as Committee member with the Internal Audit Manager as its secretary.

During the year 2014, the Audit Committee held 6 meetings, of which Emeritus Professor Supapun Ruttanaporn and Khun Supat Limpaporn attended all the meetings while Professor Lee Ji-Ren, attended 3 meetings and via tele-conference 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 can 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 the charter of Risk Management Committee and relevant procedures to manage any potential risk that may impact the company.
4. Acknowledged the internal audit reports with some suggestions and evaluated the performance of the Chief Audit Executive.
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, including reviewing the internal control of these transactions.
7. Reviewed the revision of DET Code of Conduct and Anti-Corruption Procedure in order to enhance DET good corporate governance.
8. Reviewed all items and sub-items of the SEC Internal Control Evaluation for DET and agreed to pass the result of this evaluation to DET top management for final approval before submitting to the SEC.
9. 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, 2015 by Mr. Narong Puntawong C.P.A. Registration No. 3315, or Miss Waraporn Prapasirikul, CPA. No. 4579, or Miss Supanee Triyantakul C.P.A. Registration No. 4498 from EY Office Limited with the audit fee of Baht 4,620,000 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 EU & India.



Emeritus Professor Supapun Ruttanaporn
Chairperson

Management's Discussion and Analysis

The following explanation and analysis should be read in conjunction with the consolidated financial statements and notes to the financial statements. Unless defined otherwise, all financial information presented in this document are in Thai Baht. The Company reported financial information in accordance with the Thai Financial Reporting System (TFRS) which has been updated to comply with International Financial Report System (IFRS). Financial information discussed in this report is for the period ending 31 December 2014, 2013 and 2012 and being prepared on consolidated basis.

Financial highlights (Consolidated)		2014	2013	2012
Total assets	Baht million	38,245	36,865	33,075
Total liabilities	Baht million	10,646	11,539	10,578
Shareholders' equity	Baht million	27,598	25,326	22,497
Registered capital	Baht million	1,259	1,259	1,259
Paid-up capital	Baht million	1,247	1,247	1,247
Financial ratios				
Liquidity ratios				
Liquidity ratio	Times	3.44	2.92	2.79
Quick ratio	Times	2.80	2.24	2.12
Cash ratio	Times	0.74	0.50	0.70
Receivable turnover	Times	5.34	5.45	5.92
Average collection period	Days	67	66	61
Inventory turnover	Times	5.73	5.32	5.25
Inventory holding period	Days	63	68	69
Account payable turnover	Times	5.68	5.40	5.78
Average payable period	Days	63	67	62
Cash Conversion Cycle	Days	67	67	67
Profitability ratios				
Sales	Baht million	44,121	41,201	40,779
Gross profit	Baht million	11,817	10,834	10,795
Gross profit margin	(%)	26.78%	26.30%	26.47%
Operating expense (include R&D)	Baht million	6,348	6,110	6,608
Operating expense (include R&D) to sales	(%)	14.39%	14.83%	16.21%
Operating profit margin	(%)	12.39%	11.47%	10.27%
Other income to total income	(%)	2.16%	2.74%	1.80%
Net profit	Baht million	5,962	5,416	4,347
Net profit margin	(%)	13.51%	13.14%	10.66%
Net profit to total revenues	(%)	13.22%	12.78%	10.47%
Return on equity	(%)	22.53%	22.65%	20.53%
Efficiency ratios				
Return on assets	(%)	15.87%	15.49%	13.81%
Return on fixed assets	(%)	147.91%	128.15%	106.01%
Asset turnover	Times	1.20	1.21	1.32
Financial policy ratios				
Debt to equity	Times	0.39	0.46	0.47
Interest coverage ratio	Times	115.57	82.17	76.67
Dividend payout ratio	(%)	62.77%*	62.19%	68.86%

* In the process of seeking approval from the 2015 Annual General Meeting of shareholders

Comparison of operating performance between financial year 2014 and 2013

Unit: Baht million

	2014	2013	Increase (Decrease)	Percentage
Revenue from sales and services	44,120.7	41,201.3	2,919.4	7.1
Cost of sales and services	32,304.0	30,367.3	1,936.7	6.4
Gross profit	11,816.7	10,834.0	982.7	9.1
Operating expenses	6,348.3	6,110.1	238.2	3.9
Operating profit	5,468.4	4,723.9	744.5	15.8
Other income	974.1	1,158.9	(184.8)	(15.9)
Other expenses	325.6	354.7	(29.1)	(8.2)
Share of profit from investment in an associated company	2.2	17.8	(15.6)	(87.6)
Finance cost	72.7	62.8	9.9	15.8
Profit before income tax	6,046.4	5,483.1	563.3	10.3
Income tax expense	84.7	67.4	17.3	25.7
Net profit for the period	5,961.7	5,415.7	546.0	10.1

Sales and Service revenues breakdown by business group

	Power Electronics			Energy Management			Smart Green Life			Other			Total (Consolidated)		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Revenue	30,464	29,306	28,439	12,061	10,130	9,643	568	521	364	1,028	1,244	2,333	44,121	41,201	40,779
Profit (loss)	6,005	5,994	5,513	946	425	(59)	30	55	(79)	(1,511)	(1,750)	(1,189)	5,470	4,724	4,186

- Remark:
- **Power Electronics group** comprises products in EPSBG (DC-DC converter, power supply for storage, networking, other DES products and automotive products), MPBG (chargers/adapters for Industrial sector, broadband, printer, etc.), FMBG (Fan, EMI filter and Solenoid).
 - **Energy Management group** comprises PSBG product group (Telecom power system and UPS) and IABU product group (industrial automation products).
 - **Smart Green Life group** comprises display products, solar inverter and LED light.

Total sales based on the consolidated financial statements of 2014 increased by 7.1% from Baht 41,201.3 million in the previous year to Baht 44,120.7 million and from Baht 40,779.1 million or an increase of 8.2% compared to those of 2012. The sales growth was mainly caused by the three main business groups as indicated in the above table showing revenue from sales and services breakdown by business group.

Major products contributed in sales growth of Power Electronics business group were from EPSBG products which rose because of significant growth in sales of power supply for computer storage devices and network systems, totaling Baht 767.7 million, representing an increase of 17.4% from 2013 and Baht 1,297.4 million or 33.4% from 2012. Sales in this product group continue to strongly expand in line with growing demand for computer storage devices market and a more variety of new product items. In addition, sales of automotive power solutions rose by Baht 292.4 million or an increase of 23.1% from 2013 and by Baht 510.7 million or 48.7% from 2012 as a result of a continuing expansion of the electric car market brought about by a strong trend towards environmental awareness in the American and European markets. However, sales of DC-DC converters declined by Baht 586.0 million or 14.4% from 2013 and a decline of Baht

517.2 million or 12.9% from 2012 due to reduced market demand. MPBG product group recorded a sales growth of 5.6% over the previous year and 9.7% over 2012 because of the improved sales mainly of industrial power solutions product. The major product contributing in sales of Energy Management business group, Telecom power solutions, increased from 2013 by Baht 1,631.9 million or over a 19.9% increase because of the growth in the US market and continuing expansion of the 4G LTE network in India. The business operation of the Smart Green Life business group, a new business line, improved only slightly for display solutions product.

However, solar inverters showed a decline in sales by Baht 249.4 million or 35.3% from 2013 and a decline of Baht 1,251.9 million or 73.2% from 2012 due to lower demand in the EMEA market.

Other income

Other income in 2014 amounting Baht 974.1 million comprised mainly of the following:

- Interest income of Baht 210.1 million, a Baht 16.3 million increase from 2013. This was due to a significant increase in cash flows from operations generated during the year.
- Gains on exchange rate amounted to Baht 231.1 million, a Baht 40.4 million decrease from 2013. The Company has engaged in full hedging of the net position of the exposed currencies to minimize foreign exchange risk
- Gain on sale of investments in subsidiary and associated company for a total amount of Baht 195 million
- Other income from other services

Cost of sales and expenses

In 2014, cost of sales was 73.2% of sales. This was a slight decrease from 73.7% of prior year and 73.5% of 2012. This improvement highlights the ability of the Company and its subsidiaries to better maintain and manage cost at an appropriate level. Risk management measures have been taken to minimize risk from fluctuations of prices of raw materials by doing business with various suppliers in different geographical locations to cover all regions of the world. This is to ensure that the raw materials are purchased at reasonable prices.

In 2014, although selling and administrative expenses (including research and development expenses) were on an upward trend, selling and administrative expenses to sales ratio accounted for 14.4%, a decrease from 14.8% in 2013 and 16.2% in 2012. The higher selling and administrative expenses was mainly caused by an increase in (1) research and development expenses of Baht 79.7 million from the previous year which was to support the sales growth, and (2) an increase in selling expenses of Baht 165.4 million from 2013 resulted from expenses for market penetration in SE Asia and expansions in EMEA, Australia and the US market.

Financial costs or interest expenses increased to Baht 72.7 million, representing a Baht 9.8 million increase from the previous year. This is caused by a subsidiary in India that has expanded its operations by improving its production capacity and sales activities. As a result, loans and bank facilities were required to support the need of working capital to serve the business growth.

Net profit

The Company has maintained a gross margin in 2014 at a satisfactory level of 26.8%, slightly increased from previous year of 26.3% and 26.5% in 2012. Continuing decline in selling and administrative expenses (including research and development expenses) discussed above helped boost up operating profit margin

in 2014 to 12.4% from 11.5% and 10.3% in 2013 and 2012 respectively. Net profit in 2014 surged to Baht 5,962 million, up 10.1% and 37.1%, compared to 2013 and 2012 respectively. EPS of 2014 went up from Baht 3.49 in 2012 and Baht 4.34 in 2013 to Baht 4.78.

Total assets

As of 31 December 2014, total assets of the Company and its subsidiaries amounted to Baht 38,244.6 million, an increase of Baht 1,379.9 million, or 3.7%, from 31 December 2013. Major assets are classified below.

Unit : Million baht

	31 December 2014	31 December 2013	Increase (Decrease)	%
Current assets	32,294.1	30,174.2	2,119.9	7.0
Investments	-	194.5	(194.5)	(100.0)
Property, plant and equipment	4,361.3	4,766.8	(405.5)	(8.5)
Other non-current assets	1,589.2	1,729.2	(140.0)	(8.1)
Total assets	38,244.6	36,864.7	1,379.9	3.7

Current assets totaled Baht 32,294.1 million, a Baht 2,119.9 million or 7.0% increase from the prior year. It is mainly comprised of the following:

- **Cash and cash at bank** as of 31 December 2014 was Baht 17,931.3 million, an increase of Baht 2,978.5 million or 19.9% from 2013 and Baht 5,149.6 million or 40.3% from 2012. This was resulted from higher operating income and cash received from sale of investments of a subsidiary and associated company totaling Baht 546.8 million.
- **Net trade account receivables** as of 31 December 2014 was Baht 8,332.8 million, a slight increase of 1.8% from 2013 and 20.1% in 2012 which is in line with the Company's constantly growing sales. However, provision for doubtful debts of the Company and its subsidiaries was set at Baht 131.4 million, decreases of Baht 25.0 million and Baht 9.7 million from 2013 and 2012 respectively. The Company closely monitored account receivables, evaluated customer's financial status and credit insurance to mitigate collection risk. Most of the outstanding account receivables, or 87.6%, were under due. An average collection period in 2014 is 67 days, slightly higher than 66 days in 2013. Trade account receivables and other receivables totaled 21.9% of the total assets.
- **Inventories** as of 31 December 2014 amounted to Baht 5,320.2 million, a decline of Baht 628.9 million and Baht 146.1 million in 2013 and 2012 respectively as the Company was able to improve its inventory management more efficiently. Inventory turnover has decreased from 69 days in 2012 to 68 days in 2013 and 63 days in 2014. The Company adopted prudent reserve policy to set aside provision for inventories aging over 3 months old and at higher rate for older inventories. The management attaches considerable importance and pays close attention to inventory management to ensure that inventories are managed properly.
- **Investment in subsidiaries and associated companies** during 2014, DET International Holding Limited, the Company's subsidiary, had disposed its entire investment in Delta Electronic Europe Limited for the amount of USD 3.7 million or equivalent to Baht 120.6 million and also sold remaining 45.2% stake in Delta Greentech SGP Pte for the amount of USD 12.9 million or equivalent Baht 426.2 million.
- **Property, plant and equipment** amounted to Baht 4,361.3 million, a decrease of Baht 405.5 million or 8.5% from 2013 and Baht 623.1 million from 2012 due to depreciation of Baht 789.2 million and Baht 834.6 million in 2014 and 2013 respectively. During 2014 and 2013, the Company invested Baht 659.6

million and Baht 616.1 million respectively in property, plant and equipment. The Company had set up impairment for property, plant and equipment in Thailand at Baht 98.5 million. Average return on fixed assets has significantly improved from 106.0% and 128.2% in 2012 and 2013 to 147.9% in 2014. Overall return on assets rose to 15.9% this year from 15.5% and 13.8% in 2013 and 2012 respectively as a result of the substantial amounts of profits this year and efficient asset management, which have in turn significantly improved the return on assets.

Current liabilities and liquidity

As of 31 December 2014, the Company and its subsidiaries had total liabilities of Baht 10,646.3 million, a Baht 892.7 million or 7.7% decline from the previous year and close to those of 2012. Table below illustrated breakdown of key components.

Unit : Million

	31 December 2014	31 December 2013	Increase (Decrease)	%
Current liabilities	9,389.0	10,320.2	(931.2)	(9.0)
Non-current liabilities	1,257.3	1,218.8	38.5	3.2
Total liabilities	10,646.3	11,539.0	(892.7)	(7.7)

Current liabilities amounted to Baht 9,389.0 million, a decrease of Baht 931.2 million or 9.0% from 2013 but close to those of 2012. This is mainly due to the repayment of an overdraft and short-term loans from a financial institution of a subsidiary as its performance has improved, enabling it to make loan repayment, as well as decreases in trade account payables and accrued expenses.

An average payment period dropped from 67 days in 2013 to 63 days in 2014, which is similar to the payment period in 2012. Cash conversion cycle in 2014 is 67 days, equal to that of 2013 and 2012. This clearly reflects the Company's stability which has improved over the years. The Company has been able to achieve high current ratios during the past 5 years: 2.48 in 2010, 2.61 in 2011, 2.79 in 2012, 2.92 in 2013 and 3.44 in 2014. Quick ratios have also been improved over the past 5 years from 1.67 in 2010, 1.84 in 2011, 2.11 in 2012, 2.24 in 2013 to 2.80 in 2014.

Shareholders' equity

As of 31 December 2014, shareholders' equity accounted for Baht 27,598.2 million, a Baht 2,272.6 million or 9.0% increase from 2013 and a Baht 5,101.6 million or 22.7% increase from 2012 due to constantly exceptional operating results. Return on equity in 2014 is 22.5%, close to 22.6% in 2013, but improved from 20.5% in 2012. Debt to Equity ratio as of 31 December 2014 was low and continued to drop from 0.47 in 2012 to 0.46 in 2013 and 0.39 in 2014. This highlights the ability of the Company in maintaining appropriate capital structure and keeping financial risk at a low level.

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 Statement

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 2014, 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

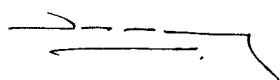
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2014, and their financial 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 from the Revenue Department, covering the years 1997 through 2004. My opinion is not qualified in respect of this matter.

Other matter

The financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries for the year ended 31 December 2013 were audited by another auditor of our office who, under his report dated 17 February 2014, expressed an unqualified opinion on those financial statements and drew attention to the Company's receipt of notice of a corporate income tax assessment from the Revenue Department.



Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

Bangkok: 10 February 2015

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents		17,931,328,537	14,952,792,676	11,743,380,445	9,591,930,469
Trade and other receivables	7	8,370,664,573	8,254,122,092	6,020,276,866	6,746,880,946
Inventories	8	5,320,242,109	5,949,113,623	3,309,755,144	3,256,401,843
Other current assets	9	671,904,551	1,018,139,761	99,215,083	112,778,133
Total current assets		32,294,139,770	30,174,168,152	21,172,627,538	19,707,991,391
Non-current assets					
Deposits at bank with restrictions		76,768,513	120,848,044	-	-
Investment in associated company	10	-	194,473,062	-	-
Investments in subsidiary companies	11	-	-	10,750,923,813	10,750,923,813
Investment properties	12	245,195,459	288,798,962	-	-
Property, plant and equipment	13	4,361,266,659	4,766,816,498	2,341,437,975	2,481,023,474
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	14	582,985,117	644,380,376	8,400,558	20,472,227
Deferred tax assets	15	317,361,693	317,783,012	-	-
Other non-current assets		60,101,306	50,668,632	2,572,821	4,218,143
Total non-current assets		5,950,436,718	6,690,526,557	13,103,335,167	13,256,637,657
Total assets		38,244,576,488	36,864,694,709	34,275,962,705	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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		249,599,588	666,699,774	-	-
Trade and other payables	16	8,659,603,178	8,969,013,539	5,945,427,823	6,559,907,294
Income tax payable		38,469,967	51,139,622	-	-
Short-term provisions	19	139,169,177	246,676,167	-	-
Other current liabilities	17	302,195,684	386,643,627	100,586,646	120,479,907
Total current liabilities		9,389,037,594	10,320,172,729	6,046,014,469	6,680,387,201
Non-current liabilities					
Deferred tax liabilities	15	56,923,119	35,924,606	-	-
Provision for long-term employee benefits	18	902,171,123	985,552,282	149,418,852	126,838,259
Long-term provisions	19	285,323,629	189,983,408	175,622,564	68,081,288
Other non-current liabilities		12,874,518	7,381,448	1,190,400	1,050,000
Total non-current liabilities		1,257,292,389	1,218,841,744	326,231,816	195,969,547
Total liabilities		10,646,329,983	11,539,014,473	6,372,246,285	6,876,356,748
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 million ordinary shares of Baht 1 each		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 million ordinary shares of Baht 1 each		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
Retained earnings					
Appropriated - Statutory reserve	20	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		26,692,071,850	24,098,350,615	25,038,522,306	23,223,078,186
Other components of shareholders' equity		(1,959,019,459)	(1,637,864,493)	-	-
Equity attributable to owners of the Company		27,598,246,505	25,325,680,236	27,903,716,420	26,088,272,300
Total shareholders' equity		27,598,246,505	25,325,680,236	27,903,716,420	26,088,272,300
Total liabilities and shareholders' equity		38,244,576,488	36,864,694,709	34,275,962,705	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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and service income		44,120,688,465	41,201,331,549	30,096,356,088	28,682,905,298
Other income					
Interest income		210,104,957	193,811,264	182,368,782	166,356,149
Gain on exchange		231,121,051	271,515,731	224,178,930	447,186,313
Gain on sales of investment in subsidiary company	2.2.6	2,718,142	261,496,576	-	-
Gain on sales of investment in associated company	10	192,326,393	-	-	-
Dividend income from other long-term investments		-	13,420,065	-	-
Others		337,789,922	418,618,438	161,909,154	156,780,596
Total revenues		<u>45,094,748,930</u>	<u>42,360,193,623</u>	<u>30,664,812,954</u>	<u>29,453,228,356</u>
Expenses					
Cost of sales and services		32,303,990,475	30,367,317,406	21,527,956,473	20,762,128,648
Selling expenses		2,715,686,291	2,550,330,582	861,178,721	870,618,682
Administrative expenses		1,679,915,650	1,686,702,316	1,095,202,955	1,176,248,776
Research and development expenses		1,952,732,313	1,873,021,893	1,798,369,403	1,534,755,336
Other expenses		325,605,472	354,685,371	194,039,923	123,977,331
Total expenses		<u>38,977,930,201</u>	<u>36,832,057,568</u>	<u>25,476,747,475</u>	<u>24,467,728,773</u>
Profit before share of profit from investment in an associated company, finance cost and income tax expenses					
		6,116,818,729	5,528,136,055	5,188,065,479	4,985,499,583
Share of profit from investment in an associated company	10	2,225,972	17,835,850	-	-
Profit before finance cost and income tax expenses		<u>6,119,044,701</u>	<u>5,545,971,905</u>	<u>5,188,065,479</u>	<u>4,985,499,583</u>
Finance cost		(72,687,637)	(62,849,441)	-	-
Profit before income tax expenses		<u>6,046,357,064</u>	<u>5,483,122,464</u>	<u>5,188,065,479</u>	<u>4,985,499,583</u>
Income tax expenses	15	(84,705,471)	(67,437,196)	(4,691,001)	-
Profit for the year		<u>5,961,651,593</u>	<u>5,415,685,268</u>	<u>5,183,374,478</u>	<u>4,985,499,583</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(321,154,966)	407,078,620	-	-
Other comprehensive income for the year		<u>(321,154,966)</u>	<u>407,078,620</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>5,640,496,627</u>	<u>5,822,763,888</u>	<u>5,183,374,478</u>	<u>4,985,499,583</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 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	<u>5,961,651,593</u>	<u>5,415,685,268</u>	<u>5,183,374,478</u>	<u>4,985,499,583</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>5,640,496,627</u>	<u>5,822,763,888</u>	<u>5,183,374,478</u>	<u>4,985,499,583</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>4.78</u>	<u>4.34</u>	<u>4.16</u>	<u>4.00</u>

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 2014

(Unit: Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity		
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 31 December 2012	1,247,381,614	1,491,912,500	125,900,000	21,676,381,221	(2,044,943,113)	(2,044,943,113)	22,496,632,222
Profit for the year	-	-	-	5,415,685,268	-	-	5,415,685,268
Other comprehensive income for the year	-	-	-	-	407,078,620	407,078,620	407,078,620
Total comprehensive income for the year	-	-	-	5,415,685,268	407,078,620	407,078,620	5,822,763,888
Dividend paid (Note 21)	-	-	-	(2,993,715,874)	-	-	(2,993,715,874)
Balance as at 31 December 2013	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>24,098,350,615</u>	<u>(1,637,864,493)</u>	<u>(1,637,864,493)</u>	<u>25,325,680,236</u>
	-	-	-	-	-	-	-
Balance as at 31 December 2013	1,247,381,614	1,491,912,500	125,900,000	24,098,350,615	(1,637,864,493)	(1,637,864,493)	25,325,680,236
Profit for the year	-	-	-	5,961,651,593	-	-	5,961,651,593
Other comprehensive income for the year	-	-	-	-	(321,154,966)	(321,154,966)	(321,154,966)
Total comprehensive income for the year	-	-	-	5,961,651,593	(321,154,966)	(321,154,966)	5,640,496,627
Dividend paid (Note 21)	-	-	-	(3,367,930,358)	-	-	(3,367,930,358)
Balance as at 31 December 2014	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>26,692,071,850</u>	<u>(1,959,019,459)</u>	<u>(1,959,019,459)</u>	<u>27,598,246,505</u>
	-	-	-	-	-	-	-

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 2014

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2012	1,247,381,614	1,491,912,500	125,900,000	21,231,294,477	24,096,488,591
Total comprehensive income for the year	-	-	-	4,985,499,583	4,985,499,583
Dividend paid (Note 21)	-	-	-	(2,993,715,874)	(2,993,715,874)
Balance as at 31 December 2013	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>23,223,078,186</u>	<u>26,088,272,300</u>
	-	-	-	-	-
Balance as at 31 December 2013	1,247,381,614	1,491,912,500	125,900,000	23,223,078,186	26,088,272,300
Total comprehensive income for the year	-	-	-	5,183,374,478	5,183,374,478
Dividend paid (Note 21)	-	-	-	(3,367,930,358)	(3,367,930,358)
Balance as at 31 December 2014	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>25,038,522,306</u>	<u>27,903,716,420</u>
	-	-	-	-	-

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:				
Profit before tax	6,046,357,064	5,483,122,464	5,188,065,479	4,985,499,583
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	789,161,882	834,617,698	555,435,363	558,996,791
Amortisation of other intangible assets	91,088,585	85,553,155	14,395,169	12,765,022
Recording of allowance for doubtful accounts (reversal)	(25,003,915)	15,277,710	(10,650,619)	(102,919)
Decrease of inventory to net realisable value (reversal)	(14,147,868)	(75,643,682)	(16,583,420)	(98,161,850)
Losses from write-off of inventories	200,783,710	385,135,937	117,267,293	250,987,241
Increase in provision for long-term employee benefits	79,284,286	106,693,990	33,681,716	23,520,245
Record the increase in provisions	51,374,593	67,134,163	105,519,317	48,260,010
Share of profit from investment in an associated company	(2,225,972)	(17,835,850)	-	-
Loss from dissolution of the subsidiaries	-	25,998,693	-	-
Gain on sales of investment in a subsidiary company	(2,718,142)	(261,496,576)	-	-
Gain on sales of investment in associated company	(192,326,393)	-	-	-
Dividend income from other long-term investments	-	(13,420,065)	-	-
(Gain) loss on disposal of property, plant and equipment	8,466,156	24,756,962	(2,730,744)	18,352,830
Allowance for impairment loss on assets	98,525,373	45,119,885	98,525,373	45,119,885
Loss on disposal of other intangible assets	92,614	40,760,184	-	-
Unrealised gain on exchange	(173,361,402)	(306,936,481)	(173,128,446)	(353,259,517)
Interest income	(210,104,957)	(193,811,264)	(182,368,782)	(166,356,149)
Interest expenses	72,687,637	62,849,441	-	-
Profit from operating activities before changes in operating assets and liabilities	6,817,933,251	6,307,876,364	5,727,427,699	5,325,621,172
Decrease (increase) in operating assets:				
Trade and other receivables	81,370,157	(989,297,749)	891,853,416	(1,944,109,796)
Inventories	442,235,672	(792,222,603)	(154,037,174)	(142,321,844)
Other current assets	318,021,289	(141,599,435)	16,155,674	17,596,921
Other non-current assets	(9,432,674)	36,623,011	1,645,322	611,027
Increase (decrease) in operating liabilities:				
Trade and other payables	(260,046,314)	716,001,182	(550,631,184)	1,385,118,235
Other current liabilities	(115,802,489)	144,750,938	(17,961,634)	56,568,746
Provision for long-term employee benefits	(68,013,194)	(78,168,396)	(11,101,123)	(13,270,918)
Provisions	(34,646,291)	(183,694,555)	-	-
Other non-current liabilities	5,454,664	(32,139,931)	140,400	(5,716,464)
Cash flow from operating activities	7,177,074,071	4,988,128,826	5,903,491,396	4,680,097,079
Cash received from interest income	208,325,321	193,661,875	182,540,737	165,238,305
Cash paid for interest expenses	(63,906,658)	(63,064,391)	-	-
Cash paid for corporate income tax	(66,708,951)	(122,466,001)	(7,454,898)	(2,262,363)
Net cash flows from operating activities	7,254,783,783	4,996,260,309	6,078,577,235	4,843,073,021

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	44,079,531	30,589,782	-	-
Increase in investments in subsidiary companies	-	-	-	(879,947,787)
Decrease in other long-term investments	-	947,415	-	-
Net cash received from dissolution of the subsidiaries	-	25,666,367	-	-
Net cash from sales of investment in subsidiary	(2,923,798)	439,141,581	-	-
Cash received from sales of investment in associated company	426,233,247	-	-	-
Dividend received from other long-term investments	-	13,420,065	-	-
Acquisition of property, plant and equipment	(659,557,355)	(616,051,680)	(519,750,539)	(292,206,722)
Increase in investment properties	-	(290,996,394)	-	-
Proceeds from disposal of property, plant and equipment	8,460,705	22,462,440	8,106,046	10,137,218
Increase in other intangible assets	(30,058,008)	(37,086,748)	(2,323,500)	(6,920,482)
Net cash flows used in investing activities	<u>(213,765,678)</u>	<u>(411,907,172)</u>	<u>(513,967,993)</u>	<u>(1,168,937,773)</u>
Cash flows from financing activities:				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(417,141,621)	4,936,969	-	-
Dividend paid	(3,367,930,358)	(2,993,715,874)	(3,367,930,358)	(2,993,715,874)
Net cash flows used in financing activities	<u>(3,785,071,979)</u>	<u>(2,988,778,905)</u>	<u>(3,367,930,358)</u>	<u>(2,993,715,874)</u>
Increase (decrease) in translation adjustments	<u>(261,395,195)</u>	<u>409,164,261</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>2,994,550,931</u>	<u>2,004,738,493</u>	<u>2,196,678,884</u>	<u>680,419,374</u>
Unrealised gain (loss) on exchange for cash and cash equivalents	(16,015,070)	166,275,735	(45,228,908)	214,150,875
Cash and cash equivalents at beginning of year	<u>14,952,792,676</u>	<u>12,781,778,448</u>	<u>9,591,930,469</u>	<u>8,697,360,220</u>
Cash and cash equivalents at end 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>
	-	-	-	-

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 2014

1. Corporate information

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Deltron Holding Limited, which is incorporated in the Channel Islands. 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.

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	
			2014 Percent	2013 Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, manufacture, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and distribution of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte.Ltd.	Holding business	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>2014</u> Percent	<u>2013</u> Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Trading of electronic products	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 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
Delta Electronics Europe Limited	Trading of electronic products	Scotland	-	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 and trading of electronic products	India	100	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 and trading of electronic products	India	100	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	
			<u>2014</u>	<u>2013</u>
			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.z.o.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. is as follow:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2014</u>	<u>2013</u>
			Percent	Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100
Delta Greentech (Netherlands) Cooperatie U.A.	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) BV. (owned by Delta Greentech (Netherlands) Cooperatie U.A.)	Holding business	The Netherlands	100	100
Delta Greentech Electronics Industry LLC. (owned by Delta Greentech (Netherlands) BV.)	Manufacture, marketing and distribution of electronic products	Turkey	100	100
Delta Greentech (USA) Corporation (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	USA	100	100
Delta Greentech (Brazil) S.A. (owned by Delta Greentech (Netherlands) BV.)	Manufacture and trading of electronic products	Brazil	100	100
Delta Greentech (Curitiba) Limited (owned by Delta Greentech (Brazil) S.A.)	Engineering	Brazil	100	100

- 2.2.2 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.
 - 2.2.3 The financial statements of the subsidiary companies are prepared using the same significant accounting policies as the Company.
 - 2.2.4 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.
 - 2.2.5 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - 2.2.6 The meeting of the Company’s Board of Directors held on 28 July 2014 passed a resolution to sell the Company’s investment in Delta Electronics Europe Limited which is a subsidiary company of DET International Holding Limited to a related company, Delta International Holding Limited, at a price of approximately USD 3.7 million, or approximately Baht 119 million, with a gain on the sale of this investment of approximately USD 0.08 million, or approximately Baht 2.7 million.
- 2.3 The separate financial statements, which present investments in subsidiary companies under the cost method, have been prepared solely for the benefit of the public.

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 accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures

TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that 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 accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed 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 existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries gradually recognise actuarial gains and losses in profit or loss. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and there is a change to immediately recognise those gains and losses in other comprehensive income, the Company and its subsidiaries will have to increase provision for long-term employee benefit liabilities by Baht 466 million (net of related tax) and decrease retained earnings by Baht 466 million.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate 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 the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that these standards will not have any impact on the Company and its subsidiaries' financial statements.

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 will not have any 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 measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 Investments

- a) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- b) 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.

4.6 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.

4.7 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.

4.8 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

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

Actuarial gains and losses arising from post-employment benefits are recognised as income or expenses when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed 10% of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised actuarial gains or losses, unrecognised past service costs and the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the reporting entity, nor can they be paid directly to the reporting entity.

4.14 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.

4.15 Research and development expenses

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

4.16 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.

4.17 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. 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. The 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 Company's and its subsidiaries' plant and equipment 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.

6. 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		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	9,399	9,567	With reference to market price
Purchase of raw materials	-	-	59	66	With reference to market price
Commission paid	-	-	172	295	Contract price
Marketing fee	-	-	277	258	Contract price
Design and engineering fee	-	-	1,131	930	Contract price
Services income	-	-	10	6	Agreed upon basis
Services paid	-	-	42	36	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,377	1,613	1,255	1,568	With reference to market price
Purchase of goods and raw materials	3,156	2,596	174	157	With reference to market price
Commission paid	356	273	356	273	Contract price
Commission received	61	61	-	-	Contract price
Services income	266	151	-	-	Contract price
Services paid	57	154	57	154	Contract price

The balances of the accounts as at 31 December 2014 and 2013 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables, related parties (Note 7)</u>				
Subsidiary companies	-	-	2,464	3,339
Other related companies (under common control)	420	428	343	360
Total trade receivables, related parties	<u>420</u>	<u>428</u>	<u>2,807</u>	<u>3,699</u>

Trade payables, related parties (Note 16)

Subsidiary companies	-	-	27	15
Other related companies (under common control)	810	878	28	32
Total trade payables, related parties	<u>810</u>	<u>878</u>	<u>55</u>	<u>47</u>

Amounts due to related parties (Note 16)

Subsidiary companies	-	-	112	957
Other related companies (under common control)	66	198	25	85
Total amounts due to related parties	<u>66</u>	<u>198</u>	<u>137</u>	<u>1,042</u>

Directors and management's benefits

During the year ended 31 December 2014 and 2013, 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	186	196	86	86
Post-employment benefits	20	16	7	1
Termination benefits	3	2	-	-
Total	<u>209</u>	<u>214</u>	<u>93</u>	<u>87</u>

7. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables, related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	418	419	2,745	3,461
Past due				
Up to 3 months	1	9	59	238
3 - 6 months	1	-	3	-
Total	<u>420</u>	<u>428</u>	<u>2,807</u>	<u>3,699</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,003	6,918	2,965	2,851
Past due				
Up to 3 months	881	828	247	201
3 - 6 months	55	76	-	1
6 - 12 months	61	34	1	1
Over 12 months	44	58	-	-
Total	<u>8,044</u>	<u>7,914</u>	<u>3,213</u>	<u>3,054</u>
Total trade receivables	8,464	8,342	6,020	6,753
Less: Allowance for doubtful accounts	<u>(131)</u>	<u>(156)</u>	<u>(1)</u>	<u>(12)</u>
Total trade receivables - net	<u>8,333</u>	<u>8,186</u>	<u>6,019</u>	<u>6,741</u>
<u>Other receivables</u>				
Other receivables	<u>38</u>	<u>68</u>	<u>1</u>	<u>6</u>
Total other receivables	<u>38</u>	<u>68</u>	<u>1</u>	<u>6</u>
Trade and other receivables - net	<u>8,371</u>	<u>8,254</u>	<u>6,020</u>	<u>6,747</u>

8. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	2,863	3,404	(475)	(464)	2,388	2,940
Work in process	577	545	-	-	577	545
Raw materials	2,179	2,474	(457)	(482)	1,722	1,992
Goods in transit	633	472	-	-	633	472
Total	6,252	6,895	(932)	(946)	5,320	5,949

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	1,544	1,530	(118)	(131)	1,426	1,399
Work in process	495	451	-	-	495	451
Raw materials	1,471	1,546	(268)	(272)	1,203	1,274
Goods in transit	186	132	-	-	186	132
Total	3,696	3,659	(386)	(403)	3,310	3,256

9. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Input tax refundable	310	525	65	56
Advance payments	64	88	14	20
Prepaid expenses	100	179	6	24
Prepaid tax	126	147	-	-
Forward contracts receivable	15	2	-	-
Others	57	77	14	13
Total other current assets	672	1,018	99	113

10. Investment in associated company

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements				Share of profit from investment in associate during the year	
					Cost		Carrying amounts based on equity method			
			2014	2013	2014	2013	2014	2013	2014	2013
			%	%						
Delta Greentech SGP Pte. Ltd. (owned by Delta Greentech International Holding Limited)	Investment	Singapore	-	45	-	157	-	175	2	18
Translation adjustment					-	-	-	19	-	-
Total investment in associated company					-	157	-	194	2	18

During 2014, a subsidiary of the Company received dividend amounting to approximately USD 0.6 million (approximately Baht 20 million) from Delta Greentech SGP Pte. Ltd. (2013: Nil)

However, on 11 March 2014, a meeting of the Company's Board of Directors passed a resolution to sell the Company's investment in the associated company to a related company, Delta International Holding Limited. The sale of the investment was completed in the third quarter of the current year. The selling price was approximately USD 12.9 million, or approximately Baht 426 million, with a gain on the sale of approximately USD 5.9 million, or approximately Baht 192 million.

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	2014 (Million)	2013 (Million)	2014	2013
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	30	30	892	892
Subtotal				12,947	12,947
Less: Allowance for impairment loss of investments in subsidiary companies				<u>(2,196)</u>	<u>(2,196)</u>
Investments in subsidiary companies - net				<u>10,751</u>	<u>10,751</u>

No dividend was received from the above subsidiary companies during the years ended 31 December 2014 and 2013.

12. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2014:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(15)	(15)
Translation adjustment	<u>(5)</u>	<u>(26)</u>	<u>(31)</u>
Net book value	<u>39</u>	<u>206</u>	<u>245</u>
31 December 2013:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(2)	(2)
Net book value	<u>44</u>	<u>245</u>	<u>289</u>

The Company and its subsidiaries believe that the book value of investment properties as at 31 December 2014 as stated in the financial statements is closed to the fair value.

13. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2013	523	3,031	6,462	1,147	1,254	77	561	478	13,533
Purchase/transfer in	-	58	444	85	53	195	36	78	949
Disposal/write-off/transfer out	-	-	(248)	(75)	(3)	(240)	(45)	(59)	(670)
Translation adjustment	(12)	(144)	(144)	(3)	(33)	-	(36)	(24)	(396)
31 December 2014	511	2,945	6,514	1,154	1,271	32	516	473	13,416
Accumulated depreciation:									
31 December 2013	-	584	5,361	1,072	818	-	492	348	8,675
Depreciation for the year	-	72	479	76	62	-	51	36	776
Depreciation - disposal/write-off	-	(3)	(240)	(73)	-	-	(41)	(12)	(369)
Translation adjustment	-	(17)	(129)	(3)	(13)	-	(34)	(21)	(217)
31 December 2014	-	636	5,471	1,072	867	-	468	351	8,865
Allowance for impairment loss:									
31 December 2013	-	75	-	-	15	-	-	1	91
Increase during the year	-	88	11	-	-	-	-	-	99
31 December 2014	-	163	11	-	15	-	-	1	190
Net book value:									
As at 31 December 2013	523	2,372	1,101	75	421	77	69	129	4,767
As at 31 December 2014	511	2,146	1,032	82	389	32	48	121	4,361
Depreciation charge									
Year 2013 (Baht 563 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									832
Year 2014 (Baht 552 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									776

13. Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements								
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2013	313	1,372	5,033	1,119	916	71	222	122	9,168
Purchase/transfer in	-	26	380	85	53	181	12	52	789
Disposal/write-off/transfer out	-	-	(178)	(64)	(2)	(224)	(18)	(53)	(539)
31 December 2014	313	1,398	5,235	1,140	967	28	216	121	9,418
Accumulated depreciation:									
31 December 2013	-	392	4,159	1,046	704	-	200	95	6,596
Depreciation for the year	-	24	390	74	44	-	16	7	555
Depreciation - disposal/write-off	-	-	(176)	(62)	(1)	-	(18)	(7)	(264)
31 December 2014	-	416	4,373	1,058	747	-	198	95	6,887
Allowance for impairment loss:									
31 December 2013	-	75	-	-	15	-	-	1	91
Increase during the year	-	88	11	-	-	-	-	-	99
31 December 2014	-	163	11	-	15	-	-	1	190
Net book value:									
As at 31 December 2013	313	905	874	73	197	71	22	26	2,481
As at 31 December 2014	313	819	851	82	205	28	18	25	2,341
Depreciation charge									
Year 2013 (Baht 487 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									559
Year 2014 (Baht 479 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									555

13. Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements								
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
31 December 2012	313	1,343	5,067	1,061	883	120	228	118	9,133
Purchase/transfer in	-	29	170	87	38	111	8	59	502
Disposal/write-off/transfer out	-	-	(204)	(29)	(5)	(160)	(14)	(55)	(467)
31 December 2013	313	1,372	5,033	1,119	916	71	222	122	9,168
Accumulated depreciation:									
31 December 2012	-	367	3,957	993	661	-	194	94	6,266
Depreciation for the year	-	25	384	75	49	-	20	6	559
Depreciation - disposal/write-off	-	-	(182)	(22)	(6)	-	(14)	(5)	(229)
31 December 2013	-	392	4,159	1,046	704	-	200	95	6,596
Allowance for impairment loss:									
31 December 2012	-	39	-	-	6	-	-	1	46
Increase during the year	-	36	-	-	9	-	-	-	45
31 December 2013	-	75	-	-	15	-	-	1	91
Net book value:									
As at 31 December 2012	313	937	1,110	68	216	120	34	23	2,821
As at 31 December 2013	313	905	874	73	197	71	22	26	2,481
Depreciation charge									
Year 2012 (Baht 474 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									545
Year 2013 (Baht 487 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									559

As at 31 December 2014, 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 6,276 million (2013: Baht 6,437 million) (The Company only: Baht 4,958 million, 2013: Baht 4,940 million).

14. Other intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer	Others	Total	Computer software
		software			
					(Unit: Million Baht)
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

14. Other intangible assets (continued)

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer	Others	Total	Computer software
		software			
					(Unit: Million Baht)
Cost:					
31 December 2012	1,005	311	3	1,319	70
Purchase	-	30	7	37	7
Disposals	-	(124)	(4)	(128)	-
Translation adjustment	72	16	-	88	-
31 December 2013	1,077	233	6	1,316	77

	(Unit: Million Baht)				Separate financial statements
	Consolidated financial statements				
	Patent rights	Computer software	Others	Total	
Accumulated amortisation:					Computer software
31 December 2012	405	225	1	631	44
Amortisation for the year	50	36	-	86	13
Disposals	-	(87)	-	(87)	-
Translation adjustment	33	9	-	42	-
31 December 2013	488	183	1	672	57
Net book value:					
31 December 2012	600	86	2	688	26
31 December 2013	589	50	5	644	20

15. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current income tax charge	(86)	(53)	(5)	-
Adjustment in respect of income tax of previous year	(11)	(10)	-	-
Deferred tax:				
Increase (decrease) in deferred tax assets	25	(6)	-	-
Decrease (increase) in deferred tax liabilities	(14)	13	-	-
Translation adjustment	1	(11)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(85)</u>	<u>(67)</u>	<u>(5)</u>	<u>-</u>

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit before tax	6,046	5,483	5,188	4,985
Income tax at Thai corporate income tax rate of 20%	(1,209)	(1,097)	(1,038)	(997)
Adjust in respect to current income tax of previous years	(11)	(10)	-	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Tax savings from the tax privileges granted by the government	1,049	1,054	1,051	1,054
Difference in tax rates of subsidiaries in overseas countries	(43)	(56)	-	-
Tax effect of loss for the current year	(28)	(14)	-	-
Effects of exemption of income and additional expenses deductions allowed	65	2	-	-
Others	92	54	(18)	(57)
Income tax expenses reported in the statement of comprehensive income	<u>(85)</u>	<u>(67)</u>	<u>(5)</u>	<u>-</u>

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 2014 and 2013, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax assets				
Allowance for doubtful accounts	22	10	-	-
Allowance for diminution in value of inventories	67	31	-	-
Bonus payable	11	11	-	-
Provision for warranty	67	75	-	-
Tax savings from promotional privileges	118	132	-	-
Tax loss brought forward	8	44	-	-
Others	24	15	-	-
Total	<u>317</u>	<u>318</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	57	36	-	-
Total	<u>57</u>	<u>36</u>	<u>-</u>	<u>-</u>

As at 31 December 2014 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 60 million, INR 25 million or approximately Baht 13 million and EUR 57 million or approximately Baht 2,283 million (2013: Baht 99 million, INR 206 million or approximately Baht 106 million and EUR 59 million or

approximately Baht 2,408 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - related parties (Note 6)	810	878	55	47
Trade payables - unrelated parties	4,750	4,945	3,838	3,798
Amount due to related parties (Note 6)	66	198	137	1,042
Other payables	458	329	379	294
Accrued expenses	2,237	2,321	1,370	1,236
Advance received	339	298	166	143
Total trade and other payables	<u>8,660</u>	<u>8,969</u>	<u>5,945</u>	<u>6,560</u>

17. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Forward contracts payable	43	147	6	62
Withholding tax payable	117	81	64	45
Value added tax payable	73	98	-	-
Others	69	61	31	13
Total other current liabilities	<u>302</u>	<u>387</u>	<u>101</u>	<u>120</u>

18. Provision for long-term employee benefits

The amount related to long-term employee benefits recognised in the statements of comprehensive income and the statements of financial position are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current service cost	55	51	19	17
Interest cost	61	55	9	6
Less: Expected return on plan assets	(37)	(28)	-	-
Recognised actuarial losses	-	28	6	-
Long-term employee benefit expenses for the year	79	106	34	23

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Defined benefit obligation	(2,263)	(2,253)	(227)	(210)
Fair value of plan assets	929	807	-	-
	(1,334)	(1,446)	(227)	(210)
Unrecognised actuarial losses	432	460	78	83
Provisions for long-term employee benefits as at 31 December	(902)	(986)	(149)	(127)

The changes in the present value of the defined benefit obligation are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Defined benefit obligation at beginning of year	(2,253)	(2,163)	(210)	(222)
Current service cost	(55)	(51)	(19)	(17)
Interest cost	(61)	(55)	(9)	(6)
Contribution by plan participants	(13)	(16)	-	-
Benefits paid during the year	123	145	11	13
Actuarial gains (losses)	(216)	91	-	22
Translation adjustments	212	(204)	-	-
Defined benefit obligation at end of year	(2,263)	(2,253)	(227)	(210)

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Fair value of plan assets at beginning of year	807	729	-	-
Expected return on plan assets	37	28	-	-
Contributions by employer	17	21	-	-
Contribution by plan participants	13	16	-	-
Benefits paid during the year	(72)	(88)	-	-
Actuarial gains	201	31	-	-
Translation adjustments	(74)	70	-	-
Fair value of plan assets at end of year	<u>929</u>	<u>807</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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Debt securities	199	131	-	-
Equity securities	196	172	-	-
Properties	380	359	-	-
Others	154	145	-	-

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rates	1.3 - 8.0	1.9 - 8.5	4.3	4.3
Expected rates of return on plan assets	4.0 - 8.5	4.0 - 8.5	-	-
Future salary increase rates (depending on age)	1.0 - 11.0	0.5 - 11.0	7.0 - 11.0	7.0 - 11.0
Staff turnover rates (depending on age)	0.5 - 24.2	0.5 - 24.2	4.0 - 13.0	4.0 - 13.0

Amounts for the current and previous four years of long-term employee benefits are as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Defined benefit obligation	(2,263)	(2,253)	(2,163)	(1,978)	(1,845)
Fair value of plan assets	929	807	729	733	684
Deficit	(1,334)	(1,446)	(1,434)	(1,245)	(1,161)
Gain (loss) from experience adjustments					
on defined benefit obligation	10	(20)	(1)	(33)	(15)
Gain (loss) from experience adjustments					
on plan assets	37	-	-	(1)	(7)

(Unit: Million Baht)

	Separate financial statements				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Defined benefit obligation	(227)	(210)	(222)	(206)	(96)
Loss from experience adjustments					
on defined benefit obligation	-	(19)	-	(81)	-

19. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring costs	Warranty	Other provisions	Total	Warranty	Total
Balance as at 31 December 2012	153	260	91	504	20	20
Recognition during year	22	159	236	417	48	48
Decrease during year	(150)	(1)	(33)	(184)	-	-
Reversal during year	(15)	(234)	(101)	(350)	-	-
Translation adjustment/unrealised loss on exchange rate	18	10	22	50	-	-
Balance as at 31 December 2013	28	194	215	437	68	68
Recognition during year	2	194	65	261	106	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)	(29)	2	2
Balance as at 31 December 2014	15	318	91	424	176	176
Short-term provisions	28	40	179	247	-	-
Long-term provisions	-	154	36	190	68	68
Balance as at 31 December 2013	28	194	215	437	68	68
Short-term provisions	15	81	43	139	-	-
Long-term provisions	-	237	48	285	176	176
Balance as at 31 December 2014	15	318	91	424	176	176

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 2014 and 2013 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 2013	Annual General Meeting of the shareholders on 31 March 2014	3,368	2.70
Final dividend for year 2012	Annual General Meeting of the shareholders on 29 March 2013	2,994	2.40

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries, wages and other employee benefits	7,525	6,954	4,004	3,617
Raw materials used and purchase of finished goods	26,113	24,849	17,162	16,567
Changes in inventories of finished goods and work in progress	509	(382)	(58)	126
Depreciation	776	832	555	559
Commission expenses	453	515	528	568
Marketing fee	46	50	277	258
Design and engineering fee	440	246	1,233	1,049
Amortisation of intangible assets	91	86	14	13

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	
	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	2062(1)/2553	1732(2)/2557	1813(2)/2554	1814(2)/2554
1. Certificate No.	1710(2)/2549	1541(2)/2552	1494(2)/2552	2061(1)/2553	2062(1)/2553	1732(2)/2557	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 and electronics products for vehicle	Manufacturing of telecommunication	Manufacturing of electro - magnetic products	Manufacturing of Inverter	Manufacturing of electric light bulbs and display monitor
3. The significant privileges are								
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.	8 years	7 years (Maximum amount Baht 90,690,852)	7 years (Maximum amount Baht 298,170,000)	8 years	8 years	7 years (Maximum amount Baht 124,000,000)	7 years (Maximum amount Baht 182,000,000)	7 years (Maximum amount Baht 202,400,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Non - granted	Granted	Granted	Non - granted	Granted	Granted	Granted	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	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	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	Granted	Non - granted	Non - granted	Non - granted
4. Date of first earning operating income	27 January 2009	4 January 2010	12 March 2013	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 are below shown divided according to promoted and non-promoted operations.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
<u>Separate financial statements</u>						
Sales						
Domestic sales	393	420	-	-	393	420
Export sales	29,490	27,967	213	296	29,703	28,263
Total	29,883	28,387	213	296	30,096	28,683

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 Un-interrupted Power Solutions 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 2014 and 2013 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue										
Revenue from external customers										
	30,464	29,306	12,061	10,130	568	521	1,028	1,244	44,121	41,201
Total revenue	30,464	29,306	12,061	10,130	568	521	1,028	1,244	44,121	41,201

(Unit: Million Baht)

	Power electronics segment ¹⁾		Energy management segment ²⁾		Smart green life segment ³⁾		Others		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment profit (loss)	6,005	5,994	946	425	30	55	(1,511)	(1,750)	5,470	4,724
Unallocated income (expenses):										
Interest income									210	194
Gain on exchange rate									231	272
Gain on sales of investment in subsidiary company									3	261
Gain on sales of investment in associated company									192	-
Dividend income from other long-term investments									-	13
Other income									338	419
Other expenses									(326)	(355)
Finance cost									(73)	(63)
Share of profit from investment in an associated company									2	18
Profit before income tax expenses									6,047	5,483
Income tax expenses									(85)	(67)
Profit for the year									5,962	5,416

- 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:

(Unit: Million Baht)

	2014	2013
Revenue from external customers is based on locations of the customers		
United States	10,863	10,617
China	6,433	6,323
India	5,887	3,693
Germany	3,923	3,715
Taiwan	3,497	3,320
Others	13,518	13,533
Total	44,121	41,201

	(Unit: Million Baht)	
	<u>2014</u>	<u>2013</u>
Non-current assets*		
Thailand	2,421	2,578
Slovakia	1,106	1,264
India	587	595
Germany	482	597
Others	593	666
Total	<u>5,189</u>	<u>5,700</u>

* other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts

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 (2013: 6 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. During the year 2014, the Company contributed Baht 68,448,808 (2013: Baht 54,739,899) to the fund.

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 2014, the Company and its subsidiaries had significant capital commitments amounting to Baht 6 million in respect of the building construction (2013: Baht 3 million) and amounting to Baht 108 million, EUR 0.1 million or approximately Baht 4 million and INR 5 million or approximately Baht 2 million in respect of the purchase of machinery and equipment (2013: Baht 87 million, EUR 0.2 million or approximately Baht 7 million and INR 10 million or approximately Baht 5 million).

26.1.2 As at 31 December 2014, the subsidiaries had significant operating lease commitments amounting to 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 (2013: SEK 2 million or approximately Baht 9 million, PLN 1 million or approximately Baht 13 million, CHF 1 million or approximately Baht 21 million, GBP

0.4 million or approximately Baht 24 million, INR 87 million or approximately Baht 46 million and EUR 6 million or approximately Baht 260 million).

26.2 Guarantee obligations

As at 31 December 2014, 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 1,162 million (2013: Baht 1,160 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,135 million (2013: 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 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, AUD 0.07 million or approximately Baht 2 million and PLN 0.6 million or approximately Baht 6 million have been issued by banks to meet requirements of its subsidiaries (2013: INR 226 million or approximately Baht 119 million, EUR 1 million or approximately Baht 61 million, USD 1 million or approximately Baht 37 million and BRL 3 million or approximately Baht 35 million).

26.3 Tax assessment

26.3.1 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.

In addition, 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 case and therefore the Company has not recorded provision for the tax assessments in the accounts.

- 26.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 99 million or approximately Baht 51 million, covering the years 2003 - 2014, and sales tax and excise duties of approximately INR 189 Million or approximately Baht 97 million, covering the years 2005 - 2012, against the overseas subsidiaries. The subsidiaries have submitted a letter appealing the assessments. However, as at 31 December 2014, those subsidiaries had prepaid tax amounting to approximately INR 157 million or approximately Baht 81 million and recorded income tax payable amounting to INR 22 million or approximately Baht 11 million. The management of the Company and the subsidiaries believe that no significant losses will be incurred as a result of this matter and the subsidiaries have therefore not recorded provision for this tax assessment.

27. Financial instruments

27.1 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 2014							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	interest rate	Non-interest 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	-	-	-	-	8,660	8,660	-
Total	250	-	-	-	8,660	8,910	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2013

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over	interest	Non-interest			
	1 year				1-5 years		
Financial assets							
Cash and cash equivalents	105	-	-	13,455	1,393	14,953	0.01 - 3.50
Trade and other receivables	-	-	-	-	8,254	8,254	-
Deposits at bank with restrictions	-	-	-	-	121	121	-
Total	105	-	-	13,455	9,768	23,328	

Financial liabilities

Bank overdraft and short-term loans from financial institutions	667	-	-	-	-	667	1.25 - 13.68
Trade and other payables	-	-	-	-	8,969	8,969	-
Total	667	-	-	-	8,969	9,636	

(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		
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	-	-	-	-	5,945	5,945	-
Total	-	-	-	-	5,945	5,945	

Separate financial statements

As at 31 December 2013

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within		Over	interest rate	Non-interest bearing		
	1 year	1-5 years	5 years				
Financial assets							
Cash and cash equivalents	-	-	-	9,558	34	9,592	0.10 - 3.30
Trade and other receivables	-	-	-	-	6,747	6,747	-
Total	-	-	-	9,558	6,781	16,339	
Financial liabilities							
Trade and other payables	-	-	-	-	6,560	6,560	-
Total	-	-	-	-	6,560	6,560	

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 2014 and 2013, 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	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	157	142	112	146	32.9630	32.8136
Euro	23	13	3	5	40.0530	45.0217
Japanese yen	124	147	247	121	0.2738	0.3130
Swiss franc	-	-	-	1	33.3016	36.6976
Polish zloty	5	4	1	-	9.3164	10.8565
Singapore dollar	-	1	-	-	24.8959	25.8826

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 2014 and 2013, the outstanding derivatives are as follows:

Forward contracts

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	
As at 31 December 2013						
Amount			Forward rate		Maturity date	
Forward contracts to “Sell”						
USD/THB	USD	117 million	31.20200 - 33.11000	THB/USD	January - April 2014	
USD/CHF	USD	7 million	0.88722 - 0.91605	CHF/USD	January 2014	
EUR/USD	EUR	2 million	1.34202 - 1.37385	USD/EUR	January 2014	
USD/TRY	USD	4 million	2.02200 - 2.02320	TRY/USD	January 2014	
PLN/CHF	PLN	3 million	3.43450 - 3.43470	PLN/CHF	January 2014	
USD/BRL	USD	2 million	2.30000 - 2.30860	BRL/USD	January 2014	
EUR/SEK	EUR	1 million	8.92800 - 9.06020	SEK/EUR	January 2014	
Forward contracts to “Buy”						
USD/RUB	USD	5 million	32.95580 - 33.32480	RUB/USD	January 2014	
USD/INR	USD	6 million	61.80500 - 63.55250	INR/USD	January - March 2014	
EUR/CHF	EUR	2 million	1.22390 - 1.23100	CHF/EUR	January 2014	
USD/AUD	USD	1 million	0.90370	USD/AUD	January 2014	

27.2 Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Since the majority of the Company and its subsidiaries' financial instruments 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.

28. 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 2014, the Group's debt-to-equity ratio was 0.39:1 (2013: 0.46:1) and the Company's was 0.23:1 (2013: 0.26:1).

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2015.

Index of GRI G4 General Standard Disclosure Indicators

General Standard Disclosure		Index Description	Page number (English)	หน้า (ภาษาไทย)
Strategy and Analysis	G4-1	Provide a statement from the most senior decision-maker of the organization) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	6, 70	6, 69
	G4-2	Provide a description of key impacts, risks, and opportunities.	30 - 32, 37-39	30 - 32, 37 - 39
Organizational Profile	G4-3	Report the name of the organization	5, 40	5, 40
	G4-4	Report the primary brands, products, and services.	5,13, 40	5, 13, 40
	G4-5	Report the location of the organization's headquarters	13, 40	13,40
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations to the sustainability topics covered in the report.	13, 41	13, 41
	G4-7	Report the nature of ownership and legal form.	41	41
	G4-8	Report the markets served	30	30
	G4-9	Total number of employees/ Total number of operations/ Net sales (for private sector organizations) or net revenues (for public sector organizations)/ Total capitalization broken down in terms of debt and equity (for private sector organizations) / Quantity of products or services provided	51	51
	G4-10	Report the total number of employees by employment contract and gender.	51	51
	G4-12	Describe the organization's supply chain.	74	74
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	8, 43	8, 43
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	37- 39,48,59,63	37 - 39, 48, 59, 63
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	67,73, 79, 85	67, 73, 79, 85
	G4-16	List memberships of associations and national or international advocacy organizations in which the organization holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues	73,77,78	73, 77, 78
	Identified Material Aspects and Boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	106
G4-18		Explain the process for defining the report content and the Aspect Boundaries and Explain how the organization has implemented the Reporting Principles for Defining Report Content.	76	76
G4-19		List all the material Aspects identified in the process for defining report content.	76	76
G4-20		For each material Aspect, report the Aspect Boundary within the organization, as reporting whether the Aspect is material within the organization	74 - 76	74 - 76
G4-21		For each material Aspect, report the Aspect Boundary outside the organization	74 - 76	74 - 76
G4-23		Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	71	71
Stakeholder Engagement	G4-24	Provide a list of stakeholder groups engaged by the organization.	74 - 76	74 - 76
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	74 - 76	74 - 76
	G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	74 - 75	74 - 75
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	74 - 76	74 - 76
Report Profile	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	71	71
	G4-29	Date of most recent previous report (if any).	71	71
	G4-30	Reporting cycle (such as annual, biennial).	71	71
	G4-31	Provide the contact point for questions regarding the report or its contents.	71	71
	G4-32	Report the GRI Content Index for the chosen option (see tables below).	71	71
Governance	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	74	74
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	48,74	

Index of GRI G4 General Standard Disclosure Indicators

General Standard Disclosure	Index Description	Page number (English)	หน้า (ภาษาไทย)
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	74	74
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	77	77
G4-38	Report the composition of the highest governance body and its committees by executive or non-executive, independence, tenure on the governance body, number of each individual's other significant positions and commitments, and the nature of the commitments, gender, membership of under-represented social groups, competences relating to economic, environmental and social impacts, Stakeholder representation	42 - 48	42 - 48
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	42	42
G4-40	Report whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	55, 63 - 65	55, 63 - 65
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum e.g. Cross-board membership, cross-shareholding with suppliers and other stakeholders, existence of controlling shareholder, related party disclosures	48, 49, 55, 56, 87	48, 49, 55, 56, 87
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	47, 60	47, 60
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	67	67
G4-44	Highest Governance body's role in risk management	58, 66, 67	58, 66, 67
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	59 - 63, 95	59 - 63, 95
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	59, 63	59, 63
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	6, 7, 70, 95	6,7, 70, 95
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	74,77	74, 77
G4-49	Report the process for communicating critical concerns to the highest governance body.	77	77
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	77	77
G4-51	Report the remuneration policies for the highest governance body and senior executives	49 - 51	49 - 51
G4-52	Report the process for determining remuneration	49 - 51, 54	49 - 51,
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	54	54
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operation.	50 - 51	50 - 51
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	50 - 51	50
Ethic and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2, 14, 70, 85
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	77
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	77

Index of GRI G4 Specific Standard Disclosure Indicators

Specific Standard Disclosure	Index Description	Page number (English)	หน้า (ภาษาไทย)	
Disclosure on Management	G4-DMA	Report why the Aspect is material. Report the impacts that make this Aspect material and how the organization manages the material Aspect or its impacts.	51, 76	51, 76
Economic	G4-EC1	Direct economic value generated and distributed	98 - 148	98 - 148
	G4-EC2	Financial Implication and other risks and opportunities for the organization's activities due to climate change	37, 38,39	37, 38,39
	G4-EC3	Coverage of the organization's defined benefit plan obligation	138	138
	G4-EC4	Financial Assistance received from government	131	131
	G4-EC5	Ratio standard entry level wage by gender compared to local minimum wage at significant locations of operation	116	116
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	68	68
	G4-EC7	Development and impact of infrastructure investments and services supported	30 - 32	30 - 32
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	30 - 32	30 - 32
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	25	25
Environment (OECD/UNGC)	G4-EN3	Energy consumption within the organization	82	82
	G4-EN5	Energy Intensity	82	82
	G4-EN6	Reduction of Energy Consumption	82	82
	G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	82	82
	G4-EN15	Direct green house gas (GHG) Emission (Scope 1)	82, 83	82, 83
	G4-EN16	Energy indirect greenhouse gas (GHG) Emission (Scope 2)	82, 83	82, 83
	G4-EN18	Greenhouse gas (GHG) Emission intensity	82, 83	82, 83
	G4-EN19	Reduction of greenhouse gas (GHG) Emission	82, 83	82, 83
Social	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	78, 85	78, 79, 85
	G4-LA6	Type of injury and rate of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	79	79
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	52	52
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employee and assist them in managing career ending	52, 85	52, 85
	G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	52	52
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	51	51
	G4-LA13	Ratio of basic salary and remuneration of woman to men by employee category, by significant locations of operation	57	51
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanism	77	77
Human Rights	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	57	57
	G4-HR3	Total number of incidents of discrimination and corrective action taken	77	77
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	39, 57	39, 57
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	71	71
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	71	71
Society	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	75	75
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	75	75
	G4-SO4	Communication and Training on anti-corruption policies and procedures	77	77
	G4-SO5	Confirmed incidents of corruption and actions taken	77	77