

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

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 2021, 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 2021, 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 from sales of goods

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 9 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

As at 31 December 2021, the Group had goodwill amounting to Baht 443 million. I have focused on the consideration of the impairment of the goodwill because the assessment of impairment of goodwill 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.

In auditing the impairment of goodwill, 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: 15 February 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	6,571,565,489	13,881,848,304	1,535,902,864	8,405,730,877
Trade and other receivables	8	20,593,484,448	13,997,068,882	21,200,264,903	14,147,453,559
Inventories	9	19,580,654,831	12,655,361,505	13,639,515,139	8,536,087,510
Other current financial assets	10	32,388,017	354,397,180	32,308,160	148,964,927
Other current assets	11	1,986,360,007	1,563,053,284	641,326,119	403,684,552
Total current assets		48,764,452,792	42,451,729,155	37,049,317,185	31,641,921,425
Non-current assets					
Deposits at bank with restrictions		37,344,378	51,051,970	-	-
Investments in subsidiary companies	13	-	-	13,909,472,987	14,088,146,222
Investment properties	14	230,593,048	233,116,145	-	-
Property, plant and equipment	15	18,583,129,233	12,724,465,674	10,836,225,623	6,895,756,473
Right-of-use assets	21	529,524,076	376,638,347	4,592,131	-
Goodwill	16	443,050,522	436,913,946	-	-
Other intangible assets	17	249,799,250	495,955,145	58,292,129	61,711,479
Deferred tax assets	27	347,609,776	289,012,579	-	-
Other non-current assets		152,871,180	160,044,829	10,239,416	3,279,842
Total non-current assets		20,573,921,463	14,767,198,635	24,818,822,286	21,048,894,016
Total assets		69,338,374,255	57,218,927,790	61,868,139,471	52,690,815,441

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	1,593,668,577	-	1,497,407,000	-
Trade and other payables	19	22,049,338,415	16,181,006,985	18,626,852,047	13,744,597,031
Current portion of lease liabilities	21	74,957,587	72,788,807	3,677,604	-
Income tax payable		124,668,457	188,697,947	37,072,112	49,174,299
Short-term provisions	23	98,421,661	76,372,926	-	-
Liabilities and provision from tax assessments	33.4.1	258,172,754	258,172,754	258,172,754	258,172,754
Derivative liabilities	35.1	18,481,011	674,961	15,533,142	-
Other current liabilities	20	518,024,714	392,650,219	162,855,766	168,819,218
Total current liabilities		24,735,733,176	17,170,364,599	20,601,570,425	14,220,763,302
Non-current liabilities					
Long-term loans from related party	6	367,570,073	-	-	-
Lease liabilities, net of current portion	21	144,124,542	107,791,790	967,779	-
Deferred tax liabilities	27	130,696,198	114,184,020	-	-
Provision for long-term employee benefits	22	1,595,747,372	1,542,246,168	528,556,818	465,244,322
Long-term provisions	23	545,004,367	420,587,558	428,743,548	302,036,053
Other non-current liabilities		415,195,830	256,325,004	1,450,093	1,356,203
Total non-current liabilities		3,198,338,382	2,441,134,540	959,718,238	768,636,578
Total liabilities		27,934,071,558	19,611,499,139	21,561,288,663	14,989,399,880

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
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>
Issued and fully paid					
1,247,381,614 ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Difference from business combination under common control					
		(1,339,694,088)	(1,339,694,088)	-	-
Retained earnings					
Appropriated - Statutory reserve	24	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		41,776,387,503	39,216,330,187	37,441,656,694	34,836,221,447
Other components of shareholders' equity		<u>(1,897,584,832)</u>	<u>(3,130,090,313)</u>	-	-
Equity attributable to owners of the Company		41,404,302,697	37,611,739,900	40,306,850,808	37,701,415,561
Non-controlling interests of the subsidiary		-	<u>(4,311,249)</u>	-	-
Total shareholders' equity		<u>41,404,302,697</u>	<u>37,607,428,651</u>	<u>40,306,850,808</u>	<u>37,701,415,561</u>
Total liabilities and shareholders' equity		<u>69,338,374,255</u>	<u>57,218,927,790</u>	<u>61,868,139,471</u>	<u>52,690,815,441</u>
		-	-	-	-

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

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

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales		82,994,057,065	62,341,159,107	70,909,543,246	53,700,304,852
Service income		1,324,303,410	866,851,060	72,594,708	61,451,065
Other income					
Gain on exchange		1,017,817,765	387,979,698	1,025,174,653	367,520,440
Others		<u>442,123,356</u>	<u>507,435,992</u>	<u>361,476,931</u>	<u>229,066,406</u>
Total revenues		<u>85,778,301,596</u>	<u>64,103,425,857</u>	<u>72,368,789,538</u>	<u>54,358,342,763</u>
Expenses					
Cost of sales		66,039,930,968	47,244,199,937	55,155,928,142	39,680,428,319
Cost of services		919,975,586	844,937,682	43,246,713	50,640,046
Selling and distribution expenses	33.2.1	6,280,790,115	4,281,288,560	5,343,945,848	3,494,046,696
Administrative expenses		1,989,107,082	1,860,600,002	1,316,377,257	1,248,709,043
Research and development expenses	33.2.2	3,165,382,766	2,620,546,923	3,185,830,153	2,784,848,226
Loss on sales of investments in associated companies	12	-	95,125,078	-	-
Losses due to flooding	29	393,386,986	-	393,386,986	-
Loss from impairment of investments in subsidiary company	13	-	-	179,133,057	-
Other expenses		<u>238,795,385</u>	<u>68,405,643</u>	<u>21,100,525</u>	<u>56,721,720</u>
Total expenses		<u>79,027,368,888</u>	<u>57,015,103,825</u>	<u>65,638,948,681</u>	<u>47,315,394,050</u>
Operating profit		<u>6,750,932,708</u>	<u>7,088,322,032</u>	<u>6,729,840,857</u>	<u>7,042,948,713</u>
Share of profit from investments in associated companies	12	-	60,845,793	-	-
Finance income		54,139,848	111,437,887	13,788,705	39,084,114
Finance cost		<u>(4,027,724)</u>	<u>(1,167,766)</u>	<u>(332,869)</u>	<u>(13,330)</u>
Profit before tax income (expenses)		<u>6,801,044,832</u>	<u>7,259,437,946</u>	<u>6,743,296,693</u>	<u>7,082,019,497</u>
Tax income (expenses)	27	(97,723,239)	(188,809,535)	12,102,187	(49,174,299)
Income tax expenses resulting from tax assessments		-	<u>(18,804,888)</u>	-	<u>(18,804,888)</u>
Profit for the year		<u>6,703,321,593</u>	<u>7,051,823,523</u>	<u>6,755,398,880</u>	<u>7,014,040,310</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		1,232,503,466	111,515,519	-	-
Share of other comprehensive income from investments					
in associated companies	12	-	(4,120,121)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		1,232,503,466	107,395,398	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial losses - net of income tax		(22,591,687)	(19,467,721)	(33,604,307)	-
Share of other comprehensive income from investments					
in associated companies	12	-	(6,358,191)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(22,591,687)	(25,825,912)	(33,604,307)	-
Other comprehensive income for the year		<u>1,209,911,779</u>	<u>81,569,486</u>	<u>(33,604,307)</u>	<u>-</u>
Total comprehensive income for the year		<u>7,913,233,372</u>	<u>7,133,393,009</u>	<u>6,721,794,573</u>	<u>7,014,040,310</u>
Profit attributable to:					
Equity holders of the Company		6,699,008,329	7,101,638,109	<u>6,755,398,880</u>	<u>7,014,040,310</u>
Non-controlling interests of the subsidiary		4,313,264	(429,404)		
Shareholders of subsidiary before business combination					
under common control		-	(49,385,182)		
		<u>6,703,321,593</u>	<u>7,051,823,523</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		7,908,922,123	7,182,469,565	<u>6,721,794,573</u>	<u>7,014,040,310</u>
Non-controlling interests of the subsidiary		4,311,249	(429,404)		
Shareholders of subsidiary before business combination					
under common control		-	(48,647,152)		
		<u>7,913,233,372</u>	<u>7,133,393,009</u>		
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>5.37</u>	<u>5.69</u>	<u>5.42</u>	<u>5.62</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 2021

(Unit: Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
Other components of shareholders' equity												
Other comprehensive income												
	Issued and fully paid	Share premium	Difference from business combination under common control	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income from investments in associated companies	Total other components of shareholders' equity	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
				Appropriated	Unappropriated							
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	-	-	-	-	-	-	-	-	-	-	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 13)	-	-	(462,838,498)	-	-	-	-	-	(462,838,498)	-	-	(462,838,498)
Attributable net book value from business combination under common control (Note 13)	-	-	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>
Balance as at 1 January 2021	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	39,216,330,187	(3,130,090,313)	-	(3,130,090,313)	37,611,739,900	(4,311,249)	-	37,607,428,651
Profit for the year	-	-	-	-	6,699,008,329	-	-	-	6,699,008,329	4,313,264	-	6,703,321,593
Other comprehensive income for the year	-	-	-	-	(22,591,687)	1,232,505,481	-	1,232,505,481	1,209,913,794	(2,015)	-	1,209,911,779
Total comprehensive income for the year	-	-	-	-	6,676,416,642	1,232,505,481	-	1,232,505,481	7,908,922,123	4,311,249	-	7,913,233,372
Dividend paid (Note 25)	-	-	-	-	(4,116,359,326)	-	-	-	(4,116,359,326)	-	-	(4,116,359,326)
Balance as at 31 December 2021	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>(1,339,694,088)</u>	<u>125,900,000</u>	<u>41,776,387,503</u>	<u>(1,897,584,832)</u>	<u>-</u>	<u>(1,897,584,832)</u>	<u>41,404,302,697</u>	<u>-</u>	<u>-</u>	<u>41,404,302,697</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 2021

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
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>
					-
Balance as at 1 January 2021	1,247,381,614	1,491,912,500	125,900,000	34,836,221,447	37,701,415,561
Profit for the year	-	-	-	6,755,398,880	6,755,398,880
Other comprehensive income for the year	-	-	-	(33,604,307)	(33,604,307)
Total comprehensive income for the year	-	-	-	6,721,794,573	6,721,794,573
Dividend paid (Note 25)	-	-	-	(4,116,359,326)	(4,116,359,326)
Balance as at 31 December 2021	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>37,441,656,694</u>	<u>40,306,850,808</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 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:				
Profit before tax	6,801,044,832	7,259,437,946	6,743,296,693	7,082,019,497
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	2,368,453,335	2,074,517,773	1,828,271,533	1,598,359,426
Amortisation	139,398,206	131,801,134	6,405,747	1,662,867
Recording of allowance for expected credit losses (reversal)	20,233,707	(65,506,435)	6,302,570	27,702,114
Reduction of inventory to net realisable value (reversal)	961,491,370	8,199,938	730,896,286	(121,606,571)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(247,036,392)	(185,762,765)	(142,054,149)	(148,543,957)
Increase in provision for long-term employee benefits	97,548,502	84,131,368	67,284,483	53,539,033
Recording of the increase in provisions	138,443,006	38,316,878	125,407,221	34,869,958
Share of profit from investments in associated companies	-	(60,845,793)	-	-
Loss on sales of investments in associated companies	-	95,125,078	-	-
(Gain) loss from disposal/write-off of property, plant and equipment	15,782,638	(2,232,111)	2,787,913	(2,529,852)
Loss from write-off of other intangible assets	184,068,694	272,305	2	-
Impairment loss on property, plant and equipment	-	388,091	-	-
Unrealised gain on exchange	(7,084,209)	(35,744,272)	(24,070,123)	(95,955,115)
Losses due to flooding	393,386,986	-	393,386,986	-
Loss from impairment of investments in subsidiary company	-	-	179,133,057	-
Interest income	(54,139,848)	(111,437,887)	(13,788,705)	(39,084,114)
Interest expenses	4,027,724	1,167,766	332,869	13,330
Profit from operating activities before changes in operating assets and liabilities	10,815,618,551	9,231,829,014	9,903,592,383	8,390,446,616
Decrease (increase) in operating assets:				
Trade and other receivables	(6,145,192,291)	(4,343,980,196)	(6,592,776,980)	(4,958,900,207)
Inventories	(8,027,682,402)	(3,481,361,503)	(6,023,365,072)	(2,520,152,204)
Other current assets	(447,218,026)	(293,524,835)	(252,679,364)	(127,703,710)
Other non-current assets	11,119,922	15,105,222	(6,959,574)	137,269
Increase (decrease) in operating liabilities:				
Trade and other payables	5,557,237,932	6,056,588,355	4,582,652,057	5,389,054,400
Other current liabilities	124,492,673	82,355,659	(5,780,652)	60,437,065
Provision for long-term employee benefits	(97,284,688)	(87,543,418)	(37,576,294)	(33,002,121)
Provisions	(44,052,584)	(27,317,914)	(37,900,534)	(22,447,248)
Other non-current liabilities	158,785,028	65,572,118	93,890	271,203
Cash flows from operating activities	1,905,824,115	7,217,722,502	1,529,299,860	6,178,141,063
Cash received from interest income	71,738,056	99,608,269	13,788,705	39,084,114
Cash paid for interest expenses	(5,891,911)	(1,489,555)	(332,869)	(13,330)
Cash paid for corporate income tax	(189,460,761)	(90,909,440)	(1,187,143)	(1,123,617)
Net cash flows from operating activities	1,782,209,499	7,224,931,776	1,541,568,553	6,216,088,230

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 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	13,707,592	(1,338,417)	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	205,249,560	(203,733,962)	-	-
Increase in investments in subsidiary company	-	-	(459,822)	(3,030,590)
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)	-	-
Acquisition of property, plant and equipment	(7,780,423,542)	(3,208,365,736)	(5,813,141,510)	(1,845,978,742)
Proceeds from disposal of property, plant and equipment	28,950,205	14,676,366	24,583,544	7,290,782
Increase in investment properties	(451,367)	(5,207,699)	-	-
Increase in land-use rights	(110,131,963)	-	-	-
Increase in other intangible assets	(48,440,554)	(199,966,000)	(2,986,399)	(62,741,200)
Net cash flows used in investing activities	(7,691,540,069)	(3,609,633,870)	(5,792,004,187)	(1,904,459,750)
Cash flows from financing activities:				
Cash receipt from short-term loans from financial institutions	2,109,615,036	-	2,013,241,000	-
Repayment of short-term loans from financial institutions	(500,000,000)	-	(500,000,000)	-
Cash receipt from long-term loans from related party	362,635,955	-	-	-
Payment of lease liabilities	(86,482,633)	(85,162,488)	(1,482,748)	(5,375,966)
Dividend paid	(4,116,359,326)	(2,245,286,905)	(4,116,359,326)	(2,245,286,905)
Net cash flows used in financing activities	(2,230,590,968)	(2,330,449,393)	(2,604,601,074)	(2,250,662,871)
Increase in translation adjustments	863,373,009	49,705,564	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	(7,276,548,529)	1,334,554,077	(6,855,036,708)	2,060,965,609
Effect from currency translation of cash and cash equivalents	(33,734,286)	43,743,721	(14,791,305)	111,668,516
Net increase (decrease) in cash and cash equivalents	(7,310,282,815)	1,378,297,798	(6,869,828,013)	2,172,634,125
Cash and cash equivalents at beginning of year	13,881,848,304	12,503,550,506	8,405,730,877	6,233,096,752
Cash and cash equivalents at end of year	6,571,565,489	13,881,848,304	1,535,902,864	8,405,730,877
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Right-of-use assets increase under lease agreements	110,631,928	148,440,661	6,128,131	-

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 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.

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>2021</u>	<u>2020</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	100
Delta Electronics India Manufacturing Private Limited	Manufacture and trading of electronic products	India	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>2021</u>	<u>2020</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>2021</u> Percent	<u>2020</u> Percent
Delta Electronics (Holdings) Australia Pty. Ltd. (formerly known as "Delta Electronics (Australia) Pty. Ltd.")*	Marketing and after sales services	Australia	-	100
Delta Electronics (Australia) Pty. Ltd. (formerly known as "Eltek Australia Pty. Ltd.")	Trading of electronic products	Australia	100	100
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta 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
Delta Energy Systems (UK) Limited	Research and development of electronic products	Scotland	100	100

* Completely merge to another subsidiary in Australia, Delta Electronics (Australia) Pty. Ltd. (formerly known as "Eltek Australia Pty. Ltd."), on 1 April 2021 and in the process of dissolution.

** Dissolved and liquidated

- 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

3.1 Financial reporting standards that became effective in the current year

During the year, 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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.

4.2 Cash and cash equivalents

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

4.3 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.

4.4 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).

4.5 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.

4.6 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 assets 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.

4.7 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 the straight-line 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 years
Computer software	3 years
Customer relationship	10 years

4.8 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.

4.9 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

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 (i.e. the date the underlying asset is available for use), 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, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

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.

4.10 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 associates, 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, and officers with authority in the planning and direction of the Company's operations.

4.11 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.

4.12 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 assets, 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.

4.13 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 Company and its employees have jointly established the provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the contributions of the Company 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 recognises restructuring-related costs.

4.14 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.

4.15 Research and development expenses

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

4.16 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.

4.17 Financial instruments

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 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 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.

ECLs are calculated 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.

4.18 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.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The 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.

5. Significant accounting judgements and estimates

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

Allowance for 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.

Reduction of inventory cost to net realisable value

In determining the reduction of inventory cost to net realisable value, the management exercises judgement in estimating the net realisable value of inventory based on the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. The management also exercises judgement in estimating the expected losses from stock obsolescence based on the approximate aging profile of each type of inventory.

Allowance for impairment loss of investments

The Company treats investment in subsidiaries in the separate 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.

6. 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		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with the parent company</u>					
Sales of goods and raw materials	177	98	153	94	With reference to market price
Purchase of goods and raw materials	428	358	136	65	With reference to market price
Royalty paid (Note 33.2.1)	2,888	1,698	2,888	1,698	Contract price
Services paid	133	122	133	122	Contract price
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	25,825	20,539	With reference to market price
Purchase of goods and raw materials	-	-	1,458	1,282	With reference to market price
Commission paid	-	-	233	220	Contract price
Design and engineering fee paid (Note 33.2.2)	-	-	2,112	1,934	Contract price
Distribution fee paid	-	-	20	43	Contract price
Administrative expenses	-	-	116	88	Contract price
<u>Transactions with associates*</u>					
Sales of goods and raw materials	-	43	-	39	With reference to market price
Commission paid	-	53	-	43	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	9,266	8,347	3,814	4,113	With reference to market price
Purchase of goods and raw materials	6,443	3,419	2,461	1,387	With reference to market price
Commission paid	586	746	572	737	Contract price
Commission received	107	107	-	-	Contract price
Services income	198	208	-	-	Contract price
Design and engineering fee paid	54	11	39	-	Contract price

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables, related parties (Note 8)</u>				
Parent company	40	26	36	21
Subsidiary companies	-	-	10,030	6,407
Other related companies (under common control)	2,196	1,660	951	777
Total trade receivables, related parties	<u>2,236</u>	<u>1,686</u>	<u>11,017</u>	<u>7,205</u>
<u>Other receivables, related parties (Note 8)</u>				
Parent company	-	-	-	-
Subsidiary companies	-	-	7	49
Other related companies (under common control)	16	3	2	3
Total other receivables, related parties	<u>16</u>	<u>3</u>	<u>9</u>	<u>52</u>
<u>Amounts due from related parties (Note 8)</u>				
Subsidiary companies	-	-	4	1
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>4</u>	<u>1</u>
<u>Trade payables, related parties (Note 19)</u>				
Parent company	48	74	5	41
Subsidiary companies	-	-	296	370
Other related companies (under common control)	1,736	1,298	506	328
Total trade payables, related parties	<u>1,784</u>	<u>1,372</u>	<u>807</u>	<u>739</u>
<u>Other payables, related parties (Note 19)</u>				
Parent company	588	210	586	208
Subsidiary companies	-	-	159	195
Other related companies (under common control)	619	367	397	366
Total other payables, related parties	<u>1,207</u>	<u>577</u>	<u>1,142</u>	<u>769</u>
<u>Accrued expenses, related parties (Note 19)</u>				
Parent company	264	166	264	166
Subsidiary companies	-	-	-	1
Other related companies (under common control)	170	118	170	118
Total accrued expenses, related parties	<u>434</u>	<u>284</u>	<u>434</u>	<u>285</u>
<u>Advance received, related parties (Note 19)</u>				
Parent company	-	-	55	19
Total advance received, related parties	<u>-</u>	<u>-</u>	<u>55</u>	<u>19</u>

Long-term loans from related party

As at 31 December 2021 and 2020, the balances of long-term loans from related party and the movement in long-term loans are as follows:

(Unit: Million Baht)

		Consolidated financial statements			
		Balance as at 31 December 2020	Increase during the year	Translation adjustment	Balance as at 31 December 2021
Long-term loans from related party	Related by				
	Other related company				
Eltek AS	(under common control)	-	363	5	368
Total long-term loans from related party		-	363	5	368

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	114	86	58	39
Post-employment benefits	14	9	11	8
Total	128	95	69	47

7. **Cash and cash equivalents**

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash in hand	-	1	-	-
Bank deposits in current accounts	2,320	1,544	2	2
Bank deposits in saving accounts	3,588	9,415	1,534	8,404
Fixed deposits with maturity not over 3 months	664	2,922	-	-
Total	6,572	13,882	1,536	8,406

As at 31 December 2021, the above bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 8.00 percent per annum (2020: between 0.00 and 8.00 percent per annum) (The Company only: between 0.00 and 0.45 percent per annum, 2020: between 0.00 and 0.55 percent per annum).

8. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables, related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	2,181	1,669	9,268	6,964
Past due				
Up to 3 months	54	17	1,746	230
3 - 6 months	1	-	3	-
Over 12 months	-	-	-	11
Total	<u>2,236</u>	<u>1,686</u>	<u>11,017</u>	<u>7,205</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	15,209	10,546	8,174	5,593
Past due				
Up to 3 months	2,281	872	1,277	475
3 - 6 months	132	57	39	39
6 - 12 months	24	29	3	-
Over 12 months	61	70	9	8
Total	<u>17,707</u>	<u>11,574</u>	<u>9,502</u>	<u>6,115</u>
Total trade receivables	19,943	13,260	20,519	13,320
Less: Allowance for expected credit losses	(156)	(129)	(38)	(32)
Total trade receivables - net	<u>19,787</u>	<u>13,131</u>	<u>20,481</u>	<u>13,288</u>
<u>Other receivables</u>				
Amounts due from related parties (Note 6)	-	-	4	1
Other receivables - related parties (Note 6)	16	3	9	52
Other receivables - unrelated parties	790	863	706	806
Total other receivables	<u>806</u>	<u>866</u>	<u>719</u>	<u>859</u>
Trade and other receivables - net	<u>20,593</u>	<u>13,997</u>	<u>21,200</u>	<u>14,147</u>

The normal credit term is 30 to 150 days.

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	(129)	(194)	(32)	(4)
Provision for expected credit losses	(30)	(32)	(17)	(28)
Amount written off	-	-	11	-
Reversal	10	98	-	-
Translation adjustment	(7)	(1)	-	-
Ending balance	<u>(156)</u>	<u>(129)</u>	<u>(38)</u>	<u>(32)</u>

9. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	7,409	5,581	(729)	(471)	6,680	5,110
Work in process	2,665	1,834	-	-	2,665	1,834
Raw materials	10,590	5,570	(1,621)	(776)	8,969	4,794
Goods in transit	1,267	917	-	-	1,267	917
Total	<u>21,931</u>	<u>13,902</u>	<u>(2,350)</u>	<u>(1,247)</u>	<u>19,581</u>	<u>12,655</u>

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	3,972	2,756	(238)	(83)	3,734	2,673
Work in process	2,167	1,417	-	-	2,167	1,417
Raw materials	8,031	4,145	(1,165)	(400)	6,866	3,745
Goods in transit	873	701	-	-	873	701
Total	<u>15,043</u>	<u>9,019</u>	<u>(1,403)</u>	<u>(483)</u>	<u>13,640</u>	<u>8,536</u>

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	(1,247)	(1,417)	(483)	(754)
Increase during the year	(988)	(152)	(731)	-
Increase during the year due to flooding (Note 29)	(331)	-	(331)	-
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the year	247	186	142	149
Reversal during the year	27	144	-	122
Translation adjustment	(58)	(8)	-	-
Balance at end of year	<u>(2,350)</u>	<u>(1,247)</u>	<u>(1,403)</u>	<u>(483)</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.

10. Other current financial assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<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 35.1)	32	149	32	149
Total financial assets at FVTPL	32	149	32	149
Total other current financial assets	<u>32</u>	<u>354</u>	<u>32</u>	<u>149</u>

11. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Input tax refundable	474	358	241	205
Advance payments	1,181	846	331	163
Prepaid expenses	250	271	54	28
Prepaid tax	23	26	-	-
Others	58	62	15	8
Total other current assets	<u>1,986</u>	<u>1,563</u>	<u>641</u>	<u>404</u>

12. Investments in associated companies

12.1 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.

12.2 Share of comprehensive income and dividend received

During the year 2020, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Delta Electronics (Switzerland) AG	-	89	-	(10)
Delta Greentech Electronics Industry LLC	-	(28)	-	-
Total	-	61	-	(10)

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

13. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Paid-up capital			Cost	
	Foreign currency	2021 (Million)	2020 (Million)	2021	2020
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	0.1	3	3
Delta Electronics India Manufacturing Private Limited	INR	1	-	1	-
Subtotal				<u>15,233</u>	<u>15,232</u>
Less: Allowance for impairment loss of investments in subsidiary companies				<u>(1,324)</u>	<u>(1,144)</u>
Investments in subsidiary companies - net				<u>13,909</u>	<u>14,088</u>

No dividend was received from the above subsidiary companies during the year ended 31 December 2021 and 2020.

13.2 Significant events during the year

13.2.1 Subsidiaries directly owned by the Company

a) Establishment of new subsidiary

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.

b) Allowance for impairment loss of investment in subsidiary company

During the current year, the Company recognised allowance for impairment loss on investment in subsidiary company, DET International Holding Limited, amounting to approximately Baht 179 million and presented under "Loss from impairment of investments in subsidiary company" in the statement of comprehensive income.

13.2.2 Subsidiaries indirectly owned by the Company

a) The merger of subsidiaries in Australia

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution to merge two subsidiaries in Australia, Delta Electronics (Australia) Pty. Ltd. and Eltek Australia Pty. Ltd., with the merged business to belong to Eltek Australia Pty. Ltd. The subsidiaries' merger was completed on 1 April 2021.

On 22 April 2021, Delta Electronics (Australia) Pty. Ltd., which is now in the process of dissolution, changed its name to "Delta Electronics (Holdings) Australia Pty. Ltd." and Eltek Australia Pty Ltd. changed its name to "Delta Electronics (Australia) Pty. Ltd.".

The merger had no impact on the consolidated financial statements because it was a merger of subsidiaries within a group of companies under common control.

b) Dissolution of subsidiary company

On 31 March 2021, a meeting of the Company's Board of Directors passed a resolution to dissolve Delta PBA Engineering Solutions Company Limited, which is a subsidiary company of Delta Energy Systems (Singapore) Pte. Ltd. This subsidiary registered its dissolution with the Ministry of Commerce on 5 May 2021 and registered the completion of its liquidation with the Ministry of Commerce on 20 September 2021.

The dissolution of this subsidiary does not have any significant impact on the Group's operations.

c) 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 Delta Electronics (Australia) Pty. Ltd. (formerly known as "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.

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 Delta Electronics (Australia) Pty. Ltd. (formerly known as "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 Delta Electronics (Australia) Pty. Ltd. (formerly known as “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 Delta Electronics (Australia) Pty. Ltd. (formerly known as “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 Delta Electronics (Australia) Pty. Ltd. (formerly known as “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).

14. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2021:			
Cost	44	323	367
Less: Accumulated depreciation	-	(79)	(79)
Translation adjustment	(10)	(47)	(57)
Net book value	<u>34</u>	<u>197</u>	<u>231</u>
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>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	233	218
Acquisition of assets	1	5
Depreciation charged	(10)	(10)
Translation adjustment	7	20
Net book value at end of year	<u>231</u>	<u>233</u>

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
The fair value	241	261

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.

15. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Cost:									
1 January 2020	1,030	3,735	9,102	1,451	2,165	2,389	584	483	20,939
Purchase/transfer in	-	136	1,209	150	143	1,967	51	24	3,680
Disposal/write-off/transfer out	-	-	(206)	(170)	(7)	(483)	(60)	(22)	(948)
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
Purchase/transfer in	670	687	3,434	167	773	4,050	157	29	9,967
Disposal/write-off/transfer out	-	-	(483)	(12)	(34)	(2,196)	(56)	(76)	(2,857)
Translation adjustment	53	96	82	-	11	239	13	22	516
31 December 2021	1,743	4,775	13,250	1,587	3,081	5,915	699	467	31,517
Accumulated depreciation:									
1 January 2020	-	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
Depreciation for the year	-	108	1,558	182	270	-	110	34	2,262
Depreciation - disposal/write-off	-	-	(459)	(14)	(34)	-	(55)	(63)	(625)
Translation adjustment	-	24	50	-	5	-	12	20	111
31 December 2021	-	1,188	7,791	1,421	1,610	-	512	374	12,896

15. 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 2020	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Increase during the year	-	-	5	-	-	14	-	-	19
31 December 2021	-	17	5	-	2	14	-	-	38
Net book value:									
As at 31 December 2020	1,020	2,919	3,575	179	960	3,822	140	109	12,724
As at 31 December 2021	1,743	3,570	5,454	166	1,469	5,901	187	93	18,583
Depreciation for the year									
Year 2020 (Baht 1,570 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,967
Year 2021 (Baht 1,819 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,262

15. 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 2020	414	1,806	7,430	1,444	1,811	659	360	110	14,034
Purchase/transfer in	-	18	785	149	121	1,071	32	1	2,177
Disposal/write-off/transfer out	-	-	(182)	(170)	(3)	(341)	(40)	(2)	(738)
31 December 2020	414	1,824	8,033	1,423	1,929	1,389	352	109	15,473
Purchase/transfer in	670	664	3,036	166	769	2,518	134	18	7,975
Disposal/write-off/transfer out	-	-	(330)	(12)	(34)	(2,171)	(36)	(5)	(2,588)
31 December 2021	1,084	2,488	10,739	1,577	2,664	1,736	450	122	20,860
Accumulated depreciation:									
1 January 2020	-	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
Depreciation for the year	-	48	1,284	181	231	-	75	8	1,827
Depreciation - disposal/write-off	-	-	(310)	(13)	(34)	-	(37)	(5)	(399)
31 December 2021	-	626	6,194	1,413	1,368	-	298	87	9,986

15. 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 2020	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Increase during the year	-	-	5	-	-	14	-	-	19
31 December 2021	-	17	5	-	2	14	-	-	38
Net book value:									
As at 31 December 2020	414	1,229	2,813	178	756	1,389	92	25	6,896
As at 31 December 2021	1,084	1,845	4,540	164	1,294	1,722	152	35	10,836
Depreciation for the year									
Year 2020 (Baht 1,389 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,593
Year 2021 (Baht 1,596 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,827

As at 31 December 2021, 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 7,407 million (2020: Baht 6,413 million) (The Company only: Baht 5,664 million, 2020: Baht 4,719 million).

16. Goodwill

The net book value of goodwill as at 31 December 2021 and 2020 is presented below.

	(Unit: Million Baht)
	Consolidated financial statements
Net book value as at 1 January 2020	418
Translation adjustment	19
Net book value as at 31 December 2020	437
Translation adjustment	6
Net book value as at 31 December 2021	<u>443</u>

As at 31 December 2021, 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 228 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.
Growth rate	2%	2%
Pre-tax discount rates	13.2%	12.1%

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.

17. Other intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				Total
	Patent rights	Computer software	Customer relationship	Others	
Cost:					
1 January 2020	990	344	119	2	1,455
Purchase	63	137	-	-	200
Disposal/write-off	-	(3)	-	-	(3)
Translation adjustment	(4)	21	11	-	28
31 December 2020	1,049	499	130	2	1,680
Purchase	-	48	-	-	48
Disposal/write-off	(1,097)	(15)	-	-	(1,112)
Translation adjustment	111	14	4	1	130
31 December 2021	63	546	134	3	746
Accumulated amortisation:					
1 January 2020	745	261	33	2	1,041
Amortisation for the year	53	66	13	-	132
Disposal/write-off	-	(2)	-	-	(2)
Translation adjustment	(5)	16	2	-	13
31 December 2020	793	341	48	2	1,184
Amortisation for the year	37	89	13	-	139
Disposal/write-off	(913)	(15)	-	-	(928)
Translation adjustment	90	8	2	1	101
31 December 2021	7	423	63	3	496
Net book value:					
31 December 2020	256	158	82	-	496
31 December 2021	56	123	71	-	250

(Unit: Million Baht)

	Separate financial statements		
	Computer		Total
	Patent rights	software	
Cost:			
1 January 2020	-	85	85
Purchase	63	-	63
Disposal/write-off	-	(1)	(1)
31 December 2020	63	84	147
Purchase	-	3	3
Disposal/write-off	-	(1)	(1)
31 December 2021	63	86	149
Accumulated amortisation:			
1 January 2020	-	84	84
Amortisation for the year	1	1	2
Disposal/write-off	-	(1)	(1)
31 December 2020	1	84	85
Amortisation for the year	7	-	7
Disposal/write-off	-	(1)	(1)
31 December 2021	8	83	91
Net book value:			
31 December 2020	62	-	62
31 December 2021	55	3	58

During the current year, DET International Holding Limited, a subsidiary of the Company, wrote off patents of approximately USD 5.5 million, or approximately Baht 187 million, and this was presented under the caption of “Other expenses” in the consolidated statements of comprehensive income.

18. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Short-term loans from financial institutions	0.88-5.45	1,594	-	1,497	-
Total		1,594	-	1,497	-

19. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties (Note 6)	1,784	1,372	807	739
Trade payables - unrelated parties	12,227	9,940	11,042	8,981
Other payables - related parties (Note 6)	1,207	577	1,142	769
Other payables - unrelated parties	2,062	1,084	1,965	1,003
Accrued expenses - related parties (Note 6)	434	284	434	285
Accrued expenses - unrelated parties	3,386	2,352	2,644	1,592
Advance received - related parties (Note 6)	-	-	55	19
Advance received - unrelated parties	949	572	538	357
Total trade and other payables	<u>22,049</u>	<u>16,181</u>	<u>18,627</u>	<u>13,745</u>

20. Other current liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Withholding tax payable	165	189	131	133
Value added tax payable	140	103	10	8
Others	213	101	22	28
Total other current liabilities	<u>518</u>	<u>393</u>	<u>163</u>	<u>169</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

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

	Consolidated					(Unit: Million Baht)
	financial statements					Separate
	Machinery and Motor					financial statements
	Land	Buildings	equipment	Vehicles	Total	Buildings
1 January 2020	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	190	164	9	14	377	-
Additions	110	97	-	14	221	6
Depreciation for the year	(3)	(79)	(3)	(11)	(96)	(1)
Translation adjustment	18	8	1	1	28	-
31 December 2021	315	190	7	18	530	5

b) Lease liabilities

	Consolidated				(Unit: Million Baht)
	financial statements		Separate		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Lease payments	222	184	5	-	
Less: Deferred interest expenses	(3)	(3)	-	-	
Total	219	181	5	-	
Less: Portion due within one year	(75)	(73)	(4)	-	
Lease liabilities - net of current portion	144	108	1	-	

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	Consolidated				(Unit: Million Baht)
	financial statements		Separate		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Balance at beginning of year	181	116	-	5	
Additions	111	148	6	-	
Accretion of interest	2	2	-	-	
Repayments	(88)	(87)	(1)	(5)	
Translation adjustment	13	2	-	-	
Balance at end of year	219	181	5	-	

A maturity analysis of lease payments is disclosed in Note 35.2 under the liquidity risk.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	96	98	1	5
Interest expense on lease liabilities	2	2	-	-
Expense relating to short-term leases and leases of low-value assets	82	69	41	14

d) Other

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 175 million (2020: Baht 150 million) (the Company only: Baht 39 million, 2020: Baht 13 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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Defined benefit obligation	(1,675)	(1,602)	(529)	(465)
Fair value of plan assets	79	60	-	-
Provisions for long-term employee benefits as at 31 December	<u>(1,596)</u>	<u>(1,542)</u>	<u>(529)</u>	<u>(465)</u>

The change in the defined benefit obligation is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Defined benefit obligation at beginning of year	(1,602)	(1,474)	(465)	(445)
Included in profit or loss:				
Current service cost	(76)	(64)	(53)	(42)
Interest cost	(26)	(23)	(14)	(11)
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	(24)	(17)	(25)	-
Financial assumptions changes	11	-	11	-
Experience adjustments	(10)	(2)	(20)	-
Benefits paid during the year	85	77	37	33
Translation adjustments	(33)	(99)	-	-
Defined benefit obligation at end of year	<u>(1,675)</u>	<u>(1,602)</u>	<u>(529)</u>	<u>(465)</u>

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Fair value of plan assets at beginning of year	60	47	-	-
Included in profit or loss:				
Interest income on plan assets	4	3	-	-
Contributions by employer	15	14	-	-
Benefits paid during the year	(3)	(3)	-	-
Translation adjustments	3	(1)	-	-
Fair value of plan assets at end of year	79	60	-	-

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Government bonds	47	35	-	-
Debentures	27	20	-	-
Others	5	5	-	-

The Group expects to pay Baht 75 million of long-term employee benefits during the next year (The Company only: Baht 10 million) (2020: Baht 92 million, the Company only: Baht 24 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit of the Group is 9 - 22 years (The Company only: 14 years) (2020: 9 - 21 years, the Company only: 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	0.7 - 6.5	0.7 - 6.7	2.2	2.5
Future salary increase rates (depending on age)	2.0 - 8.5	2.3 - 9.0	2.0 - 8.0	2.3 - 9.0
Pension increase rate	1.5	1.5	-	-
Turnover rate	0.8 - 14.0	0.8 - 15.0	3.5 - 14.0	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 2021 and 2020 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%-10%	0.5%-10%	1%-10%	1%-10%
Discount rate	Decrease 123	Increase 139	Decrease 49	Increase 57
Future salary increase rates (depending on age)	Increase 60	Decrease 54	Increase 54	Decrease 48
Pension increase rate	Increase 64	Decrease 59	-	-
Turnover rate	Decrease 22	Increase 25	Decrease 19	Increase 20

	(Unit: Million Baht)			
	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%-10%	0.5%-10%	1%-10%	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

23. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Other		Total	Other		Total
	Warranty	provisions		Warranty	provisions	
Balance as at 1 January 2020	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
Recognition during year	259	56	315	155	-	155
Decrease during year	(39)	(5)	(44)	(38)	-	(38)
Reversal during year	(137)	(40)	(177)	(30)	-	(30)
Translation adjustment/unrealised loss on exchange rate	51	1	52	40	-	40
Balance as at 31 December 2021	609	34	643	429	-	429
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
Short-term provisions	67	31	98	-	-	-
Long-term provisions	542	3	545	429	-	429
Balance as at 31 December 2021	609	34	643	429	-	429

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 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	4,116	3.30
Final dividend for year 2019	Annual General Meeting of the shareholders on 31 March 2020	2,245	1.80

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries, wages and other employee benefits	11,168	9,343	7,230	5,983
Raw materials used and purchase of finished goods	56,277	40,230	46,055	32,918
Changes in finished goods and work in progress	(2,659)	(1,815)	(1,966)	(406)
Depreciation	2,368	2,075	1,828	1,598
Amortisation	139	132	6	2
Commission expenses	614	843	861	1,058
Marketing fee	139	48	255	125
Design and engineering fee	131	11	2,168	1,943
Services paid	133	122	133	122
Royalty paid	2,888	1,698	2,888	1,698

27. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	(158)	(230)	(17)	(49)
Adjustment in respect of income tax of previous year	36	26	29	-
Deferred tax:				
Relating to origination and reversal of temporary differences	42	6	-	-
Translation adjustment	(18)	9	-	-
Tax income (expenses) reported in profit or loss	(98)	(189)	12	(49)

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	6,801	7,259	6,743	7,082
Income tax at Thai corporate income tax rate of 20%	(1,360)	(1,452)	(1,349)	(1,416)
Adjust in respect of income tax of previous years	36	26	29	-
Effect of elimination entries on the consolidated financial statements	(159)	(161)	-	-
Tax effect of:				
Difference in tax rates of overseas subsidiaries	(56)	(35)	-	-
Tax savings from the tax privileges granted by the government	1,488	1,336	1,480	1,335
Loss for the current year	(3)	(17)	-	-
Non-deductible expenses	(4)	(4)	-	-
Unrecognised deferred tax assets on temporary differences	(113)	(48)	(118)	(7)
Utilisation of previously unrecognised deferred tax asset on tax losses	36	80	-	38
Exemption of income	-	75	-	-
Others	37	11	(30)	1
Total	1,385	1,398	1,332	1,367
Tax income (expenses) reported in profit or loss	(98)	(189)	12	(49)

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are 0.00% to 34.94%.

As at 31 December 2021 and 2020, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Allowance for expected credit losses	26	24	-	-
Allowance for diminution in value of inventories	230	190	-	-
Provision for warranty	7	10	-	-
Tax loss brought forward	6	2	-	-
Others	79	63	-	-
Total	<u>348</u>	<u>289</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	131	114	-	-
Total	<u>131</u>	<u>114</u>	<u>-</u>	<u>-</u>

As at 31 December 2021 the Group has deductible temporary differences and unused tax losses totaling Baht 5,183 million, INR 194 million or approximately Baht 87 million and EUR 41 million or approximately Baht 1,544 million (2020: Baht 3,628 million, INR 276 million or approximately Baht 112 million and EUR 38 million or approximately Baht 1,404 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
The five-year limitation period				
31 December 2021	2	5	-	-
31 December 2022	12	193	-	177
31 December 2023	2	22	-	-
31 December 2024	156	24	-	14
The eight-year limitation period				
31 March 2021	-	33	-	-
31 March 2022	23	21	-	-
31 March 2023	14	13	-	-
31 March 2024	16	15	-	-
No expiry date	1,422	1,435	-	-
Total	<u>1,647</u>	<u>1,761</u>	<u>-</u>	<u>191</u>

As at 31 December 2021, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 370 million (2020: Baht 309 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								
	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	64-1295-1-20-1-0
1. Certificate No.	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	64-1295-1-20-1-0
2. Promotional privileges for	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	Manufacturing of Ventilation Fan.
3. The significant privileges are									
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	8 years	8 years (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 years (Maximum amount Baht 1,320,000)
3.2 Exemption from import duty on machinery as approved by the board.	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	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.	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.	Granted	-	-	-	-	-	-	-	-
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.	Granted	-	-	-	-	-	-	-	-
4. Date of first earning operating income	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	27 July 2019
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	-	-	-	-	-	-

The Company's operating revenues for the years ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	425	337	440	337	865	674
Export sales	67,973	51,085	2,072	1,942	70,045	53,027
Service income	-	-	73	61	73	61
Total Sales and service income	<u>68,398</u>	<u>51,422</u>	<u>2,585</u>	<u>2,340</u>	<u>70,983</u>	<u>53,762</u>

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

- 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. Losses due to flooding

In August 2021, some of the Company's warehouses located in Bangpoo Industrial Estate in Samutprakarn province were affected by flooded, which resulted in property damage. The Company surveyed the damage and recorded losses due to flooding of Baht 393 million in the statement of comprehensive income for the current period. This consisted of the damages to inventories amounting to approximately Baht 331 million, damages to fixed assets amounting to approximately Baht 19 million and other damages amounting to approximately Baht 43 million.

However, the Company has all risk insurance coverage and the Company is in the process of claiming compensation for the flood damage from its insurance companies.

30. 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.

The following table sets forth the computation of basic earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company (Million Baht)	6,699	7,101	6,755	7,014
Weighted average number of ordinary shares (Million shares)	1,247	1,247	1,247	1,247
Basic earnings per share (Baht)	5.37	5.69	5.42	5.62

31. 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.

For management purposes, the Group is organised into business units based on its products and services and have 3 reportable segments such as: Power electronics segment, Infrastructure segment and Automation segment.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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 years ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Revenue									
Sales from external customers	61,350	44,912	19,727	15,660	1,868	1,718	49	51	82,994	62,341
Service income from external customers	19	108	958	592	230	93	117	74	1,324	867
Total revenue	<u>61,369</u>	<u>45,020</u>	<u>20,685</u>	<u>16,252</u>	<u>2,098</u>	<u>1,811</u>	<u>166</u>	<u>125</u>	<u>84,318</u>	<u>63,208</u>
Segment profit (loss)	5,339	5,776	1,537	1,710	(81)	(11)	(872)	(1,118)	5,923	6,357
Unallocated income (expenses):										
Gain on exchange rate									1,018	388
Other income									442	507
Losses due to flooding									(393)	-
Loss on sales of investments in associated companies									-	(95)
Other expenses									(239)	(68)
Share of profit from investments in associated companies									-	61
Finance income									54	111
Finance cost									(4)	(1)
Profit before income tax expenses									6,801	7,260
Income tax expenses for the year									(98)	(189)
Income tax expenses resulting from tax assessments									-	(19)
Profit for the year									<u>6,703</u>	<u>7,052</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>2021</u>	<u>2020</u>
United States	29,044	22,041
China	12,869	8,722
India	7,257	4,641
Germany	6,873	5,705
Ireland	5,391	3,947
Singapore	5,336	3,640
Taiwan	2,475	1,850
Norway	2,177	1,952
Netherlands	1,938	1,367
Others	10,958	9,343
Total	<u>84,318</u>	<u>63,208</u>

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

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Thailand	10,903	6,958
Slovakia	1,735	1,559
India	5,816	3,986
Germany	983	989
Others	156	338
Total	<u>19,593</u>	<u>13,830</u>

Major customer

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

32. 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 5 - 10 percent of basic salary (2020: 7 percent of basic salary). The fund, which is managed by TMBThanachart Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 132 million (2020: Baht 121 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.

33. Commitments and contingent liabilities

33.1 Significant capital commitments

As at 31 December 2021, the Group had significant capital commitments amounting to Baht 314 million, EUR 5 million or approximately Baht 190 million and INR 3,890 million or approximately Baht 1,738 million in respect of the building construction, purchase of machinery and equipment (2020: Baht 113 million, EUR 2 million or approximately Baht 78 million and INR 5,679 million or approximately Baht 2,314 million) (The Company only: Baht 313 million, 2020: Baht 113 million).

33.2 Significant long-term service commitments

33.2.1 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.

33.2.2 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 provide 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.

33.3 Guarantee obligations

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

33.3.1 Outstanding letters of guarantee totaling approximately Baht 380 million (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 (2020: 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 33.4.1 to the financial statements).

33.3.2 Outstanding letters of guarantee for totals of approximately INR 1,410 million or approximately Baht 630 million, EUR 0.3 million or approximately Baht 13 million, AUD 1 million or approximately Baht 24 million have been issued by banks to meet requirements of the subsidiaries (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).

33.4 Tax assessment

33.4.1 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.

The Company has recorded provisions totaling approximately Baht 258 million (including penalties and surcharges) for the tax assessments under the caption of “Liabilities and provision from tax assessments” in the statement of financial position.

- 33.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 229 million or approximately Baht 102 million, covering the years 2006 - 2018, and sales tax and excise duties of approximately INR 200 million or approximately Baht 89 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.

34. Fair value hierarchy

As at 31 December 2021 and 2020, 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 4.19 to the financial statements) as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	32	-	32
Liabilities measured at fair value				
Foreign currency forward contracts	-	18	-	18
Assets for which fair value are disclosed				
Investment properties (Note 14)	-	-	241	241

(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	-	149	-	149
Liabilities measured at fair value				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 14)	-	-	261	261

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	32	-	32
Liabilities measured at fair value				
Foreign currency forward contracts	-	16	-	16

(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	-	149	-	149

35. Financial instruments

35.1 Derivatives

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	32	149	32	149
Total derivative assets (Note 10)	32	149	32	149
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	18	1	16	-
Total derivative liabilities	18	1	16	-

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.

35.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, investments, short-term loans from financial institutions and long-term loans from related party. 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, 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 on debt instruments and derivatives 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 foreign 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. Mostly 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 2021 and 2020, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
US dollar	339	263	432	324	628	466	426	326
Euro	9	6	6	2	9	6	8	11
Japanese yen	206	177	448	379	206	177	437	367

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 December	
	<u>2021</u>	<u>2020</u>
US dollar	33.4199	30.0371
Euro	37.8948	36.8764
Japanese yen	0.2906	0.2907

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 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2021		2020	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)	(%)	(Million Baht)
US dollar	+6	187	+3	141
	- 6	(187)	- 3	(141)
Euro	+5	6	+4	6
	-5	(6)	-4	(6)
Japanese yen	+2	1	+2	0.3
	-2	(1)	-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 2021 and 2020, the outstanding forward contracts are summarised below.

Consolidated financial statements						
As at 31 December 2021						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	174	million	32.7230 - 33.9830	THB/USD	January - April 2022
Forward contracts to "Buy"						
USD/INR	USD	10	million	74.5350 - 76.2950	INR/USD	January - February 2022
JPY/THB	JPY	90	million	0.2883 - 0.2975	THB/JPY	January - February 2022
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
Separate financial statements						
As at 31 December 2021						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	174	million	32.7230 - 33.9830	THB/USD	January - April 2022
Forward contracts to "Buy"						
JPY/THB	JPY	90	million	0.2883 - 0.2975	THB/JPY	January - February 2022
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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash deposits with financial institutions, short-term loans from financial institutions and long-term loans from related party. 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 2021 and 2020, 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 2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	664	-	-	3,587	2,321	6,572	0.00 - 8.00
Trade and other receivables	-	-	-	-	20,593	20,593	-
Other financial assets	-	-	-	-	32	32	-
Deposits at bank with restrictions	-	35	-	1	1	37	0.00 - 6.50
Total	664	35	-	3,588	22,947	27,234	
Financial liabilities							
Short-term loans from financial institutions	1,594	-	-	-	-	1,594	0.88 - 5.45
Trade and other payables	-	-	-	-	22,049	22,049	-
Long-term loans from related party	-	368	-	-	-	368	0.20
Total	1,594	368	-	-	22,049	24,011	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
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	

(Unit: Million Baht)

Consolidated 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		
Financial liabilities							
Trade and other payables	-	-	-	-	16,181	16,181	-
Total	-	-	-	-	16,181	16,181	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2021

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over	interest	Non-interest			
	1 year				1 - 5 years		
Financial assets							
Cash and cash equivalents	-	-	-	1,534	2	1,536	0.00 - 0.45
Trade and other receivables	-	-	-	-	21,200	21,200	-
Other financial assets	-	-	-	-	32	32	-
Total	-	-	-	1,534	21,234	22,768	
Financial liabilities							
Short-term loans from financial institutions	1,497	-	-	-	-	1,497	0.88 - 0.96
Trade and other payables	-	-	-	-	18,627	18,627	-
Total	1,497	-	-	-	18,627	20,124	

(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		
Financial assets							
Cash and cash equivalents	-	-	-	8,404	2	8,406	0.00 - 0.55
Trade and other receivables	-	-	-	-	14,147	14,147	-
Other financial assets	-	-	-	-	149	149	-
Total	-	-	-	8,404	14,298	22,702	

(Unit: Million Baht)

	Separate financial statements						Interest rate (% p.a.)
	As at 31 December 2020						
	Fixed interest rates			Floating		Total	
	Within	Over		interest	Non-interest		
1 year	1 - 5 years	5 years	rate	bearing			
Financial liabilities							
Trade and other payables	-	-	-	-	13,745	13,745	-
Total	-	-	-	-	13,745	13,745	

Most of the interest rates related to cash deposits with financial institutions and loans are floating interest rates or fixed interest rates that are close to the market rate. In addition, the interest rates on savings accounts are considered low and fluctuate only slightly and most of the loans are short-term loans due for repayment less than 1 year. As a result, the Group believes that the Group's exposure to interest rate risk on cash deposits with financial institutions and loans is not material.

Liquidity risk

Approximately 89% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 88%) (the Company only: 96%, 2020: 95%) 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 2021 and 2020 based on contractual undiscounted cash flows:

	Consolidated financial statements			
	As at 31 December 2021			
	On	Less than 1	1 to 5	Total
	demand	year	years	
Non-derivatives				
Short-term loans from financial institutions	1,497	97	-	1,594
Trade and other payables	-	22,049	-	22,049
Lease liabilities	-	75	144	219
Long-term loans from related party	-	-	368	368
Total non-derivatives	1,497	22,221	512	24,230
Derivatives				
Derivative liabilities: net settled	-	18	-	18
Total derivatives	-	18	-	18

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2020				
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 derivatives	-	1	-	1

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2021				
On demand	Less than 1 year	1 to 5 years	Total	
Non-derivatives				
Short-term loans from financial institutions	1,497	-	-	1,497
Trade and other payables	-	18,627	-	18,627
Lease liabilities	-	4	1	5
Total non-derivatives	1,497	18,631	1	20,129
Derivatives				
Derivative liabilities: net settled	-	16	-	16
Total derivatives	-	16	-	16

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2020				
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

35.3 Fair values of financial instruments

Since the majority of the Group' 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 counterparty credit risk when determining the fair value of derivatives.

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

36. 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 2021, the Group's debt-to-equity ratio was 0.67:1 (2020: 0.52:1) and the Company's was 0.53:1 (2020: 0.40:1).

37. Events after the reporting period

On 15 February 2022, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 1.70 per share, a total of Baht 2,121 million. The dividend will be paid from the Company's operating results for the year 2021.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2022.