

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2017

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 20.3.1 to the financial statements regarding the Company's receipt of notices of corporate income tax assessment, covering the years 1997 through 2007. With regards to income tax assessments for the years 1997 to 2000, on 26 June 2017, the Supreme Court handed down the judgement ordering the Company to pay corporate income tax amounting to Baht 734 million (including penalties and surcharges) to the Revenue Department. In view of this, the Company has recognized income tax liabilities resulting from the court judgement, together with contingent income tax liabilities relating to the income tax assessments for the years 2001 through 2007, totaling Baht 1,011 million, in statement of comprehensive income for the nine-month period ended 30 September 2017. My conclusion is not qualified in respect of these matters.

Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

EY Office Limited

Bangkok: 24 October 2017

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)		(Unaudited but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		17,534,459	19,685,363	11,972,213	12,184,018
Current investments		220,861	431,366	-	-
Trade and other receivables	4	9,706,039	10,696,537	9,226,585	8,982,016
Inventories	5	8,023,866	7,296,776	4,688,223	4,448,579
Other current assets	6	1,028,684	818,347	267,476	132,146
Total current assets		36,513,909	38,928,389	26,154,497	25,746,759
Non-current assets					
Deposits at bank with restrictions		46,844	54,730	-	-
Investments in associated companies	7	497,386	-	-	-
Investments in subsidiary companies	8	-	-	10,677,635	11,573,121
Advance payment for purchase of land		202,074	-	-	-
Investment properties	9	213,685	211,356	-	-
Property, plant and equipment	10	6,695,122	5,965,729	3,880,074	3,452,700
Consolidation goodwill	11	689,904	306,758	-	-
Other intangible assets	12	550,663	487,017	1,664	2,724
Deferred tax assets		257,263	299,128	-	-
Other non-current assets		47,211	66,158	1,294	1,319
Total non-current assets		9,200,152	7,390,876	14,560,667	15,029,864
Total assets		45,714,061	46,319,265	40,715,164	40,776,623

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2017</u>	<u>31 December 2016</u>	<u>30 September 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)		(Unaudited but reviewed)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		264,758	321,099	-	-
Trade and other payables	13	11,336,111	11,249,106	8,961,558	8,107,850
Income tax payable		100,142	77,131	-	434
Short-term provisions	16	7,836	94,183	-	-
Liabilities and provision from tax assessments	20.3.1	368,813	100,000	368,813	100,000
Other current liabilities	14	448,547	560,554	36,014	131,829
Total current liabilities		<u>12,526,207</u>	<u>12,402,073</u>	<u>9,366,385</u>	<u>8,340,113</u>
Non-current liabilities					
Deferred tax liabilities		107,695	82,417	-	-
Provision for long-term employee benefits	15	1,290,077	1,458,713	269,285	259,426
Long-term provisions	16	475,821	473,816	266,086	265,109
Other non-current liabilities		5,395	11,156	1,101	1,146
Total non-current liabilities		<u>1,878,988</u>	<u>2,026,102</u>	<u>536,472</u>	<u>525,681</u>
Total liabilities		<u>14,405,195</u>	<u>14,428,175</u>	<u>9,902,857</u>	<u>8,865,794</u>
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 ordinary shares of Baht 1 each		<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>
Issued and fully paid					
1,247,381,614 ordinary shares of Baht 1 each		1,247,382	1,247,382	1,247,382	1,247,382
Share premium		1,491,912	1,491,912	1,491,912	1,491,912
Surplus on business combination under					
common control	8	(1,004,027)	-	-	-
Retained earnings					
Appropriated - Statutory reserve		125,900	125,900	125,900	125,900
Unappropriated		30,721,968	30,705,032	27,947,113	29,045,635
Other components of shareholders' equity		(1,274,759)	(1,679,136)	-	-
Equity attributable to owners of the Company		<u>31,308,376</u>	<u>31,891,090</u>	<u>30,812,307</u>	<u>31,910,829</u>
Non-controlling interests of the subsidiary		490	-	-	-
Total shareholders' equity		<u>31,308,866</u>	<u>31,891,090</u>	<u>30,812,307</u>	<u>31,910,829</u>
Total liabilities and shareholders' equity		<u>45,714,061</u>	<u>46,319,265</u>	<u>40,715,164</u>	<u>40,776,623</u>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2017

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income		12,147,536	11,611,579	9,117,100	8,703,051
Other income					
Interest income		50,952	44,941	37,775	39,340
Gain on exchange		7,710	31,441	7,960	33,332
Others		59,694	64,088	9,966	12,425
Total revenues		12,265,892	11,752,049	9,172,801	8,788,148
Expenses					
Cost of sales and services		9,047,785	8,533,384	6,686,201	6,187,311
Selling expenses		621,778	765,431	330,973	303,727
Administrative expenses		350,514	414,356	175,272	216,021
Research and development expenses		737,805	545,499	760,997	529,156
Loss from a fair value adjustment of investments					
in associated companies	7	895	-	-	-
Loss on sales of investments in subsidiary companies	1.2	2,729	-	-	-
Other expenses		22,592	30,141	291	3,801
Total expenses		10,784,098	10,288,811	7,953,734	7,240,016
Profit before share of loss from investments in associated companies, finance cost and income tax expenses					
		1,481,794	1,463,238	1,219,067	1,548,132
Share of loss from investments in associated companies	7	(2,452)	-	-	-
Profit before finance cost and income tax expenses		1,479,342	1,463,238	1,219,067	1,548,132
Finance cost		(3,516)	(14,175)	-	-
Profit before income tax expenses		1,475,826	1,449,063	1,219,067	1,548,132
Income tax expenses for the period	18	(47,925)	(44,225)	-	(1,221)
Income tax expenses resulting from tax assessments	20.3.1	(18,732)	-	(18,732)	-
Profit for the period		1,409,169	1,404,838	1,200,335	1,546,911

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2017

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	(146,154)	(80,003)	-	-
Share of other comprehensive income from				
investments in associated companies	7 (34,500)	-	-	-
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	(180,654)	(80,003)	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	-	(2,116)	-	-
Share of other comprehensive income from				
investments in associated companies	7 3,783	-	-	-
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	3,783	(2,116)	-	-
Other comprehensive income for the period	(176,871)	(82,119)	-	-
Total comprehensive income for the period	1,232,298	1,322,719	1,200,335	1,546,911
Profit attributable to:				
Equity holders of the Company	1,409,169	1,404,838	1,200,335	1,546,911
Total comprehensive income attributable to:				
Equity holders of the Company	1,232,298	1,322,719	1,200,335	1,546,911
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	1.13	1.13	0.96	1.24

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income		36,570,981	34,087,110	26,918,853	24,880,577
Other income					
Interest income		143,350	149,591	115,723	131,414
Gain on exchange		37,987	101,443	-	98,499
Gain on sales of investments in subsidiary companies	1.2	471,759	-	-	-
Dividend income from investment in subsidiary company	8	-	-	384,472	-
Others		262,127	292,062	123,061	130,386
Total revenues		37,486,204	34,630,206	27,542,109	25,240,876
Expenses					
Cost of sales and services		27,130,223	24,982,838	19,643,453	17,913,379
Selling expenses		2,011,719	2,279,706	981,215	970,835
Administrative expenses		1,199,225	1,262,608	623,640	638,838
Research and development expenses		2,021,488	1,873,637	2,048,588	1,828,661
Loss from a fair value adjustment of investments					
in associated companies	7	59,970	-	-	-
Loss on sales of investment in subsidiary company	1.2	-	-	479,911	-
Loss on exchange		-	-	67,600	-
Other expenses		157,279	78,871	1,782	5,480
Total expenses		32,579,904	30,477,660	23,846,189	21,357,193
Profit before share of loss from investments in associated companies, finance cost and income tax expenses					
		4,906,300	4,152,546	3,695,920	3,883,683
Share of loss from investments in associated companies	7	(8,046)	-	-	-
Profit before finance cost and income tax expenses		4,898,254	4,152,546	3,695,920	3,883,683
Finance cost		(14,417)	(34,893)	-	-
Profit before income tax expenses		4,883,837	4,117,653	3,695,920	3,883,683
Income tax expenses for the period	18	(272,922)	(134,552)	(41,662)	(11,571)
Income tax expenses resulting from tax assessments	20.3.1	(1,010,635)	-	(1,010,635)	-
Profit for the period		3,600,280	3,983,101	2,643,623	3,872,112

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	373,763	(349,387)	-	-
Share of other comprehensive income from				
investments in associated companies	7 18,992	-	-	-
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	392,755	(349,387)	-	-
 <i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	-	(90,378)	-	-
Share of other comprehensive income from				
investments in associated companies	7 11,622	-	-	-
Effect of change in status of investments	158,801	-	-	-
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	170,423	(90,378)	-	-
Other comprehensive income for the period	563,178	(439,765)	-	-
 Total comprehensive income for the period	 4,163,458	 3,543,336	 2,643,623	 3,872,112
 Profit attributable to:				
Equity holders of the Company	<u>3,600,280</u>	<u>3,983,101</u>	<u>2,643,623</u>	<u>3,872,112</u>
 Total comprehensive income attributable to:				
Equity holders of the Company	<u>4,163,458</u>	<u>3,543,336</u>	<u>2,643,623</u>	<u>3,872,112</u>
 Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>2.89</u>	<u>3.19</u>	<u>2.12</u>	<u>3.10</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:				
Profit before tax	4,883,837	4,117,653	3,695,920	3,883,683
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	743,424	631,391	580,150	468,857
Amortisation of other intangible assets	60,635	58,042	1,285	2,668
Recording of allowance for doubtful accounts	10,265	54,468	9,326	3,632
Decrease of inventory to net realisable value (reversal)	(182,828)	68,912	(162,513)	(16,683)
Loss from write-off inventories	139,524	119,744	91,944	78,786
Write-off consolidation goodwill from sales of investments in subsidiary companies	92,027	-	-	-
Increase in provision for long-term employee benefits	33,568	64,686	21,180	25,285
Recording of the increase in provisions	46,789	53,220	21,404	26,780
Gain on sales of investments in subsidiary companies	(471,759)	-	-	-
Dividend income from investment in subsidiary company	-	-	(384,472)	-
Loss from a fair value adjustment of investments in associated companies	59,970	-	-	-
Loss on sales of investment in subsidiary company	-	-	479,911	-
Share of loss from investments in associated companies	8,046	-	-	-
(Gain) loss from disposal of property, plant and equipment	60	(8,243)	(340)	(5,968)
Unrealised gain on exchange	(118,303)	(119,997)	(96,464)	(120,737)
Interest income	(143,350)	(149,591)	(115,723)	(131,414)
Interest expenses	14,417	34,893	-	-
Profit from operating activities before changes in operating assets and liabilities	5,176,322	4,925,178	4,141,608	4,214,889
Decrease (increase) in operating assets:				
Trade and other receivables	(553,389)	(109,691)	(479,346)	(1,212,381)
Inventories	(813,018)	(1,115,227)	(202,574)	(684,280)
Other current assets	(355,495)	(16,329)	(99,551)	23,080
Other non-current assets	(14,580)	2,577	25	43
Increase (decrease) in operating liabilities:				
Trade and other payables	1,141,036	810,366	960,710	1,266,105
Other current liabilities	(144,825)	(152,053)	(60,518)	(65,716)
Provision for long-term employee benefits	(47,428)	(47,209)	(11,321)	(11,873)
Provisions	(9,841)	(27,611)	-	-
Other non-current liabilities	(573)	80	(45)	29
Cash flows from operating activities	4,378,209	4,270,081	4,248,988	3,529,896
Cash received from interest income	108,253	115,844	82,116	97,953
Cash paid for interest expenses	(18,143)	(47,591)	-	-
Cash paid for income tax resulting from tax assessments	(712,883)	-	(712,883)	-
Cash paid for corporate income tax	(4,089)	(194,460)	(39,710)	(16,605)
Net cash flows from operating activities	3,751,347	4,143,874	3,578,511	3,611,244

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	5,663	16,339	-	-
Decrease in current investments	210,505	-	-	-
Increase in investments in subsidiary company	-	-	(467,892)	(82,846)
Net cash from outstanding cash of subsidiaries as at the disposal date	(888,591)	-	-	-
Cash received from sales of investments in subsidiary companies	-	-	883,467	-
Dividend income from investment in subsidiary company	-	-	384,472	-
Advance payment for purchase of land	(202,074)	-	-	-
Acquisition of property, plant and equipment	(1,187,091)	(1,495,196)	(1,010,820)	(875,119)
Proceeds from disposal of property, plant and equipment	4,470	83,489	3,636	20,139
Increase in other intangible assets	(19,406)	(4,620)	(225)	-
Net cash flows used in investing activities	(2,076,524)	(1,399,988)	(207,362)	(937,826)
Cash flows from financing activities:				
Increase in bank overdrafts and short-term loans from financial institutions	126,758	123,028	-	-
Dividend paid	(3,742,145)	(3,866,883)	(3,742,145)	(3,866,883)
Increase in non-controlling interests of the subsidiary	490	-	-	-
Net cash flows used in financing activities	(3,614,897)	(3,743,855)	(3,742,145)	(3,866,883)
Decrease in translation adjustments	(325,822)	(293,573)	-	-
Net decrease in cash and cash equivalents	(2,265,896)	(1,293,542)	(370,996)	(1,193,465)
Unrealised gain on exchange for cash and cash equivalents	114,992	105,553	159,191	131,058
Cash and cash equivalents at beginning of period	19,685,363	20,487,952	12,184,018	12,912,493
Cash and cash equivalents at end of period	17,534,459	19,299,963	11,972,213	11,850,086
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Settle liabilities from tax assessments with input tax refundable	28,938	-	28,938	-

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
						Other components of shareholders' equity				
	Issued and fully paid share capital		Surplus on business combination under common control		Retained earnings		Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income from investments in associated companies	Total other components of shareholders' equity	Equity attributable to non-controlling interests of the subsidiary
Share premium	Share premium	Share premium	Share premium	Appropriated	Unappropriated					
Balance as at 31 December 2015 (Audited)	1,247,382	1,491,912	-	125,900	29,091,127	(1,398,557)	-	(1,398,557)	-	30,557,764
Profit for the period	-	-	-	-	3,983,101	-	-	-	-	3,983,101
Other comprehensive income for the period	-	-	-	-	(90,378)	(349,387)	-	(349,387)	-	(439,765)
Total comprehensive income for the period	-	-	-	-	3,892,723	(349,387)	-	(349,387)	-	3,543,336
Dividend paid (Note 17)	-	-	-	-	(3,866,883)	-	-	-	-	(3,866,883)
Balance as at 30 September 2016	1,247,382	1,491,912	-	125,900	29,116,967	(1,747,944)	-	(1,747,944)	-	30,234,217
Balance as at 31 December 2016 (Audited)	1,247,382	1,491,912	-	125,900	30,705,032	(1,679,136)	-	(1,679,136)	-	31,891,090
Profit for the period	-	-	-	-	3,600,280	-	-	-	-	3,600,280
Other comprehensive income for the period	-	-	-	-	158,801	373,763	30,614	404,377	-	563,178
Total comprehensive income for the period	-	-	-	-	3,759,081	373,763	30,614	404,377	-	4,163,458
Effect of change in status of investments (Note 8)	-	-	(1,004,027)	-	-	-	-	-	-	(1,004,027)
Dividend paid (Note 17)	-	-	-	-	(3,742,145)	-	-	-	-	(3,742,145)
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	490	490
Balance as at 30 September 2017	1,247,382	1,491,912	(1,004,027)	125,900	30,721,968	(1,305,373)	30,614	(1,274,759)	490	31,308,866

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 31 December 2015 (Audited)	1,247,382	1,491,912	125,900	27,521,365	30,386,559
Profit for the period	-	-	-	3,872,112	3,872,112
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,872,112	3,872,112
Dividend paid (Note 17)	-	-	-	(3,866,883)	(3,866,883)
Balance as at 30 September 2016	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>27,526,594</u>	<u>30,391,788</u>
Balance as at 31 December 2016 (Audited)	1,247,382	1,491,912	125,900	29,045,635	31,910,829
Profit for the period	-	-	-	2,643,623	2,643,623
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,643,623	2,643,623
Dividend paid (Note 17)	-	-	-	(3,742,145)	(3,742,145)
Balance as at 30 September 2017	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>27,947,113</u>	<u>30,812,307</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2017

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016. However, there were the changes in the composition of the Group during the period as follows:

1. DET SGP Pte. Ltd., a subsidiary in which the Company indirectly held 100% of shares, was dissolved and liquidated.
2. On 14 February 2017, a meeting of the Board of Directors of the Company passed a resolution to dispose of its 100% equity interest in Delta Energy Systems (Switzerland) AG for a total consideration of USD 25 million, or approximately Baht 883 million, to Delta Greentech (Netherlands) B.V. which is a subsidiary company of Delta Energy Systems (Singapore) Pte. Ltd.. The sale of this investment has now been completed and the loss on sale of investment under the cost method, amounting to approximately Baht 480 million, recorded in the separate statement of comprehensive income. The Company did not recognise a gain or loss on the sale of this investment under the equity method in the consolidated financial statements because it is the sale of an investment within a group of companies under common control.

(Unaudited but reviewed)

3. On 4 April 2017, Delta Greentech (Netherlands) B.V. sold 51% interests in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC and 100% interests in Delta Greentech (USA) Corporation and Delta Greentech (Brazil) S/A to a related company at a total price of approximately USD 24.85 million, or approximately Baht 874 million, which was close to the price assessed by an independent valuer. This related company sold its 100% investment in Eltek, s.r.o. ("Eltek SK") at a price of approximately USD 22 million, in part payment for the purchase of these investment in subsidiaries. The remaining USD 2.85 million of the purchase price was paid in cash. A gain on the sale of these investments under the equity method, amounting to approximately USD 14 million or approximately Baht 472 million, was recorded in the consolidated statement of comprehensive income.

As a result of the sale, the subsidiary's shareholdings in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC decreased to 49%. The balances of these investments have therefore been recorded as investments in associated companies.

The Company's management estimated that the values of the assets and liabilities of Eltek, s.r.o. as at 31 March 2017 and as at 4 April 2017 (the acquisition date) were not materially different. The values of the identifiable assets acquired and the liabilities assumed of Eltek, s.r.o. at 31 March 2017 are summarised below.

	(Unit: Million Baht)	
	Fair value	Carrying value
Cash and cash equivalents	40	40
Trade and other receivables	137	137
Inventories	222	222
Other current assets	183	183
Property, plant and equipment	278	278
Intangible assets	132	2
Deferred tax assets	87	87
Trade and other payables	(523)	(523)
Other non-current liabilities	(217)	(217)
Deferred tax liabilities	(26)	-
Net assets of the subsidiary	313	209
Shareholding percentage (percent)	100	
Share of net assets	313	
Consolidation goodwill (Note 11)	445	
Price of investment in subsidiary	758	

4. On 31 March 2017, a meeting of the Company's Board of Directors passed a resolution to proceed with the incorporation of a subsidiary, Delta PBA Engineering Solutions Co., Ltd., to engage in the manufacture, assembly and provision of industrial automation solutions in Thailand. The subsidiary was incorporated in Thailand on 14 September 2017 with a registered capital of Baht 1 million (100,000 ordinary shares with a par value of Baht 10 each). A subsidiary of the Company is Delta Energy Systems (Singapore) Pte. Ltd. held 51% of the new subsidiary's shares capital.

During the current period, Delta PBA Engineering Solutions Co., Ltd. called up 100 percent of the par value and received payment of the share capital of Baht 1 million.

1.3 New financial reporting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016), and the new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

3. Related party transactions

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

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	3,110	2,820	With reference to market prices
Purchase of raw materials	-	-	33	29	With reference to market prices
Commission paid	-	-	57	54	Contract prices
Design and engineering fee paid	-	-	337	233	Contract prices
<u>Transactions with associated companies</u>					
Sales of goods and raw materials	364	-	2	-	With reference to market prices
Design and engineering fee paid	33	-	33	-	Contract prices
Commission received	14	-	-	-	Contract prices
Services income	8	-	-	-	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	1,070	430	471	409	With reference to market prices
Purchase of goods and raw materials	1,130	1,057	116	132	With reference to market prices
Commission paid	128	132	128	132	Contract prices
Design and engineering fee paid	226	151	226	151	Contract prices
Commission received	40	31	-	-	Contract prices
Services income	74	107	-	-	Contract prices
Services paid	58	41	58	41	Contract prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	9,871	7,757	With reference to market prices
Purchase of raw materials	-	-	86	71	With reference to market prices
Commission paid	-	-	176	213	Contract prices
Design and engineering fee paid	-	-	929	895	Contract prices
<u>Transactions with associated companies</u>					
Sales of goods and raw materials	757	-	4	-	With reference to market prices
Design and engineering fee paid	62	-	62	-	Contract prices
Commission received	30	-	-	-	Contract prices
Services income	15	-	-	-	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	2,564	1,212	1,357	1,167	With reference to market prices
Purchase of goods and raw materials	3,293	3,109	323	326	With reference to market prices
Commission paid	388	404	388	404	Contract prices
Design and engineering fee paid	587	459	587	459	Contract prices
Commission received	132	93	-	-	Contract prices
Services income	264	310	-	-	Contract prices
Services paid	146	126	146	126	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2017 and 31 December 2016 between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade receivables, related parties (Note 4)</u>				
Subsidiary companies	-	-	4,233	4,213
Associated companies	437	-	2	-
Other related companies (under common control)	717	588	481	375
Total trade receivables, related parties	<u>1,154</u>	<u>588</u>	<u>4,716</u>	<u>4,588</u>
<u>Amounts due from related parties (Note 4)</u>				
Subsidiary companies	-	-	17	31
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>17</u>	<u>31</u>
<u>Trade payables, related parties (Note 13)</u>				
Subsidiary companies	-	-	16	21
Associated companies	1	-	-	-
Other related companies (under common control)	868	1,128	113	91
Total trade payables, related parties	<u>869</u>	<u>1,128</u>	<u>129</u>	<u>112</u>
<u>Amounts due to related parties (Note 13)</u>				
Subsidiary companies	-	-	166	201
Associated companies	34	-	34	-
Other related companies (under common control)	244	309	225	194
Total amounts due to related parties	<u>278</u>	<u>309</u>	<u>425</u>	<u>395</u>

(Unaudited but reviewed)

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	17	28	11	12
Post-employment benefits	2	6	1	2
Total	<u>19</u>	<u>34</u>	<u>12</u>	<u>14</u>

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	80	103	34	37
Post-employment benefits	7	17	4	6
Total	<u>87</u>	<u>120</u>	<u>38</u>	<u>43</u>

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016 (Audited)	30 September 2017	31 December 2016 (Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	1,128	581	3,987	4,027
Past due				
Up to 3 months	22	6	728	560
3 - 6 months	3	1	1	1
Over 12 months	1	-	-	-
Total	1,154	588	4,716	4,588
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	7,360	8,821	3,980	3,878
Past due				
Up to 3 months	730	978	237	320
3 - 6 months	87	123	23	6
6 - 12 months	39	47	7	-
Over 12 months	33	85	-	-
Total	8,249	10,054	4,247	4,204
Total trade receivables	9,403	10,642	8,963	8,792
Less: Allowance for doubtful accounts	(89)	(182)	(13)	(4)
Total trade receivables - net	9,314	10,460	8,950	8,788
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	-	17	31
Other receivables	392	237	260	163
Total other receivables	392	237	277	194
Trade and other receivables - net	9,706	10,697	9,227	8,982

(Unaudited but reviewed)

5. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the nine-month period ended 30 September 2017 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	968	337
Add: Reduce cost to net realisable value of inventories during the period	51	-
Less: Reversal of reduce cost to net realisable value of inventories during the period	(66)	(36)
Increase from acquisition of investment in subsidiary company during the period	21	-
Decrease from sales of investments in subsidiary companies during the period	(105)	-
Decrease from change in status of investments	(47)	-
Balance as at 30 September 2017	<u>822</u>	<u>301</u>

6. Other current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
Input tax refundable	403	314	56	81
Advance payments	316	153	130	32
Prepaid expenses	92	83	13	8
Prepaid tax	115	234	-	-
Forward contracts receivable (Note 22)	33	6	23	-
Others	70	28	45	11
Total other current assets	<u>1,029</u>	<u>818</u>	<u>267</u>	<u>132</u>

(Unaudited but reviewed)

7. Investments in associated companies

7.1 Details of associates:

(Unit: Million Baht)

		Consolidated financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Delta Energy Systems (Switzerland) AG (owned by Delta Greentech (Netherlands) B.V.)	Holding business, trading, research and development of electronic products	Switzerland	49 (%)	- (%)	448	-	473	-
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	49	-	21	-	19	-
Translation adjustment					-	-	5	-
Total					469	-	497	-

7.2 Share of comprehensive income

During the period, the Company has recognised its share of loss and share of other comprehensive income from investments in associated companies in the consolidated financial statements as follows:

(Unit: Million Baht)

		Consolidated financial statements							
		For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
Associates	Share of loss from investments in associated companies		Share of loss from investments in associated companies		Share of loss from investments in associated companies		Share of loss from investments in associated companies		
	2017	2016	2017	2016	2017	2016	2017	2016	
Delta Energy Systems (Switzerland) AG	(2)	-	30	-	(6)	-	31	-	
Delta Greentech Electronics Industry LLC	-	-	-	-	(2)	-	-	-	
Total	(2)	-	30	-	(8)	-	31	-	

(Unaudited but reviewed)

On 4 April 2017, Delta Greentech (Netherlands) B.V. sold 51% interests in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC to a related company. As a result of the sale, the subsidiary's shareholdings in Delta Energy Systems (Switzerland) AG and Delta Greentech Electronics Industry LLC decreased to 49%. The balances of these investments have therefore been recorded as investments in associated companies. The Company wrote off consolidation goodwill related to Delta Energy Systems (Switzerland) AG amounting to approximately Baht 92 million, and presented under the caption of "Other expenses" in the consolidated statement of comprehensive income.

The Company undertook the process of assessing the fair value of these investments in associated companies in the current period and a loss from fair value adjustment of investments in associated companies of approximately EUR 2 million or approximately Baht 60 million, and presented under the caption of "Loss from a fair value adjustment of investments in associated companies" in the consolidated statements of comprehensive income.

8. Investments in subsidiary companies

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

Company's name	(Unit: Million Baht)	
	Cost	
	30 September 2017	31 December 2016
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Energy Systems (Switzerland) AG	-	2,415
Delta Green Industrial (Thailand) Company Limited	200	200
Delta Energy Systems (Singapore) Pte. Ltd.	2,172	1,704
Subtotal	11,822	13,769
Less: Allowance for impairment loss of investments in subsidiary companies	(1,144)	(2,196)
Investments in subsidiary companies - net	10,678	11,573

During the current period, the Company invested an additional amount of approximately USD 13 million, or approximately Baht 468 million, in Delta Energy Systems (Singapore) Pte. Ltd. The purpose of the investment was to fund investment in the subsidiaries of Delta Energy Systems (Singapore) Pte. Ltd. for use as working capital of the subsidiary in Myanmar and to purchase land for the factory of a subsidiary in India. The additional investment had no impact on the structure of the Group.

On 10 February 2017, the Company received dividend amounting to approximately CHF 11 million or approximately Baht 384 million from Delta Energy Systems (Switzerland) AG (30 September 2016: No dividend received).

During 2006, a subsidiary of the Company, DET International Holding Limited, acquired some of subsidiaries from Delta Energy Systems (Switzerland) AG. As a result, Delta Energy Systems (Switzerland) AG had gains from disposal of its investments in subsidiaries totaling approximately of USD 25 million or Baht 1,004 million and the difference between the costs of business combination under common control and the sum of the net book values in assets and liabilities of the subsidiaries as at the business combination date, totaling approximately of USD 25 million or Baht 1,004 million, was recognised as “Surplus on business combination under common control” in the financial statements of DET International Holding Limited. The acquisition of these subsidiaries had no impact on the Company’s consolidated financial statements as it was considered to be an acquisition of investments in subsidiaries under common control.

However, as mentioned in note 1.2 to the financial statements, during the current period, the Group sold its 51% equity interest in Delta Energy Systems (Switzerland) AG to a related company. As a result of the disposal of investment, the subsidiary’s shareholding in Delta Energy Systems (Switzerland) AG decreased to 49%, and as the Group lost control over Delta Energy Systems (Switzerland) AG, the difference resulting from the business combination under common control recognised in the financial statements of DET International Holding Limited, amounting to approximately USD 25 million or approximately Baht 1,004 million was now presented as “Surplus on business combination under common control” in shareholders’ equity when preparing the consolidated financial statements of the Company.

(Unaudited but reviewed)

9. Investment properties

Movements of the investment property account during the nine-month period ended 30 September 2017 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	Office building		Total
	Land for rent	for rent	
Net book value as at 1 January 2017	36	175	211
Depreciation for the period	-	(6)	(6)
Translation adjustment	2	7	9
Net book value as at 30 September 2017	38	176	214

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2017 are summarised below.

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	5,966	3,453
Acquisitions during period - cost	1,187	1,011
Disposals during period - net book value at disposal date	(5)	(4)
Increase from acquisition of investment in subsidiary company during the period	278	-
Decrease from sales of investments in subsidiary companies during the period	(10)	-
Decrease from change in status of investments	(13)	-
Depreciation for the period	(737)	(580)
Translation adjustment	29	-
Net book value as at 30 September 2017	6,695	3,880

11. Consolidation goodwill

Movements of the consolidation goodwill account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Million Baht)
	Consolidated
	<u>financial statements</u>
Net book value as at 1 January 2017	307
Increase from acquisition of investment in subsidiary company during the period (Note 1.2)	445
Decrease from sales of investments in subsidiary companies during the period (Note 7)	(92)
Translation adjustment	30
Net book value as at 30 September 2017	<u><u>690</u></u>

12. Other intangible assets

Movements of the other intangible asset account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2017	487	3
Increase from purchase during period	19	-
Increase from acquisition of investment in subsidiary company during the period	132	-
Decrease from sales of investments in subsidiary companies during the period	(5)	-
Amortisation for the period	(61)	(1)
Translation adjustment	(21)	-
Net book value as at 30 September 2017	<u><u>551</u></u>	<u><u>2</u></u>

(Unaudited but reviewed)

13. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	869	1,128	129	112
Trade payables - unrelated parties	6,317	6,259	5,403	5,180
Amount due to related parties (Note 3)	278	309	425	395
Other payables	843	954	807	858
Accrued expenses	2,813	2,399	2,081	1,482
Advance received	216	200	117	81
Total trade and other payables	<u>11,336</u>	<u>11,249</u>	<u>8,962</u>	<u>8,108</u>

14. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Forward contracts payable (Note 22)	8	99	5	40
Withholding tax payable	35	176	8	81
Value added tax payable	194	89	-	-
Others	212	197	23	11
Total other current liabilities	<u>449</u>	<u>561</u>	<u>36</u>	<u>132</u>

(Unaudited but reviewed)

15. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	1,459	259
Add: Recognition during period	55	21
Less: Decrease during period	(47)	(11)
Less: Reversal during period	(21)	-
Decrease on change in status of investment	(191)	-
Translation adjustment	35	-
Balance as at 30 September 2017	<u>1,290</u>	<u>269</u>

(Unaudited but reviewed)

16. Provisions

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements	
	Restructuring	Warranty	Other	Total	Warranty	Total
	costs		provisions			
Balance as at 31 December 2016 (Audited)	4	510	54	568	265	265
Recognition during period	1	124	27	152	47	47
Decrease during period	(2)	(3)	(5)	(10)	-	-
Reversal during period	-	(70)	(35)	(105)	(26)	(26)
Decrease from sales of investments in subsidiary companies during period	-	(75)	(12)	(87)	-	-
Decrease from change in status of investments	-	(9)	(3)	(12)	-	-
Translation adjustment/unrealised gain on exchange rate	-	(22)	-	(22)	(20)	(20)
Balance as at 30 September 2017	3	455	26	484	266	266
Short-term provisions	4	82	8	94	-	-
Long-term provisions	-	428	46	474	265	265
Balance as at 31 December 2016 (Audited)	4	510	54	568	265	265
Short-term provisions	3	1	4	8	-	-
Long-term provisions	-	454	22	476	266	266
Balance as at 30 September 2017	3	455	26	484	266	266

(Unaudited but reviewed)

17. Dividends

Dividends declared in 2017 and 2016 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 2016	Annual General Meeting of the shareholders on 31 March 2017	3,742	3.00
Final dividend for year 2015	Annual General Meeting of the shareholders on 5 April 2016	3,867	3.10

18. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	(52)	(45)	-	(1)
Deferred tax:				
Increase in deferred tax assets	11	2	-	-
Increase in deferred tax liabilities	(7)	(3)	-	-
Translation adjustment	-	2	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(48)</u>	<u>(44)</u>	<u>-</u>	<u>(1)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	(200)	(111)	(39)	(12)
Adjustments in respect of current income tax of previous year	(3)	-	(3)	-
Deferred tax:				
Decrease in deferred tax assets	(53)	(14)	-	-
Increase in deferred tax liabilities	(2)	(4)	-	-
Increase in deferred tax assets from acquisition of investment in subsidiary company during the period	61	-	-	-
Decrease in deferred tax assets from sales of investments in subsidiary companies during the period	(69)	-	-	-
Net decrease in deferred tax assets from change in status of investments	(5)	-	-	-
Translation adjustment	(2)	(6)	-	-
Income tax expenses reported in the statement of comprehensive income	<u>(273)</u>	<u>(135)</u>	<u>(42)</u>	<u>(12)</u>

(Unaudited but reviewed)

19. Segment information

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2017 and 2016 which is provided to the president of the group, who is the chief operating decision maker of the Company and its subsidiaries.

(Unit: Million Baht)

	For the three-month periods ended 30 September								Consolidated financial statements	
	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue										
Revenue from external customers	9,499	8,676	2,173	2,362	420	528	56	46	12,148	11,612
Total revenue	<u>9,499</u>	<u>8,676</u>	<u>2,173</u>	<u>2,362</u>	<u>420</u>	<u>528</u>	<u>56</u>	<u>46</u>	<u>12,148</u>	<u>11,612</u>
Segment profit (loss)	1,425	1,611	108	(8)	8	-	(152)	(250)	1,389	1,353
Unallocated income (expenses):										
Interest income									51	45
Gain on exchange rate									8	31
Other income									60	64
Loss on sales of investments in subsidiary companies									(3)	-
Other expenses									(23)	(30)
Share of loss from investments in associated companies									(2)	-
Finance cost									(4)	(14)
Profit before income tax expenses									1,476	1,449
Income tax expenses for the period									(48)	(44)
Income tax expenses resulting from tax assessments									(19)	-
Profit for the period									<u>1,409</u>	<u>1,405</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September								Consolidated financial statements	
	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue										
Revenue from external customers	27,055	24,611	7,959	7,775	1,340	1,469	217	232	36,571	34,087
Total revenue	<u>27,055</u>	<u>24,611</u>	<u>7,959</u>	<u>7,775</u>	<u>1,340</u>	<u>1,469</u>	<u>217</u>	<u>232</u>	<u>36,571</u>	<u>34,087</u>
Segment profit (loss)	4,324	4,227	577	159	36	-	(729)	(697)	4,208	3,689
Unallocated income (expenses):										
Interest income									143	150
Gain on exchange rate									38	101
Gain on sales of investments in subsidiary companies									472	-
Other income									262	292
Loss from a fair value adjustment of investments in associated companies									(60)	-
Other expenses									(157)	(79)
Share of loss from investments in associated companies									(8)	-
Finance cost									<u>(14)</u>	<u>(35)</u>
Profit before income tax expenses									4,884	4,118
Income tax expenses for the period									(273)	(135)
Income tax expenses resulting from tax assessments									<u>(1,011)</u>	<u>-</u>
Profit for the period									<u>3,600</u>	<u>3,983</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) Infrastructure segment is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.
- 3) Automation segment is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

20. Commitments and contingent liabilities

20.1 Capital commitments and operating lease commitments

20.1.1 As at 30 September 2017, the Company and its subsidiaries had significant capital commitments amounting to Baht 1 million and INR 7 million or approximately Baht 4 million in respect of the building construction (31 December 2016: INR 13 million or approximately Baht 7 million) and amounting to Baht 120 million, EUR 1 million or approximately Baht 35 million and INR 28 million or approximately Baht 14 million in respect of the purchase of machinery and equipment (31 December 2016: Baht 301 million, EUR 1 million or approximately Baht 46 million and INR 16 million or approximately Baht 9 million).

20.1.2 As at 30 September 2017 and 31 December 2016, future minimum lease payments required under these operating lease commitments were as follows.

(Unit: Million Baht)

		As at 30 September 2017		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million)			
Indian rupee	68	13	15	7
Euro	2	56	31	-
	Total	69	46	7

(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

20.2 Guarantee obligations

As at 30 September 2017, the Company and its subsidiaries had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 20.2.1 Outstanding letters of guarantee totaling approximately Baht 1,418 million (31 December 2016: Baht 1,336 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 1,390 million (31 December 2016: Baht 1,308 million) issued by a bank to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 20.3.1 to the financial statements).
- 20.2.2 Outstanding letters of guarantee for totals of approximately INR 749 million or approximately Baht 381 million and EUR 0.3 million or approximately Baht 14 million have been issued by banks to meet requirements of its subsidiaries (31 December 2016: 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).

20.3 Tax assessment

- 20.3.1 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.

On 26 June 2017, the Supreme Court judgement dismissed the Company’s petition to consider revoking the tax assessments made by the Revenue Department, and as a result the Company has to pay corporate income tax, penalties and surcharges totaling approximately Baht 734 million to the Revenue Department. During the current period, the Company completed payment of this amount.

- 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.
- 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, the Company received tax assessment notices for the year 2006 from the Revenue Department in 2016, 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.
- d. On 23 August 2017, the Company received tax assessment notices for the year 2007 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 79 million and specific business tax amounting to approximately Baht 3 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.

(Unaudited but reviewed)

However, in the above 3 cases (mentioned in b, c and d) the Company has recorded provisions for the tax assessments, amounting to approximately Baht 369 million (including penalties and surcharges), under the captions of “Liabilities and provision from tax assessment” in the statement of financial position and amounting to approximately Baht 1,011 million (including penalties and surcharges), under the captions of “Income tax expenses resulting from tax assessments” in the statement of comprehensive income.

20.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 80 million or approximately Baht 41 million, covering the years 2003 - 2015, and sales tax and excise duties of approximately INR 159 million or approximately Baht 81 million, covering the years 2005 - 2016, 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.

21. Financial derivatives

As at 30 September 2017 and 31 December 2016, the significant outstanding balances of the Company and its subsidiaries’ financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	169	182	162	155	33.3684	35.8307
Euro	3	11	2	2	39.3113	37.7577
Japanese yen	119	70	317	391	0.2964	0.3080
Czech koruna	34	15	-	-	1.5108	1.3912
Polish zloty	-	4	-	1	9.1163	8.5295
Swiss franc	-	-	1	-	34.3591	35.1571

(Unaudited but reviewed)

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives where considered appropriate. As at 30 September 2017 and 31 December 2016, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

							As at 30 September 2017		
							Amount	Forward rate	Maturity date
Forward contracts to "Sell"									
USD/THB	USD	130	million	33.0700 - 34.0800	THB/USD	October 2017 - January 2018			
EUR/RUB	EUR	1	million	69.9603	RUB/EUR	October 2017			
Forward contracts to "Buy"									
USD/INR	USD	11	million	64.1724 - 64.4319	INR/USD	October 2017			
EUR/USD	EUR	4	million	1.1918 - 1.1990	USD/EUR	October 2017			
USD/AUD	USD	1	million	0.7945 - 0.7991	USD/AUD	October 2017			
JPY/THB	JPY	60	million	0.3023 - 0.3030	THB/JPY	October - November 2017			
							As at 31 December 2016		
							Amount	Forward rate	Maturity date
Forward contracts to "Sell"									
USD/THB	USD	141	million	34.6600 - 36.0650	THB/USD	January - April 2017			
USD/CHF	USD	18	million	1.0042 - 1.0231	CHF/USD	January 2017			
EUR/SEK	EUR	1	million	9.7063	SEK/EUR	January 2017			
USD/TRY	USD	2	million	3.5103	TRY/USD	January 2017			
EUR/TRY	EUR	1	million	3.6095	TRY/EUR	January 2017			
PLN/CHF	PLN	2	million	4.1145 - 4.1275	PLN/CHF	January 2017			
Forward contracts to "Buy"									
USD/INR	USD	12	million	67.7767 - 69.0400	INR/USD	January 2017			
EUR/CHF	EUR	2	million	1.0723 - 1.0780	CHF/EUR	January 2017			
EUR/USD	EUR	13	million	1.0467 - 1.0774	USD/EUR	January 2017			
USD/AUD	USD	2	million	0.7288 - 0.7480	USD/AUD	January 2017			
USD/BRL	USD	2	million	3.3690 - 3.4746	BRL/USD	January 2017			
JPY/THB	JPY	110	million	0.3146 - 0.3395	THB/JPY	January - February 2017			

22. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 September 2017 and 31 December 2016, the Company and its subsidiaries had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 September 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	33	-	33
Liabilities measured at fair value				
Foreign currency forward contracts (Note 14)	-	8	-	8

(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 6)	-	6	-	6
Liabilities measured at fair value				
Foreign currency forward contracts (Note 14)	-	99	-	99

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 30 September 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	23	-	23
Liabilities measured at fair value				
Foreign currency forward contracts (Note 14)	-	5	-	5

(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 14)	-	40	-	40

Valuation techniques and inputs to Level 2 valuation

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the current period, there were no transfers within the fair value hierarchy.

23. Events after the reporting period

On 9 October 2017, an extraordinary meeting of the shareholders of Delta PBA Engineering Solutions Co., Ltd. passed a resolution to approve an increase in the registered share capital from Baht 1 million (100,000 ordinary shares of Baht 10 each) to Baht 35 million (3,500,000 ordinary shares of Baht 10 each), through the issuance of 3,400,000 additional ordinary shares with a par value of Baht 10 each. On 9 October 2017, Delta PBA Engineering Solutions Co., Ltd. called up 100 percent of the share value, or approximately Baht 34 million and it has received payment for the ordinary shares.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 24 October 2017.