

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

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 (the Group) as at 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, 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 interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods (collectively "interim financial information"). 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*.

Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 26 October 2020

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		12,363,137	12,393,643	7,199,849	6,233,097
Current investments		-	1,698	-	-
Trade and other receivables	4	14,195,095	9,739,299	14,941,534	9,467,965
Inventories	5	11,255,925	8,963,490	7,122,815	5,745,785
Other current financial assets	6	757,743	-	6,943	-
Other current assets	7	1,512,650	1,280,765	333,227	307,190
Non-current assets held for sale	8	553,063	-	-	-
Total current assets		40,637,613	32,378,895	29,604,368	21,754,037
Non-current assets					
Deposits at bank with restrictions		51,461	49,714	-	-
Advance payment for purchase of investment					
in subsidiary company	9	462,838	-	-	-
Investments in associated companies	8	-	464,294	-	-
Investments in subsidiary companies	9	-	-	14,085,116	14,085,116
Investment properties	10	237,838	218,445	-	-
Property, plant and equipment	11	12,729,849	11,402,816	6,951,543	6,647,546
Land-use rights		-	197,730	-	-
Right-of-use assets	12	340,445	-	-	-
Goodwill		438,591	417,964	-	-
Other intangible assets	13	426,479	413,753	92	633
Deferred tax assets		269,652	259,681	-	-
Other non-current assets		181,413	154,993	3,370	3,417
Total non-current assets		15,138,566	13,579,390	21,040,121	20,736,712
Total assets		55,776,179	45,958,285	50,644,489	42,490,749

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	15,371,484	10,150,828	13,069,669	8,473,884
Advance received from sales of investment in associated companies	8	457,140	-	-	-
Income tax payable		64,939	50,621	-	-
Current portion of lease liabilities		64,962	-	-	-
Short-term provisions	17	77,079	92,157	-	-
Liabilities and provision from tax assessments	24.3.1	239,368	239,368	239,368	239,368
Derivative liabilities	26	50,529	-	50,001	-
Other current liabilities	15	157,401	305,403	80,057	110,489
Total current liabilities		16,482,902	10,838,377	13,439,095	8,823,741
Non-current liabilities					
Lease liabilities, net of current portion		65,562	-	-	-
Deferred tax liabilities		121,500	114,014	-	-
Provision for long-term employee benefits	16	1,553,233	1,427,499	477,287	444,707
Long-term provisions	17	411,460	381,381	308,084	288,554
Other non-current liabilities		252,362	190,672	920	1,085
Total non-current liabilities		2,404,117	2,113,566	786,291	734,346
Total liabilities		18,887,019	12,951,943	14,225,386	9,558,087

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
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	(1,004,027)	(1,004,027)	-	-
Retained earnings				
Appropriated - Statutory reserve	125,900	125,900	125,900	125,900
Unappropriated	37,634,045	34,359,240	33,553,909	30,067,468
Other components of shareholders' equity	<u>(2,602,076)</u>	<u>(3,210,183)</u>	-	-
Equity attributable to owners of the Company	36,893,136	33,010,224	36,419,103	32,932,662
Non-controlling interests of the subsidiary	<u>(3,976)</u>	<u>(3,882)</u>	-	-
Total shareholders' equity	<u>36,889,160</u>	<u>33,006,342</u>	<u>36,419,103</u>	<u>32,932,662</u>
Total liabilities and shareholders' equity	<u>55,776,179</u>	<u>45,958,285</u>	<u>50,644,489</u>	<u>42,490,749</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2020

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales		17,364,294	12,218,646	15,228,388	9,869,140
Service income		175,266	185,315	8,925	17,726
Other income					
Gain on exchange		106,231	27,092	128,822	47,425
Others		180,309	75,157	68,435	43,977
Total revenues		<u>17,826,100</u>	<u>12,506,210</u>	<u>15,434,570</u>	<u>9,978,268</u>
Expenses					
Cost of sales		12,837,165	9,870,355	11,003,341	7,838,460
Cost of services		128,327	160,297	17,000	5,099
Selling and distribution expenses	19	1,032,608	894,391	886,426	626,488
Administrative expenses		484,528	408,749	329,162	227,494
Research and development expenses	20	631,059	660,837	681,691	705,477
Other expenses		33,585	10,539	42,031	30,406
Total expenses		<u>15,147,272</u>	<u>12,005,168</u>	<u>12,959,651</u>	<u>9,433,424</u>
Profit from operating activities		2,678,828	501,042	2,474,919	544,844
Share of profit from investments in associated companies	8	40,359	19,637	-	-
Finance income		21,500	55,588	6,931	23,825
Finance cost		(2,065)	(328)	-	-
Profit before tax income (expenses)		2,738,622	575,939	2,481,850	568,669
Tax income (expenses) for the period	21	(96,002)	41,923	-	-
Profit for the period		<u>2,642,620</u>	<u>617,862</u>	<u>2,481,850</u>	<u>568,669</u>

The accompanying notes are an integral part of interim 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 2020**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</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		669,347	(368,452)	-	-
Share of other comprehensive income from					
investments in associated companies	8	<u>1,478</u>	<u>(5,001)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		670,825	(373,453)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from					
investments in associated companies	8	<u>(7,929)</u>	<u>(41,456)</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods		<u>(7,929)</u>	<u>(41,456)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>662,896</u>	<u>(414,909)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>3,305,516</u>	<u>202,953</u>	<u>2,481,850</u>	<u>568,669</u>
Profit attributable to:					
Equity holders of the Company		2,642,094	618,386	<u>2,481,850</u>	<u>568,669</u>
Non-controlling interests of the subsidiary		<u>526</u>	<u>(524)</u>		
		<u>2,642,620</u>	<u>617,862</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		3,304,990	203,477	<u>2,481,850</u>	<u>568,669</u>
Non-controlling interests of the subsidiary		<u>526</u>	<u>(524)</u>		
		<u>3,305,516</u>	<u>202,953</u>		
Earnings per share					
	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>2.12</u>	<u>0.50</u>	<u>1.99</u>	<u>0.46</u>

The accompanying notes are an integral part of interim 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 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales		44,184,963	38,735,703	38,958,413	30,852,950
Service income		525,191	532,965	47,951	25,020
Other income					
Gain on exchange		317,426	11,357	342,135	62,738
Others		346,391	323,827	180,856	255,187
Total revenues		45,373,971	39,603,852	39,529,355	31,195,895
Expenses					
Cost of sales		33,287,457	30,691,775	28,316,036	24,139,936
Cost of services		371,318	453,601	41,570	9,617
Selling and distribution expenses	19	2,942,096	2,818,038	2,379,937	1,996,311
Administrative expenses		1,344,195	1,272,286	902,031	718,092
Research and development expenses	20	1,991,278	2,002,253	2,110,237	2,075,236
Other expenses		50,937	21,251	78,186	94,818
Total expenses		39,987,281	37,259,204	33,827,997	29,034,010
Profit from operating activities		5,386,690	2,344,648	5,701,358	2,161,885
Share of profit from investments in associated companies	8	60,846	33,195	-	-
Finance income		90,463	189,305	30,383	73,815
Finance cost		(3,646)	(1,355)	(13)	-
Profit before tax income (expenses)		5,534,353	2,565,793	5,731,728	2,235,700
Tax income (expenses) for the period	21	(14,355)	3,121	-	-
Profit for the period		5,519,998	2,568,914	5,731,728	2,235,700

The accompanying notes are an integral part of interim 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 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		618,585	(588,128)	-	-
Share of other comprehensive income from investments in associated companies	8	(4,120)	(25,936)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		614,465	(614,064)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		-	(40,688)	-	(40,688)
Share of other comprehensive income from investments in associated companies	8	(6,358)	(41,456)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(6,358)	(82,144)	-	(40,688)
Other comprehensive income for the period		608,107	(696,208)	-	(40,688)
Total comprehensive income for the period		6,128,105	1,872,706	5,731,728	2,195,012
Profit attributable to:					
Equity holders of the Company		5,520,092	2,577,035	5,731,728	2,235,700
Non-controlling interests of the subsidiary		(94)	(8,121)		
		<u>5,519,998</u>	<u>2,568,914</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		6,128,199	1,880,827	5,731,728	2,195,012
Non-controlling interests of the subsidiary		(94)	(8,121)		
		<u>6,128,105</u>	<u>1,872,706</u>		
Earnings per share	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>4.43</u>	<u>2.07</u>	<u>4.60</u>	<u>1.79</u>

The accompanying notes are an integral part of interim 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 2020

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to shareholders of the Company													
	Issued and fully paid share capital			Surplus on business combination under common control		Retained earnings		Other component of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
								Other comprehensive income					
								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			
Balance as at 31 December 2018 (Audited)	1,247,382	1,491,912	(1,004,027)	125,900	34,432,010	(2,447,379)	90,705	(2,356,674)	33,936,503	4,417	33,940,920		
Profit (loss) for the period	-	-	-	-	2,577,035	-	-	-	2,577,035	(8,121)	2,568,914		
Other comprehensive income for the period	-	-	-	-	(40,688)	(588,128)	(67,392)	(655,520)	(696,208)	-	(696,208)		
Total comprehensive income for the period	-	-	-	-	2,536,347	(588,128)	(67,392)	(655,520)	1,880,827	(8,121)	1,872,706		
Dividend paid (Note 18)	-	-	-	-	(2,868,981)	-	-	-	(2,868,981)	-	(2,868,981)		
Balance as at 30 September 2019	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,004,027)</u>	<u>125,900</u>	<u>34,099,376</u>	<u>(3,035,507)</u>	<u>23,313</u>	<u>(3,012,194)</u>	<u>32,948,349</u>	<u>(3,704)</u>	<u>32,944,645</u>		
Balance as at 31 December 2019 (Audited)	1,247,382	1,491,912	(1,004,027)	125,900	34,359,240	(3,240,868)	30,685	(3,210,183)	33,010,224	(3,882)	33,006,342		
Profit (loss) for the period	-	-	-	-	5,520,092	-	-	-	5,520,092	(94)	5,519,998		
Other comprehensive income for the period	-	-	-	-	-	618,585	(10,478)	608,107	608,107	-	608,107		
Total comprehensive income for the period	-	-	-	-	5,520,092	618,585	(10,478)	608,107	6,128,199	(94)	6,128,105		
Dividend paid (Note 18)	-	-	-	-	(2,245,287)	-	-	-	(2,245,287)	-	(2,245,287)		
Balance as at 30 September 2020	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,004,027)</u>	<u>125,900</u>	<u>37,634,045</u>	<u>(2,622,283)</u>	<u>20,207</u>	<u>(2,602,076)</u>	<u>36,893,136</u>	<u>(3,976)</u>	<u>36,889,160</u>		

The accompanying notes are an integral part of interim 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 2020

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 31 December 2018 (Audited)	1,247,382	1,491,912	125,900	30,558,014	33,423,208
Profit for the period	-	-	-	2,235,700	2,235,700
Other comprehensive income for the period	-	-	-	(40,688)	(40,688)
Total comprehensive income for the period	-	-	-	2,195,012	2,195,012
Dividend paid (Note 18)	-	-	-	(2,868,981)	(2,868,981)
Balance as at 30 September 2019	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>29,884,045</u>	<u>32,749,239</u>
Balance as at 31 December 2019 (Audited)	1,247,382	1,491,912	125,900	30,067,468	32,932,662
Profit for the period	-	-	-	5,731,728	5,731,728
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,731,728	5,731,728
Dividend paid (Note 18)	-	-	-	(2,245,287)	(2,245,287)
Balance as at 30 September 2020	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>33,553,909</u>	<u>36,419,103</u>

The accompanying notes are an integral part of interim 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 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:				
Profit before tax	5,534,353	2,565,793	5,731,728	2,235,700
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	1,546,926	1,169,258	1,199,629	955,438
Amortisation	97,863	85,282	541	673
Recording of allowance for doubtful accounts (reversal)	(64,787)	45,616	7,260	(21,980)
Reduction of inventory to net realisable value (reversal)	80,605	428,189	(82,796)	287,384
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(147,852)	(170,182)	(124,896)	(56,808)
Increase in provision for long-term employee benefits	63,377	167,728	40,154	139,091
Recording of the increase in provisions	14,260	21,870	23,215	29,658
Share of profit from investments in associated companies	(60,846)	(33,195)	-	-
(Gain) loss from disposal/written-off of property, plant and equipment	(1,098)	7,737	(1,491)	14,199
Loss from write-off other intangible assets	4,041	-	-	-
Reversal of the allowance for impairment loss on assets	-	(85,951)	-	(85,951)
Unrealised gain on exchange	(11,076)	(17,169)	(68,085)	(10,483)
Interest income	(90,463)	(189,305)	(30,383)	(73,815)
Interest expenses	3,646	1,355	13	-
Profit from operating activities before changes in operating assets and liabilities	6,968,949	3,997,026	6,694,889	3,413,106
Decrease (increase) in operating assets:				
Trade and other receivables	(4,164,336)	1,052,763	(5,254,213)	942,265
Inventories	(2,225,188)	(258,749)	(1,169,338)	(383,293)
Other current assets	(245,104)	(461,203)	(65,720)	(292,135)
Other non-current assets	18,045	(24,848)	47	(671)
Increase (decrease) in operating liabilities:				
Trade and other payables	5,100,943	(815,467)	4,471,862	(253,166)
Other current liabilities	(154,516)	(48,050)	(29,779)	(42,662)
Provision for long-term employee benefits	(36,985)	(45,142)	(7,574)	(18,171)
Provisions	(23,538)	(12,360)	(19,843)	(7,712)
Other non-current liabilities	61,690	119,272	(165)	(141)
Cash flows from operating activities	5,299,960	3,503,242	4,620,166	3,357,420
Cash received from interest income	85,575	159,945	26,109	53,546
Cash paid for interest expenses	(3,818)	(1,195)	(13)	-
Cash paid for corporate income tax	(61,924)	(94,282)	(634)	(1,185)
Net cash flows from operating activities	5,319,793	3,567,710	4,645,628	3,409,781

The accompanying notes are an integral part of interim 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 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	(1,747)	5,776	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	(749,102)	220,996	-	-
Increase in investments in subsidiary company	-	-	-	(1,391,042)
Advance received for sales of investment in associated companies	457,140	-	-	-
Advance payment for purchase of investment in subsidiary company	(462,838)	-	-	-
Cash received from capital reduction in associated company	-	161,326	-	-
Acquisition of property, plant and equipment	(2,562,665)	(3,971,678)	(1,501,207)	(2,311,316)
Proceeds from disposal of property, plant and equipment	6,584	22,560	4,424	342
Increase in investment properties	(4,933)	(2,218)	-	-
Increase in other intangible assets	<u>(88,473)</u>	<u>(67,507)</u>	-	-
Net cash flows used in investing activities	<u>(3,406,034)</u>	<u>(3,630,745)</u>	<u>(1,496,783)</u>	<u>(3,702,016)</u>
Cash flow from financing activities:				
Payment of lease liabilities	(63,675)	-	(5,376)	-
Dividend paid	<u>(2,245,287)</u>	<u>(2,868,981)</u>	<u>(2,245,287)</u>	<u>(2,868,981)</u>
Net cash flow used in financing activities	<u>(2,308,962)</u>	<u>(2,868,981)</u>	<u>(2,250,663)</u>	<u>(2,868,981)</u>
Increase (decrease) in translation adjustments	<u>358,576</u>	<u>(298,863)</u>	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	(36,627)	(3,230,879)	898,182	(3,161,216)
Effect from currency translation of cash and cash equivalents	<u>6,121</u>	<u>42,849</u>	<u>68,570</u>	<u>36,044</u>
Net increase (decrease) in cash and cash equivalents	<u>(30,506)</u>	<u>(3,188,030)</u>	<u>966,752</u>	<u>(3,125,172)</u>
Cash and cash equivalents at beginning of period	<u>12,393,643</u>	<u>15,607,754</u>	<u>6,233,097</u>	<u>9,752,996</u>
Cash and cash equivalents at end of period	<u>12,363,137</u>	<u>12,419,724</u>	<u>7,199,849</u>	<u>6,627,824</u>
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Transfer property, plant and equipment to investment properties	-	2,275	-	-

The accompanying notes are an integral part of interim 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 2020

1. General information

1.1 Corporate information

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company 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 Group is principally engaged in the manufacture and distribution of electronic products, together with related research and development.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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 interim financial statements.

1.4 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 2019. There were no changes in the composition of the group during the current period.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group’s financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019, except for the change in the accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade and other receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments		1 January 2020
			TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	2	(2)	-	-
Other current financial assets	-	36	-	36
Other current assets	1,281	(34)	-	1,247
Non-current assets				
Land-use rights	198	-	(198)	-
Right-of-use assets	-	-	311	311
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	61	61
Derivative liabilities	-	1	-	1
Other current liabilities	305	(1)	-	304
Non-current liabilities				
Lease liabilities, net of current portion	-	-	52	52

(Unit: Million Baht)

	Separate financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments		1 January 2020
			TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	33	-	33
Other current assets	307	(33)	-	274
Non-current assets				
Right-of-use assets	-	-	5	5
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	5	5

(Unaudited but reviewed)

2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	12,393	-	12,393	12,393
Trade and other receivables	9,739	-	9,739	9,739
Other current financial assets	36	34	2	36
Other current assets	1,247	-	1,247	1,247
Deposits at bank with restrictions	50	-	50	50
Other non-current assets	155	-	155	155
Total financial assets	23,620	34	23,586	23,620

(Unit: Million Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	6,233	-	6,233	6,233
Trade and other receivables	9,468	-	9,468	9,468
Other current financial assets	33	33	-	33
Other current assets	274	-	274	274
Other non-current assets	3	-	3	3
Total financial assets	16,011	33	15,978	16,011

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 1 million (Separate financial statements: Nil).

(Unaudited but reviewed)

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Operating lease commitments as at 31 December 2019	207	6
Less: Short-term leases and leases of low-value assets	(92)	(1)
Less: Deferred interest expenses	(2)	-
Lease liabilities as at 1 January 2020 due to TFRS 16 adoption	<u>113</u>	<u>5</u>
Comprise of:		
Current lease liabilities	61	5
Non-current lease liabilities	52	-
	<u>113</u>	<u>5</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Buildings	88	5
Motor vehicles	25	-
Total right-of-use assets	<u>113</u>	<u>5</u>

3. Related party transactions

During the periods, the Group 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 and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with the parent company*</u>					
Sales of goods and raw materials	27	26	26	24	With reference to market prices
Purchase of goods and raw materials	125	72	24	6	With reference to market prices
Royalty paid (Note 19)	484	306	484	306	Contract prices
Services paid	27	22	27	22	Contract prices
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	5,480	3,826	With reference to market prices
Purchase of goods and raw materials	-	-	325	177	With reference to market prices
Commission paid	-	-	52	58	Contract prices
Design and engineering fee paid (Note 20)	-	-	478	468	Contract prices
Distribution fee paid	-	-	6	21	Contract prices
Administrative expenses	-	-	24	21	Contract prices
<u>Transactions with associated companies</u>					
Sales of goods and raw materials	23	1	22	1	With reference to market prices
Commission paid	25	10	21	6	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	2,332	1,388	1,243	382	With reference to market prices
Purchase of goods and raw materials	1,001	819	279	149	With reference to market prices
Commission paid	131	109	125	109	Contract prices
Commission received	27	9	-	-	Contract prices
Service income	33	28	-	-	Contract prices

* Delta Electronics Inc. has changed its status to the Company's parent company on 2 April 2019.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with the parent company*</u>					
Sales of goods and raw materials	76	89	73	82	With reference to market prices
Purchase of goods and raw materials	281	323	30	17	With reference to market prices
Royalty paid (Note 19)	1,205	933	1,205	933	Contract prices
Services paid	98	68	98	68	Contract prices
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	15,128	11,974	With reference to market prices
Purchase of goods and raw materials	-	-	907	330	With reference to market prices
Commission paid	-	-	160	147	Contract prices
Design and engineering fee paid (Note 20)	-	-	1,491	1,395	Contract prices
Distribution fee paid	-	-	30	67	Contract prices
Administrative expenses	-	-	64	67	Contract prices
<u>Transactions with associated companies</u>					
Sales of goods and raw materials	43	8	39	7	With reference to market prices
Commission paid	53	31	43	21	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	6,463	4,521	3,302	1,393	With reference to market prices
Purchase of goods and raw materials	2,946	2,760	834	511	With reference to market prices
Commission paid	419	349	411	347	Contract prices
Commission received	80	54	-	-	Contract prices
Service income	87	92	-	-	Contract prices

* Delta Electronics Inc. has changed its status to the Company's parent company on 2 April 2019.

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2020 and 31 December 2019 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
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables, related parties (Note 4)</u>				
Parent company*	26	36	25	31
Subsidiary companies	-	-	6,888	4,827
Associated companies	19	10	15	4
Other related companies (under common control)	2,023	1,197	1,171	428
Total trade receivables, related parties	<u>2,068</u>	<u>1,243</u>	<u>8,099</u>	<u>5,290</u>
<u>Other receivables, related parties (Note 4)</u>				
Parent company*	4	1	4	1
Subsidiary companies	-	-	18	29
Other related companies (under common control)	3	24	2	24
Total other receivables, related parties	<u>7</u>	<u>25</u>	<u>24</u>	<u>54</u>
<u>Amounts due from related parties (Note 4)</u>				
Subsidiary companies	-	-	2	3
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>2</u>	<u>3</u>
<u>Trade payables, related parties (Note 14)</u>				
Parent company*	117	86	25	2
Subsidiary companies	-	-	306	342
Associated companies	-	1	-	-
Other related companies (under common control)	1,047	766	291	192
Total trade payables, related parties	<u>1,164</u>	<u>853</u>	<u>622</u>	<u>536</u>
<u>Other payables, related parties (Note 14)</u>				
Parent company*	231	158	231	157
Subsidiary companies	-	-	295	361
Associated companies	15	12	14	10
Other related companies (under common control)	79	126	78	126
Total other payables, related parties	<u>325</u>	<u>296</u>	<u>618</u>	<u>654</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Accrued expenses, related parties (Note 14)</u>				
Parent company*	164	90	164	90
Other related companies (under common control)	114	107	114	107
Total accrued expenses, related parties	278	197	278	197

* Delta Electronics Inc. has changed its status to the Company's parent company on 2 April 2019.

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 2020 and 2019, the Group 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	20	24	9	13
Post-employment benefits	2	1	2	1
Total	22	25	11	14

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	63	73	29	37
Post-employment benefits	7	26	6	25
Total	70	99	35	62

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Audited)	(Audited)	(Audited)	
<u>Trade receivables, related parties (Note 3)</u>				
Aged on the basis of due dates				
Not yet due	2,052	1,232	7,882	4,134
Past due				
Up to 3 months	16	10	206	1,148
3 - 6 months	-	1	-	3
6 - 12 months	-	-	3	5
Over 12 months	-	-	8	-
Total	2,068	1,243	8,099	5,290
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	10,434	6,963	5,848	3,326
Past due				
Up to 3 months	1,047	934	427	388
3 - 6 months	30	93	1	2
6 - 12 months	56	153	9	1
Over 12 months	75	48	-	-
Total	11,642	8,191	6,285	3,717
Total trade receivables	13,710	9,434	14,384	9,007
Less: Allowance for doubtful accounts	(123)	(188)	(11)	(4)
Total trade receivables - net	13,587	9,246	14,373	9,003
<u>Other receivables</u>				
Amounts due from related parties (Note 3)	-	-	2	3
Other receivables - related parties (Note 3)	7	25	24	54
Other receivables - unrelated parties	601	468	543	408
Total other receivables	608	493	569	465
Trade and other receivables - net	14,195	9,739	14,942	9,468

(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 2020 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	(1,380)	(754)
Increase during the period	(167)	-
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the period	148	125
Reversal during the period	86	83
Balance as at 30 September 2020	(1,313)	(546)

6. Other current financial assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Fixed deposits with maturity over 3 months	751	-	-	-
Derivative assets (Note 26)	7	-	7	-
Total other current financial assets	758	-	7	-

7. Other current assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Input tax refundable	349	304	158	91
Advance payments	772	666	135	141
Prepaid expenses	273	200	25	32
Prepaid tax	53	52	-	-
Forward contracts receivable (Note 26)	-	34	-	33
Others	66	25	15	10
Total other current assets	1,513	1,281	333	307

(Unaudited but reviewed)

8. Investments in associated companies

8.1 Details of associates:

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
			(%)	(Audited) (%)	(Audited)	(Audited)	(Audited)	(Audited)
Delta Electronics (Switzerland) AG (owned by Delta Greentech (Netherlands) B.V.)	Holding business, trading, research and development of electronic products	Switzerland	49	49	287	287	511	432
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	49	49	117	117	71	99
Translation adjustment					(25)	(60)	(29)	(67)
Total					<u>379</u>	<u>344</u>	<u>553</u>	<u>464</u>
Less: Non-current assets held for sale							(553)	-
Investments in associated companies							<u>-</u>	<u>464</u>

8.2 Share of comprehensive income and dividend received

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

(Unit: Million Baht)

Associates	Consolidated financial statements							
	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	Share of profit (loss) from investments in associated companies		Share of other comprehensive income from investments in associated companies		Share of profit (loss) from investments in associated companies		Share of other comprehensive income from investments in associated companies	
	2020	2019	2020	2019	2020	2019	2020	2019
Delta Electronics (Switzerland) AG	49	17	(6)	(46)	89	48	(10)	(67)
Delta Greentech Electronics Industry LLC	(9)	3	-	-	(28)	(15)	-	-
Total	<u>40</u>	<u>20</u>	<u>(6)</u>	<u>(46)</u>	<u>61</u>	<u>33</u>	<u>(10)</u>	<u>(67)</u>

No dividend was received from the above associated companies during the three-month and nine-month periods ended 30 September 2020 and 2019.

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution approving a subsidiary of the Company, Delta Greentech (Netherlands) B.V., entering into an agreement to sell 49 percent interests in Delta Electronics (Switzerland) AG and Delta Greentech Electronics Industry LLC to related companies. On 28 September 2020, the subsidiary received payment for the sale of these investments in associated companies, amounting to approximately USD 14.44 million or approximately Baht 457 million, and agreed to transfer those shares to the buyers on 1 October 2020. As at 30 September 2020, the Group has presented those payments received under the caption of "Advance received from sales of investment in associated companies" and reclassified the investments in associated companies under the caption of "Non-current assets held for sale" in the consolidated statement of financial position.

9. Investments in subsidiary companies

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

Company's name	(Unit: Million Baht)	
	Cost	
	30 September 2020	31 December 2019
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	5,573	5,573
Subtotal	15,229	15,229
Less: Allowance for impairment loss of investments in subsidiary companies	(1,144)	(1,144)
Investments in subsidiary companies - net	14,085	14,085

No dividend was received from the above subsidiary companies during the three-month and nine-month periods ended 30 September 2020 and 2019.

9.2 Significant events during the current period

9.2.1 Subsidiaries indirectly owned by the Company

a) Purchase of investment in the subsidiary

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution approving the acquisition by a subsidiary of the Company, Delta Energy Systems (Singapore) Pte. Ltd., of all ordinary shares of Eltek Australia Pty Ltd. at a price of approximately USD 14.62 million, or approximately Baht 463 million, from Eltek AS, which is a related company. On 30 September 2020, the subsidiary made payment for these ordinary shares and received the shares on 1 October 2020. Therefore, in the consolidated statement of financial position as at 30 September 2020 the payment was presented under the caption of "Advance payment for purchase of investment in subsidiary company".

The above purchase of investment in the subsidiary was considered to be a business combination under common control.

b) Dividend received during the period

On 28 September 2020, Delta Greentech (Netherlands) Cooperaties UA received dividend amounting to approximately USD 14.44 million, or approximately Baht 457 million from Delta Greentech (Netherlands) B.V.. Then, Delta Greentech (Netherlands) Cooperaties UA paid dividend amounting to approximately USD 14.44 million, or approximately Baht 457 million, to Delta Energy Systems (Singapore) Pte. Ltd. on the same day. Delta Energy Systems (Singapore) Pte. Ltd. received the dividend during the current period (for the three-month and nine-month periods ended 30 September 2019: No dividend received).

10. Investment properties

Movements of the investment property account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
	Office building		
	Land for rent	for rent	Total
Net book value as at 1 January 2020	30	188	218
Increase from purchase during period	-	5	5
Depreciation for the period	-	(7)	(7)
Translation adjustment	3	19	22
Net book value as at 30 September 2020	33	205	238

(Unaudited but reviewed)

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	11,403	6,648
Acquisitions during period - cost	2,563	1,501
Disposals/write-off during period - net book value at disposal/write-off date	(5)	(2)
Depreciation for the period	(1,468)	(1,195)
Translation adjustment	237	-
Net book value as at 30 September 2020	12,730	6,952

12. Right-of-use assets

Movements of the right-of-use asset account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	198	-
Adjustments of right-of-use assets due to TFRS16 adoption	113	5
Increase during period	79	-
Depreciation for the period	(72)	(5)
Translation adjustment	22	-
Net book value as at 30 September 2020	340	-

13. Other intangible assets

Movements of the other intangible asset account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	414	1
Increase from purchase during period	88	-
Write-off during period - net book value at write-off date	(4)	-
Amortisation for the period	(98)	(1)
Translation adjustment	26	-
Net book value as at 30 September 2020	426	-

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,164	853	622	536
Trade payables - unrelated parties	9,083	5,826	8,200	5,212
Other payables - related parties (Note 3)	325	296	618	654
Other payables - unrelated parties	858	889	768	746
Accrued expenses - related parties (Note 3)	278	197	278	197
Accrued expenses - unrelated parties	3,150	1,781	2,389	1,041
Advance received	513	309	195	88
Total trade and other payables	15,371	10,151	13,070	8,474

15. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Forward contracts payable (Note 26)	-	1	-	-
Withholding tax payable	53	136	25	89
Value added tax payable	46	93	23	5
Others	58	75	32	16
Total other current liabilities	157	305	80	110

16. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2020		1,427		445
Recognition during period		68		40
Decrease during period		(37)		(8)
Reversal during period		(5)		-
Translation adjustment		100		-
Balance as at 30 September 2020		1,553		477

(Unaudited but reviewed)

17. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Other			Other		
	Warranty	provisions	Total	Warranty	provisions	Total
Balance as at 1 January 2020	431	42	473	274	15	289
Recognition during period	123	33	156	74	-	74
Decrease during period	(6)	(18)	(24)	(5)	(15)	(20)
Reversal during period	(98)	(44)	(142)	(51)	-	(51)
Translation adjustment/unrealised loss on exchange rate	23	2	25	16	-	16
Balance as at 30 September 2020	<u>473</u>	<u>15</u>	<u>488</u>	<u>308</u>	<u>-</u>	<u>308</u>
Short-term provisions	67	25	92	-	-	-
Long-term provisions	364	17	381	274	15	289
Balance as at 31 December 2019 (Audited)	<u>431</u>	<u>42</u>	<u>473</u>	<u>274</u>	<u>15</u>	<u>289</u>
Short-term provisions	65	12	77	-	-	-
Long-term provisions	408	3	411	308	-	308
Balance as at 30 September 2020	<u>473</u>	<u>15</u>	<u>488</u>	<u>308</u>	<u>-</u>	<u>308</u>

Warranty

The Group recognised a provision for the expected warranty claims on products based on past experience of the level of repairs and returns with current sales of each product type under current warranty.

18. Dividends

Dividends declared in 2020 and 2019 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 2019	Annual General Meeting of the shareholders on 31 March 2020	<u>2,245</u>	<u>1.80</u>
Final dividend for year 2018	Annual General Meeting of the shareholders on 2 April 2019	<u>2,869</u>	<u>2.30</u>

19. Royalty

The Company entered into the Intellectual Property & Technology License Agreement with Delta Electronics Inc. (“Licensor”), whereby the Licensor granted the Company the right to manufacture and sell products that apply the Licensor’s patents and technology, including improvements thereof. In consideration for the rights, the Company agrees to pay a royalty to the Licensor at a percentage of revenue from sales of products manufactured under the licenses, with that percentage determined on an arm’s length basis. The percentage is to be amicably reviewed by the parties annually before each anniversary of the effective date, which was 1 January 2018. The agreement matures annually and renews continuously for further periods of one year until terminated by either party. The Company has recorded the related expense as “Royalty expenses”, which are presented under the caption of “Selling and distribution expenses” in the statements of comprehensive income.

20. Research and development expenses

The Company entered into research and development service agreement with Delta Energy Systems (Germany) GmbH, a subsidiary company. Under this agreement, the subsidiary company provides research and development services (design and engineering) to the Company and charges fees equal to the local operational costs incurred on product research and development plus margin on the arm’s length basis. This agreement matures annually.

The Company has recorded design and engineering fees as “Research and development expenses” in the statements of comprehensive income.

21. Income tax

Tax income (expenses) for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(37)	5	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(50)	36	-	-
Translation adjustment	(9)	1	-	-
Tax income (expenses) reported in profit or loss	<u>(96)</u>	<u>42</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(53)	(53)	-	-
Adjustment in respect of income tax of previous year	35	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3	53	-	-
Translation adjustment	1	3	-	-
Tax income (expenses) reported in profit or loss	<u>(14)</u>	<u>3</u>	<u>-</u>	<u>-</u>

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

23. Segment information

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2020 and 2019 which is provided to the president of the Group, who is the chief operating decision maker of the Group.

(Unit: Million Baht)

	For the three-month periods ended 30 September								Consolidated financial statements	
	Power electronics segment		Infrastructure segment		Automation segment		Others			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue										
Sales from external customers	11,140	7,624	5,594	4,101	626	451	4	43	17,364	12,219
Service income from external customers	22	10	45	126	100	49	8	-	175	185
Total revenue	11,162	7,634	5,639	4,227	726	500	12	43	17,539	12,404
Segment profit (loss)	1,654	550	1,020	75	41	28	(288)	(244)	2,427	409
Unallocated income (expenses):										
Gain on exchange rate									106	27
Other income									180	75
Other expenses									(34)	(11)
Share of profit from investments in associated companies									40	20
Finance income									22	56
Finance cost									(2)	-
Profit before tax income (expenses)									2,739	576
Tax income (expenses) for the period									(96)	42
Profit for the period									2,643	618

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Power		Infrastructure		Automation		Others		Consolidated	
	electronics		segment		segment		segment		financial	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Sales from external customers	27,826	24,984	15,153	12,321	1,160	1,342	46	89	44,185	38,736
Service income from external customers	99	59	117	286	261	171	48	17	525	533
Total revenue	<u>27,925</u>	<u>25,043</u>	<u>15,270</u>	<u>12,607</u>	<u>1,421</u>	<u>1,513</u>	<u>94</u>	<u>106</u>	<u>44,710</u>	<u>39,269</u>
Segment profit (loss)	3,274	2,177	2,233	533	(12)	82	(720)	(761)	4,775	2,031
Unallocated income (expenses):										
Gain on exchange rate									317	11
Other income									346	324
Other expenses									(51)	(21)
Share of profit from investments in associated companies									61	33
Finance income									90	189
Finance cost									(4)	(1)
Profit before tax income (expenses)									5,534	2,566
Tax income (expenses) for the period									(14)	3
Profit for the period									<u>5,520</u>	<u>2,569</u>

24. Commitments and contingent liabilities

24.1 Capital commitments and operating lease commitments

24.1.1 As at 30 September 2020, the Group had significant capital commitments amounting to Baht 42 million, EUR 1.5 million or approximately Baht 55 million, INR 7,194 million or approximately Baht 3,079 million and USD 0.3 million or approximately Baht 11 million in respect of the building construction, purchase of machinery and equipment (31 December 2019: Baht 723 million, EUR 1 million or approximately Baht 35 million, USD 1 million or approximately Baht 42 million and INR 7,931 million or approximately Baht 3,334 million).

24.1.2 As at 30 September 2020 and 31 December 2019, the subsidiaries had future minimum lease payments required under these operating lease commitments as follows.

		As at 30 September 2020		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million in foreign currency)	(Million Baht)	(Million Baht)	(Million Baht)
Euro	2	13	34	30
US dollar	0.4	8	5	-
	Total	21	39	30

		As at 31 December 2019		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million in foreign currency)	(Million Baht)	(Million Baht)	(Million Baht)
Indian rupee	202	44	41	-
Euro	2	39	37	7
US dollar	1	8	9	-
Australian dollar	1	7	9	-
	Total	98	96	7

24.2 Guarantee obligations

As at 30 September 2020, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

24.2.1 Outstanding letters of guarantee totaling approximately Baht 371 million (31 December 2019: Baht 369 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million (31 December 2019: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment as mentioned in Note 24.3.1 to the financial statements).

24.2.2 Outstanding letters of guarantee for totals of approximately INR 1,157 million or approximately Baht 495 million, EUR 0.3 million or approximately Baht 13 million have been issued by banks to meet requirements of the subsidiaries (31 December 2019: INR 1,156 million or approximately Baht 486 million, EUR 0.3 million or approximately Baht 12 million).

24.3 Tax assessment

- 24.3.1 a. 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 (including penalties and surcharges) 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 168 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.
- b. 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 (including penalties and surcharges) 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.
- c. On 21 August 2018, the Company received tax assessment notices for the year 2008 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 49 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 4 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 20 August 2019, the Company received tax assessment notices for the year 2009 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 23 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 5 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, the Company has recorded provisions for the tax assessments as mentioned in a., b., c., and d., with approximately Baht 239 million (including penalties and surcharges) under the captions of “Liabilities and provision from tax assessments” in the statement of financial position.

24.3.2 The Indian tax authorities assessed corporate income tax of approximately INR 232 million or approximately Baht 99 million, covering the years 2003 - 2016, and sales tax and excise duties of approximately INR 264 million or approximately Baht 113 million, covering the years 2005 - 2018, 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.

25. Financial derivatives

As at 30 September 2020 and 31 December 2019, the significant outstanding balances of the Group’s financial assets and liabilities denominated in foreign currencies are as follows:

(Unit: Million foreign currency unit)

Foreign currency	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
US dollar	294	165	278	189	498	320	278	189
Euro	7	6	2	2	6	5	12	16
Japanese yen	262	201	423	246	224	201	288	244
Czech koruna	12	8	-	-	12	8	-	-

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at	
	30 September 2020	31 December 2019
US dollar	31.6579	30.1540
Euro	37.1548	33.7311
Japanese yen	0.2999	0.2759
Czech koruna	1.3609	1.3161

(Unaudited but reviewed)

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 September 2020 and 31 December 2019, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated financial statements						
As at 30 September 2020						
	Amount		Forward rate		Maturity date	
Forward contracts to “Sell”						
USD/THB	USD	209 million	30.9380 - 31.8020	THB/USD	October 2020 - January 2021	
Forward contracts to “Buy”						
USD/INR	USD	8 million	73.7550 - 75.3250	INR/USD	October - November 2020	
Consolidated financial statements						
As at 31 December 2019						
	Amount		Forward rate		Maturity date	
Forward contracts to “Sell”						
USD/THB	USD	122 million	30.0900 - 30.5300	THB/USD	January - April 2020	
Forward contracts to “Buy”						
USD/INR	USD	17 million	70.9694 - 71.9917	INR/USD	January 2020	
Separate financial statements						
As at 30 September 2020						
	Amount		Forward rate		Maturity date	
Forward contracts to “Sell”						
USD/THB	USD	209 million	30.9380 - 31.8020	THB/USD	October 2020 - January 2021	
Separate financial statements						
As at 31 December 2019						
	Amount		Forward rate		Maturity date	
Forward contracts to “Sell”						
USD/THB	USD	122 million	30.0900 - 30.5300	THB/USD	January - April 2020	

26. Fair value of financial instruments

The Group uses the market approach to measure its 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 Group's endeavors 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 at 30 September 2020 and 31 December 2019, the Group had certain assets and liabilities that were measured using different levels inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 30 September 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	7	-	7
Liabilities measured at fair value				
Foreign currency forward contracts	-	51	-	51

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 7)	-	34	-	34
Liabilities measured at fair value				
Foreign currency forward contracts (Note 15)	-	1	-	1

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	As at 30 September 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 6)	-	7	-	7
Liabilities measured at fair value				
Foreign currency forward contracts	-	50	-	50

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 7)	-	33	-	33

Valuation techniques and level 2 inputs

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, forward rates of foreign currencies and interest rate yield curves.

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

27. Events after the reporting period

On 31 March 2020, a meeting of the Company's Board of Directors passed a resolution to proceed with the incorporation of a subsidiary, Delta Electronics (Vietnam) Company Limited, to engage in the manufacturing of electronics products. The subsidiary was incorporated in Vietnam on 9 October 2020 with a registered capital of USD 100,000. The Company held 100% of this new subsidiary's shares capital.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 October 2020.