

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

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

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in the Note 10 to the financial statements, is an area of significant management judgement, and the inventories of the Company are high technology products, which become obsolete faster than some other products. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

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

Impairment of goodwill and patents

As at 31 December 2020, the Group had goodwill and patents amounting to Baht 437 million and Baht 256 million, respectively. I have focused on the consideration of the impairment of the goodwill and patents because the assessment of impairment of goodwill and patents is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risks with respect to the amounts of goodwill and patents.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Preecha Arunnara
Certified Public Accountant (Thailand) No. 5800

EY Office Limited
Bangkok: 19 February 2021

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2020	31 December 2019 (Restated)	1 January 2019	31 December 2020	31 December 2019
Assets						
Current assets						
Cash and cash equivalents	8	13,881,848,304	12,503,550,506	15,672,384,510	8,405,730,877	6,233,096,752
Current investments		-	1,698,291	222,745,162	-	-
Trade and other receivables	9	13,997,068,882	9,844,557,547	12,055,561,936	14,147,453,559	9,467,964,951
Inventories	10	12,655,361,505	9,003,852,766	9,603,867,537	8,536,087,510	5,745,784,778
Other current financial assets	11, 34.1	354,397,180	-	-	148,964,927	-
Other current assets	12	1,563,053,284	1,292,479,456	1,164,774,243	403,684,552	307,190,209
Total current assets		42,451,729,155	32,646,138,566	38,719,333,388	31,641,921,425	21,754,036,690
Non-current assets						
Deposits at bank with restrictions		51,051,970	49,713,553	55,047,683	-	-
Investments in associated companies	13	-	464,294,219	536,334,270	-	-
Investments in subsidiary companies	14	-	-	-	14,088,146,222	14,085,115,632
Investment properties	15	233,116,145	218,445,219	236,735,082	-	-
Property, plant and equipment	16	12,724,465,674	11,408,273,772	7,962,183,623	6,895,756,473	6,647,546,003
Land-use rights		-	197,730,522	220,027,996	-	-
Right-of-use assets	21	376,638,347	-	-	-	-
Goodwill	17	436,913,946	417,964,026	438,413,314	-	-
Other intangible assets	18	495,955,145	413,753,297	476,225,161	61,711,479	633,148
Deferred tax assets	27	289,012,579	282,950,925	264,879,085	-	-
Other non-current assets		160,044,829	156,090,282	135,505,166	3,279,842	3,417,111
Total non-current assets		14,767,198,635	13,609,215,815	10,325,351,380	21,048,894,016	20,736,711,894
Total assets		57,218,927,790	46,255,354,381	49,044,684,768	52,690,815,441	42,490,748,584

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2020	31 December 2019 (Restated)	1 January 2019	31 December 2020	31 December 2019
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	19	16,181,006,985	10,254,597,886	12,431,825,100	13,744,597,031	8,473,884,409
Income tax payable		188,697,947	50,621,512	89,618,118	49,174,299	-
Current portion of lease liabilities	21	72,788,807	-	-	-	-
Short-term provisions	23	76,372,926	92,157,542	13,391,589	-	-
Liabilities and provision from tax assessments	32.5.1	258,172,754	239,367,866	239,367,866	258,172,754	239,367,866
Derivative liabilities	33	674,961	-	-	-	-
Other current liabilities	20	392,650,219	315,421,642	247,144,817	168,819,218	110,487,997
Total current liabilities		17,170,364,599	10,952,166,448	13,021,347,490	14,220,763,302	8,823,740,272
Non-current liabilities						
Lease liabilities, net of current portion	21	107,791,790	-	-	-	-
Deferred tax liabilities	27	114,184,020	114,013,746	144,452,338	-	-
Provision for long-term employee benefits	22	1,542,246,168	1,427,499,000	1,234,247,093	465,244,322	444,707,410
Long-term provisions	23	420,587,558	388,761,256	512,118,709	302,036,053	288,553,746
Other non-current liabilities		256,325,004	190,752,886	24,246,916	1,356,203	1,085,000
Total non-current liabilities		2,441,134,540	2,121,026,888	1,915,065,056	768,636,578	734,346,156
Total liabilities		19,611,499,139	13,073,193,336	14,936,412,546	14,989,399,880	9,558,086,428

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2020	31 December 2019 (Restated)	1 January 2019	31 December 2020	31 December 2019
Shareholders' equity						
Share capital						
Registered						
1,259,000,000 ordinary shares of Baht 1 each		<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>
Issued and fully paid						
1,247,381,614 ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Difference from business combination under common control						
	14	(1,339,694,088)	(1,004,027,399)	(1,004,027,399)	-	-
Retained earnings						
Appropriated - Statutory reserve	24	125,900,000	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		39,216,330,187	34,359,240,011	34,432,010,815	34,836,221,447	30,067,468,042
Other components of shareholders' equity		<u>(3,130,090,313)</u>	<u>(3,210,182,797)</u>	<u>(2,356,674,090)</u>	-	-
Equity attributable to owners of the Company		37,611,739,900	33,010,223,929	33,936,503,440	37,701,415,561	32,932,662,156
Non-controlling interests of the subsidiary		(4,311,249)	(3,881,845)	4,416,522	-	-
Equity attributable to shareholders of subsidiary before business combination under common control						
	14	-	175,818,961	167,352,260	-	-
Total shareholders' equity		<u>37,607,428,651</u>	<u>33,182,161,045</u>	<u>34,108,272,222</u>	<u>37,701,415,561</u>	<u>32,932,662,156</u>
Total liabilities and shareholders' equity		<u>57,218,927,790</u>	<u>46,255,354,381</u>	<u>49,044,684,768</u>	<u>52,690,815,441</u>	<u>42,490,748,584</u>
		-	-	-	-	-

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

Directors

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019 (Restated)	2020	2019
Profit or loss:					
Revenues					
Sales		62,341,159,107	51,150,868,814	53,700,304,852	40,083,739,037
Service income		866,851,060	895,832,599	61,451,065	38,164,553
Other income					
Gain on exchange		387,979,698	31,864,073	367,520,440	92,429,033
Others		507,435,992	429,059,272	229,066,406	333,583,660
Total revenues		64,103,425,857	52,507,624,758	54,358,342,763	40,547,916,283
Expenses					
Cost of sales		47,244,199,937	40,833,458,598	39,680,428,319	31,581,614,290
Cost of services		844,937,682	577,496,840	50,640,046	22,554,782
Selling and distribution expenses	32.3.1	4,281,288,560	3,811,647,888	3,494,046,696	2,698,062,090
Administrative expenses		1,860,600,002	1,757,122,274	1,248,709,043	989,297,471
Research and development expenses	32.3.2	2,620,546,923	2,745,251,778	2,784,848,226	2,800,489,702
Loss on sales of investments in associated companies	13	95,125,078	-	-	-
Other expenses		68,405,643	46,819,035	56,721,720	132,303,253
Total expenses		57,015,103,825	49,771,796,413	47,315,394,050	38,224,321,588
Operating profit		7,088,322,032	2,735,828,345	7,042,948,713	2,323,594,695
Share of profit from investments in associated companies	13	60,845,793	24,849,891	-	-
Finance income		111,437,887	237,971,248	39,084,114	95,527,873
Finance cost		(1,167,766)	(1,974,468)	(13,330)	-
Profit before income tax expenses		7,259,437,946	2,996,675,016	7,082,019,497	2,419,122,568
Income tax expenses	27	(188,809,535)	(22,936,073)	(49,174,299)	-
Income tax expenses resulting from tax assessments	32.5.1	(18,804,888)	-	(18,804,888)	-
Profit for the year		7,051,823,523	2,973,738,943	7,014,040,310	2,419,122,568

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019 (Restated)	2020	2019
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		111,515,519	(807,098,774)	-	-
Share of other comprehensive income from investments in associated companies	13	<u>(4,120,121)</u>	<u>(25,024,541)</u>	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		107,395,398	(832,123,315)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(19,467,721)	(163,750,063)	-	(40,687,554)
Share of other comprehensive income from investments in associated companies	13	<u>(6,358,191)</u>	<u>(34,995,630)</u>	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(25,825,912)</u>	<u>(198,745,693)</u>	-	(40,687,554)
Other comprehensive income for the year		<u>81,569,486</u>	<u>(1,030,869,008)</u>	-	(40,687,554)
Total comprehensive income for the year		<u>7,133,393,009</u>	<u>1,942,869,935</u>	<u>7,014,040,310</u>	<u>2,378,435,014</u>
Profit attributable to:					
Equity holders of the Company		7,101,638,109	2,959,960,371	<u>7,014,040,310</u>	<u>2,419,122,568</u>
Non-controlling interests of the subsidiary		(429,404)	(8,298,367)		
Shareholders of subsidiary before business combination under common control		<u>(49,385,182)</u>	<u>22,076,939</u>		
		<u>7,051,823,523</u>	<u>2,973,738,943</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		7,182,469,565	1,942,701,601	<u>7,014,040,310</u>	<u>2,378,435,014</u>
Non-controlling interests of the subsidiary		(429,404)	(8,298,367)		
Shareholders of subsidiary before business combination under common control		<u>(48,647,152)</u>	<u>8,466,701</u>		
		<u>7,133,393,009</u>	<u>1,942,869,935</u>		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>5.69</u>	<u>2.37</u>	<u>5.62</u>	<u>1.94</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
Other components of shareholders' equity												
Other comprehensive income												
Share of other												
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												
Total equity												
attributable to												
owners of												
the Company												
Equity attributable												
to non-controlling												
interests												
of the subsidiary												
Equity attributable												
to shareholders of												
subsidiary before												
business												
combination under												
common control												
Total												
shareholders'												
equity												
Issued and	Share premium	Difference from business	Retained earnings		Exchange differences	Share of other	Total other	Total equity	Equity attributable	Equity attributable	Equity attributable	Total
fully paid		combination under	Appropriated	Unappropriated	on translation of	comprehensive	components of	attributable to	to non-controlling	to shareholders of	business	shareholders'
share capital		common control			financial statements	income from	shareholders' equity	owners of	interests	subsidiary before	combination under	equity
					in foreign currency	investments in		the Company	of the subsidiary	common control	common control	
Balance as at 1 January 2019	1,247,381,614	1,491,912,500	(1,004,027,399)	125,900,000	34,432,010,815	(2,447,379,266)	90,705,176	(2,356,674,090)	33,936,503,440	4,416,522	-	33,940,919,962
Cumulative effect of business combination under common control (Note 14)	-	-	-	-	-	-	-	-	-	-	167,352,260	167,352,260
Balance as at 1 January 2019 - as restated	1,247,381,614	1,491,912,500	(1,004,027,399)	125,900,000	34,432,010,815	(2,447,379,266)	90,705,176	(2,356,674,090)	33,936,503,440	4,416,522	167,352,260	34,108,272,222
Profit for the year - restated	-	-	-	-	2,959,960,371	-	-	2,959,960,371	(8,298,367)	22,076,939	22,076,939	2,973,738,943
Other comprehensive income for the year - restated	-	-	-	-	(163,750,063)	(793,488,536)	(60,020,171)	(853,508,707)	(1,017,258,770)	-	(13,610,238)	(1,030,869,008)
Total comprehensive income for the year - restated	-	-	-	-	2,796,210,308	(793,488,536)	(60,020,171)	(853,508,707)	1,942,701,601	(8,298,367)	8,466,701	1,942,869,935
Dividend paid (Note 25)	-	-	-	-	(2,868,981,112)	-	-	(2,868,981,112)	-	-	-	(2,868,981,112)
Balance as at 31 December 2019 - as restated	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>(1,004,027,399)</u>	<u>125,900,000</u>	<u>34,359,240,011</u>	<u>(3,240,867,802)</u>	<u>30,685,005</u>	<u>(3,210,182,797)</u>	<u>33,010,223,929</u>	<u>(3,881,845)</u>	<u>175,818,961</u>	<u>33,182,161,045</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
Other components of shareholders' equity												
Other comprehensive income												
Share of other												
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												
Total equity												
attributable to												
owners of												
the Company												
Equity attributable												
to non-controlling												
interests												
of the subsidiary												
Equity attributable												
to shareholders of												
subsidiary before												
business												
combination under												
common control												
Total												
shareholders'												
equity												
Issued and	Share premium	Difference from business	Retained earnings		Exchange differences	Share of other	Total other	Total equity	Equity attributable	Equity attributable	Equity attributable	Total
fully paid		combination under	Appropriated	Unappropriated	on translation of	comprehensive	components of	attributable to	to non-controlling	to shareholders of	business	shareholders'
share capital		common control			financial statements	income from	shareholders' equity	owners of	interests	to shareholders of	combination under	equity
					in foreign currency	investments in		the Company	of the subsidiary	to shareholders of	common control	
Balance as at 1 January 2020	1,247,381,614	1,491,912,500	(1,004,027,399)	125,900,000	34,359,240,011	(3,240,867,802)	30,685,005	(3,210,182,797)	33,010,223,929	(3,881,845)	-	33,006,342,084
Cumulative effect of												
business combination under												
common control (Note 14)	-	-	-	-	-	-	-	-	-	-	175,818,961	175,818,961
Balance as at 1 January 2020												
- as restated	1,247,381,614	1,491,912,500	(1,004,027,399)	125,900,000	34,359,240,011	(3,240,867,802)	30,685,005	(3,210,182,797)	33,010,223,929	(3,881,845)	175,818,961	33,182,161,045
Profit for the year	-	-	-	-	7,101,638,109	-	-	-	7,101,638,109	(429,404)	(49,385,182)	7,051,823,523
Other comprehensive income for the year	-	-	-	-	(19,467,721)	110,777,489	(10,478,312)	100,299,177	80,831,456	-	738,030	81,569,486
Total comprehensive income for the year	-	-	-	-	7,082,170,388	110,777,489	(10,478,312)	100,299,177	7,182,469,565	(429,404)	(48,647,152)	7,133,393,009
Acquisition cost of business combination												
under common control (Note 14)	-	-	(462,838,498)	-	-	-	-	-	(462,838,498)	-	-	(462,838,498)
Attributable net book value from business												
combination under common control												
(Note 14)	-	-	127,171,809	-	-	-	-	-	127,171,809	-	(127,171,809)	-
Effect of change from sales of investment												
in associated companies	-	-	-	-	20,206,693	-	(20,206,693)	(20,206,693)	-	-	-	-
Dividend paid (Note 25)	-	-	-	-	(2,245,286,905)	-	-	-	(2,245,286,905)	-	-	(2,245,286,905)
Balance as at 31 December 2020	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>(1,339,694,088)</u>	<u>125,900,000</u>	<u>39,216,330,187</u>	<u>(3,130,090,313)</u>	<u>-</u>	<u>(3,130,090,313)</u>	<u>37,611,739,900</u>	<u>(4,311,249)</u>	<u>-</u>	<u>37,607,428,651</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements

	Issued and fully paid share capital		Retained earnings		Total shareholders' equity
	Share capital	Share premium	Appropriated	Unappropriated	
Balance as at 1 January 2019	1,247,381,614	1,491,912,500	125,900,000	30,558,014,140	33,423,208,254
Profit for the year	-	-	-	2,419,122,568	2,419,122,568
Other comprehensive income for the year	-	-	-	(40,687,554)	(40,687,554)
Total comprehensive income for the year	-	-	-	2,378,435,014	2,378,435,014
Dividend paid (Note 25)	-	-	-	(2,868,981,112)	(2,868,981,112)
Balance as at 31 December 2019	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>30,067,468,042</u>	<u>32,932,662,156</u>
					-
Balance as at 1 January 2020	1,247,381,614	1,491,912,500	125,900,000	30,067,468,042	32,932,662,156
Profit for the year	-	-	-	7,014,040,310	7,014,040,310
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	7,014,040,310	7,014,040,310
Dividend paid (Note 25)	-	-	-	(2,245,286,905)	(2,245,286,905)
Balance as at 31 December 2020	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>34,836,221,447</u>	<u>37,701,415,561</u>
					-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:				
Profit before tax	7,259,437,946	2,996,675,016	7,082,019,497	2,419,122,568
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	2,074,517,773	1,629,946,708	1,598,359,426	1,332,987,656
Amortisation	131,801,134	104,980,164	1,662,867	881,978
Recording of allowance for expected credit losses (reversal)	(64,762,351)	61,747,356	27,702,114	(25,194,400)
Reduction of inventory to net realisable value (reversal)	15,615,521	470,064,134	(121,606,571)	328,152,744
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(185,762,757)	(263,311,297)	(148,543,957)	(122,736,270)
Increase in provision for long-term employee benefits	84,131,368	185,130,052	53,539,033	144,174,989
Recording of the increase in provisions	38,316,878	144,233,924	34,869,958	44,726,852
Share of profit from investments in associated companies	(60,845,793)	(24,849,891)	-	-
Loss on sales of investments in associated companies	95,125,078	-	-	-
(Gain) loss from disposal/written-off of property, plant and equipment	(2,232,111)	7,639,441	(2,529,852)	14,158,219
Loss from write-off of other intangible assets	272,305	1,854,733	-	-
Impairment loss on property, plant and equipment (reversal)	388,091	(85,951,413)	-	(85,951,413)
Unrealised gain on exchange	(35,744,272)	(31,070,333)	(95,955,115)	(25,001,622)
Interest income	(111,437,887)	(237,971,248)	(39,084,114)	(95,527,873)
Interest expenses	1,167,766	1,974,468	13,330	-
Profit from operating activities before changes in operating assets and liabilities	9,239,988,689	4,961,091,814	8,390,446,616	3,929,793,428
Decrease (increase) in operating assets:				
Trade and other receivables	(4,343,980,196)	2,025,057,655	(4,958,900,207)	1,644,310,304
Inventories	(3,481,361,503)	393,261,934	(2,520,152,204)	(143,581,786)
Other current assets	(293,524,835)	(168,665,992)	(127,703,710)	(21,394,531)
Other non-current assets	15,105,222	(11,983,179)	137,269	(842,506)
Increase (decrease) in operating liabilities:				
Trade and other payables	6,056,588,355	(2,197,407,955)	5,389,054,400	(821,099,626)
Other current liabilities	82,355,659	79,473,462	60,437,065	4,623,313
Provision for long-term employee benefits	(87,543,418)	(69,816,748)	(33,002,121)	(21,818,144)
Provisions	(27,317,914)	(38,968,979)	(22,447,248)	(23,012,474)
Other non-current liabilities	65,572,118	166,505,970	271,203	(155,400)
Cash flows from operating activities	7,225,882,177	5,138,547,982	6,178,141,063	4,546,822,578
Cash received from interest income	99,608,269	232,549,198	39,084,114	96,729,623
Cash paid for interest expenses	(1,489,555)	(1,837,119)	(13,330)	-
Cash paid for corporate income tax	(90,909,440)	(133,038,970)	(1,123,617)	(593,192)
Net cash flows from operating activities	7,233,091,451	5,236,221,091	6,216,088,230	4,642,959,009

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	(1,338,417)	5,334,130	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	(203,733,962)	221,046,871	-	-
Increase in investments in subsidiary company	-	-	(3,030,590)	(2,203,423,640)
Cash received for sales of investment in associated companies	457,140,076	-	-	-
Cash paid for purchase of investment in subsidiary under common control	(462,838,498)	-	-	-
Cash received from capital reduction in associated company	-	161,325,677	-	-
Acquisition of property, plant and equipment	(3,208,365,736)	(5,312,876,123)	(1,845,978,742)	(3,123,405,530)
Proceeds from disposal of property, plant and equipment	14,676,366	45,876,257	7,290,782	2,065,445
Increase in investment properties	(5,207,699)	(13,773,958)	-	-
Increase in other intangible assets	<u>(199,966,000)</u>	<u>(75,844,926)</u>	<u>(62,741,200)</u>	<u>-</u>
Net cash flows used in investing activities	<u>(3,609,633,870)</u>	<u>(4,968,912,072)</u>	<u>(1,904,459,750)</u>	<u>(5,324,763,725)</u>
Cash flows from financing activities:				
Payment of lease liabilities	(85,162,488)	-	(5,375,966)	-
Dividend paid	<u>(2,245,286,905)</u>	<u>(2,868,981,112)</u>	<u>(2,245,286,905)</u>	<u>(2,868,981,112)</u>
Net cash flows used in financing activities	<u>(2,330,449,393)</u>	<u>(2,868,981,112)</u>	<u>(2,250,662,871)</u>	<u>(2,868,981,112)</u>
Increase (decrease) in translation adjustments	<u>41,545,889</u>	<u>(601,629,938)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents before effect from currency translation	1,334,554,077	(3,203,302,031)	2,060,965,609	(3,550,785,828)
Effect from currency translation of cash and cash equivalents	<u>43,743,721</u>	<u>34,468,027</u>	<u>111,668,516</u>	<u>30,886,646</u>
Net increase (decrease) in cash and cash equivalents	1,378,297,798	(3,168,834,004)	2,172,634,125	(3,519,899,182)
Cash and cash equivalents at beginning of year	<u>12,503,550,506</u>	<u>15,672,384,510</u>	<u>6,233,096,752</u>	<u>9,752,995,934</u>
Cash and cash equivalents at end of year	<u>13,881,848,304</u>	<u>12,503,550,506</u>	<u>8,405,730,877</u>	<u>6,233,096,752</u>
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Transfer investment properties to property, plant and equipment	-	1,642,976	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 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 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.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
DET International Holding Limited	Holding business	The Cayman Islands	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100
Delta Electronics (Vietnam) Company Limited	Trading of electronic products	Vietnam	100	-

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2020</u> Percent	<u>2019</u> Percent
Delta Electronics (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100
Eltek Australia Pty Ltd.	Trading of electronic products	Australia	100	-
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta Energy Systems LLC (owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	Russia	100	100
Eltek s.r.o. (owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Slovakia	100	100
Delta Electronics (Automotive) Americas Inc. (owned by Delta Greentech (Netherlands) B.V.)	Research and development of electronic products	USA	100	100
Delta Electronics India Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	100
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	100
Delta PBA Engineering Solutions Co., Ltd.	Manufacture, assembly and provision of automation	Thailand	51	51
Delta Energy Systems (UK) Limited	Research and development of electronic products	Scotland	100	100

2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- 2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 2.2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the 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

The 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. They also 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 recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

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

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

Consolidated financial statements				
The effect of				
Financial reporting				
31 December	standards related to		1 January	
2019	financial instruments	TFRS 16	2020	
(Restated)				
Statement of financial position				
Assets				
Current assets				
Current investments	2	(2)	-	-
Other current financial assets	-	36	-	36
Other current assets	1,292	(34)	-	1,258
Non-current assets				
Land-use rights	198	-	(198)	-
Right-of-use assets (Note 21)	-	-	314	314
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	61	61
Derivative liabilities	-	1	-	1
Other current liabilities	315	(1)	-	314
Non-current liabilities				
Lease liabilities, net of current portion	-	-	55	55

(Unit: Million Baht)

Separate financial statements				
The effect of				
Financial reporting				
31 December	standards related to		1 January	
2019	financial instruments	TFRS 16	2020	
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 (Note 21)	-	-	5	5
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	5	5

4.1 Financial instruments

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
- restated				
Cash and cash equivalents	12,504	-	12,504	12,504
Trade and other receivables	9,845	-	9,845	9,845
Other current financial assets	36	34	2	36
Other current assets	1,258	-	1,258	1,258
Deposits at bank with restrictions	50	-	50	50
Other non-current assets	156	-	156	156
Total financial assets	23,849	34	23,815	23,849

(Unit: Million Baht)

	Separate financial statements			
	The former carrying amounts	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).

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019		
- restated	210	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	<u>116</u>	<u>5</u>
Weighted average incremental borrowing rate (percent per annum)	1.19	1.19
Comprise of:		
Current lease liabilities	61	5
Non-current lease liabilities	55	-
	<u>116</u>	<u>5</u>

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

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Buildings	90	5
Machinery and equipment	1	-
Motor vehicles	25	-
Total adjustment of right-of-use assets	<u>116</u>	<u>5</u>
Classification of land-use rights to right-of-use assets	198	-
Total right-of-use assets	<u><u>314</u></u>	<u><u>5</u></u>

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Revenue from installation, repair and other services are recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

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

5.3 Inventories

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

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

5.4 Investments in subsidiaries and associates

- a) Investments in associated companies are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiary companies are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

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

5.5 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2-32 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Property, plant and equipment/Depreciation

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

Buildings	10 - 50	years
Land improvement	5 - 10	years
Machinery and equipment	3 - 7	years
Molds	2 - 5	years
Installation	5 - 15	years
Furniture, fixtures and office equipment	5 - 7	years
Computer	3 - 5	years
Motor vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided for land and asset under installation and under construction.

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

5.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follow:

	<u>Useful lives</u>
Patents	10 and 20 years
Computer software	3 years
Customer relationship	10 years

5.8 Goodwill

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

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

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

5.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	99	years
Buildings	1 - 6	years
Machinery and equipment	1 - 5	years
Motor vehicles	1 - 3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.10 Related party transactions

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

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

5.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.12 Impairment of non-financial assets

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

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments, it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

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

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

Actuarial gains and losses from defined benefit plans and return of plan assets net from interest income on plan assets are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognised restructuring-related costs.

5.14 Provisions

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

5.15 Research and development expenses

The Group records research and development costs as expenses when incurred.

5.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL). However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

5.18 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.19 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventory

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

Allowance for impairment loss of investments

The Company treats investment in subsidiaries in the sperate financial statements as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Tax assessments

The Group has contingent liabilities as the result of tax assessments. The management was required to exercise judgement to assess the results of the tax assessments and estimate the liabilities that might be incurred as at the end of the reporting period.

7. Related party transactions

During the years, 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
		(Restated)			
<u>Transactions with the parent company*</u>					
Sales of goods and raw materials	98	120	94	112	With reference to market price
Purchase of goods and raw materials	358	438	65	22	With reference to market price
Royalty paid (Note 32.3.1)	1,698	1,215	1,698	1,215	Contract price
Services paid	122	93	122	93	Contract price
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	20,539	15,689	With reference to market price
Purchase of goods and raw materials	-	-	1,282	677	With reference to market price
Commission paid	-	-	220	220	Contract price
Design and engineering fee paid (Note 32.3.2)	-	-	1,934	1,924	Contract price
Distribution fee paid	-	-	43	103	Contract price
Administrative expenses	-	-	88	87	Contract price
<u>Transactions with associated companies**</u>					
Sales of goods and raw materials	43	15	39	11	With reference to market price
Commission paid	53	46	43	33	Contract price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
	(Restated)				
<u>Transactions with related companies</u>					
Sales of goods and raw materials	8,347	6,027	4,113	1,942	With reference to market price
Purchase of goods and raw materials	3,419	3,716	1,387	697	With reference to market price
Commission paid	746	524	737	521	Contract price
Commission received	107	77	-	-	Contract price
Services income	208	130	-	-	Contract price
Other income	14	12	9	11	Contract price

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

** The Group sold investments in associated companies on 1 October 2020.

The balances of the accounts as at 31 December 2020 and 2019 between the Group and those related companies are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
<u>Trade receivables, related parties (Note 9)</u>				
Parent company*	26	36	21	31
Subsidiary companies	-	-	6,407	4,827
Associated companies**	-	10	-	4
Other related companies (under common control)	1,660	1,198	777	428
Total trade receivables, related parties	<u>1,686</u>	<u>1,244</u>	<u>7,205</u>	<u>5,290</u>
<u>Other receivables, related parties (Note 9)</u>				
Parent company*	-	1	-	1
Subsidiary companies	-	-	49	29
Other related companies (under common control)	3	24	3	24
Total other receivables, related parties	<u>3</u>	<u>25</u>	<u>52</u>	<u>54</u>

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
<u>Amounts due from related parties (Note 9)</u>				
Subsidiary companies	-	-	1	3
Total amounts due from related parties	-	-	1	3
<u>Trade payables, related parties (Note 19)</u>				
Parent company*	74	88	41	2
Subsidiary companies	-	-	370	342
Associated companies**	-	1	-	-
Other related companies (under common control)	1,298	793	328	192
Total trade payables, related parties	1,372	882	739	536
<u>Other payables, related parties (Note 19)</u>				
Parent company*	210	158	208	157
Subsidiary companies	-	-	214	361
Associated companies**	-	12	-	10
Other related companies (under common control)	367	126	366	126
Total other payables, related parties	577	296	788	654
<u>Accrued expenses, related parties (Note 19)</u>				
Parent company*	166	90	166	90
Subsidiary companies	-	-	1	-
Other related companies (under common control)	118	107	118	107
Total accrued expenses, related parties	284	197	285	197

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

** The Group sold investments in associated companies on 1 October 2020.

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	86	104	39	54
Post-employment benefits	9	27	8	25
Total	<u>95</u>	<u>131</u>	<u>47</u>	<u>79</u>

8. Cash and cash equivalents

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Cash in hand	1	-	-	-
Bank deposits in current accounts	1,544	1,160	2	2
Bank deposits in saving accounts	9,415	8,413	8,404	6,231
Fixed deposits with maturity				
not over 3 months	<u>2,922</u>	<u>2,931</u>	<u>-</u>	<u>-</u>
Total	<u>13,882</u>	<u>12,504</u>	<u>8,406</u>	<u>6,233</u>

As at 31 December 2020, the above bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 8.00 percent per annum (2019: between 0.00 and 8.25 percent per annum) (The Company only: between 0.00 and 0.55 percent per annum, 2019: between 0.00 and 1.20 percent per annum).

9. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
<u>Trade receivables, related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	1,669	1,233	6,964	4,134
Past due				
Up to 3 months	17	10	230	1,148
3 - 6 months	-	1	-	3
6 - 12 months	-	-	-	5
Over 12 months	-	-	11	-
Total	<u>1,686</u>	<u>1,244</u>	<u>7,205</u>	<u>5,290</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	10,546	7,000	5,593	3,326
Past due				
Up to 3 months	872	996	475	388
3 - 6 months	57	105	39	2
6 - 12 months	29	153	-	1
Over 12 months	70	48	8	-
Total	<u>11,574</u>	<u>8,302</u>	<u>6,115</u>	<u>3,717</u>
Total trade receivables	<u>13,260</u>	<u>9,546</u>	<u>13,320</u>	<u>9,007</u>
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful				
accounts)	(129)	(194)	(32)	(4)
Total trade receivables - net	<u>13,131</u>	<u>9,352</u>	<u>13,288</u>	<u>9,003</u>
<u>Other receivables</u>				
Amounts due from related parties (Note 7)	-	-	1	3
Other receivables - related parties (Note 7)	3	25	52	54
Other receivables - unrelated parties	863	468	806	408
Total other receivables	<u>866</u>	<u>493</u>	<u>859</u>	<u>465</u>
Trade and other receivables - net	<u>13,997</u>	<u>9,845</u>	<u>14,147</u>	<u>9,468</u>

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	(194)	(4)
Provision for expected credit losses	(33)	(28)
Reversal during the year	98	-
As at 31 December 2020	(129)	(32)

10. Inventories

	(Unit: Million Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		(Restated)		(Restated)
Finished goods	5,581	4,603	(471)	(487)	5,110	4,116
Work in process	1,834	997	-	-	1,834	997
Raw materials	5,570	3,738	(776)	(930)	4,794	2,808
Goods in transit	917	1,083	-	-	917	1,083
Total	13,902	10,421	(1,247)	(1,417)	12,655	9,004

	(Unit: Million Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	2,756	2,989	(83)	(176)	2,673	2,813
Work in process	1,417	778	-	-	1,417	778
Raw materials	4,145	2,492	(400)	(578)	3,745	1,914
Goods in transit	701	241	-	-	701	241
Total	9,019	6,500	(483)	(754)	8,536	5,746

Details movement of the reduction of inventories to net realisable value are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Balance at beginning of year	(1,417)	(1,210)	(754)	(549)
Increase during the year	(146)	(529)	-	(328)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the year	186	263	149	123
Reversal during the year	130	59	122	-
Balance at end of year	<u>(1,247)</u>	<u>(1,417)</u>	<u>(483)</u>	<u>(754)</u>

The Group reduced cost of inventories to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories and reduced the amount of inventories recognised as expenses during the year.

11. Other current financial assets

	(Unit: Million Baht)	
	31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
<u>Debt instruments at amortised cost</u>		
Fixed deposits with maturity over 3 months	205	-
Total debt instruments at amortised cost	205	-
<u>Financial assets at FVTPL</u>		
Derivative assets (Note 33)	149	149
Total financial assets at FVTPL	149	149
Total other current financial assets	<u>354</u>	<u>149</u>

12. Other current assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Input tax refundable	358	306	205	91
Advance payments	846	666	163	141
Prepaid expenses	271	204	28	32
Prepaid tax	26	57	-	-
Forward contracts receivable (Note 33)	-	34	-	33
Others	62	25	8	10
Total other current assets	<u>1,563</u>	<u>1,292</u>	<u>404</u>	<u>307</u>

13. Investments in associated companies

13.1 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	
			<u>2020</u> (%)	<u>2019</u> (%)	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Delta Electronics (Switzerland) AG (owned by Delta Greentech (Netherlands) B.V.)	Holding business, trading, research and development of electronic products	Switzerland	-	49	-	287	-	432
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	-	49	-	117	-	99
Translation adjustment					-	(60)	-	(67)
Total					-	344	-	464

13.2 Share of comprehensive income and dividend received

During the year, the Company has recognised its 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 year ended 31 December			
	Share of profit (loss) from investments in associated companies		Share of other comprehensive income from investments in associated companies	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Delta Electronics (Switzerland) AG	89	44	(10)	(60)
Delta Greentech Electronics Industry LLC	(28)	(19)	-	-
Total	61	25	(10)	(60)

No dividend was received from the above associated companies during the year ended 31 December 2020 and 2019.

13.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Delta Electronics (Switzerland) AG		Delta Greentech Electronics Industry LLC	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Current assets	-	1,628	-
Non-current assets	-	95	-	25
Current liabilities	-	(974)	-	(196)
Non-current liabilities	-	(193)	-	(12)
Net assets	-	556	-	108
Shareholding percentage (%)	-	49	-	49
Share of net assets	-	272	-	53
Goodwill	-	92	-	-
Translation adjustment	-	16	-	31
Carrying amounts of associates based on equity method	-	380	-	84

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	Delta Electronics (Switzerland) AG		Delta Greentech Electronics Industry LLC	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue	-	3,712	-	540
Profit (loss)	-	91	-	(39)
Other comprehensive income	-	(122)	-	-
Total comprehensive income	-	(31)	-	(39)

13.4 Significant events during the current year

Sales of investments in associated companies

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. A loss on the sale of these investments under the equity method, amounting to approximately USD 3 million or approximately Baht 95 million, was recorded in the consolidated statement of comprehensive income.

14. Investments in subsidiary companies

14.1 Details of investments in subsidiaries as presented in separate financial statements

Company's name	(Unit: Million Baht)				
	Paid-up capital			Cost	
	Foreign currency	<u>2020</u> (Million)	<u>2019</u> (Million)	<u>2020</u>	<u>2019</u>
DET International Holding Limited	USD	264	264	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	THB	206	206	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	USD	173	173	5,573	5,573
Delta Electronics (Vietnam) Company Limited	USD	0.1	-	3	-
Subtotal				<u>15,232</u>	<u>15,229</u>
Less: Allowance for impairment loss of investments in subsidiary companies				<u>(1,144)</u>	<u>(1,144)</u>
Investments in subsidiary companies - net				<u>14,088</u>	<u>14,085</u>

14.2 Significant events during the current year

14.2.1 Subsidiaries directly owned by the Company

a) Establishment of new subsidiaries

On 31 March 2020, a meeting of the Board of Directors of the Company passed the following significant resolutions:

- Proceed with the incorporation of a subsidiary, Delta Electronics (Vietnam) Company Limited, to engage in the trading of electronics products. The subsidiary was incorporated in Vietnam with a registered capital of USD 100,000, and the Company having a 100% shareholding.

In the fourth quarter of the current year, Delta Electronics (Vietnam) Company Limited called up 100 percent of the par value of the shares and already received payment of share capital of USD 100,000, or approximately Baht 3 million, on 23 December 2020.

- Proceed with the incorporation of a subsidiary, Delta Electronics India Manufacturing Private Limited, to engage in the manufacturing and trading of electronics products. The subsidiary was incorporated in India with a registered capital of INR 1.1 million and the Company having a 100% shareholding.

During January 2021, Delta Electronics India Manufacturing Private Limited called up 100 percent of the par value of the shares and already received payment of share capital of INR 1.1 million, or approximately Baht 0.5 million, on 15 January 2021.

b) Dividend received during the year

No dividend was received from the above subsidiary companies during the year ended 31 December 2020 and 2019.

14.2.2 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 subsidiary of the parent company. On 30 September 2020, the subsidiary made payment for these ordinary shares and it received the shares on 1 October 2020.

The above purchase of investment in the subsidiary was considered to be a business combination under common control, and the difference between the cost of this business combination under common control and the net book value of the equity of Eltek Australia Pty Ltd., amounting to approximately USD 10.6 million, or approximately Baht 336 million, was therefore recorded as “Difference from business combination under common control” and separately presented in the consolidated statements of changes in shareholders’ equity.

The net book values of assets and liabilities as at 1 October 2020 (acquisition date) and the cash payment made to purchase the investment in Eltek Australia Pty Ltd. are as follows:

	(Unit: Million Baht)
	Consolidated
	<u>financial statements</u>
Net book values of assets and liabilities as at the acquisition date	
Cash and cash equivalents	97
Trade and other receivables	54
Inventories	104
Other current assets	14
Property, plant and equipment	2
Deferred tax assets	23
Trade and other payables	(142)
Other current liabilities	(13)
Long-term provisions	(12)
Total net assets	<u>127</u>
Plus: Difference from business combination under common control	<u>336</u>
Cash payment for purchase of investment in subsidiary	<u><u>463</u></u>

Because this acquisition was a business combination under common control, the Company has treated Eltek Australia Pty Ltd. as if it had been a subsidiary of the Company since it was established. Therefore, the consolidated statements of comprehensive income for the year ended 31 December 2020 included the operating results of Eltek Australia Pty Ltd. as from 1 January 2020, ignoring the actual date of the business combination under common control (the date the shares of the subsidiary were acquired).

The Company has restated the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, which are presented herein for comparative purposes, as if Eltek Australia Pty Ltd. had always been the Company's subsidiary. The Company has also presented the consolidated statement of financial position as at 1 January 2019 for comparative purposes.

The amounts of adjustments affecting the consolidated statement of financial position as at 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase in consolidated statements of financial position

Assets

Cash and cash equivalents	110
Trade and other receivables	105
Inventories	40
Other current assets	12
Property, plant and equipment	6
Deferred tax assets	23
Other non-current assets	1

Liabilities

Trade and other payables	104
Other current liabilities	10
Long-term provisions	7

Shareholders' equity

Equity attributable to shareholders of subsidiary before business combination under common control	176
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The amounts of adjustments affecting the consolidated statement of comprehensive income for the year ended 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase (decrease) in consolidated statements of comprehensive income

Profit or loss

Sales	709
Service income	166
Gain on exchange	(2)
Cost of sales	683
Cost of services	31
Selling and distribution expenses	77
Administrative expenses	24
Research and development expenses	32
Income tax expenses	4
Profit for the year	22
Profit attributable to shareholders of subsidiary before business combination under common control	22

Other comprehensive income

Exchange differences on translation of financial statements in foreign currency	(14)
Other comprehensive income for the year	(14)
Total comprehensive income attributable to shareholders of subsidiary before business combination under common control	8

The amounts of adjustments affecting the consolidated statement of cash flows for the year ended 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase (decrease) in consolidated statements of cash flows

Net cash flows from operating activities	71
Net cash flows used in investing activities	2
Translation adjustments	(23)

b) Dividend received during the year

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 third quarter of the current year (31 December 2019: No dividend received).

15. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
		Office building	
	Land for rent	for rent	Total
31 December 2020:			
Cost	44	322	366
Less: Accumulated depreciation	-	(69)	(69)
Translation adjustment	(11)	(53)	(64)
Net book value	<u>33</u>	<u>200</u>	<u>233</u>
31 December 2019:			
Cost	44	317	361
Less: Accumulated depreciation	-	(59)	(59)
Less: Transfer out due to change in type of use of assets	(3)	(10)	(13)
Translation adjustment	(11)	(60)	(71)
Net book value	<u>30</u>	<u>188</u>	<u>218</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	218	237
Acquisition of assets	5	14
Depreciation charged	(10)	(9)
Transfer out due to change in type of use of assets (Note 16)	-	(2)
Translation adjustment	20	(22)
Net book value at end of year	<u>233</u>	<u>218</u>

The additional information of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
The fair value of land and office building for rent	261	228

The fair value of the land and office building held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, long-term vacancy rate and long-term growth in real rental rates.

16. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements

	Assets under								Total
	Land	Buildings	Machinery and equipment	Mold	Installation	installation and under construction	Computer	Others	
Cost:									
1 January 2019 - restated	815	3,622	7,442	1,316	1,705	708	476	546	16,630
Purchase/transfer in	268	320	2,093	225	534	3,882	152	68	7,542
Disposal/write-off/transfer out	(8)	(17)	(302)	(89)	(46)	(2,169)	(26)	(98)	(2,755)
Transfer in due to change in type of use of assets (Note 15)	1	1	-	-	-	-	-	-	2
Translation adjustment	(46)	(191)	(131)	(1)	(28)	(32)	(18)	(33)	(480)
31 December 2019 - restated	1,030	3,735	9,102	1,451	2,165	2,389	584	483	20,939
Purchase/transfer in	-	136	1,209	150	143	3,167	51	24	4,880
Disposal/write-off/transfer out	-	-	(206)	(170)	(7)	(1,683)	(60)	(22)	(2,148)
Translation adjustment	(10)	121	112	1	30	(51)	10	7	220
31 December 2020	1,020	3,992	10,217	1,432	2,331	3,822	585	492	23,891
Accumulated depreciation:									
1 January 2019 - restated	-	897	4,840	1,183	946	-	351	346	8,563
Depreciation for the year	-	85	1,056	141	204	-	90	45	1,621
Depreciation - disposal/write-off	-	(3)	(294)	(89)	(44)	-	(26)	(15)	(471)
Translation adjustment	-	(35)	(107)	(2)	(12)	-	(17)	(28)	(201)
31 December 2019 - restated	-	944	5,495	1,233	1,094	-	398	348	9,512
Depreciation for the year	-	93	1,261	200	268	-	99	46	1,967
Depreciation - disposal/write-off	-	-	(198)	(179)	(5)	-	(59)	(20)	(461)
Translation adjustment	-	19	84	(1)	12	-	7	9	130
31 December 2020	-	1,056	6,642	1,253	1,369	-	445	383	11,148

16. Property, plant and equipment (continued)

(Unit: Million Baht)

Consolidated financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Allowance for impairment loss:									
1 January 2019	-	100	1	-	3	-	-	1	105
Reversal allowance for impairment during the year	-	(83)	(1)	-	(1)	-	-	(1)	(86)
31 December 2019	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2019 - restated	1,030	2,774	3,607	218	1,069	2,389	186	135	11,408
As at 31 December 2020	1,020	2,919	3,575	179	960	3,822	140	109	12,724
Depreciation for the year									
Year 2019 (Baht 1,296 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,621
Year 2020 (Baht 1,570 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,967

16. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Cost:									
1 January 2019	313	1,526	5,979	1,307	1,397	359	277	186	11,344
Purchase/transfer in	101	296	1,727	226	458	2,288	90	16	5,202
Disposal/write-off/transfer out	-	(16)	(276)	(89)	(44)	(1,988)	(7)	(92)	(2,512)
31 December 2019	414	1,806	7,430	1,444	1,811	659	360	110	14,034
Purchase/transfer in	-	18	785	149	121	2,271	32	1	3,377
Disposal/write-off/transfer out	-	-	(182)	(170)	(3)	(1,541)	(40)	(2)	(1,938)
31 December 2020	414	1,824	8,033	1,423	1,929	1,389	352	109	15,473
Accumulated depreciation:									
1 January 2019	-	514	3,699	1,175	805	-	181	78	6,452
Depreciation for the year	-	33	912	140	181	-	61	6	1,333
Depreciation - disposal/write-off	-	(6)	(268)	(89)	(42)	-	(8)	(5)	(418)
31 December 2019	-	541	4,343	1,226	944	-	234	79	7,367
Depreciation for the year	-	37	1,055	199	230	-	66	6	1,593
Depreciation - disposal/write-off	-	-	(178)	(180)	(3)	-	(40)	(1)	(402)
31 December 2020	-	578	5,220	1,245	1,171	-	260	84	8,558

16. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Allowance for impairment loss:									
1 January 2019	-	100	1	-	3	-	-	1	105
Reversal allowance for impairment during the year	-	(83)	(1)	-	(1)	-	-	(1)	(86)
31 December 2019	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2019	414	1,248	3,087	218	865	659	126	31	6,648
As at 31 December 2020	414	1,229	2,813	178	756	1,389	92	25	6,896
Depreciation for the year									
Year 2019 (Baht 1,145 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,333
Year 2020 (Baht 1,389 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,593

As at 31 December 2020, certain items of building, machinery and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately of Baht 6,413 million (2019 - restated: Baht 5,607 million) (The Company only: Baht 4,719 million, 2019: Baht 4,151 million).

17. Goodwill

The net book value of goodwill as at 31 December 2020 and 2019 is presented below.

	(Unit: Million Baht)
	Consolidated financial statements
Net book value as at 1 January 2019	438
Translation adjustment	(20)
Net book value as at 31 December 2019	418
Translation adjustment	19
Net book value as at 31 December 2020	<u>437</u>

As at 31 December 2020, the net book value of the goodwill as above included the goodwill of approximately Baht 215 million from Power electronics segment related to DES products and the goodwill of approximately Baht 222 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. ("Eltek SK") in 2017.

The Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period.

Key assumptions used in the value in use calculation of each group of the cash generating units are summarised below:

	(Unit: Percent per annum)	
	Power electronics segment related to DES products	Eltek s.r.o.
Terminal growth rates	2%	2%
Pre-tax discount rates	12%	12%

The management of the Group determined growth rates based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to each cash generating units.

The Group performed impairment tested on goodwill by comparing the recoverable amount of the cash generating units (calculated by independent appraiser) with their carrying value and found that the recoverable amount of the cash generating units was higher than the carrying value. The management of the Group thus believes that goodwill is not impaired.

18. Other intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				Total
	Patent rights	Computer software	Customer relationship	Others	
Cost:					
1 January 2019	1,065	299	131	3	1,498
Purchase	-	76	-	-	76
Disposals	-	(11)	-	-	(11)
Translation adjustment	(75)	(20)	(12)	(1)	(108)
31 December 2019	990	344	119	2	1,455
Purchase	63	137	-	-	200
Disposals	-	(3)	-	-	(3)
Translation adjustment	(4)	21	11	-	28
31 December 2020	1,049	499	130	2	1,680
Accumulated amortisation:					
1 January 2019	749	248	22	3	1,022
Amortisation for the year	51	41	13	-	105
Disposals	-	(9)	-	-	(9)
Translation adjustment	(55)	(19)	(2)	(1)	(77)
31 December 2019	745	261	33	2	1,041
Amortisation for the year	53	66	13	-	132
Disposals	-	(2)	-	-	(2)
Translation adjustment	(5)	16	2	-	13
31 December 2020	793	341	48	2	1,184
Net book value:					
31 December 2019	245	83	86	-	414
31 December 2020	256	158	82	-	496

(Unit: Million Baht)

	Separate financial statements		
	Computer		Total
	Patent rights	software	
Cost:			
1 January 2019	-	85	85
31 December 2019	-	85	85
Purchase	63	-	63
Disposals	-	(1)	(1)
31 December 2020	63	84	147
Accumulated amortisation:			
1 January 2019	-	83	83
Amortisation for the year	-	1	1
31 December 2019	-	84	84
Amortisation for the year	1	1	2
Disposals	-	(1)	(1)
31 December 2020	1	84	85
Net book value:			
31 December 2019	-	1	1
31 December 2020	62	-	62

19. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
		(Restated)		
Trade payables - related parties (Note 7)	1,372	882	739	536
Trade payables - unrelated parties	9,940	5,853	8,981	5,212
Other payables - related parties (Note 7)	577	296	788	654
Other payables - unrelated parties	1,084	889	1,003	746
Accrued expenses - related parties (Note 7)	284	197	285	197
Accrued expenses - unrelated parties	2,352	1,826	1,592	1,041
Advance received	572	312	357	88
Total trade and other payables	16,181	10,255	13,745	8,474

20. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Forward contracts payable (Note 33)	-	1	-	-
Withholding tax payable	189	136	133	89
Value added tax payable	103	97	8	5
Others	101	81	28	16
Total other current liabilities	<u>393</u>	<u>315</u>	<u>169</u>	<u>110</u>

21. Leases

The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases have lease terms between 1 - 99 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Million Baht)

	Consolidated					Separate
	financial statements					financial statements
	Land	Buildings	Machinery and equipment	Motor Vehicles	Total	Buildings
1 January 2020 (Note 4)	198	90	1	25	314	5
Additions	-	134	9	5	148	-
Depreciation for the year	(2)	(78)	(3)	(15)	(98)	(5)
Translation adjustment	(6)	18	2	(1)	13	-
31 December 2020	<u>190</u>	<u>164</u>	<u>9</u>	<u>14</u>	<u>377</u>	<u>-</u>

b) Lease liabilities

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
	<u>2020</u>	<u>2020</u>
Lease payments	184	-
Less: Deferred interest expenses	(3)	-
Total	<u>181</u>	<u>-</u>
Less: Portion due within one year	(73)	-
Lease liabilities - net of current portion	<u>108</u>	<u>-</u>

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Million Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	98	5
Interest expense on lease liabilities	2	-
Expense relating to short-term leases and leases of low-value assets	69	14

d) Other

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 150 million, including the cash outflow related to short-term lease and leases of low-value assets.

22. Provision for long-term employee benefits

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Defined benefit obligation	(1,602)	(1,474)	(465)	(445)
Fair value of plan assets	60	47	-	-
Provisions for long-term employee benefits as at 31 December	(1,542)	(1,427)	(465)	(445)

The change in the defined benefit obligation is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Defined benefit obligation at beginning of year	(1,474)	(1,273)	(445)	(282)
Included in profit or loss:				
Current service cost	(64)	(50)	(42)	(33)
Interest cost	(23)	(28)	(11)	(9)
Past service costs and gains or losses on settlement	-	(110)	-	(102)
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	(17)	(142)	-	(22)
Financial assumptions changes	-	(11)	-	(11)
Experience adjustments	(2)	(11)	-	(8)
Benefits paid during the year	77	61	33	22
Translation adjustments	(99)	90	-	-
Defined benefit obligation at end of year	(1,602)	(1,474)	(465)	(445)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fair value of plan assets at beginning of year	47	39	-	-
Included in profit or loss:				
Interest income on plan assets	3	3	-	-
Contributions by employer	14	11	-	-
Benefits paid during the year	(3)	(2)	-	-
Translation adjustments	(1)	(4)	-	-
Fair value of plan assets at end of year	60	47	-	-

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Government bonds	35	28	-	-
Debentures	20	16	-	-
Others	5	3	-	-

The Group expects to pay Baht 92 million of long-term employee benefits during the next year (The Company only: Baht 24 million) (2019: Baht 72 million, the Company only: Baht 10 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group is 9 - 21 years (The Company only: 14 years) (2019: 9 - 22 years, the Company only: 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	0.7 - 6.7	0.8 - 7.7	2.5	2.5
Future salary increase rates (depending on age)	2.3 - 9.0	2.3 - 9.0	2.3 - 9.0	2.3 - 9.0
Pension increase rate	1.5	1.5	-	-
Turnover rate	0.8 - 15.0	0.8 - 15.0	3.5 - 15.0	3.5 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 1%-10%	Decrease 1%-10%
Discount rate	Decrease 122	Increase 138	Decrease 46	Increase 54
Future salary increase rates (depending on age)	Increase 61	Decrease 54	Increase 56	Decrease 50
Pension increase rate	Increase 67	Decrease 61	-	-
Turnover rate	Decrease 24	Increase 27	Decrease 20	Increase 21

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 1%-10%	Decrease 1%-10%
Discount rate	Decrease 92	Increase 147	Decrease 23	Increase 71
Future salary increase rates (depending on age)	Increase 73	Decrease 24	Increase 69	Decrease 22
Pension increase rate	Increase 61	Decrease 56	-	-
Turnover rate	Decrease 1	Increase 44	Increase 2	Increase 40

23. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Warranty	Other	Total	Warranty	Other	Total
		provisions			provisions	
Balance as at 1 January 2019						
- restated	485	40	525	271	8	279
Recognition during year	251	88	339	102	7	109
Decrease during year	(34)	(5)	(39)	(23)	-	(23)
Reversal during year	(117)	(78)	(195)	(64)	-	(64)
Translation adjustment/unrealised gain on exchange rate	(146)	(3)	(149)	(12)	-	(12)
Balance as at 31 December 2019						
- restated	439	42	481	274	15	289
Recognition during year	209	75	284	103	-	103
Decrease during year	(8)	(19)	(27)	(8)	(15)	(23)
Reversal during year	(168)	(78)	(246)	(68)	-	(68)
Translation adjustment/unrealised loss on exchange rate	3	2	5	1	-	1
Balance as at 31 December 2020	475	22	497	302	-	302
Short-term provisions	67	25	92	-	-	-
Long-term provisions	372	17	389	274	15	289
Balance as at 31 December 2019						
- restated	439	42	481	274	15	289
Short-term provisions	57	19	76	-	-	-
Long-term provisions	418	3	421	302	-	302
Balance as at 31 December 2020	475	22	497	302	-	302

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 for each type of products under current warranty.

24. Statutory reserve

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

25. 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	2,245	1.80
Final dividend for year 2018	Annual General Meeting of the shareholders on 2 April 2019	2,869	2.30

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Salaries, wages and other employee benefits	9,343	8,610	5,983	5,375
Raw materials used and purchase of finished goods	40,230	33,087	32,918	25,242
Changes in finished goods and work in progress	(1,815)	(733)	(406)	(674)
Depreciation	2,075	1,630	1,598	1,333
Amortisation	132	105	2	1
Commission expenses	843	667	1,058	836
Marketing fee	48	12	125	97
Design and engineering fee	6	51	1,943	1,924
Services paid	122	96	122	96
Royalty paid	1,698	1,215	1,698	1,215

27. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Current income tax:				
Current income tax charge	(230)	(86)	(49)	-
Adjustment in respect of income tax of previous year	26	2	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	6	49	-	-
Translation adjustment	9	12	-	-
Income tax expenses reported in profit or loss	(189)	(23)	(49)	-

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

	Consolidated financial statements		(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Accounting profit before tax	7,259	2,997	7,082	2,419
Income tax at Thai corporate income tax rate of 20%	(1,452)	(599)	(1,416)	(483)
Adjust in respect of income tax of previous years	26	2	-	-
Effect of elimination entries on the consolidated financial statements	(161)	24	-	-
Tax effect of:				
Difference in tax rates of overseas subsidiaries	(35)	(26)	-	-
Tax savings from the tax privileges granted by the government	1,336	506	1,335	498
Loss for the current year	(17)	(11)	-	(7)
Non-deductible expenses	(4)	(14)	-	(1)
Unrecognised deferred tax assets on temporary differences	(48)	46	(7)	(7)
Utilisation of previously unrecognised deferred tax asset on tax losses	80	45	38	-
Exemption of income	75	-	-	-
Others	11	4	1	-
Total	1,398	550	1,367	483
Income tax expenses reported in profit or loss	(189)	(23)	(49)	-

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are 0% to 35%.

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	24	54	-	-
Allowance for diminution in value of inventories	190	168	-	-
Bonus payable	-	11	-	-
Provision for warranty	10	8	-	-
Tax loss brought forward	2	3	-	-
Others	63	39	-	-
Total	<u>289</u>	<u>283</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	114	114	-	-
Total	<u>114</u>	<u>114</u>	<u>-</u>	<u>-</u>

As at 31 December 2020 the Group has deductible temporary differences and unused tax losses totaling Baht 3,628 million, INR 276 million or approximately Baht 112 million and EUR 38 million or approximately Baht 1,404 million (2019: Baht 4,382 million, INR 316 million or approximately Baht 133 million, EUR 43 million or approximately Baht 1,458 million, RUB 49 million or approximately Baht 24 million and MMK 74 million or approximately Baht 1 million). No deferred tax assets have been recognised on these amounts as the Company has been granted tax privileges by the Board of Investment and the subsidiaries have determined that they may not be able to utilise the deductible temporary difference and unused tax losses because they do not yet have any taxable profits and they are unable to estimate the benefit they would generate from utilisation of such deductible temporary difference and unused tax losses.

Detail of expiry date of unused tax losses are summarised as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
The five-year limitation period				
31 December 2020	-	1	-	-
31 December 2021	5	5	-	-
31 December 2022	193	539	177	523
31 December 2023	22	46	-	-
31 December 2024	24	-	14	-
The eight-year limitation period				
31 March 2020	-	17	-	-
31 March 2021	33	34	-	-
31 March 2022	21	22	-	-
31 March 2023	13	13	-	-
31 March 2024	15	15	-	-
No expiry date	<u>1,435</u>	<u>1,490</u>	<u>-</u>	<u>-</u>
Total	<u><u>1,761</u></u>	<u><u>2,182</u></u>	<u><u>191</u></u>	<u><u>523</u></u>

As at 31 December 2020, the total amount of temporary differences associated with investments in subsidiaries and associates for which deferred tax liability has not been recognised, is Baht 309 million (2019: Baht 230 million).

28. Promotional privileges

The Company was granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company are as follows:

Details	The Company								
	1494(2)/2552	2061(1)/2553	1732(2)/2557	1158(2)/2558	1688(2)/2558	61-1505-1-00-1-0	62-0076-1-00-0-0	63-0114-1-00-1-0	63-0340-1-00-1-0
1. Certificate No.	1494(2)/2552	2061(1)/2553	1732(2)/2557	1158(2)/2558	1688(2)/2558	61-1505-1-00-1-0	62-0076-1-00-0-0	63-0114-1-00-1-0	63-0340-1-00-1-0
2. Promotional privileges for	Manufacturing of DC FAN	Manufacturing of telecommunication equipment and electronics products for vehicle	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of electro - magnetic products	Manufacturing of Ventilation Fan.	Manufacturing of telecommunication equipment	Manufacturing of electric vehicle equipment
3. The significant privileges are									
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	8 years (Maximum amount Baht 298,170,000)	8 years	7 years (Maximum amount Baht 124,000,000)	7 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 538,898,005)	4 years (Maximum amount Baht 1,572,170,000)	Non-granted	6 years (Maximum amount Baht 397,000,000)	8 years (Maximum amount Baht 1,547,250,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Granted	Non - granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.4 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.5 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted
4. Date of first earning operating income	15 March 2013	10 January 2015	5 January 2018	5 January 2017	1 December 2017	Not yet commenced operation	27 July 2019	8 January 2020	Not yet commenced operation
5. Additional right and benefit	Granted the additional tax incentive under the Skill, Technology and Innovation	-	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	-	-	-	-

The Company's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	337	365	337	73	674	438
Export sales	51,085	36,222	1,942	3,424	53,027	39,646
Service income	-	-	61	38	61	38
Total Sales and service income	<u>51,422</u>	<u>36,587</u>	<u>2,340</u>	<u>3,535</u>	<u>53,762</u>	<u>40,122</u>

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

- Delta Green Industrial (Thailand) Company Limited was granted promotional privileges by the Board of Investment for the manufacture of Inverters, pursuant to the promotion certificate No. 1813(2)/2554 issued on 10 May 2011, and the manufacture of electric light bulbs and display monitors, pursuant to the promotion certificate No. 1814(2)/2554 issued on 24 May 2011. Subject to certain imposed conditions, the privileges include the followings:-
 - 1) An exemption from corporate income tax on all profit from the promoted operations for a period of seven years from the date those operations commence generating revenues, with the exemption capped at 100 percent of investment, excluding land costs and working capital, or maximum amounts of Baht 182 million for the promotion certificate No. 1813(2)/2554 and Baht 202 million for the promotion certificate No. 1814(2)/2554.
 - 2) An exemption from import duty on machinery as approved by the Board of Investment.
 - 3) An exemption from import duty on raw materials and significant supplies used in export production.

Delta Green Industrial (Thailand) Company Limited has not yet commenced the operations under promotional privileges.

- On 20 March 2019, Delta Electronics India Pvt. Ltd. was granted tax privileges by the Government of India for operations in a special economic zone at Krishnagiri. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 15 years from the year in which the promoted operations commenced, ending on 31 March 2034.

29. Earnings per share

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

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as president of the Group.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others		Consolidated financial statements	
	<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>
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Revenue										
Sales from external customers	44,912	32,228	15,660	16,896	1,718	1,901	51	126	62,341	51,151
Service income from external customers	108	68	592	567	93	219	74	42	867	896
Total revenue	<u>45,020</u>	<u>32,296</u>	<u>16,252</u>	<u>17,463</u>	<u>1,811</u>	<u>2,120</u>	<u>125</u>	<u>168</u>	<u>63,208</u>	<u>52,047</u>
Segment profit (loss)	5,776	2,544	1,710	552	(11)	216	(1,118)	(990)	6,357	2,322
Unallocated income (expenses):										
Gain on exchange rate									388	32
Other income									507	429
Loss on sales of investments in associated companies									(95)	-
Other expenses									(68)	(47)
Share of profit from investments in associated companies									61	25
Finance income									111	238
Finance cost									(1)	(2)
Profit before income tax expenses									7,260	2,997
Income tax expenses for the year									(189)	(23)
Income tax expenses resulting from tax assessments									(19)	-
Profit for the year									<u>7,052</u>	<u>2,974</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.

Geographic information:

Revenue from external customers is based on locations of the customers

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
		(Restated)
United States	22,041	13,032
China	8,722	7,833
Germany	5,705	5,274
India	4,641	6,274
Ireland	3,947	2,464
Singapore	3,640	2,958
Norway	1,952	1,962
Taiwan	1,850	1,254
Netherlands	1,367	1,250
Others	9,343	9,746
Total	<u>63,208</u>	<u>52,047</u>

Non-current assets (Other than financial instruments, deferred tax assets and net defined benefit assets)

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
		(Restated)
Thailand	6,958	6,651
Slovakia	1,559	1,460
India	3,986	3,090
Germany	989	743
Others	338	294
Total	<u>13,830</u>	<u>12,238</u>

Major customer

For the year 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

31. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 7 percent of basic salary (2019: 7 percent of basic salary). The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 121 million (2019: Baht 111 million) were recognised as expenses.

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

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2020, the Group had significant capital commitments amounting to Baht 113 million, EUR 2 million or approximately Baht 78 million, USD 0.3 million or approximately Baht 10 million and INR 5,679 million or approximately Baht 2,314 million in respect of the building construction, purchase of machinery and equipment (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) (The Company only: Baht 113 million, 2019: Baht 723 million).

32.2 Lease commitments

As at 31 December 2020 and 2019, future minimum lease payments required under these operating lease commitments were as follows.

Foreign currency	Amount (Million in foreign currency)	As at 31 December 2020		
		Payable		
		In up to 1 year (Million Baht)	In over 1 and up to 5 years (Million Baht)	In over 5 years (Million Baht)
Euro	2	21	37	29
	Total	21	37	29

		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 Baht)	(Million Baht)	(Million Baht)
		(Million in foreign currency)		
Indian rupee	202	44	41	-
Euro	2	39	37	7
US dollar	1	8	9	-
Australian dollar	1	7	9	-
	Total	98	96	7

32.3 Long-term service commitments

32.3.1 Intellectual Property & Technology License commitments

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. For the year 2020, the Company has recorded royalty expenses of approximately Baht 1,698 million (2019: Baht 1,215 million) under this agreement.

32.3.2 Research and development service commitments

The Company entered into a research and development service agreement with the subsidiary companies. Under this agreement, the subsidiary companies 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 a margin, on an arm’s length basis. This agreement matures annually.

The Company has recorded the design and engineering fees as “Research and development expenses” in the statements of comprehensive income. For the year 2020, the Company has recorded design and engineering expenses of approximately Baht 1,934 million (2019: Baht 1,924 million) under this agreement.

32.4 Guarantee obligations

As at 31 December 2020, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 32.4.1 Outstanding letters of guarantee totaling approximately Baht 373 million (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 (2019: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 32.5.1 to the financial statements).
- 32.4.2 Outstanding letters of guarantee for totals of approximately INR 1,249 million or approximately Baht 509 million, EUR 0.4 million or approximately Baht 13 million, AUD 2 million or approximately Baht 38 million have been issued by banks to meet requirements of the subsidiaries (2019: INR 1,156 million or approximately Baht 486 million, EUR 0.3 million or approximately Baht 12 million).

32.5 Tax assessment

- 32.5.1 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.

During the current year, the Company has recorded provisions for tax assessments totaling approximately Baht 19 million under the caption of "Income tax expenses resulting from tax assessments" in the statement of comprehensive income. As a result, the Company has recorded provisions totaling approximately Baht 258 million (including penalties and surcharges) for the tax assessments mentioned in a., b., c., and d., under the caption of "Liabilities and provision from tax assessments" in the statement of financial position.

- 32.5.2 The Indian tax authorities assessed corporate income tax of approximately INR 232 million or approximately Baht 94 million, covering the years 2003 - 2016, and sales tax and excise duties of approximately INR 256 million or approximately Baht 104 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.

33. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had certain assets and liabilities that were measured at fair value or for which fair value were disclosed using different levels of inputs (as mentioned in Note 5.19 to the financial statements) as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 11)	-	149	-	149
Liabilities measured at fair value				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 15)	-	-	261	261

(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 12)	-	34	-	34
Liabilities measured at fair value				
Foreign currency forward contracts (Note 20)	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 15)	-	-	228	228

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 11)	-	149	-	149

(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 12)	-	33	-	33

34. Financial instruments

34.1 Derivatives

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	149	34	149	33
Total derivative assets	149	34	149	33
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	1	1	-	-
Total derivative liabilities	1	1	-	-

Derivatives not designated as hedging instruments

The Group uses foreign currency forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 4 months.

34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, other accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties.

The credit risk is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into derivatives, in the form of foreign currency forward contracts, in order to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign currency forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of the financial assets and financial liabilities denominated in foreign currencies are summarised below:

(Unit: Million foreign currency unit)

Foreign currency	As at 31 December							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
US dollar	263	165	106	189	466	320	326	189
Euro	6	6	2	2	6	5	11	16
Japanese yen	177	201	124	246	177	201	367	244

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 December	
	<u>2020</u>	<u>2019</u>
US dollar	30.0371	30.1540
Euro	36.8764	33.7311
Japanese yen	0.2907	0.2759

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar, Euro and Japanese yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)
US dollar	+3	141
	-3	(141)
Euro	+4	6
	-4	(6)
Japanese yen	+2	0.3
	-2	(0.3)

This information is not a forecast or prediction of future market conditions and should be used with care.

As at 31 December 2020 and 2019, the outstanding forward contracts are summarised below.

Consolidated financial statements						
As at 31 December 2020						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
Forward contracts to "Buy"						
USD/INR	USD	6	million	73.7350 - 73.8625	INR/USD	January 2021
JPY/THB	JPY	90	million	0.2892 - 0.2916	THB/JPY	January - March 2021
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 31 December 2020						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
Forward contracts to "Buy"						
JPY/THB	JPY	90	million	0.2892 - 0.2916	THB/JPY	January - March 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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks. Most of the Group's financial assets and financial liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and financial liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
Fixed interest rates			Floating		Total	Interest rate (% p.a.)	
Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing			
Financial assets							
Cash and cash equivalents	2,922	-	-	9,415	1,545	13,882	0.00 - 8.00
Trade and other receivables	-	-	-	-	13,997	13,997	-
Other financial assets	205	-	-	-	149	354	3.50 - 4.00
Deposits at bank with restrictions	-	-	-	1	50	51	3.00 - 5.00
Total	3,127	-	-	9,416	15,741	28,284	
Financial liabilities							
Trade and other payables	-	-	-	-	16,181	16,181	-
Total	-	-	-	-	16,181	16,181	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2019 - restated							
Fixed interest rates			Floating		Total	Interest rate (% p.a.)	
Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing			
Financial assets							
Cash and cash equivalents	2,931	-	-	8,377	1,196	12,504	0.00 - 8.25
Current investments	2	-	-	-	-	2	4.00
Trade and other receivables	-	-	-	-	9,845	9,845	-
Deposits at bank with restrictions	1	47	-	-	2	50	5.25 - 8.17
Total	2,934	47	-	8,377	11,043	22,401	
Financial liabilities							
Trade and other payables	-	-	-	-	10,255	10,255	-
Total	-	-	-	-	10,255	10,255	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1 - 5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	8,404	2	8,406	0.00 - 0.55
Trade and other receivables	-	-	-	-	14,147	14,147	-
Total	-	-	-	8,404	14,149	22,553	
Financial liabilities							
Trade and other payables	-	-	-	-	13,745	13,745	-
Total	-	-	-	-	13,745	13,745	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2019							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over		interest	Non-interest		
	1 year	1 - 5 years	5 years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	6,195	38	6,233	0.00 - 1.20
Trade and other receivables	-	-	-	-	9,468	9,468	-
Total	-	-	-	6,195	9,506	15,701	
Financial liabilities							
Trade and other payables	-	-	-	-	8,474	8,474	-
Total	-	-	-	-	8,474	8,474	

The Group only exposure to interest rate risk related to cash at bank. Since the interest rates on savings accounts are considered low and fluctuate only slightly, the management believes that the impact of interest rate risk is immaterial.

Liquidity risk

Approximately 88% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 84%) (the Company only: 95%, 2019: 92%) The Group has assessed the liquidity risk and concluded it to be low. The Group believes that it has ability to pay its debts and accessibility to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	16,181	-	16,181
Lease liabilities	-	73	108	181
Total non-derivatives	-	16,254	108	16,362
Derivatives				
Derivative liabilities: net settled	-	1	-	1
Total	-	1	-	1

(Unit: Million Baht)

	Separate financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	13,745	-	13,745
Total non-derivatives	-	13,745	-	13,745

34.3 Fair values of financial instruments

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

For derivatives, the fair value of derivatives has been determined 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, interest rate yield curves and commodity price yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives.

35. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.52:1 (2019 - restated: 0.39:1) and the Company's was 0.40:1(2019: 0.29:1).

36. Events after the reporting period

On 19 February 2021, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 3.3 per share, a total of Baht 4,116 million. The dividend will be paid from the Company's operating results for the year 2020.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.