

Delta Electronics (Thailand) Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month period ended 31 March 2021

## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2021, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

Preecha Arunnara  
Certified Public Accountant (Thailand) No. 5800

EY Office Limited  
Bangkok: 27 April 2021

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2021**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		13,340,901	13,881,848	8,083,548	8,405,731
Trade and other receivables	3	16,284,899	13,997,069	16,597,278	14,147,454
Inventories	4	14,614,610	12,655,362	9,975,041	8,536,087
Other current financial assets	5	14,085	354,397	11,331	148,965
Other current assets	6	1,658,236	1,563,053	495,870	403,684
<b>Total current assets</b>		<b>45,912,731</b>	<b>42,451,729</b>	<b>35,163,068</b>	<b>31,641,921</b>
<b>Non-current assets</b>					
Deposits at bank with restrictions		39,859	51,052	-	-
Investments in subsidiary companies	8	-	-	14,088,606	14,088,146
Investment properties	9	229,577	233,116	-	-
Property, plant and equipment	10	14,068,765	12,724,466	7,580,262	6,895,756
Right-of-use assets	14	379,867	376,638	2,538	-
Goodwill		435,907	436,914	-	-
Other intangible assets	11	491,545	495,955	60,169	61,712
Deferred tax assets		281,595	289,013	-	-
Other non-current assets		141,252	160,045	10,381	3,280
<b>Total non-current assets</b>		<b>16,068,367</b>	<b>14,767,199</b>	<b>21,741,956</b>	<b>21,048,894</b>
<b>Total assets</b>		<b>61,981,098</b>	<b>57,218,928</b>	<b>56,905,024</b>	<b>52,690,815</b>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	12	18,552,947	16,181,007	15,939,917	13,744,597
Dividend payable	17	4,116,359	-	4,116,359	-
Income tax payable		162,442	188,698	49,174	49,174
Current portion of lease liabilities	14	73,945	72,789	948	-
Short-term provisions	16	89,446	76,373	-	-
Liabilities and provision from tax assessments	21.5.1	258,173	258,173	258,173	258,173
Derivative liabilities	22.2	160,058	675	160,058	-
Other current liabilities	13	353,029	392,650	111,547	168,819
<b>Total current liabilities</b>		<b>23,766,399</b>	<b>17,170,365</b>	<b>20,636,176</b>	<b>14,220,763</b>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	14	104,664	107,792	1,592	-
Deferred tax liabilities		122,902	114,184	-	-
Provision for long-term employee benefits	15	1,538,168	1,542,246	466,807	465,244
Long-term provisions	16	454,842	420,588	329,055	302,036
Other non-current liabilities		306,956	256,324	1,364	1,357
<b>Total non-current liabilities</b>		<b>2,527,532</b>	<b>2,441,134</b>	<b>798,818</b>	<b>768,637</b>
<b>Total liabilities</b>		<b>26,293,931</b>	<b>19,611,499</b>	<b>21,434,994</b>	<b>14,989,400</b>

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

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
1,259,000,000 ordinary shares of Baht 1 each	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>
Issued and fully paid				
1,247,381,614 ordinary shares of Baht 1 each	1,247,382	1,247,382	1,247,382	1,247,382
Share premium	1,491,912	1,491,912	1,491,912	1,491,912
Difference from business combination under common control	(1,339,694)	(1,339,694)	-	-
Retained earnings				
Appropriated - Statutory reserve	125,900	125,900	125,900	125,900
Unappropriated	36,856,742	39,216,330	32,604,836	34,836,221
Other components of shareholders' equity	<u>(2,689,923)</u>	<u>(3,130,090)</u>	-	-
Equity attributable to owners of the Company	35,692,319	37,611,740	35,470,030	37,701,415
Non-controlling interests of the subsidiary	<u>(5,152)</u>	<u>(4,311)</u>	-	-
<b>Total shareholders' equity</b>	<u>35,687,167</u>	<u>37,607,429</u>	<u>35,470,030</u>	<u>37,701,415</u>
<b>Total liabilities and shareholders' equity</b>	<u>61,981,098</u>	<u>57,218,928</u>	<u>56,905,024</u>	<u>52,690,815</u>
	-	-	-	-

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

.....  
Directors  
.....

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2021**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	18,801,655	12,586,269	16,229,929	10,288,413
Service income	237,000	168,797	24,649	17,558
Other income				
Gain on exchange	251,131	222,510	247,933	224,723
Others	191,878	69,381	145,944	34,515
<b>Total revenues</b>	<u>19,481,664</u>	<u>13,046,957</u>	<u>16,648,455</u>	<u>10,565,209</u>
<b>Expenses</b>				
Cost of sales	14,731,755	10,021,564	12,416,034	7,840,360
Cost of services	203,632	147,282	18,473	12,909
Selling and distribution expenses	21.3.1 1,465,469	947,152	1,229,273	698,173
Administrative expenses	481,850	420,128	296,221	270,353
Research and development expenses	21.3.2 783,528	699,513	804,066	732,951
Other expenses	18,108	7,513	6,805	26,928
<b>Total expenses</b>	<u>17,684,342</u>	<u>12,243,152</u>	<u>14,770,872</u>	<u>9,581,674</u>
<b>Profit from operating activities</b>	1,797,322	803,805	1,877,583	983,535
Share of loss from investments in associated companies	7 -	(53,938)	-	-
Finance income	19,112	42,231	7,395	16,991
Finance cost	(454)	(250)	(4)	(11)
<b>Profit before tax income (expenses)</b>	1,815,980	791,848	1,884,974	1,000,515
Tax income (expenses) for the period	18 (60,050)	36,023	-	-
<b>Profit for the period</b>	<u>1,755,930</u>	<u>827,871</u>	<u>1,884,974</u>	<u>1,000,515</u>

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

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the three-month period ended 31 March 2021**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	440,167	655,189	-	-
Share of other comprehensive income from investments in associated companies	7	(10,460)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	440,167	644,729	-	-
<b>Other comprehensive income for the period</b>	<b>440,167</b>	<b>644,729</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>2,196,097</b>	<b>1,472,600</b>	<b>1,884,974</b>	<b>1,000,515</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	1,756,771	856,489	<u>1,884,974</u>	<u>1,000,515</u>
Non-controlling interests of the subsidiary	(841)	637		
Shareholders of subsidiary before business combination under common control	-	(29,255)		
	<u>1,755,930</u>	<u>827,871</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,196,938	1,507,885	<u>1,884,974</u>	<u>1,000,515</u>
Non-controlling interests of the subsidiary	(841)	637		
Shareholders of subsidiary before business combination under common control	-	(35,922)		
	<u>2,196,097</u>	<u>1,472,600</u>		
<b>Earnings per share</b>	19			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.41</u>	<u>0.69</u>	<u>1.51</u>	<u>0.80</u>

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

(Unaudited but reviewed)

## Delta Electronics (Thailand) Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>																
Equity attributable to shareholders of the Company																
	Issued and fully paid		Difference from business combination under common control			Retained earnings			Other components of shareholders' equity				Equity attributable to shareholders of subsidiary before business combination under common control	Total shareholders' equity		
									Other comprehensive income		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
									Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income from investments in associated companies						
	share capital	Share premium	common control	Appropriated	Unappropriated	in foreign currency	associated companies	shareholders' equity	the Company	of the subsidiary	common control	equity				
<b>Balance as at 1 January 2020</b>	1,247,382	1,491,912	(1,004,027)	125,900	34,359,240	(3,240,868)	30,685	(3,210,183)	33,010,224	(3,882)	-	33,006,342				
Cumulative effect of business combination under common control	-	-	-	-	-	-	-	-	-	-	175,819	175,819				
<b>Balance as at 1 January 2020 - as restated</b>	1,247,382	1,491,912	(1,004,027)	125,900	34,359,240	(3,240,868)	30,685	(3,210,183)	33,010,224	(3,882)	175,819	33,182,161				
Profit for the period - as restated	-	-	-	-	856,489	-	-	-	856,489	637	(29,255)	827,871				
Other comprehensive income for the period - as restated	-	-	-	-	-	661,856	(10,460)	651,396	651,396	-	(6,667)	644,729				
Total comprehensive income for the period - as restated	-	-	-	-	856,489	661,856	(10,460)	651,396	1,507,885	637	(35,922)	1,472,600				
Dividend paid (Note 17)	-	-	-	-	(2,245,287)	-	-	-	(2,245,287)	-	-	(2,245,287)				
<b>Balance as at 31 March 2020 - as restated</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,004,027)</u>	<u>125,900</u>	<u>32,970,442</u>	<u>(2,579,012)</u>	<u>20,225</u>	<u>(2,558,787)</u>	<u>32,272,822</u>	<u>(3,245)</u>	<u>139,897</u>	<u>32,409,474</u>				
<b>Balance as at 1 January 2021</b>	1,247,382	1,491,912	(1,339,694)	125,900	39,216,330	(3,130,090)	-	(3,130,090)	37,611,740	(4,311)	-	37,607,429				
Profit for the period	-	-	-	-	1,756,771	-	-	-	1,756,771	(841)	-	1,755,930				
Other comprehensive income for the period	-	-	-	-	-	440,167	-	440,167	440,167	-	-	440,167				
Total comprehensive income for the period	-	-	-	-	1,756,771	440,167	-	440,167	2,196,938	(841)	-	2,196,097				
Dividend paid (Note 17)	-	-	-	-	(4,116,359)	-	-	-	(4,116,359)	-	-	(4,116,359)				
<b>Balance as at 31 March 2021</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>36,856,742</u>	<u>(2,689,923)</u>	<u>-</u>	<u>(2,689,923)</u>	<u>35,692,319</u>	<u>(5,152)</u>	<u>-</u>	<u>35,687,167</u>				

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

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				<b>Total shareholders' equity</b>
	<b>Issued and fully paid share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>		
			<b>Appropriated</b>	<b>Unappropriated</b>	
<b>Balance as at 1 January 2020</b>	1,247,382	1,491,912	125,900	30,067,468	32,932,662
Profit for the period	-	-	-	1,000,515	1,000,515
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,000,515	1,000,515
Dividend paid (Note 17)	-	-	-	(2,245,287)	(2,245,287)
<b>Balance as at 31 March 2020</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>28,822,696</u>	<u>31,687,890</u>
<b>Balance as at 1 January 2021</b>	1,247,382	1,491,912	125,900	34,836,221	37,701,415
Profit for the period	-	-	-	1,884,974	1,884,974
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,884,974	1,884,974
Dividend paid (Note 17)	-	-	-	(4,116,359)	(4,116,359)
<b>Balance as at 31 March 2021</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>32,604,836</u>	<u>35,470,030</u>
					-

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

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>				
Profit before tax	1,815,980	791,848	1,884,974	1,000,515
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	525,638	500,811	397,384	393,462
Amortisation	38,092	29,053	1,543	180
Recording of allowance for expected credit losses (reversal)	(2,271)	25,592	(298)	773
Reduction of inventory to net realisable value (reversal)	6,112	(37,115)	(2,619)	(81,843)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(58,522)	(48,836)	(30,128)	(38,523)
Increase in provision for long-term employee benefits	21,840	20,291	12,906	13,385
Recording of the increase in provisions	33,302	35,332	16,975	8,299
Share of loss from investments in associated companies	-	53,938	-	-
(Gain) loss from disposal/written-off of property, plant and equipment	143	1,487	(151)	888
Loss from write-off other intangible assets	-	302	-	-
Unrealised gain on exchange	(234,038)	(74,128)	(220,251)	(155,385)
Interest income	(19,112)	(42,231)	(7,395)	(16,991)
Interest expenses	454	250	4	11
Profit from operating activities before changes in operating assets and liabilities	2,127,618	1,256,594	2,052,944	1,124,771
Decrease (increase) in operating assets:				
Trade and other receivables	(1,361,834)	(724,008)	(1,541,464)	(653,524)
Inventories	(1,906,838)	(666,118)	(1,406,207)	(607,311)
Other current assets	(114,513)	(162,670)	(102,607)	(58,027)
Other non-current assets	46,417	9,467	(7,101)	(1)
Increase (decrease) in operating liabilities:				
Trade and other payables	1,903,628	1,628,596	1,745,330	1,408,724
Other current liabilities	(41,161)	(26,366)	(58,174)	(29,704)
Provision for long-term employee benefits	(21,780)	(11,963)	(11,343)	(2,435)
Provisions	(5,465)	(1,952)	(4,219)	(582)
Other non-current liabilities	50,632	43,363	7	-
Cash flows from operating activities	676,704	1,344,943	667,166	1,181,911
Cash received from interest income	32,537	38,015	7,395	5,228
Cash paid for interest expenses	(737)	(535)	(4)	(11)
Cash paid for corporate income tax	(88,113)	(37,202)	(218)	(424)
<b>Net cash flows from operating activities</b>	<b>620,391</b>	<b>1,345,221</b>	<b>674,339</b>	<b>1,186,704</b>

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

(Unaudited but reviewed)

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities:</b>				
Decrease (increase) in deposits at bank with restrictions	11,193	(3,281)	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	203,644	(858,917)	-	-
Increase in investments in subsidiary company	-	-	(460)	-
Acquisition of property, plant and equipment	(1,679,425)	(1,475,977)	(1,081,878)	(790,991)
Proceeds from disposal of property, plant and equipment	1,542	96,182	377	-
Increase in investment properties	(70)	(1,417)	-	-
Increase in other intangible assets	<u>(25,626)</u>	<u>(26,445)</u>	-	-
<b>Net cash flows used in investing activities</b>	<u>(1,488,742)</u>	<u>(2,269,855)</u>	<u>(1,081,961)</u>	<u>(790,991)</u>
<b>Cash flow from financing activities:</b>				
Repayment of liabilities under lease agreements	<u>(21,052)</u>	<u>(19,730)</u>	<u>(236)</u>	<u>(2,684)</u>
<b>Net cash flow used in financing activities</b>	<u>(21,052)</u>	<u>(19,730)</u>	<u>(236)</u>	<u>(2,684)</u>
<b>Increase in translation adjustments</b>	<u>249,033</u>	<u>377,664</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents before effect from currency translation</b>	<u>(640,370)</u>	<u>(566,700)</u>	<u>(407,858)</u>	<u>393,029</u>
Effect from currency translation of cash and cash equivalents	<u>99,423</u>	<u>(64,387)</u>	<u>85,675</u>	<u>6,679</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(540,947)</u>	<u>(631,087)</u>	<u>(322,183)</u>	<u>399,708</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>13,881,848</u>	<u>12,503,551</u>	<u>8,405,731</u>	<u>6,233,097</u>
<b>Cash and cash equivalents at end of period</b>	<u>13,340,901</u>	<u>11,872,464</u>	<u>8,083,548</u>	<u>6,632,805</u>
	-		-	
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transaction				
Dividend payable	4,116	2,245	4,116	2,245

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

**Delta Electronics (Thailand) Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month period ended 31 March 2021**

**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.

**1.3 Basis of preparation of interim financial statements**

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

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

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

#### **1.4 Basis of consolidation**

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There were no changes in the composition of the group during the current period.

#### **1.5 New financial reporting standards**

##### **a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

##### **b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The adoption of these temporary exemptions does not have any significant impact on the Group’s financial statements.

#### **1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

## 2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
		(Restated)			
<b><u>Transactions with the parent company</u></b>					
Sales of goods and raw materials	44	22	25	22	With reference to market prices
Purchase of goods and raw materials	60	86	15	-	With reference to market prices
Royalty paid (Note 21.3.1)	664	321	664	321	Contract prices
Services paid	36	45	36	45	Contract prices
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	5,986	4,519	With reference to market prices
Purchase of goods and raw materials	-	-	364	295	With reference to market prices
Commission paid	-	-	56	54	Contract prices
Design and engineering fee paid (Note 21.3.2)	-	-	577	524	Contract prices
Distribution fee paid	-	-	20	21	Contract prices
Administrative expenses	-	-	29	22	Contract prices
<b><u>Transactions with associated companies*</u></b>					
Sales of goods and raw materials	-	10	-	7	With reference to market prices
Commission paid	-	15	-	12	Contract prices
<b><u>Transactions with related companies</u></b>					
Sales of goods and raw materials	1,972	1,792	828	685	With reference to market prices
Purchase of goods and raw materials	1,258	995	439	246	With reference to market prices
Commission paid	92	144	88	144	Contract prices
Commission received	28	26	-	-	Contract prices
Services income	20	30	-	-	Contract prices
Design and engineering fee paid	11	3	9	-	Contract prices

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

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2021 and 31 December 2020 between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<b><u>Trade receivables, related parties (Note 3)</u></b>				
Parent company	47	26	26	21
Subsidiary companies	-	-	7,545	6,407
Other related companies (under common control)	1,921	1,660	873	777
Total trade receivables, related parties	1,968	1,686	8,444	7,205
<b><u>Other receivables, related parties (Note 3)</u></b>				
Subsidiary companies	-	-	20	49
Other related companies (under common control)	32	3	32	3
Total other receivables, related parties	32	3	52	52
<b><u>Amounts due from related parties (Note 3)</u></b>				
Subsidiary companies	-	-	1	1
Total amounts due from related parties	-	-	1	1
<b><u>Trade payables, related parties (Note 12)</u></b>				
Parent company	71	74	23	41
Subsidiary companies	-	-	399	370
Other related companies (under common control)	1,356	1,298	444	328
Total trade payables, related parties	1,427	1,372	866	739
<b><u>Other payables, related parties (Note 12)</u></b>				
Parent company	245	210	245	208
Subsidiary companies	-	-	329	214
Other related companies (under common control)	139	367	79	366
Total other payables, related parties	384	577	653	788
<b><u>Accrued expenses, related parties (Note 12)</u></b>				
Parent company	259	166	259	166
Subsidiary companies	-	-	-	1
Other related companies (under common control)	133	118	133	118
Total accrued expenses, related parties	392	284	392	285
<b><u>Advance received, related parties (Note 12)</u></b>				
Subsidiary companies	-	-	14	19
Total advance received, related parties	-	-	14	19
<b><u>Dividend payable, related parties</u></b>				
Parent company	228	-	228	-
Other related companies (under common control)	2,398	-	2,398	-
Total dividend payable, related parties	2,626	-	2,626	-

(Unaudited but reviewed)

### **Directors and management's benefits**

For the three-month period ended 31 March 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	28	21	14	10
Post-employment benefits	3	2	2	2
Total	31	23	16	12

### **3. Trade and other receivables**

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Audited)		(Audited)
<u>Trade receivables, related parties</u> (Note 2)				
Aged on the basis of due dates				
Not yet due	1,957	1,669	8,232	6,964
Past due				
Up to 3 months	11	17	199	230
3 - 6 months	-	-	2	-
Over 12 months	-	-	11	11
Total	1,968	1,686	8,444	7,205

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	12,399	10,546	6,870	5,593
Past due				
Up to 3 months	1,263	872	668	475
3 - 6 months	26	57	-	39
6 - 12 months	22	29	13	-
Over 12 months	74	70	8	8
Total	13,784	11,574	7,559	6,115
Total trade receivables	15,752	13,260	16,003	13,320
Less: Allowance for expected credit losses	(127)	(129)	(32)	(32)
Total trade receivables - net	15,625	13,131	15,971	13,288
<u>Other receivables</u>				
Amounts due from related parties (Note 2)	-	-	1	1
Other receivables - related parties (Note 2)	32	3	52	52
Other receivables - unrelated parties	628	863	573	806
Total other receivables	660	866	626	859
Trade and other receivables - net	16,285	13,997	16,597	14,147

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
Balance as at 1 January 2021	(129)	(32)
Provision for expected credit losses	(2)	-
Reversal during the period	4	-
Balance as at 31 March 2021	(127)	(32)

(Unaudited but reviewed)

#### 4. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2021</b>	(1,247)	(483)
Increase during the period	(34)	-
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the period	59	30
Reversal during the period	28	3
<b>Balance as at 31 March 2021</b>	<b>(1,194)</b>	<b>(450)</b>

#### 5. Other current financial assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Debt instruments at amortised cost</u>				
Fixed deposits with maturity over 3 months	2	205	-	-
Total debt instruments at amortised cost	2	205	-	-
<u>Financial assets at FVTPL</u>				
Derivative assets (Note 22.2)	12	149	11	149
Total financial assets at FVTPL	12	149	11	149
Total other current financial assets	14	354	11	149

(Unaudited but reviewed)

## 6. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Input tax refundable	396	358	177	205
Advance payments	984	846	280	163
Prepaid expenses	199	271	23	28
Prepaid tax	32	26	-	-
Others	47	62	16	8
Total other current assets	1,658	1,563	496	404

## 7. Investments in associated companies

### 7.1 Details of associates

On 24 July 2021, 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. The subsidiary received payment for the sale of these investments in associated companies during the fourth quarter of year 2020.

### 7.2 Share of comprehensive income and dividend received

During the period, 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 three-month periods ended 31 March			
	Share of loss from		Share of other comprehensive income	
	investments in associated companies		from investments in associated companies	
	2021	2020	2021	2020
Delta Electronics (Switzerland) AG	-	(49)	-	(10)
Delta Greentech Electronics Industry LLC	-	(5)	-	-
Total	-	(54)	-	(10)

No dividend was received from the above associated companies during the three-month ended 31 March 2020.

## 8. Investments in subsidiary companies

### 8.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	(Unit: Million Baht)	
	Cost	
	31 March 2021	31 December 2020
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	5,573	5,573
Delta Electronics (Vietnam) Company Limited	3	3
Delta Electronics India Manufacturing Private Limited	1	-
<b>Subtotal</b>	<b>15,233</b>	<b>15,232</b>
Less: Allowance for impairment loss of investments in subsidiary companies	(1,144)	(1,144)
<b>Investments in subsidiary companies - net</b>	<b>14,089</b>	<b>14,088</b>

No dividend was received from the above subsidiary companies during the three-month period ended 31 March 2021 and 2020.

## 8.2 Significant events during the current period

### 8.2.1 Subsidiaries directly owned by the Company

#### Establishment of new subsidiaries

On 31 March 2020, a meeting of the Board of Directors of the Company passed a resolution to 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.

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

## 8.2.2 Subsidiaries indirectly owned by the Company

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 as agreed.

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. The Company has accordingly restated the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2020, as presented herein for comparative purposes.

The amounts of adjustments affecting the consolidated statement of comprehensive income for the three-month period ended 31 March 2020 were summarised below.

(Unit: Million Baht)

**Increase (decrease) in consolidated statements of comprehensive income****Profit or loss**

Sales	62
Service income	14
Gain on exchange	4
Cost of sales	68
Cost of services	7
Selling and distribution expenses	17
Administrative expenses	6
Research and development expenses	7
Income tax expenses	4
Profit for the period	(29)
Profit attributable to shareholders of subsidiary before business combination under common control	(29)
<b>Other comprehensive income</b>	
Exchange differences on translation of financial statements in foreign currency	(7)
Other comprehensive income for the period	(7)
Total comprehensive income attributable to shareholders of subsidiary before business combination under common control	(36)

(Unaudited but reviewed)

The amounts of adjustments affecting the consolidated statement of cash flows for the three-month period ended 31 March 2020 were summarised below.

(Unit: Million Baht)

**Increase (decrease) in consolidated statements of cash flows**

Net cash flows from operating activities	6
Translation adjustments	(15)

**9. Investment properties**

Movements of the investment property account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		
	Land for rent	Office building for rent	Total
<b>Net book value as at 1 January 2021</b>	33	200	233
Depreciation for the period	-	(3)	(3)
<b>Net book value as at 31 March 2021</b>	<u>33</u>	<u>197</u>	<u>230</u>

**10. Property, plant and equipment**

Movements of the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2021</b>	12,724	6,896
Acquisitions during period - cost	1,679	1,082
Disposals/write-off during period - net book value at disposal/write-off date	(1)	(1)
Depreciation for the period	(498)	(397)
Translation adjustment	165	-
<b>Net book value as at 31 March 2021</b>	<u>14,069</u>	<u>7,580</u>

(Unaudited but reviewed)

## 11. Other intangible assets

Movements of the other intangible asset account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2021</b>	496	62
Increase from purchase during period	26	-
Amortisation for the period	(38)	(2)
Translation adjustment	8	-
<b>Net book value as at 31 March 2021</b>	<b>492</b>	<b>60</b>

## 12. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	1,427	1,372	866	739
Trade payables - unrelated parties	11,776	9,940	10,647	8,981
Other payables - related parties (Note 2)	384	577	653	788
Other payables - unrelated parties	1,611	1,084	1,538	1,003
Accrued expenses - related parties (Note 2)	392	284	392	285
Accrued expenses - unrelated parties	2,275	2,352	1,494	1,592
Advance received - related parties (Note 2)	-	-	14	19
Advance received - unrelated parties	688	572	336	338
<b>Total trade and other payables</b>	<b>18,553</b>	<b>16,181</b>	<b>15,940</b>	<b>13,745</b>

## 13. Other current liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Audited)		(Audited)
Withholding tax payable	139	189	55	133
Value added tax payable	110	103	15	8
Others	104	101	42	28
<b>Total other current liabilities</b>	<b>353</b>	<b>393</b>	<b>112</b>	<b>169</b>

(Unaudited but reviewed)

## 14. Leases

### 14.1 Right-of-use assets

Movements of the right-of-use asset account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2021</b>	377	-
Increase during period	13	3
Depreciation for the period	(25)	-
Translation adjustment	15	-
<b>Net book value as at 31 March 2021</b>	<u>380</u>	<u>3</u>

### 14.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Lease payments	182	184	3	-
Less: Deferred interest expenses	(3)	(3)	-	-
Total	179	181	3	-
Less: Portion due within one year	(74)	(73)	(1)	-
Lease liabilities - net of current portion	<u>105</u>	<u>108</u>	<u>2</u>	<u>-</u>

## 15. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2021</b>	1,542	465
Recognition during period	22	13
Decrease during period	(22)	(11)
Translation adjustment	(4)	-
<b>Balance as at 31 March 2021</b>	<u>1,538</u>	<u>467</u>

(Unaudited but reviewed)

**16. Provisions**

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Other			Warranty	Total
	Warranty	provisions	Total		
<b>Balance as at 1 January 2021</b>	475	22	497	302	302
Recognition during period	45	16	61	36	36
Decrease during period	(4)	(1)	(5)	(4)	(4)
Reversal during period	(22)	(6)	(28)	(19)	(19)
Translation adjustment/unrealised loss on exchange rate	19	-	19	14	14
<b>Balance as at 31 March 2021</b>	<u>513</u>	<u>31</u>	<u>544</u>	<u>329</u>	<u>329</u>
Short-term provisions	57	19	76	-	-
Long-term provisions	418	3	421	302	302
<b>Balance as at 31 December 2020 (Audited)</b>	<u>475</u>	<u>22</u>	<u>497</u>	<u>302</u>	<u>302</u>
Short-term provisions	61	28	89	-	-
Long-term provisions	452	3	455	329	329
<b>Balance as at 31 March 2021</b>	<u>513</u>	<u>31</u>	<u>544</u>	<u>329</u>	<u>329</u>

**Warranty**

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

**17. Dividends**

Dividends declared in 2021 and 2020 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 2020	Annual General Meeting of the shareholders on 31 March 2021	<u>4,116</u>	<u>3.30</u>
Final dividend for year 2019	Annual General Meeting of the shareholders on 31 March 2020	<u>2,245</u>	<u>1.80</u>

**18. Income tax**

Tax income (expenses) for the three-month period ended 31 March 2021 and 2020 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	(33)	(7)	-	-
Adjustment in respect of income tax of previous year	-	35	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(16)	8	-	-
Translation adjustment	(11)	-	-	-
<b>Tax income (expenses) reported in profit or loss</b>	<u>(60)</u>	<u>36</u>	<u>-</u>	<u>-</u>

**19. Earnings per share**

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

(Unaudited but reviewed)

## 20. Segment information

The following tables present revenue and profit information regarding the Group's operating segments for the three-month period ended 31 March 2021 and 2020 which is provided to the president of the Group, who is the chief operating decision maker of the Group.

(Unit: Million Baht)

	For the three-month period ended 31 March								Consolidated financial statements	
	Power electronics segment		Infrastructure segment		Automation segment		Others			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>		
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue										
Sales from external customers	13,589	7,928	4,721	4,209	480	413	12	36	18,802	12,586
Service income from external customers	31	15	111	55	63	65	32	34	237	169
Total revenue	<u>13,620</u>	<u>7,943</u>	<u>4,832</u>	<u>4,264</u>	<u>543</u>	<u>478</u>	<u>44</u>	<u>70</u>	<u>19,039</u>	<u>12,755</u>
Segment profit (loss)	1,164	521	379	169	-	8	(171)	(178)	1,372	520
Unallocated income (expenses):										
Gain on exchange rate									251	223
Other income									192	69
Other expenses									(18)	(8)
Share of loss from investments in associated companies									-	(54)
Finance income									19	42
Profit before tax income (expenses)									1,816	792
Tax income (expenses) for the period									(60)	36
Profit for the period									<u>1,756</u>	<u>828</u>

## 21. Commitments and contingent liabilities

### 21.1 Capital commitments

As at 31 March 2021, the Group had significant capital commitments amounting to Baht 467 million, EUR 0.8 million or approximately Baht 28 million, USD 0.3 million or approximately Baht 11 million and INR 4,797 million or approximately Baht 2,048 million in respect of the building construction, purchase of machinery and equipment (31 December 2020: 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) (The Company only: Baht 467 million, 31 December 2020: Baht 113 million).

### 21.2 Lease commitments

As at 31 March 2021 and 31 December 2020, future minimum lease payments required under these operating lease commitments were as follows.

		As at 31 March 2021		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million in foreign currency)	(Million Baht)	(Million Baht)	(Million Baht)
Euro	2	18	37	27
	Total	18	37	27

  

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

## **21.3 Long-term service commitments**

### **21.3.1 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 three-month period ended 31 March 2021, the Company has recorded royalty expenses of approximately Baht 664 million (for the three-month period ended 31 March 2020: Baht 321 million) under this agreement.

### **21.3.2 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 three-month period ended 31 March 2021, the Company has recorded design and engineering expenses of approximately Baht 577 million (For the three-month period ended 31 March 2020: Baht 524 million) under this agreement.

## **21.4 Guarantee obligations**

As at 31 March 2021, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

21.4.1 Outstanding letters of guarantee totaling approximately Baht 374 million (31 December 2020: Baht 373 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million (31 December 2020: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment as mentioned in Note 21.5.1 to the financial statements).

21.4.2 Outstanding letters of guarantee for totals of approximately Baht 6 million, INR 1,279 million or approximately Baht 546 million, EUR 0.3 million or approximately Baht 13 million and AUD 0.1 million or approximately Baht 2 million have been issued by banks to meet requirements of the subsidiaries (31 December 2020: 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).

## **21.5 Tax assessment**

- 21.5.1 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.

(Unaudited but reviewed)

- 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.

However, the Company has recorded provisions for the tax assessments as mentioned in a., b., c., and d., with approximately Baht 258 million (including penalties and surcharges) under the captions of “Liabilities and provision from tax assessments” in the statement of financial position.

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

## 22. Financial Instrument

### 22.1 Fair value of financial instrument

Most of the Group’s financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value.

### 22.2 Fair value hierarchy

As at 31 March 2021 and 31 December 2020, the Group had certain assets and liabilities that were measured using different levels inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Foreign currency forward contracts (Note 5)	-	12	-	12
<b>Liabilities measured at fair value</b>				
Foreign currency forward contracts	-	160	-	160

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Foreign currency forward contracts (Note 5)	-	149	-	149
<b>Liabilities measured at fair value</b>				
Foreign currency forward contracts	-	1	-	1
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	261	261

(Unit: Million Baht)

Separate financial statements				
As at 31 March 2021				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Foreign currency forward contracts (Note 5)	-	11	-	11
<b>Liabilities measured at fair value</b>				
Foreign currency forward contracts	-	160	-	160

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Foreign currency forward contracts (Note 5)	-	149	-	149

During the current period, there were no changes in the methods and assumptions used in determining the fair value of financial assets and no transfers within the fair value hierarchy.

(Unaudited but reviewed)

### 23. Financial derivatives

As at 31 March 2021 and 31 December 2020, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

(Unit: Million foreign currency unit)

Foreign currency	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2021	2020	2021	2020	2021	2020	2021	2020
US dollar	319	263	356	106	550	466	359	326
Euro	7	6	2	2	7	6	20	11
Japanese yen	218	177	459	124	190	177	452	367

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at	
	31 March 2021	31 December 2020
	US dollar	31.3394
Euro	36.7091	36.8764
Japanese yen	0.2833	0.2907

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 31 March 2021 and 31 December 2020, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated financial statements							
As at 31 March 2021							
		Amount		Forward rate		Maturity date	
<b>Forward contracts to "Sell"</b>							
USD/THB	USD	176	million	29.8870 - 31.3420	THB/USD	April - July 2021	
<b>Forward contracts to "Buy"</b>							
USD/INR	USD	6	million	72.8475 - 73.3750	INR/USD	April 2021	
USD/THB	USD	84	million	31.3850	THB/USD	April 2021	
JPY/THB	JPY	150	million	0.2827 - 0.2865	THB/JPY	April - Jun 2021	

(Unaudited but reviewed)

Consolidated financial statements						
As at 31 December 2020						
	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
<b>Forward contracts to "Buy"</b>						
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
Separate financial statements						
As at 31 March 2021						
	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	176	million	29.8870 - 31.3420	THB/USD	April - July 2021
<b>Forward contracts to "Buy"</b>						
USD/THB	USD	84	million	31.3850	THB/USD	April 2021
JPY/THB	JPY	150	million	0.2827 - 0.2865	THB/JPY	April - Jun 2021
Separate financial statements						
As at 31 December 2020						
	Amount			Forward rate		Maturity date
<b>Forward contracts to "Sell"</b>						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
<b>Forward contracts to "Buy"</b>						
JPY/THB	JPY	90	million	0.2892 - 0.2916	THB/JPY	January - March 2021

#### 24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 April 2021.