

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

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 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 25.3.1 to the financial statements regarding the Company's receipt of notices of corporate income tax assessment, covering the years 1997 through 2006, and notices of specific business tax assessment for the year 2005 and year 2006 from the Revenue Department. My opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue from sales of goods is one of the Company's significant accounts because the amounts of revenue recorded would directly affect the Company's profit or loss for the year. Moreover, the Company has a large number of customers with a variety of different commercial terms. There are therefore risks with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Company's recognition of revenue from sales of goods in order to ensure that the revenue is recorded correctly and in accordance with the relevant accounting standards.

I have examined the Company's revenue recognition by gaining an understanding and evaluating the effectiveness of the Company's internal controls with respect to revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes issued by the Company to its customers after the period-end and performed analytical review procedures on the sales account to identify possible irregularities in sales transactions throughout the period.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in the Note 8 to the financial statement, is an area of significant management judgement, and the inventories of the Company are high technology products, which become obsolete faster than some other products. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the Company's internal controls relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and I also assessed the method and the assumption applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis. In addition, I compared the data on inventory aging and inventory movement to identify product lines with indicators of lower than normal inventory turnover. I also compared details of net amount that an entity expects to realise from the sale of inventory after the date of the financial statements with the cost of inventory for each product line.

Impairment of consolidation goodwill and patents

As at 31 December 2016, The Company and its subsidiaries had consolidation goodwill and patents amounting to Baht 307 million and Baht 467 million, respectively. I have focused on the consideration of the impairment of the consolidation goodwill and patents because the assessment of impairment of consolidation goodwill and patents is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risks with respect to the amounts of consolidation goodwill and patents.

In auditing the impairment of consolidation goodwill and patents, I assessed the identified cash generating units by gaining an understanding of and testing the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate applied, making enquiry of responsible executives and comparing details with sources of information about the Company and the industry.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Narong Puntawong.

Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

EY Office Limited
Bangkok: 14 February 2017

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets					
Current assets					
Cash and cash equivalents		19,685,363,416	20,487,951,634	12,184,017,823	12,912,492,655
Current investments		431,366,380	-	-	-
Trade and other receivables	7	10,696,536,754	9,815,396,646	8,982,015,612	7,147,857,400
Inventories	8	7,296,775,898	6,141,318,226	4,448,579,319	3,665,518,299
Other current assets	9	818,347,036	846,584,369	132,146,295	141,668,778
Total current assets		38,928,389,484	37,291,250,875	25,746,759,049	23,867,537,132
Non-current assets					
Deposits at bank with restrictions		54,729,708	72,705,137	-	-
Investments in subsidiary companies	10	-	-	11,573,120,772	11,480,274,783
Investment properties	11	211,356,198	230,209,976	-	-
Property, plant and equipment	12	5,965,729,101	4,941,919,805	3,452,699,568	2,767,655,068
Consolidation goodwill		306,757,971	306,757,971	-	-
Other intangible assets	13	487,017,028	558,565,250	2,723,926	5,522,265
Deferred tax assets	21	299,128,028	292,932,000	-	-
Other non-current assets		66,158,068	68,536,021	1,319,327	1,363,044
Total non-current assets		7,390,876,102	6,471,626,160	15,029,863,593	14,254,815,160
Total assets		46,319,265,586	43,762,877,035	40,776,622,642	38,122,352,292

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		321,099,118	189,930,764	-	-
Trade and other payables	14	11,349,105,922	10,272,575,658	8,207,849,863	7,122,841,283
Income tax payable		77,130,958	130,969,052	433,800	5,324,806
Short-term provisions	17	94,183,510	155,713,446	-	-
Other current liabilities	15	560,553,798	521,408,389	131,828,567	109,121,176
Total current liabilities		12,402,073,306	11,270,597,309	8,340,112,230	7,237,287,265
Non-current liabilities					
Deferred tax liabilities	21	82,416,793	69,198,718	-	-
Provision for long-term employee benefits	16	1,458,713,064	1,449,154,812	259,426,435	262,635,979
Long-term provisions	17	473,815,793	404,737,572	265,109,340	234,754,362
Other non-current liabilities		11,156,453	11,425,036	1,145,222	1,115,402
Total non-current liabilities		2,026,102,103	1,934,516,138	525,680,997	498,505,743
Total liabilities		14,428,175,409	13,205,113,447	8,865,793,227	7,735,793,008
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 ordinary shares					
of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid					
1,247,381,614 ordinary shares					
of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Retained earnings					
Appropriated - Statutory reserve	18	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		30,705,031,836	29,091,127,321	29,045,635,301	27,521,365,170
Other components of shareholders' equity		(1,679,135,773)	(1,398,557,847)	-	-
Equity attributable to owners of the Company		31,891,090,177	30,557,763,588	31,910,829,415	30,386,559,284
Total shareholders' equity		31,891,090,177	30,557,763,588	31,910,829,415	30,386,559,284
Total liabilities and shareholders' equity		46,319,265,586	43,762,877,035	40,776,622,642	38,122,352,292
		-	-	-	-

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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss:					
Revenues					
Sales and service income		46,887,261,042	46,938,249,622	33,856,257,882	31,823,975,698
Other income					
Interest income		197,443,546	224,168,140	172,198,985	194,719,500
Gain on exchange		183,014,793	412,118,347	249,980,271	750,116,636
Others		384,037,205	418,728,576	168,578,798	158,470,495
Total revenues		<u>47,651,756,586</u>	<u>47,993,264,685</u>	<u>34,447,015,936</u>	<u>32,927,282,329</u>
Expenses					
Cost of sales and services		34,471,471,186	34,127,201,544	24,389,468,897	22,753,427,047
Selling expenses		3,104,092,018	2,936,637,114	1,302,084,085	1,165,693,244
Administrative expenses		1,691,402,709	1,668,835,393	869,398,676	859,678,331
Research and development expenses		2,523,525,436	1,993,943,175	2,469,515,024	1,793,141,561
Other expenses		129,872,774	238,616,130	32,892,724	32,927,147
Total expenses		<u>41,920,364,123</u>	<u>40,965,233,356</u>	<u>29,063,359,406</u>	<u>26,604,867,330</u>
Profit before finance cost and income tax expenses		<u>5,731,392,463</u>	<u>7,028,031,329</u>	<u>5,383,656,530</u>	<u>6,322,414,999</u>
Finance cost		<u>(45,160,564)</u>	<u>(39,382,969)</u>	<u>-</u>	<u>-</u>
Profit before income tax expenses		<u>5,686,231,899</u>	<u>6,988,648,360</u>	<u>5,383,656,530</u>	<u>6,322,414,999</u>
Income tax expenses	21	<u>(169,941,530)</u>	<u>(274,833,130)</u>	<u>(12,885,157)</u>	<u>(19,296,768)</u>
Profit for the year		<u><u>5,516,290,369</u></u>	<u><u>6,713,815,230</u></u>	<u><u>5,370,771,373</u></u>	<u><u>6,303,118,231</u></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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of				
financial statements in foreign currency - net of income tax	<u>(280.577.926)</u>	<u>560.461.612</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>(280.577.926)</u>	<u>560.461.612</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial gains (losses) - net of income tax	<u>(35.502.851)</u>	<u>(140.569.020)</u>	<u>20.381.761</u>	<u>-</u>
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>(35.502.851)</u>	<u>(140.569.020)</u>	<u>20.381.761</u>	<u>-</u>
Other comprehensive income for the year	<u>(316.080.777)</u>	<u>419.892.592</u>	<u>20.381.761</u>	<u>-</u>
Total comprehensive income for the year	<u>5.200.209.592</u>	<u>7.133.707.822</u>	<u>5.391.153.134</u>	<u>6.303.118.231</u>
Profit attributable to:				
Equity holders of the Company	<u>5.516.290.369</u>	<u>6.713.815.230</u>	<u>5.370.771.373</u>	<u>6.303.118.231</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>5.200.209.592</u>	<u>7.133.707.822</u>	<u>5.391.153.134</u>	<u>6.303.118.231</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>4,42</u>	<u>5,38</u>	<u>4,31</u>	<u>5,05</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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:				
Profit before tax	5.686.231.899	6.988.648.360	5.383.656.530	6.322.414.999
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	861.197.339	779.148.389	641.252.902	578.868.528
Amortisation of other intangible assets	76.981.115	98.540.606	3.328.339	6.466.766
Recording of allowance for doubtful accounts	24.939.857	25.785.672	1.169.316	2.342.817
Decrease of inventory to net realisable value (reversal)	81.371.608	(44.798.599)	7.254.390	(56.376.521)
Loss from write-off inventories	170.316.617	232.715.346	108.591.302	164.645.812
Increase in provision for long-term employee benefits	99.289.104	104.046.683	33.712.214	42.521.230
Recording of the increase in provisions	55.619.223	134.033.872	34.176.789	38.730.899
(Gain) loss from disposal of property, plant and equipment	5.929.001	(1.719.749)	8.028.968	(1.062.169)
Allowance for impairment loss on assets	-	4.142.319	-	4.142.319
Loss on disposal of other intangible assets	-	124.818	-	-
Unrealised gain on exchange	(250.493.511)	(192.122.244)	(246.432.033)	(239.588.226)
Interest income	(197.443.546)	(224.168.140)	(172.198.985)	(194.719.500)
Interest expenses	45.160.564	39.382.969	-	-
Profit from operating activities before changes in operating assets and liabilities	6.659.099.270	7.943.760.302	5.802.539.732	6.668.386.954
Decrease (increase) in operating assets:				
Trade and other receivables	(829.179.335)	(1.392.141.251)	(1.755.394.873)	(1.040.520.648)
Inventories	(1.407.145.897)	(1.008.992.864)	(898.906.712)	(464.032.446)
Other current assets	97.973.432	(203.265.769)	22.401.556	(64.401.168)
Other non-current assets	2.377.953	(8.434.715)	43.717	1.209.777
Increase (decrease) in operating liabilities:				
Trade and other payables	1.076.878.473	1.523.785.370	1.074.721.788	1.072.698.986
Other current liabilities	(19.028.152)	218.683.490	(3.225.147)	229.922
Provision for long-term employee benefits	(74.724.317)	(67.454.207)	(16.539.997)	(7.434.628)
Provisions	(39.470.109)	(22.927.303)	-	-
Other non-current liabilities	(268.583)	(1.449.482)	29.820	(74.998)
Cash flows from operating activities	5.466.512.735	6.981.563.571	4.225.669.884	6.166.061.751
Cash received from interest income	195.968.950	226.454.204	170.951.940	194.948.374
Cash paid for interest expenses	(59.660.235)	(28.926.693)	-	-
Cash paid for corporate income tax	(273.972.206)	(165.576.453)	(17.397.699)	(15.307.087)
Net cash flows from operating activities	5.328.849.244	7.013.514.629	4.379.224.125	6.345.703.038

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	17,975,429	4,063,376	-	-
Increase in current investments	(431,366,380)	-	-	-
Increase in investments in subsidiary company	-	-	(92,845,989)	(729,350,970)
Acquisition of property, plant and equipment	(2,059,330,378)	(1,365,321,059)	(1,365,991,356)	(1,014,060,768)
Proceeds from disposal of property, plant and equipment	103,966,380	15,364,188	31,664,986	5,894,997
Increase in other intangible assets	(10,074,973)	(26,372,303)	(530,000)	(3,588,473)
Net cash flows used in investing activities	(2,378,829,922)	(1,372,265,798)	(1,427,702,359)	(1,741,105,214)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	131,168,354	(59,668,824)	-	-
Dividend paid	(3,866,883,003)	(3,742,144,842)	(3,866,883,003)	(3,742,144,842)
Net cash flows used in financing activities	(3,735,714,649)	(3,801,813,666)	(3,866,883,003)	(3,742,144,842)
Increase (decrease) in translation adjustments	(246,360,291)	472,345,091	-	-
Net increase (decrease) in cash and cash equivalents	(1,032,055,618)	2,311,780,256	(915,361,237)	862,452,982
Unrealised gain on exchange for cash and cash equivalents	229,467,400	244,842,841	186,886,405	306,659,228
Cash and cash equivalents at beginning of year	20,487,951,634	17,931,328,537	12,912,492,655	11,743,380,445
Cash and cash equivalents at end of year	19,685,363,416	20,487,951,634	12,184,017,823	12,912,492,655
	-	-	-	-

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 2016

(Unit: Baht)

Consolidated financial statements							
Equity attributable to shareholders of the Company							
	Issued and fully paid share capital	Share premium	Retained earnings		Other component of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
Balance as at 31 December 2014 - as previously reported	1,247,381,614	1,491,912,500	125,900,000	26,692,071,850	(1,959,019,459)	(1,959,019,459)	27,598,246,505
Cumulative effect of change in accounting policy	-	-	-	(432,045,897)	-	-	(432,045,897)
Balance as at 31 December 2014 - as restated	1,247,381,614	1,491,912,500	125,900,000	26,260,025,953	(1,959,019,459)	(1,959,019,459)	27,166,200,608
Profit for the year	-	-	-	6,713,815,230	-	-	6,713,815,230
Other comprehensive income for the year	-	-	-	(140,569,020)	560,461,612	560,461,612	419,892,592
Total comprehensive income for the year	-	-	-	6,573,246,210	560,461,612	560,461,612	7,133,707,822
Dividend paid (Note 19)	-	-	-	(3,742,144,842)	-	-	(3,742,144,842)
Balance as at 31 December 2015	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>29,091,127,321</u>	<u>(1,398,557,847)</u>	<u>(1,398,557,847)</u>	<u>30,557,763,588</u>
Balance as at 31 December 2015	1,247,381,614	1,491,912,500	125,900,000	29,091,127,321	(1,398,557,847)	(1,398,557,847)	30,557,763,588
Profit for the year	-	-	-	5,516,290,369	-	-	5,516,290,369
Other comprehensive income for the year	-	-	-	(35,502,851)	(280,577,926)	(280,577,926)	(316,080,777)
Total comprehensive income for the year	-	-	-	5,480,787,518	(280,577,926)	(280,577,926)	5,200,209,592
Dividend paid (Note 19)	-	-	-	(3,866,883,003)	-	-	(3,866,883,003)
Balance as at 31 December 2016	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>30,705,031,836</u>	<u>(1,679,135,773)</u>	<u>(1,679,135,773)</u>	<u>31,891,090,177</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 2016

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2014 - as previously reported	1.247.381.614	1.491.912.500	125.900.000	25.038.522.306	27.903.716.420
Cumulative effect of change in accounting policy	-	-	-	(78.130.525)	(78.130.525)
Balance as at 31 December 2014 - as restated	1.247.381.614	1.491.912.500	125.900.000	24.960.391.781	27.825.585.895
Profit for the year	-	-	-	6.303.118.231	6.303.118.231
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6.303.118.231	6.303.118.231
Dividend paid (Note 19)	-	-	-	(3.742.144.842)	(3.742.144.842)
Balance as at 31 December 2015	<u>1.247.381.614</u>	<u>1.491.912.500</u>	<u>125.900.000</u>	<u>27.521.365.170</u>	<u>30.386.559.284</u>
Balance as at 31 December 2015	1.247.381.614	1.491.912.500	125.900.000	27.521.365.170	30.386.559.284
Profit for the year	-	-	-	5.370.771.373	5.370.771.373
Other comprehensive income for the year	-	-	-	20.381.761	20.381.761
Total comprehensive income for the year	-	-	-	5.391.153.134	5.391.153.134
Dividend paid (Note 19)	-	-	-	(3.866.883.003)	(3.866.883.003)
Balance as at 31 December 2016	<u>1.247.381.614</u>	<u>1.491.912.500</u>	<u>125.900.000</u>	<u>29.045.635.301</u>	<u>31.910.829.415</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 2016

1. Corporate information

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

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

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	
			<u>2016</u> Percent	<u>2015</u> Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Energy Systems (Switzerland) AG	Holding business, trading, research and development of electronic products	Switzerland	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
DET Video Technology Limited	Holding business	The British Virgin Islands	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100
DET SGP Pte. Ltd.*	Holding business and marketing and after sales services	Singapore	100	100
Delta 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

* In process of liquidation

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>2016</u>	<u>2015</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.zo.o	Trading of electronic products	Poland	100	100
Delta Energy Systems LLC	Trading of electronic products	Russia	100	100

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2016</u>	<u>2015</u>
			Percent	Percent
Delta Energy Systems (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	100	100
Delta Greentech (USA) Corporation (owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	USA	100	100
Delta Greentech (Brazil) S/A (owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Brazil	100	100
Delta Greentech (Curitiba) Limited* (owned by Delta Greentech (Brazil) S/A)	Engineering	Brazil	100	100
Delta Power Solutions (India) Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	100
Delta Electronics India Pvt. Ltd.	Manufacture, marketing and trading of electronic products	India	100	100
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	100

* In process of liquidation

- 2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - 2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - 2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - 2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - 2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate 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

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	2 - 5 years
Installation	5 years
Furniture, fixtures and office equipment	5 - 7 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 Long-term leases

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 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.

4.13 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.

4.14 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 contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

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

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

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

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

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

4.15 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.

4.16 Research and development expenses

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

4.17 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.

4.18 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.

4.19 Fair value measurement

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

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

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

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

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. 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.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Tax assessments

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

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	11,094	10,562	With reference to market price
Purchase of raw materials	-	-	96	62	With reference to market price
Commission paid	-	-	267	246	Contract price
Design and engineering fee paid	-	-	1,237	1,003	Contract price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,636	1,668	1,560	1,285	With reference to market price
Purchase of goods and raw materials	4,378	4,980	425	403	With reference to market price
Commission paid	494	392	494	392	Contract price
Design and engineering fee paid	616	217	616	217	Contract price
Commission received	127	69	-	-	Contract price
Services income	448	345	-	-	Contract price
Services paid	168	122	168	122	Contract price

The balances of the accounts as at 31 December 2016 and 2015 between the Company, its subsidiaries and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables, related parties (Note 7)</u>				
Subsidiary companies	-	-	4,213	2,802
Other related companies (under common control)	588	520	375	356
Total trade receivables, related parties	<u>588</u>	<u>520</u>	<u>4,588</u>	<u>3,158</u>
<u>Amounts due from related parties (Note 7)</u>				
Subsidiary companies	-	-	31	-
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>
<u>Trade payables, related parties (Note 14)</u>				
Subsidiary companies	-	-	21	19
Other related companies (under common control)	1,128	1,219	91	63
Total trade payables, related parties	<u>1,128</u>	<u>1,219</u>	<u>112</u>	<u>82</u>

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Amounts due to related parties (Note 14)</u>				
Subsidiary companies	-	-	201	232
Other related companies (under common control)	309	319	194	291
Total amounts due to related parties	<u>309</u>	<u>319</u>	<u>395</u>	<u>523</u>

Directors and management's benefits

During the year ended 31 December 2016 and 2015, 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	144	150	53	62
Post-employment benefits	18	20	8	7
Total	<u>162</u>	<u>170</u>	<u>61</u>	<u>69</u>

7. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables, related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	581	518	4,027	2,894
Past due				
Up to 3 months	6	2	560	250
3 - 6 months	1	-	1	6
6 - 12 months	-	-	-	8
Total	<u>588</u>	<u>520</u>	<u>4,588</u>	<u>3,158</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	8,821	8,048	3,878	3,535
Past due				
Up to 3 months	978	1,005	320	298
3 - 6 months	123	93	6	1
6 - 12 months	47	23	-	-
Over 12 months	85	90	-	-
Total	<u>10,054</u>	<u>9,259</u>	<u>4,204</u>	<u>3,834</u>
Total trade receivables	10,642	9,779	8,792	6,992
Less: Allowance for doubtful accounts	<u>(182)</u>	<u>(157)</u>	<u>(4)</u>	<u>(3)</u>
Total trade receivables - net	<u>10,460</u>	<u>9,622</u>	<u>8,788</u>	<u>6,989</u>
<u>Other receivables</u>				
Amounts due from related parties (Note 6)	-	-	31	-
Other receivables	<u>237</u>	<u>193</u>	<u>163</u>	<u>159</u>
Total other receivables	<u>237</u>	<u>193</u>	<u>194</u>	<u>159</u>
Trade and other receivables - net	<u>10,697</u>	<u>9,815</u>	<u>8,982</u>	<u>7,148</u>

8. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	4,544	3,661	(590)	(501)	3,954	3,160
Work in process	658	675	-	-	658	675
Raw materials	2,498	2,293	(378)	(386)	2,120	1,907
Goods in transit	565	399	-	-	565	399
Total	8,265	7,028	(968)	(887)	7,297	6,141

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	2,352	1,826	(169)	(132)	2,183	1,694
Work in process	584	552	-	-	584	552
Raw materials	1,607	1,451	(168)	(198)	1,439	1,253
Goods in transit	243	167	-	-	243	167
Total	4,786	3,996	(337)	(330)	4,449	3,666

9. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Input tax refundable	314	403	81	97
Advance payments	153	169	32	28
Prepaid expenses	83	65	8	4
Prepaid tax	234	163	-	-
Forward contracts receivable (Note 26)	6	13	-	2
Others	28	34	11	11
Total other current assets	818	847	132	142

10. 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	
	<u>Foreign</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>currency</u>	(Million)	(Million)		
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	200	190	200	190
Delta Energy Systems (Singapore) Pte. Ltd.	USD	53	51	1,704	1,621
Subtotal				13,769	13,676
Less: Allowance for impairment loss of investments in subsidiary companies				(2,196)	(2,196)
Investments in subsidiary companies - net				<u>11,573</u>	<u>11,480</u>

During the year, the Company made additional investment in Delta Energy Systems (Singapore) Pte. Ltd. of approximately USD 2.3 million, or approximately Baht 83 million. The purposes of the additional investment in the subsidiaries of Delta Energy Systems (Singapore) Pte. Ltd. are to provide working capital for the subsidiaries in Australia and Myanmar.

On 25 November 2016, the Board of Directors of Delta Green Industrial (Thailand) Company Limited passed a resolution to call up the remaining value of the ordinary shares, amounting to Baht 10 million (20,000,000 ordinary shares of Baht 0.5 each) from the Company. During the year, the Company has made payment of the ordinary shares.

These additional investments had no impact on the structure of the Group.

No dividend was received from the above subsidiary companies during the years ended 31 December 2016 and 2015.

11. Investment properties

The net book value of investment properties as at 31 December 2016 and 2015 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Office building		Total
	Land for rent	for rent	
31 December 2016:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(34)	(34)
Translation adjustment	(8)	(38)	(46)
Net book value (Note 26)	<u>36</u>	<u>175</u>	<u>211</u>
31 December 2015:			
Cost	44	247	291
<u>Less</u> Accumulated depreciation	-	(25)	(25)
Translation adjustment	(6)	(30)	(36)
Net book value (Note 26)	<u>38</u>	<u>192</u>	<u>230</u>

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Book value at beginning of year	230	245
Depreciation charged	(9)	(10)
Translation adjustment	(10)	(5)
Book value at end of year	<u>211</u>	<u>230</u>

The Company and its subsidiaries believe that the book value of investment properties as at 31 December 2016 as stated in the financial statements is closed to the fair value.

12. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Cost:									
1 January 2015	511	2,945	6,514	1,154	1,271	32	516	473	13,416
Purchase/transfer in	-	241	716	88	130	633	72	111	1,991
Disposal/write-off/transfer out	-	(46)	(1,056)	(97)	(69)	(555)	(60)	(90)	(1,973)
Translation adjustment	5	5	(9)	-	-	-	(2)	-	(1)
31 December 2015	516	3,145	6,165	1,145	1,332	110	526	494	13,433
Purchase/transfer in	366	138	1,095	135	129	553	64	213	2,693
Disposal/write-off/transfer out	-	(68)	(844)	(71)	(88)	(523)	(82)	(151)	(1,827)
Translation adjustment	(7)	(64)	(48)	-	(12)	(1)	(9)	(9)	(150)
31 December 2016	875	3,151	6,368	1,209	1,361	139	499	547	14,149
Accumulated depreciation:									
1 January 2015	-	636	5,471	1,072	867	-	468	351	8,865
Depreciation for the year	-	70	482	82	68	-	38	29	769
Depreciation - disposal/write-off	-	(19)	(1,047)	(95)	(69)	-	(60)	(16)	(1,306)
Translation adjustment	-	3	(5)	-	1	-	(2)	(1)	(4)
31 December 2015	-	690	4,901	1,059	867	-	444	363	8,324
Depreciation for the year	-	70	514	97	84	-	52	35	852
Depreciation - disposal/write-off	-	(5)	(811)	(70)	(87)	-	(82)	(22)	(1,077)
Translation adjustment	-	(11)	(45)	-	(5)	-	(8)	(7)	(76)
31 December 2016	-	744	4,559	1,086	859	-	406	369	8,023

12. Property, plant and equipment (continued)

(Unit: Million Baht)

Consolidated financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Allowance for impairment loss:									
1 January 2015	-	163	11	-	15	-	-	1	190
Increase during the year	-	4	-	-	-	-	-	-	4
Decrease during the year	-	(27)	-	-	-	-	-	-	(27)
31 December 2015	-	140	11	-	15	-	-	1	167
Decrease during the year	-	-	(7)	-	-	-	-	-	(7)
31 December 2016	-	140	4	-	15	-	-	1	160
Net book value:									
As at 31 December 2015	516	2,315	1,253	86	450	110	82	130	4,942
As at 31 December 2016	875	2,267	1,805	123	487	139	93	177	5,966
Depreciation for the year									
Year 2015 (Baht 580 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									769
Year 2016 (Baht 621 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									852

12. 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:									
1 January 2015	313	1,398	5,235	1,140	967	28	216	121	9,418
Purchase/transfer in	-	69	644	88	112	291	38	78	1,320
Disposal/write-off/transfer out	-	(46)	(1,004)	(97)	(67)	(235)	(33)	(85)	(1,567)
31 December 2015	313	1,421	4,875	1,131	1,012	84	221	114	9,171
Purchase/transfer in	-	114	930	135	127	363	30	125	1,824
Disposal/write-off/transfer out	-	-	(765)	(67)	(59)	(344)	(19)	(139)	(1,393)
31 December 2016	313	1,535	5,040	1,199	1,080	103	232	100	9,602
Accumulated depreciation:									
1 January 2015	-	416	4,373	1,058	747	-	198	95	6,887
Depreciation for the year	-	24	406	81	49	-	15	4	579
Depreciation - disposal/write-off	-	(19)	(1,002)	(95)	(67)	-	(33)	(14)	(1,230)
31 December 2015	-	421	3,777	1,044	729	-	180	85	6,236
Depreciation for the year	-	25	426	97	64	-	24	5	641
Depreciation - disposal/write-off	-	-	(733)	(66)	(59)	-	(19)	(11)	(888)
31 December 2016	-	446	3,470	1,075	734	-	185	79	5,989

12. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Computer	Others	Total
Allowance for impairment loss:									
1 January 2015	-	163	11	-	15	-	-	1	190
Increase during the year	-	4	-	-	-	-	-	-	4
Decrease during the year	-	(27)	-	-	-	-	-	-	(27)
31 December 2015	-	140	11	-	15	-	-	1	167
Decrease during the year	-	-	(7)	-	-	-	-	-	(7)
31 December 2016	-	140	4	-	15	-	-	1	160
Net book value:									
As at 31 December 2015	313	860	1,087	87	268	84	41	28	2,768
As at 31 December 2016	313	949	1,566	124	331	103	47	20	3,453
Depreciation for the year									
Year 2015 (Baht 513 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									579
Year 2016 (Baht 528 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									641

As at 31 December 2016, certain items of building, 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 4,836 million (2015: Baht 6,051 million) (The Company only: Baht 4,387 million, 2015: Baht 4,573 million).

13. Other intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

	Consolidated financial statements				Separate financial statements
	Patent rights	Computer software	Others	Total	Computer software
(Unit: Million Baht)					
Cost:					
1 January 2015	1,082	238	9	1,329	79
Purchase	-	11	15	26	4
Disposals	-	(4)	-	(4)	-
Translation adjustment	103	(2)	(1)	100	-
31 December 2015	1,185	243	23	1,451	83
Purchase	-	7	3	10	-
Disposals	-	(5)	-	(5)	-
Translation adjustment	(9)	(7)	4	(12)	-
31 December 2016	1,176	238	30	1,444	83
Accumulated amortisation:					
1 January 2015	544	199	3	746	71
Amortisation for the year	56	24	19	99	6
Disposals	-	(4)	-	(4)	-
Translation adjustment	55	(1)	(3)	51	-
31 December 2015	655	218	19	892	77
Amortisation for the year	58	17	2	77	3
Disposals	-	(5)	-	(5)	-
Translation adjustment	(4)	(6)	3	(7)	-
31 December 2016	709	224	24	957	80
Net book value:					

31 December 2015	530	25	4	559	6
31 December 2016	467	14	6	487	3

14. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties (Note 6)	1,128	1,219	112	82
Trade payables - unrelated parties	6,259	5,187	5,180	4,126
Amount due to related parties (Note 6)	309	319	395	523
Other payables	954	761	858	684
Accrued expenses	2,499	2,487	1,582	1,590
Advance received	200	300	81	118
Total trade and other payables	11,349	10,273	8,208	7,123

15. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Forward contracts payable (Note 26)	99	32	40	13
Withholding tax payable	176	114	81	78
Value added tax payable	89	124	-	-
Others	197	251	11	18
Total other current liabilities	561	521	132	109

16. Provision for long-term employee benefits

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Defined benefit obligation	(2,431)	(2,458)	(259)	(263)
Fair value of plan assets	972	1,009	-	-
Provisions for long-term employee benefits as at	(1,459)	(1,449)	(259)	(263)

31 December

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Defined benefit obligation at beginning of year	(2,458)	(2,263)	(263)	(228)
Included in profit or loss:				
Current service cost	(66)	(67)	(23)	(28)
Interest cost	(43)	(49)	(11)	(14)
Administration cost exclude cost for managing plan assets	-	(1)	-	-
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	6	-	13	-
Financial assumptions changes	20	(80)	41	-
Experience adjustments	(63)	(21)	(33)	-
Contribution by plan participants	(13)	(14)	-	-
Benefits paid during the year	99	109	17	7
Translation adjustments	87	(72)	-	-
Defined benefit obligation at end of year	<u>(2,431)</u>	<u>(2,458)</u>	<u>(259)</u>	<u>(263)</u>

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Fair value of plan assets at beginning of year	1,009	929	-	-
Included in profit or loss:				
Interest income on plan assets	10	13	-	-
Included in other comprehensive income:				
Return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset)	(1)	9	-	-
Contributions by employer	18	20	-	-
Contribution by plan participants	13	14	-	-
Benefits paid during the year	(42)	(62)	-	-
Translation adjustments	(35)	86	-	-
Fair value of plan assets at end of year	<u>972</u>	<u>1,009</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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Debt securities	209	224	-	-
Equity securities	211	216	-	-
Properties	403	404	-	-
Others	149	165	-	-

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current service cost	66	67	23	28
Interest cost	43	49	11	14
Less: Interest income on plan assets	(10)	(13)	-	-
Administration cost exclude cost for managing plan assets	-	1	-	-
Total expenses recognised in profit or loss	99	104	34	42
Line items in profit or loss under which such expenses are included				
Cost of sales	21	28	19	24
Selling, administrative and research and development expenses	78	76	15	18

The Company and its subsidiaries expect to pay Baht 81 million of long-term employee benefits during the next year (Separate financial statements: Baht 9 million) (2015: Baht 79 million, separate financial statements: Baht 9 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit of the Company and its subsidiaries is 9-23 years (Separate financial statements: 14 years) (31 December 2015: 11-22 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount rate	0.5 - 7.1	0.8 - 8.0	2.6	4.3
Interest rate	1.0	1.0	-	-
Future salary increase rates (depending on age)	0.8 - 9.0	1.2 - 11.0	3.0 - 9.0	7.0 - 11.0
Pension increase rate	1.5	0.3 - 2.0	-	-

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.25%-10%	0.25%-10%	1%-10%	1%-10%
Discount rate	Decrease 146	Increase 154	Decrease 30	Increase 26
Interest rate	Increase 11	Decrease 10	-	-
Future salary increase rates (depending on age)	Increase 28	Decrease 35	Increase 25	Decrease 29
Pension increase rate	Increase 61	Decrease 55	-	-

	(Unit: Million Baht)			
	As at 31 December 2015			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.25%-1%	0.25%-1%	1%	1%
Discount rate	Decrease 152	Increase 171	Decrease 29	Increase 34
Interest rate	Increase 9	Decrease 9	-	-
Future salary increase rates (depending on age)	Increase 43	Decrease 32	Increase 33	Decrease 29
Pension increase rate	Increase 69	Decrease 63	-	-

17. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring	Warranty	Other	Total	Warranty	Total
	costs		provisions			
Balance as at 1 January 2015	15	318	91	424	176	176
Recognition during year	3	357	293	653	39	39
Decrease during year	(5)	-	(18)	(23)	-	-
Reversal during year	(4)	(204)	(311)	(519)	-	-
Translation adjustment/unrealised loss on exchange rate	-	30	(4)	26	20	20
Balance as at 31 December 2015	9	501	51	561	235	235
Recognition during year	-	335	118	453	69	69
Decrease during year	(5)	(15)	(19)	(39)	-	-
Reversal during year	-	(301)	96	(397)	(35)	(35)
Translation adjustment/unrealised gain on exchange rate	-	(10)	-	(10)	(4)	(4)
Balance as at 31 December 2016	4	510	54	568	265	265
Short-term provisions	9	134	13	156	-	-
Long-term provisions	-	367	38	405	235	235
Balance as at 31 December 2015	9	501	51	561	235	235
Short-term provisions	4	82	8	94	-	-
Long-term provisions	-	428	46	474	265	265
Balance as at 31 December 2016	4	510	54	568	265	265

18. 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.

19. Dividends

Dividends declared in 2016 and 2015 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 2015	Annual General Meeting of the shareholders on 5 April 2016	3,867	3.10
Final dividend for year 2014	Annual General Meeting of the shareholders on 30 March 2015	3,742	3.00

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries, wages and other employee benefits	8,034	7,648	4,429	4,280
Raw materials used and purchase of finished goods	28,508	28,104	19,741	18,285
Changes in inventories of finished goods and work in progress	(866)	(896)	(558)	(339)
Depreciation	861	779	641	579
Amortisation of intangible assets	77	99	3	6
Commission expenses	663	594	862	767
Marketing fee	12	37	9	10
Design and engineering fee	713	642	1,853	1,221
Services paid	168	122	168	122

21. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(146)	(229)	(5)	(15)
Adjustment in respect of income tax of previous year	(12)	(30)	(8)	(4)
Deferred tax:				
Increase (decrease) in deferred tax assets	6	(24)	-	-
Increase in deferred tax liabilities	(13)	(12)	-	-
Translation adjustment	(5)	20	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(170)</u>	<u>(275)</u>	<u>(13)</u>	<u>(19)</u>

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	<u>5,686</u>	<u>6,989</u>	<u>5,384</u>	<u>6,322</u>
Income tax at Thai corporate income tax rate of 20%	(1,137)	(1,398)	(1,077)	(1,264)
Adjust in respect to current income tax of previous years	(12)	(30)	(8)	(4)
Tax savings from the tax privileges granted by the government	1,140	1,359	1,071	1,285
Difference in tax rates of subsidiaries in overseas countries	(41)	(27)	-	-
Tax effect of loss for the current year	(13)	(38)	-	-
Effects of non-deductible expenses	(44)	(49)	-	(24)
Others	(63)	(92)	1	(12)
Income tax expenses reported in the statement of comprehensive income	<u>(170)</u>	<u>(275)</u>	<u>(13)</u>	<u>(19)</u>

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

As of 31 December 2016 and 2015, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Allowance for doubtful accounts	30	23	-	-
Allowance for diminution in value of inventories	121	91	-	-
Bonus payable	26	23	-	-
Provision for warranty	18	25	-	-
Tax savings from promotional privileges	53	77	-	-
Tax loss brought forward	5	5	-	-
Others	46	49	-	-
Total	<u>299</u>	<u>293</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	82	69	-	-
Total	<u>82</u>	<u>69</u>	<u>-</u>	<u>-</u>

As at 31 December 2016 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 3,789 million, INR 978 million or approximately Baht 513 million, EUR 55 million or approximately Baht 2,062 million, CHF 20 million or approximately Baht 688 million and RUB 59 million or approximately Baht 34 million (2015: Baht 3,710 million, INR 805 million or approximately Baht 435 million, EUR 57 million or approximately Baht 2,237 million, CHF 19 million or approximately Baht 704 million and RUB 53 million or approximately Baht 28 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.

22. 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	1732(2)/2557	1158(2)/2558	1688(2)/2558	1813(2)/2554	1814(2)/2554
1. Certificate No.									
2. Promotional privileges for	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of telecommunication equipment and electronics products for vehicle	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of Inverter	Manufacturing of electric light bulbs and display monitor
3. The significant privileges are									
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	8 years	7 years (Maximum amount Baht 298,170,000)	8 years	7 years (Maximum amount Baht 124,000,000)	5 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 200,000,000)	7 years (Maximum amount Baht 182,000,000)	7 years (Maximum amount Baht 199,000,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	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	Granted
3.4 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.5 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.	Non - granted	Non - granted	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
4. Date of first earning operating income	27 January 2009	4 January 2010	15 March 2013	10 January 2015	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation	Waiting for approval to commence operation
5. Additional right and benefit	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	-	-	-	-	-

The Company's operating revenues for the years ended 31 December 2016 and 2015, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	356	390	96	97	452	487
Export sales	<u>33,300</u>	<u>31,241</u>	<u>104</u>	<u>96</u>	<u>33,404</u>	<u>31,337</u>
Total Sales and service income	<u><u>33,656</u></u>	<u><u>31,631</u></u>	<u><u>200</u></u>	<u><u>193</u></u>	<u><u>33,856</u></u>	<u><u>31,824</u></u>

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

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

23. 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 2016 and 2015 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

	(Unit: Million B)									
	Power electronics segment ¹⁾		Energy management segment ²⁾		Smart green life segment ³⁾		Others		Consolidated finan statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue										
Revenue from external customer s	<u>32,985</u>	<u>32,179</u>	<u>13,160</u>	<u>13,893</u>	<u>497</u>	<u>318</u>	<u>245</u>	<u>548</u>	<u>46,887</u>	<u>46,887</u>
Total revenue	<u>32,985</u>	<u>32,179</u>	<u>13,160</u>	<u>13,893</u>	<u>497</u>	<u>318</u>	<u>245</u>	<u>548</u>	<u>46,887</u>	<u>46,887</u>
Segment profit (loss)	5,677	6,423	485	784	(3)	(44)	(1,062)	(951)	5,097	6,423
Unallocated income (expenses):										
Interest income									197	224
Gain on exchang e rate									183	412
Other income									384	419
Other expens es									(130)	(239)
Finance cost									(45)	(39)
Profit before income tax expenses									<u>5,686</u>	<u>6,423</u>
Income tax expenses									<u>(170)</u>	<u>(275)</u>
Profit for the year									<u>5,516</u>	<u>6,148</u>

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

Geographic information:**Revenue from external customers is based on locations of the customers**

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
United States	11,807	13,247
India	6,804	6,548
China	6,759	5,491
Germany	5,428	4,466
Taiwan	2,442	2,597
Others	13,647	14,589
Total	<u>46,887</u>	<u>46,938</u>

Non-current assets

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
(Other than financial instruments, deferred tax assets and net defined benefit assets)		
Thailand	3,458	2,838
India	1,236	781
Slovakia	1,032	1,087
Germany	398	448
Others	540	577
Total	<u>6,664</u>	<u>5,731</u>

Major customer

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

24. 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 (2015: 7 percent of basic salary). The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 76 million (2015: Baht 74 million) were recognised as expenses.

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

25. Commitments and contingent liabilities

25.1 Capital commitments and operating lease commitments

25.1.1 As at 31 December 2016, the Company and its subsidiaries had significant capital commitments amounting to INR 13 million or approximately Baht 7 million in respect of the building construction (2015: 3 million and INR 47 million or approximately Baht 25 million), amounting to INR 415 million or approximately Baht 218 million in respect of the purchase of land and amounting to Baht 301 million, EUR 1 million or approximately Baht 46 million and INR 16 million or approximately Baht 9 million in respect of the purchase of machinery and equipment (2015: Baht 221 million, EUR 1 million or approximately Baht 44 million and INR 57 million or approximately Baht 31 million).

25.1.2 As at 31 December 2016 and 2015, future minimum lease payments required under these operating lease commitments were as follows.

(Unit: Million Baht)

		As at 31 December 2016		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million)			
Polish zloty	2	-	21	-
Swiss franc	1	19	2	-
Indian rupee	58	13	10	7
Euro	3	74	33	1
	Total	106	66	8

(Unit: Million Baht)

		As at 31 December 2015		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million)			
Polish zloty	1	1	5	-
Swiss franc	1	22	6	-
Indian rupee	57	9	15	8
Euro	2	54	41	1
	Total	86	67	9

25.2 Guarantee obligations

As at 31 December 2016, the Company and its subsidiaries had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 25.2.1 Outstanding letters of guarantee totaling approximately Baht 1,336 million (2015: Baht 1,164 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,308 million (2015: Baht 1,137 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 25.3.1 to the financial statements).
- 25.2.2 Outstanding letters of guarantee for totals of approximately INR 740 million or approximately Baht 388 million, EUR 0.9 million or approximately Baht 33 million and USD 0.9 million or approximately Baht 32 million have been issued by banks to meet requirements of its subsidiaries (2015: INR 582 million or approximately Baht 315 million, EUR 1 million or approximately Baht 42 million and USD 0.9 million or approximately Baht 33 million).

25.3 Tax assessment

- 25.3.1 a. In 2006, the Company received a corporate income tax assessment notice from the Revenue Department, covering the years 1997 through 2000, and assessing tax amounting to approximately Baht 740 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department (“the Committee”), and during 2011, the Committee decided to reduce the assessment to approximately Baht 734 million (including penalties and surcharges). However, the Company petitioned the Central Tax Court to consider revoking this tax assessment and during 2012, the Central Tax Court ordered a 50% reduction of the penalties (reduced to Baht 121 million from the amount of Baht 241 million previously calculated by the Revenue Department), while the Company’s remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court’s judgement and therefore submitted a letter appealing the judgement of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.

- b. In 2012, the Company received notice of corporate income tax assessment covering the years 2001 through 2004 from the Revenue Department, assessing tax amounting to approximately Baht 401 million (including penalties and surcharges). The Company submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. During 2013, the Committee rejected the Company's appeal. The Company therefore petitioned the Central Tax Court to consider revoking this tax assessment. On 24 June 2014, the Central Tax Court ordered a reduction of the penalties and surcharges to Baht 201 million from the amount of Baht 270 million previously calculated by the Revenue Department, while the Company's remaining petitions were dismissed. However, the Company did not agree with the Central Tax Court's judgement and therefore submitted a letter appealing the judgement of the Central Tax Court to the Supreme Court. The appeal is currently under the consideration of the Supreme Court.

However, the independent legal counselor of the Company believes that eventually the Company will win the above 2 cases and therefore the Company has not recorded provision for the tax assessments in the accounts.

- c. In 2015, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee. In addition, during the current year, the Company received tax assessment notices for the year 2006 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 169 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

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

25.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 55 million or approximately Baht 29 million, covering the years 2003 - 2015, and sales tax and excise duties of approximately INR 256 million or approximately Baht 134 million, covering the years 2005 - 2015, against the subsidiaries in India. The subsidiaries have appealed the assessments. The management of the subsidiaries believe that the outcome of the cases will be favorable to the companies and therefore no provision for these contingent liabilities have been made in the accounts.

26. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had certain assets and liabilities that were measured or disclosed at fair value using different level inputs (as mentioned in Note 4.19 to the financial statements) as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 9)	-	6	-	6
Liabilities measured at fair value				
Foreign currency forward contracts (Note 15)	-	99	-	99
Assets for which fair value are disclosed				
Investment properties (Note 11)	-	-	211	211

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 9)	-	13	-	13
Liabilities measured at fair value				
Foreign currency forward contracts (Note 15)	-	32	-	32
Assets for which fair value are disclosed				
Investment properties (Note 11)	-	-	230	230

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Foreign currency forward contracts (Note 15)	-	40	-	40

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 9)	-	2	-	2
Liabilities measured at fair value				
Foreign currency forward contracts (Note 15)	-	13	-	13

27. Financial instruments

27.1 Financial risk management

The financial instruments of the Company and its subsidiaries, 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 financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, 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 2016							
	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	776	-	-	16,467	2,442	19,685	0.01 - 6.00
Current investments	431	-	-	-	-	431	0.01 - 0.40
Trade and other receivables	-	-	-	-	10,697	10,697	-
Deposits at bank with restrictions	55	-	-	-	-	55	0.01 - 6.79
Total	1,262	-	-	16,467	13,139	30,868	
Financial liabilities							
Bank overdraft and short-term							
loans from financial institutions	185	-	-	-	136	321	2.70 - 8.90
Trade and other payables	-	-	-	-	11,349	11,349	-
Total	185	-	-	-	11,485	11,670	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2015

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	1,990	-	-	17,411	1,087	20,488	0.01 - 6.70
Trade and other receivables	-	-	-	-	9,815	9,815	-
Deposits at bank with restrictions	73	-	-	-	-	73	0.01 - 4.00
Total	2,063	-	-	17,411	10,902	30,376	
Financial liabilities							
Bank overdraft and short-term loans from financial institutions	190	-	-	-	-	190	1.03
Trade and other payables	-	-	-	-	10,273	10,273	-
Total	190	-	-	-	10,273	10,463	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2016

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	12,167	17	12,184	0.10 - 1.75
Trade and other receivables	-	-	-	-	8,982	8,982	-
Total	-	-	-	12,167	8,999	21,166	
Financial liabilities							
Trade and other payables	-	-	-	-	8,208	8,208	-
Total	-	-	-	-	8,208	8,208	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2015

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1-5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	12,897	15	12,912	0.10 - 1.85
Trade and other receivables	-	-	-	-	7,148	7,148	-
Total	-	-	-	12,897	7,163	20,060	
Financial liabilities							
Trade and other payables	-	-	-	-	7,123	7,123	-
Total	-	-	-	-	7,123	7,123	

Foreign currency risk

The exposure of the Company and its subsidiaries to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward contracts when they consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2016 and 2015, the balances of the financial assets and liabilities denominated in foreign currencies are summarised below:

Foreign currency	As at 31 December					
	Financial assets		Financial liabilities		Average exchange rate	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	182	184	155	134	35.8307	36.0886
Euro	11	15	2	2	37.7577	39.4388
Japanese yen	70	78	391	325	0.3080	0.2996
Czech koruna	15	1	-	-	1.3912	1.4581
Polish zloty	4	6	1	1	8.5295	9.3132

As at 31 December 2016 and 2015, the outstanding forward contracts are summarised below:

Forward contracts

As at 31 December 2016						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	141 million	34.66000 - 36.06500	THB/USD	January - April 2017	
USD/CHF	USD	18 million	1.00420 - 1.02310	CHF/USD	January 2017	
EUR/SEK	EUR	1 million	9.70630	SEK/EUR	January 2017	
USD/TRY	USD	2 million	3.51030	TRY/USD	January 2017	
EUR/TRY	EUR	1 million	3.60950	TRY/EUR	January 2017	
PLN/CHF	PLN	2 million	4.11450 - 4.12750	PLN/CHF	January 2017	
Forward contracts to "Buy"						
USD/INR	USD	12 million	67.77670 - 69.04000	INR/USD	January 2017	
EUR/CHF	EUR	2 million	1.07230 - 1.07796	CHF/EUR	January 2017	
EUR/USD	EUR	13 million	1.04670 - 1.07740	USD/EUR	January 2017	
USD/AUD	USD	2 million	0.72880 - 0.74802	USD/AUD	January 2017	
USD/BRL	USD	2 million	3.36900 - 3.47460	BRL/USD	January 2017	
JPY/THB	JPY	110 million	0.31460 - 0.33950	THB/JPY	January - February 2017	

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

27.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

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

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 2016, the Group's debt-to-equity ratio was 0.45:1 (2015: 0.43:1) and the Company's was 0.28:1 (2015: 0.25:1).

29. Events after the reporting period

On 14 February 2017, the meeting of the Board of Directors passed a resolution to dispose of its 51% equity interest in Delta Energy Systems (Switzerland) AG. and Delta Greentech Electronics Industry LLC and also to dispose of its 100% equity interest in Delta Greentech (USA) Corporation and Delta Greentech (Brazil) SA, for a total consideration of USD 24.85 million, to a related company. The transactions are expected to be completed in first quarter of 2017. The related company shall sell all of its 100% investment in Eltek, s.r.o. ("Eltek SK") at price of approximately USD 22 million, as part of the payment for purchase the above-mentioned subsidiaries. The remaining purchase price of USD 2.85 million shall be paid in cash.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2017.