

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2022, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Preecha Arunnara
Certified Public Accountant (Thailand) No. 5800

EY Office Limited
Bangkok: 26 July 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2022

(Unit: Thousand Baht)

| | Note | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|------|--|--------------------------------------|--|--------------------------------------|
| | | <u>30 June 2022</u> (Unaudited but reviewed) | <u>31 December 2021</u> (Audited) | <u>30 June 2022</u> (Unaudited but reviewed) | <u>31 December 2021</u> (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 8,155,560 | 6,571,566 | 3,690,596 | 1,535,903 |
| Trade and other receivables | 3 | 23,353,611 | 20,593,484 | 24,087,288 | 21,200,265 |
| Inventories | 4 | 20,811,349 | 19,580,655 | 14,390,930 | 13,639,515 |
| Derivative assets | 17.2 | 11,423 | 32,388 | 6,522 | 32,308 |
| Other current assets | 5 | 1,678,613 | 1,631,042 | 328,789 | 286,008 |
| Total current assets | | <u>54,010,556</u> | <u>48,409,135</u> | <u>42,504,125</u> | <u>36,693,999</u> |
| Non-current assets | | | | | |
| Deposits at bank with restrictions | | 37,060 | 37,344 | - | - |
| Investments in subsidiaries | 6 | - | - | 14,078,896 | 13,909,473 |
| Investment properties | | 218,798 | 230,593 | - | - |
| Property, plant and equipment | 7 | 20,014,639 | 18,583,129 | 11,785,755 | 10,836,226 |
| Advances to contractors and for acquisitions of assets | | 404,021 | 355,318 | 404,021 | 355,318 |
| Right-of-use assets | | 508,048 | 529,524 | 2,635 | 4,592 |
| Goodwill | | 436,879 | 443,051 | - | - |
| Other intangible assets | | 218,583 | 249,799 | 62,184 | 58,292 |
| Deferred tax assets | | 306,118 | 347,610 | - | - |
| Other non-current assets | | 208,244 | 152,871 | 9,138 | 10,239 |
| Total non-current assets | | <u>22,352,390</u> | <u>20,929,239</u> | <u>26,342,629</u> | <u>25,174,140</u> |
| Total assets | | <u>76,362,946</u> | <u>69,338,374</u> | <u>68,846,754</u> | <u>61,868,139</u> |

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

| | Note | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--------|--|--------------------------------------|--|--------------------------------------|
| | | <u>30 June 2022</u> (Unaudited but reviewed) | <u>31 December 2021</u> (Audited) | <u>30 June 2022</u> (Unaudited but reviewed) | <u>31 December 2021</u> (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | | 470,934 | 1,593,669 | - | 1,497,407 |
| Trade and other payables | 8 | 25,161,517 | 22,049,338 | 21,916,389 | 18,626,852 |
| Current portion of lease liabilities | | 59,758 | 74,957 | 2,103 | 3,677 |
| Income tax payable | | 157,076 | 124,668 | 86,451 | 37,072 |
| Short-term provisions | 10 | 119,264 | 98,422 | - | - |
| Liabilities and provision from tax assessments | 16.4.1 | 258,173 | 258,173 | 258,173 | 258,173 |
| Derivative liabilities | 17.2 | 215,323 | 18,481 | 215,323 | 15,533 |
| Other current liabilities | | 277,693 | 518,025 | 98,114 | 162,855 |
| Total current liabilities | | 26,719,738 | 24,735,733 | 22,576,553 | 20,601,569 |
| Non-current liabilities | | | | | |
| Long-term loans from related party | 2 | 352,979 | 367,570 | - | - |
| Lease liabilities, net of current portion | | 140,520 | 144,125 | 441 | 968 |
| Deferred tax liabilities | | 137,666 | 130,696 | - | - |
| Provision for long-term employee benefits | 9 | 1,573,751 | 1,595,747 | 541,558 | 528,557 |
| Long-term provisions | 10 | 630,346 | 545,004 | 519,034 | 428,744 |
| Other non-current liabilities | | 453,473 | 415,196 | 1,242 | 1,450 |
| Total non-current liabilities | | 3,288,735 | 3,198,338 | 1,062,275 | 959,719 |
| Total liabilities | | 30,008,473 | 27,934,071 | 23,638,828 | 21,561,288 |

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------------------|--------------------------------------|-------------------------|
| | <u>30 June 2022</u> | <u>31 December 2021</u> | <u>30 June 2022</u> | <u>31 December 2021</u> |
| | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Shareholders' equity | | | | |
| Share capital | | | | |
| Registered | | | | |
| 1,259,000,000 ordinary shares of Baht 1 each | <u>1,259,000</u> | <u>1,259,000</u> | <u>1,259,000</u> | <u>1,259,000</u> |
| Issued and fully paid | | | | |
| 1,247,381,614 ordinary shares of Baht 1 each | 1,247,382 | 1,247,382 | 1,247,382 | 1,247,382 |
| Share premium | 1,491,912 | 1,491,912 | 1,491,912 | 1,491,912 |
| Difference from business combination under common control | | | | |
| | (1,339,694) | (1,339,694) | - | - |
| Retained earnings | | | | |
| Appropriated - Statutory reserve | 125,900 | 125,900 | 125,900 | 125,900 |
| Unappropriated | 46,699,424 | 41,776,388 | 42,342,732 | 37,441,657 |
| Other components of shareholders' equity | <u>(1,870,451)</u> | <u>(1,897,585)</u> | - | - |
| Total shareholders' equity | <u>46,354,473</u> | <u>41,404,303</u> | <u>45,207,926</u> | <u>40,306,851</u> |
| Total liabilities and shareholders' equity | <u>76,362,946</u> | <u>69,338,374</u> | <u>68,846,754</u> | <u>61,868,139</u> |
| | - | - | - | - |

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

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Directors
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(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2022

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

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | | |
|--|--|-------------------|--------------------------------------|-------------------|-------------------|
| | <u>Note</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | | 27,755,637 | 20,427,761 | 23,653,061 | 17,772,916 |
| Service income | | 248,378 | 212,009 | 18,646 | 21,714 |
| Other income | | | | | |
| Gain on exchange | | 345,907 | 223,218 | 367,221 | 199,351 |
| Others | | 106,982 | 142,552 | 78,001 | 110,221 |
| Total revenues | | 28,456,904 | 21,005,540 | 24,116,929 | 18,104,202 |
| Expenses | | | | | |
| Cost of sales | | 20,773,321 | 15,979,071 | 17,266,604 | 13,577,826 |
| Cost of services | | 214,224 | 201,891 | 6,847 | 13,031 |
| Selling and distribution expenses | 16.2.1 | 1,640,520 | 1,733,212 | 1,375,992 | 1,518,692 |
| Administrative expenses | | 637,751 | 479,880 | 423,274 | 320,975 |
| Research and development expenses | 16.2.2 | 873,818 | 917,185 | 873,830 | 898,136 |
| Other expenses | | 6,386 | 4,737 | 969 | 340 |
| Total expenses | | 24,146,020 | 19,315,976 | 19,947,516 | 16,329,000 |
| Profit from operating activities | | 4,310,884 | 1,689,564 | 4,169,413 | 1,775,202 |
| Finance income | | 4,896 | 10,685 | 1,712 | 2,688 |
| Finance cost | | (3,966) | (1,059) | (308) | (3) |
| Profit before income tax expenses | | 4,311,814 | 1,699,190 | 4,170,817 | 1,777,887 |
| Income tax expenses | 12 | (48,357) | (43,827) | (28,931) | - |
| Profit for the period | | 4,263,457 | 1,655,363 | 4,141,886 | 1,777,887 |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2022

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

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------|--------------------------------------|------------------|
| <u>Note</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of financial statements in foreign currency | <u>267,540</u> | <u>383,736</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | <u>267,540</u> | <u>383,736</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>267,540</u> | <u>383,736</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>4,530,997</u> | <u>2,039,099</u> | <u>4,141,886</u> | <u>1,777,887</u> |
| Profit attributable to: | | | | |
| Equity holders of the Company | <u>4,263,457</u> | <u>1,655,385</u> | <u>4,141,886</u> | <u>1,777,887</u> |
| Non-controlling interests of the subsidiary | <u>-</u> | <u>(22)</u> | | |
| | <u>4,263,457</u> | <u>1,655,363</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>4,530,997</u> | <u>2,039,121</u> | <u>4,141,886</u> | <u>1,777,887</u> |
| Non-controlling interests of the subsidiary | <u>-</u> | <u>(22)</u> | | |
| | <u>4,530,997</u> | <u>2,039,099</u> | | |
| Earnings per share | 14 | | | |
| Basic earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>3.42</u> | <u>1.33</u> | <u>3.32</u> | <u>1.43</u> |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2022

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

| | | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|-------------|--|-------------------|--------------------------------------|-------------------|
| | <u>Note</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | | 52,053,208 | 39,229,416 | 44,895,412 | 34,002,845 |
| Service income | | 574,160 | 449,009 | 42,519 | 46,363 |
| Other income | | | | | |
| Gain on exchange | | 545,947 | 474,349 | 580,420 | 447,284 |
| Insurance compensation income due to flooding | 13 | 330,679 | - | 330,679 | - |
| Others | | 199,970 | 334,430 | 145,369 | 256,165 |
| Total revenues | | 53,703,964 | 40,487,204 | 45,994,399 | 34,752,657 |
| Expenses | | | | | |
| Cost of sales | | 40,047,449 | 30,710,826 | 33,685,832 | 25,993,860 |
| Cost of services | | 426,591 | 405,523 | 12,769 | 31,504 |
| Selling and distribution expenses | 16.2.1 | 3,233,502 | 3,198,681 | 2,713,762 | 2,747,965 |
| Administrative expenses | | 1,180,638 | 961,730 | 764,665 | 617,196 |
| Research and development expenses | 16.2.2 | 1,680,598 | 1,700,713 | 1,727,603 | 1,702,202 |
| Other expenses | | 23,627 | 22,845 | 8,992 | 7,145 |
| Total expenses | | 46,592,405 | 37,000,318 | 38,913,623 | 31,099,872 |
| Profit from operating activities | | 7,111,559 | 3,486,886 | 7,080,776 | 3,652,785 |
| Finance income | | 26,631 | 29,797 | 2,538 | 10,083 |
| Finance cost | | (7,283) | (1,513) | (1,009) | (7) |
| Profit before income tax expenses | | 7,130,907 | 3,515,170 | 7,082,305 | 3,662,861 |
| Income tax expenses | 12 | (87,322) | (103,877) | (60,681) | - |
| Profit for the period | | 7,043,585 | 3,411,293 | 7,021,624 | 3,662,861 |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2022

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

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------|--------------------------------------|------------------|
| <u>Note</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Exchange differences on translation of financial statements in foreign currency | <u>27,134</u> | <u>823,903</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | <u>27,134</u> | <u>823,903</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>27,134</u> | <u>823,903</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>7,070,719</u> | <u>4,235,196</u> | <u>7,021,624</u> | <u>3,662,861</u> |
| Profit attributable to: | | | | |
| Equity holders of the Company | <u>7,043,585</u> | <u>3,412,156</u> | <u>7,021,624</u> | <u>3,662,861</u> |
| Non-controlling interests of the subsidiary | <u>-</u> | <u>(863)</u> | | |
| | <u>7,043,585</u> | <u>3,411,293</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | <u>7,070,719</u> | <u>4,236,059</u> | <u>7,021,624</u> | <u>3,662,861</u> |
| Non-controlling interests of the subsidiary | <u>-</u> | <u>(863)</u> | | |
| | <u>7,070,719</u> | <u>4,235,196</u> | | |
| Earnings per share | 14 | | | |
| Basic earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>5.65</u> | <u>2.74</u> | <u>5.63</u> | <u>2.94</u> |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | | | | | |
|--|---|------------------|--------------------|---|-------------------|--|--------------------|----------------------------|----------------|---|---|----------------------------------|--|--|
| Equity attributable to shareholders of the Company | | | | | | | | | | | | | | |
| | Issued and fully paid share capital | | | Difference from business combination under common control | | Other components of shareholders' equity | | | | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiary | Total shareholders' equity | | |
| | | | | | | Retained earnings | | Other comprehensive income | | | | | Exchange differences on translation of financial statements in foreign currency | Total other components of shareholders' equity |
| | | | | | | Appropriated | Unappropriated | | | | | | | |
| Balance as at 1 January 2021 | 1,247,382 | 1,491,912 | (1,339,694) | 125,900 | 39,216,330 | (3,130,090) | (3,130,090) | 37,611,740 | (4,311) | 37,607,429 | | | | |
| Profit for the period | - | - | - | - | 3,412,156 | - | - | 3,412,156 | (863) | 3,411,293 | | | | |
| Other comprehensive income for the period | - | - | - | - | - | 823,903 | 823,903 | 823,903 | - | 823,903 | | | | |
| Total comprehensive income for the period | - | - | - | - | 3,412,156 | 823,903 | 823,903 | 4,236,059 | (863) | 4,235,196 | | | | |
| Dividend paid (Note 11) | - | - | - | - | (4,116,359) | - | - | (4,116,359) | - | (4,116,359) | | | | |
| Balance as at 30 June 2021 | <u>1,247,382</u> | <u>1,491,912</u> | <u>(1,339,694)</u> | <u>125,900</u> | <u>38,512,127</u> | <u>(2,306,187)</u> | <u>(2,306,187)</u> | <u>37,731,440</u> | <u>(5,174)</u> | <u>37,726,266</u> | | | | |
| Balance as at 1 January 2022 | 1,247,382 | 1,491,912 | (1,339,694) | 125,900 | 41,776,388 | (1,897,585) | (1,897,585) | 41,404,303 | - | 41,404,303 | | | | |
| Profit for the period | - | - | - | - | 7,043,585 | - | - | 7,043,585 | - | 7,043,585 | | | | |
| Other comprehensive income for the period | - | - | - | - | - | 27,134 | 27,134 | 27,134 | - | 27,134 | | | | |
| Total comprehensive income for the period | - | - | - | - | 7,043,585 | 27,134 | 27,134 | 7,070,719 | - | 7,070,719 | | | | |
| Dividend paid (Note 11) | - | - | - | - | (2,120,549) | - | - | (2,120,549) | - | (2,120,549) | | | | |
| Balance as at 30 June 2022 | <u>1,247,382</u> | <u>1,491,912</u> | <u>(1,339,694)</u> | <u>125,900</u> | <u>46,699,424</u> | <u>(1,870,451)</u> | <u>(1,870,451)</u> | <u>46,354,473</u> | <u>-</u> | <u>46,354,473</u> | | | | |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

| | Separate financial statements | | | | Total shareholders' equity |
|---|---|------------------|-------------------|-------------------|----------------------------------|
| | Issued and fully paid share capital | Share premium | Retained earnings | | |
| | | | Appropriated | Unappropriated | |
| Balance as at 1 January 2021 | 1,247,382 | 1,491,912 | 125,900 | 34,836,221 | 37,701,415 |
| Profit for the period | - | - | - | 3,662,861 | 3,662,861 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 3,662,861 | 3,662,861 |
| Dividend paid (Note 11) | - | - | - | (4,116,359) | (4,116,359) |
| Balance as at 30 June 2021 | <u>1,247,382</u> | <u>1,491,912</u> | <u>125,900</u> | <u>34,382,723</u> | <u>37,247,917</u> |
| Balance as at 1 January 2022 | 1,247,382 | 1,491,912 | 125,900 | 37,441,657 | 40,306,851 |
| Profit for the period | - | - | - | 7,021,624 | 7,021,624 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 7,021,624 | 7,021,624 |
| Dividend paid (Note 11) | - | - | - | (2,120,549) | (2,120,549) |
| Balance as at 30 June 2022 | <u>1,247,382</u> | <u>1,491,912</u> | <u>125,900</u> | <u>42,342,732</u> | <u>45,207,926</u> |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------|--------------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from operating activities: | | | | |
| Profit before tax | 7,130,907 | 3,515,170 | 7,082,305 | 3,662,861 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation | 1,414,086 | 1,086,624 | 1,129,479 | 829,053 |
| Amortisation | 51,859 | 78,375 | 3,897 | 3,085 |
| Recording of allowance for expected credit losses | 28,753 | 11,241 | 42,673 | 5,742 |
| Reduction of inventory to net realisable value | 742,311 | 184,855 | 544,685 | 111,156 |
| Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories | (506,849) | (145,572) | (476,879) | (102,496) |
| Increase in provision for long-term employee benefits | 40,429 | 40,236 | 26,398 | 25,823 |
| Recording of the increase in provisions | 97,108 | 89,816 | 74,658 | 63,532 |
| Gain from disposal/write-off of property, plant and equipment | (229) | (808) | (6,680) | (971) |
| Loss from write-off other intangible assets | - | 14 | - | - |
| Unrealised (gain) loss on exchange | 41,217 | (169,317) | (116,323) | (193,859) |
| Interest income | (26,631) | (29,797) | (2,538) | (10,083) |
| Interest expenses | 7,283 | 1,513 | 1,009 | 7 |
| Profit from operating activities before changes in operating assets and liabilities | 9,020,244 | 4,662,350 | 8,302,684 | 4,393,850 |
| Decrease (increase) in operating assets: | | | | |
| Trade and other receivables | (2,109,806) | (3,289,134) | (2,261,262) | (3,658,670) |
| Inventories | (1,464,844) | (4,530,325) | (819,221) | (3,194,416) |
| Other current assets | (66,165) | (379,889) | (56,066) | (193,380) |
| Other non-current assets | (39,222) | 26,010 | 1,101 | (7,425) |
| Increase (decrease) in operating liabilities: | | | | |
| Trade and other payables | 2,767,626 | 4,688,586 | 2,982,686 | 3,862,817 |
| Other current liabilities | (239,195) | (102,158) | (63,079) | (90,658) |
| Provision for long-term employee benefits | (33,980) | (37,229) | (13,397) | (15,269) |
| Provisions | (11,423) | (13,931) | (6,507) | (13,862) |
| Other non-current liabilities | 38,277 | 88,898 | (208) | 508 |
| Cash flows from operating activities | 7,861,512 | 1,113,178 | 8,066,731 | 1,083,495 |
| Cash received from interest income | 31,042 | 45,377 | 2,538 | 10,083 |
| Cash paid for interest expenses | (8,546) | (2,443) | (1,009) | (7) |
| Cash paid for corporate income tax | (20,312) | (82,729) | (12,289) | (344) |
| Net cash flows from operating activities | 7,863,696 | 1,073,383 | 8,055,971 | 1,093,227 |

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|--------------------|--------------------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from investing activities: | | | | |
| Decrease in deposits at bank with restrictions | 284 | 9,659 | - | - |
| Decrease in fixed deposits with maturity over 3 months | - | 205,432 | - | - |
| Increase in investments in subsidiary | - | - | (169,423) | (460) |
| Increase in advances to contractors and for acquisitions of assets | (48,703) | - | (48,703) | - |
| Acquisition of property, plant and equipment | (2,880,035) | (3,351,387) | (2,089,391) | (2,260,045) |
| Proceeds from disposal of property, plant and equipment | 23,610 | 6,133 | 19,272 | 4,323 |
| Increase in right-of-use assets | (3,341) | - | (252) | - |
| Increase in investment properties | (22) | (176) | - | - |
| Increase in other intangible assets | <u>(25,254)</u> | <u>(29,038)</u> | <u>(7,789)</u> | <u>-</u> |
| Net cash flows used in investing activities | <u>(2,933,461)</u> | <u>(3,159,377)</u> | <u>(2,296,286)</u> | <u>(2,256,182)</u> |
| Cash flow from financing activities: | | | | |
| Cash receipt from short-term loans from financial institutions | 2,530,244 | 1,667 | 700,000 | - |
| Repayment of short-term loans from financial institutions | (3,669,206) | - | (2,213,241) | - |
| Cash receipt from short-term loans from related party | - | 362,636 | - | - |
| Repayment of liabilities under lease agreements | (37,980) | (44,468) | (2,102) | (472) |
| Dividend paid | <u>(2,120,549)</u> | <u>(4,116,359)</u> | <u>(2,120,549)</u> | <u>(4,116,359)</u> |
| Net cash flow used in financing activities | <u>(3,297,491)</u> | <u>(3,796,524)</u> | <u>(3,635,892)</u> | <u>(4,116,831)</u> |
| Increase in translation adjustments | <u>40,067</u> | <u>555,014</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents before | | | | |
| effect from currency translation | 1,672,811 | (5,327,504) | 2,123,793 | (5,279,786) |
| Effect from currency translation of cash and cash equivalents | <u>(88,817)</u> | <u>18,699</u> | <u>30,900</u> | <u>32,166</u> |
| Net increase (decrease) in cash and cash equivalents | 1,583,994 | (5,308,805) | 2,154,693 | (5,247,620) |
| Cash and cash equivalents at beginning of period | <u>6,571,566</u> | <u>13,881,848</u> | <u>1,535,903</u> | <u>8,405,731</u> |
| Cash and cash equivalents at end of period | <u>8,155,560</u> | <u>8,573,043</u> | <u>3,690,596</u> | <u>3,158,111</u> |
| | - | - | - | - |
| Supplemental disclosures of cash flows information | | | | |
| Non-cash transaction | | | | |
| Right-of-use assets increase under lease agreements | 31,254 | 14,557 | - | 2,776 |

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Basis of preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in shareholding structure of subsidiaries during the current period.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

| | (Unit: Million Baht) | | | |
|---|---|-------------|----------------------|-------------|
| | For the three-month periods ended 30 June | | | |
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| <u>Transactions with the parent company</u> | | | | |
| Sales of goods and raw materials | 44 | 56 | 44 | 53 |
| Purchase of goods and raw materials | 86 | 119 | 5 | 20 |
| Royalty paid (Note 16.2.1) | 889 | 729 | 889 | 729 |
| Services paid | 8 | 31 | 8 | 31 |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Sales of goods and raw materials | - | - | 7,654 | 6,587 |
| Purchase of goods and raw materials | - | - | 413 | 387 |
| Commission paid | - | - | 62 | 55 |
| Design and engineering fee paid (Note 16.2.2) | - | - | 563 | 640 |
| Administrative expenses | - | - | 23 | 30 |
| <u>Transactions with related companies</u> | | | | |
| Sales of goods and raw materials | 3,108 | 2,363 | 1,147 | 1,056 |
| Purchase of goods and raw materials | 1,663 | 1,549 | 751 | 490 |
| Commission paid | 177 | 168 | 138 | 164 |
| Commission received | 60 | 26 | - | - |
| Services income | 20 | 26 | - | - |

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| <u>Transactions with the parent company</u> | | | | |
| Sales of goods and raw materials | 68 | 100 | 67 | 78 |
| Purchase of goods and raw materials | 134 | 179 | 18 | 35 |
| Royalty paid (Note 16.2.1) | 1,686 | 1,393 | 1,686 | 1,393 |
| Services paid | 10 | 67 | 10 | 67 |
| <u>Transactions with subsidiary companies</u> | | | | |
| (eliminated from the consolidated financial statements) | | | | |
| Sales of goods and raw materials | - | - | 14,319 | 12,573 |
| Purchase of goods and raw materials | - | - | 705 | 751 |
| Commission paid | - | - | 127 | 111 |
| Design and engineering fee paid (Note 16.2.2) | - | - | 1,134 | 1,217 |
| Administrative expenses | - | - | 39 | 59 |
| <u>Transactions with related companies</u> | | | | |
| Sales of goods and raw materials | 5,817 | 4,335 | 2,275 | 1,884 |
| Purchase of goods and raw materials | 3,396 | 2,807 | 1,319 | 929 |
| Commission paid | 334 | 260 | 290 | 252 |
| Commission received | 93 | 54 | - | - |
| Services income | 44 | 46 | - | - |

(Unaudited but reviewed)

The balances of the accounts between the Group and those related companies are as follows:

| | (Unit: Million Baht) | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | | | | |
| | (Audited) | | (Audited) | |
| <u>Trade receivables, related parties (Note 3)</u> | | | | |
| Parent company | 47 | 40 | 45 | 36 |
| Subsidiary companies | - | - | 9,969 | 10,030 |
| Other related companies (under common control) | 2,336 | 2,196 | 1,178 | 951 |
| Total trade receivables, related parties | <u>2,383</u> | <u>2,236</u> | <u>11,192</u> | <u>11,017</u> |
| <u>Other receivables, related parties (Note 3)</u> | | | | |
| Subsidiary companies | - | - | 14 | 7 |
| Other related companies (under common control) | 4 | 16 | 3 | 2 |
| Total other receivables, related parties | <u>4</u> | <u>16</u> | <u>17</u> | <u>9</u> |
| <u>Amounts due from related parties (Note 3)</u> | | | | |
| Subsidiary companies | - | - | 1 | 4 |
| Total amounts due from related parties | <u>-</u> | <u>-</u> | <u>1</u> | <u>4</u> |
| <u>Trade payables, related parties (Note 8)</u> | | | | |
| Parent company | 146 | 48 | 5 | 5 |
| Subsidiary companies | - | - | 376 | 296 |
| Other related companies (under common control) | 1,735 | 1,736 | 539 | 506 |
| Total trade payables, related parties | <u>1,881</u> | <u>1,784</u> | <u>920</u> | <u>807</u> |
| <u>Other payables, related parties (Note 8)</u> | | | | |
| Parent company | 519 | 588 | 519 | 586 |
| Subsidiary companies | - | - | 327 | 159 |
| Other related companies (under common control) | 177 | 619 | 173 | 397 |
| Total other payables, related parties | <u>696</u> | <u>1,207</u> | <u>1,019</u> | <u>1,142</u> |
| <u>Accrued expenses, related parties (Note 8)</u> | | | | |
| Parent company | 321 | 264 | 321 | 264 |
| Other related companies (under common control) | 183 | 170 | 183 | 170 |
| Total accrued expenses, related parties | <u>504</u> | <u>434</u> | <u>504</u> | <u>434</u> |
| <u>Advance received, related parties (Note 8)</u> | | | | |
| Subsidiary companies | - | - | 93 | 55 |
| Total advance received, related parties | <u>-</u> | <u>-</u> | <u>93</u> | <u>55</u> |

(Unaudited but reviewed)

Long-term loans from related party

(Unit: Million Baht)

| | | Consolidated financial statements | | |
|--|------------------------|-----------------------------------|---------------------------|-------------------------------|
| | | Balance as at 1 January 2022 | Translation adjustment | Balance as at 30 June 2022 |
| Long-term loans from related party | Related by | | | |
| | Other related company | | | |
| Eltek AS | (under common control) | 368 | (15) | 353 |
| Total long-term loans from related party | | 368 | (15) | 353 |

Directors and management's benefits

(Unit: Million Baht)

| | For the three-month periods ended 30 June | | | |
|------------------------------|---|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Short-term employee benefits | 32 | 34 | 11 | 20 |
| Post-employment benefits | 2 | 2 | 3 | 2 |
| Total | 34 | 36 | 14 | 22 |

(Unit: Million Baht)

| | For the six-month periods ended 30 June | | | |
|------------------------------|---|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Short-term employee benefits | 70 | 62 | 33 | 34 |
| Post-employment benefits | 5 | 5 | 5 | 4 |
| Total | 75 | 67 | 38 | 38 |

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Million Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2022 | 2021 | 2022 | 2021 |
| | | (Audited) | | (Audited) |
| <u>Trade receivables, related parties (Note 2)</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 2,354 | 2,181 | 10,664 | 9,268 |
| Past due | | | | |
| Up to 3 months | 27 | 54 | 518 | 1,746 |
| 3 - 6 months | 2 | 1 | 10 | 3 |
| Total | 2,383 | 2,236 | 11,192 | 11,017 |
| <u>Trade receivables, unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 17,891 | 15,209 | 10,598 | 8,174 |
| Past due | | | | |
| Up to 3 months | 2,222 | 2,281 | 1,503 | 1,277 |
| 3 - 6 months | 91 | 132 | 45 | 39 |
| 6 - 12 months | 62 | 24 | 22 | 3 |
| Over 12 months | 51 | 61 | 18 | 9 |
| Total | 20,317 | 17,707 | 12,186 | 9,502 |
| Total trade receivables | 22,700 | 19,943 | 23,378 | 20,519 |
| Less: Allowance for expected credit losses | (185) | (156) | (81) | (38) |
| Total trade receivables - net | 22,515 | 19,787 | 23,297 | 20,481 |
| <u>Other receivables</u> | | | | |
| Amounts due from related parties (Note 2) | - | - | 1 | 4 |
| Other receivables - related parties (Note 2) | 4 | 16 | 17 | 9 |
| Other receivables - unrelated parties | 835 | 790 | 772 | 706 |
| Total other receivables | 839 | 806 | 790 | 719 |
| Trade and other receivables - net | 23,354 | 20,593 | 24,087 | 21,200 |

(Unaudited but reviewed)

4. Inventories

(Unit: Million Baht)

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2022 | 2021 | 2022 | 2021 |
| | | (Audited) | | (Audited) |
| Inventories - cost | 23,395 | 21,931 | 15,863 | 15,043 |
| Reduce cost to net realisable value | (2,584) | (2,350) | (1,472) | (1,403) |
| Inventories - net | <u>20,811</u> | <u>19,581</u> | <u>14,391</u> | <u>13,640</u> |

Movements in the reduce cost to net realisable value of inventory account are summarised below.

(Unit: Million Baht)

| | Consolidated | Separate |
|---|----------------------|----------------------|
| | financial statements | financial statements |
| Balance as at 1 January 2022 | (2,350) | (1,403) |
| Increase during the period | (747) | (545) |
| Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the period | 507 | 476 |
| Reversal during the period | 5 | - |
| Translation adjustment | 1 | - |
| Balance as at 30 June 2022 | <u>(2,584)</u> | <u>(1,472)</u> |

5. Other current assets

(Unit: Million Baht)

| | Consolidated | | Separate | |
|----------------------------|----------------------|--------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2022 | 2021 | 2022 | 2021 |
| | | (Audited) | | (Audited) |
| Input tax refundable | 494 | 474 | 254 | 241 |
| Advance payments | 881 | 854 | 13 | 5 |
| Prepaid expenses | 223 | 222 | 51 | 25 |
| Prepaid tax | 45 | 23 | - | - |
| Others | 36 | 58 | 11 | 15 |
| Total other current assets | <u>1,679</u> | <u>1,631</u> | <u>329</u> | <u>286</u> |

(Unaudited but reviewed)

6. Investments in subsidiaries

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

(Unit: Million Baht)

| Company's name | Paid-up capital | | | Cost | |
|---|-----------------|-------------|-------------|---------------|---------------|
| | Foreign | 30 June | 31 December | 30 June | 31 December |
| | <u>currency</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | (Million) | (Million) | | |
| 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 | 381 | 1 | 171 | 1 |
| Total | | | | 15,403 | 15,233 |
| Less: Allowance for impairment loss of investments in subsidiaries | | | | (1,324) | (1,324) |
| Investments in subsidiaries - net | | | | <u>14,079</u> | <u>13,909</u> |

No dividend was received from the above subsidiaries during the three-month and six-month periods ended 30 June 2022 and 2021.

6.2 Significant events during the current period

6.2.1 Subsidiaries directly owned by the Company

Additional investment in subsidiary company

On 25 April 2022, a meeting of the executive committee's Board of Directors passed a resolution to increase the Company's investment in Delta Electronics India Manufacturing Private Limited by USD 5 million, or approximately Baht 169 million, in order to purchase machines and line set up for production. The Company already made the additional investment in the second quarter of the current year.

The above additional investment had no impact on the investment structure of the Group.

6.2.2 Subsidiaries indirectly owned by the Company

Dissolution of a subsidiary

On 31 March 2020, a meeting of the Company's Board of Directors passed a resolution to dissolve Delta Greentech (Netherlands) Cooperaties UA, which is a subsidiary of Delta Energy Systems (Singapore) Pte. Ltd. During the first quarter of the current period, this subsidiary already registered its dissolution and liquidated.

Due to the liquidation, in accordance with the relevant laws of the Netherlands, all ordinary shares of the subsidiary of Delta Greentech (Netherlands) Cooperaties UA, Delta Greentech (Netherlands) B.V., were transferred to Delta Energy Systems (Singapore) Pte. Ltd. As a result, Delta Greentech (Netherlands) B.V. became a 100 percent-owned subsidiary of Delta Energy Systems (Singapore) Pte. Ltd.

The dissolution of this subsidiary and above transfer of ordinary shares do not have any significant impact on the operations and the investment structure of the Group.

7. Property, plant and equipment

Movements of the property, plant and equipment account are summarised below.

| | (Unit: Million Baht) | |
|--|----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Net book value as at 1 January 2022 | 18,583 | 10,836 |
| Acquisitions during period - cost | 2,881 | 2,089 |
| Disposals/write-off during period - net book value | | |
| at disposal/write-off date | (23) | (12) |
| Depreciation for the period | (1,364) | (1,127) |
| Translation adjustment | (62) | - |
| Net book value as at 30 June 2022 | <u>20,015</u> | <u>11,786</u> |

(Unaudited but reviewed)

8. Trade and other payables

(Unit: Million Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | | (Audited) | | (Audited) |
| Trade payables - related parties (Note 2) | 1,881 | 1,784 | 920 | 807 |
| Trade payables - unrelated parties | 15,606 | 12,227 | 14,169 | 11,042 |
| Other payables - related parties (Note 2) | 696 | 1,207 | 1,019 | 1,142 |
| Other payables - unrelated parties | 1,922 | 2,062 | 1,757 | 1,965 |
| Accrued expenses - related parties (Note 2) | 504 | 434 | 504 | 434 |
| Accrued expenses - unrelated parties | 3,318 | 3,386 | 2,613 | 2,644 |
| Advance received - related parties (Note 2) | - | - | 93 | 55 |
| Advance received - unrelated parties | 1,235 | 949 | 841 | 538 |
| Total trade and other payables | <u>25,162</u> | <u>22,049</u> | <u>21,916</u> | <u>18,627</u> |

9. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account are summarised below.

(Unit: Million Baht)

| | Consolidated | Separate |
|-------------------------------------|----------------------|----------------------|
| | financial statements | financial statements |
| Balance as at 1 January 2022 | 1,596 | 529 |
| Recognition during the period | 55 | 30 |
| Decrease during the period | (34) | (14) |
| Reversal during the period | (15) | (3) |
| Translation adjustment | (28) | - |
| Balance as at 30 June 2022 | <u>1,574</u> | <u>542</u> |

(Unaudited but reviewed)

10. Provisions

(Unit: Million Baht)

| | Consolidated financial statements | | | Separate financial statements | |
|--|-----------------------------------|------------|------------|-------------------------------|------------|
| | Other | | | Warranty | Total |
| | Warranty | provisions | Total | | |
| Balance as at 1 January 2022 | 609 | 34 | 643 | 429 | 429 |
| Recognition during the period | 360 | 31 | 391 | 95 | 95 |
| Decrease during the period | (10) | (1) | (11) | (7) | (7) |
| Reversal during the period | (277) | (17) | (294) | (20) | (20) |
| Translation adjustment/unrealised loss on exchange rate | 21 | (1) | 20 | 22 | 22 |
| Balance as at 30 June 2022 | <u>703</u> | <u>46</u> | <u>749</u> | <u>519</u> | <u>519</u> |
| Short-term provisions | 67 | 31 | 98 | - | - |
| Long-term provisions | 542 | 3 | 545 | 429 | 429 |
| Balance as at 31 December 2021 (Audited) | <u>609</u> | <u>34</u> | <u>643</u> | <u>429</u> | <u>429</u> |
| Short-term provisions | 73 | 46 | 119 | - | - |
| Long-term provisions | 630 | - | 630 | 519 | 519 |
| Balance as at 30 June 2022 | <u>703</u> | <u>46</u> | <u>749</u> | <u>519</u> | <u>519</u> |

Warranty

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

11. Dividends

Dividends declared in 2022 and 2021 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 2021 | Annual General Meeting of the shareholders on 1 April 2022 | <u>2,121</u> | <u>1.70</u> |
| Final dividend for year 2020 | Annual General Meeting of the shareholders on 31 March 2021 | <u>4,116</u> | <u>3.30</u> |

(Unaudited but reviewed)

12. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Million Baht)

| | For the three-month periods ended 30 June | | | |
|--|---|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current income tax: | | | | |
| Current income tax charge | (48) | (53) | (34) | - |
| Adjustment in respect of income tax of previous year | 2 | 1 | 5 | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 4 | 6 | - | - |
| Translation adjustment | (6) | 2 | - | - |
| Income tax expense reported in profit or loss | <u>(48)</u> | <u>(44)</u> | <u>(29)</u> | <u>-</u> |

(Unit: Million Baht)

| | For the six-month periods ended 30 June | | | |
|--|---|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current income tax: | | | | |
| Current income tax charge | (130) | (86) | (66) | - |
| Adjustment in respect of income tax of previous year | 93 | 1 | 5 | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (48) | (10) | - | - |
| Translation adjustment | (2) | (9) | - | - |
| Income tax expense reported in profit or loss | <u>(87)</u> | <u>(104)</u> | <u>(61)</u> | <u>-</u> |

13. Losses due to flooding

In August 2021, some of the Company's warehouses located in Bangpoo Industrial Estate in Samutprakarn province were affected by flooding, 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 third quarter of year 2021. 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. The amount includes the full book value of the fixed assets that were damaged and need to be replaced. However, the Company has all risks insurance coverage.

On 31 March 2022, the Company received a letter from the insurer confirming the amount of the claims that will be paid for losses of assets amounting to USD 9.9 million or approximately THB 331 million. During the first quarter of the current year, the Company therefore recorded this amount as "Insurance claim receivable due to flooding" in the statement of financial position and as "Insurance compensation income due to flooding" in the statement of comprehensive income. However, the Company already received insurance compensation due to flooding in the second quarter of the current year.

14. Earnings per share

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

(Unaudited but reviewed)

15. Segment information

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of their reportable segments from the last annual financial statements.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(Unit: Million Baht)

| | For the three-month periods ended 30 June | | | | | | | | | |
|---|---|---------------|---------------------------|--------------|-----------------------|-------------|-------------|-------------|--------------------------------------|---------------|
| | Power electronics segment | | Infrastructure segment | | Automation segment | | Others | | Consolidated financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Revenue | | | | | | | | | | |
| Sales from external customers | 20,851 | 15,052 | 6,209 | 4,933 | 684 | 426 | 12 | 17 | 27,756 | 20,428 |
| Service income from external customers | 120 | 24 | 94 | 87 | 12 | 83 | 22 | 18 | 248 | 212 |
| Total revenue | <u>20,971</u> | <u>15,076</u> | <u>6,303</u> | <u>5,020</u> | <u>696</u> | <u>509</u> | <u>34</u> | <u>35</u> | <u>28,004</u> | <u>20,640</u> |
| Segment profit (loss) | 3,330 | 1,181 | 1,025 | 388 | (54) | 6 | (438) | (247) | 3,863 | 1,328 |
| Unallocated income (expenses): | | | | | | | | | | |
| Gain on exchange rate | | | | | | | | | 346 | 223 |
| Other income | | | | | | | | | 107 | 143 |
| Other expenses | | | | | | | | | (6) | (5) |
| Finance income | | | | | | | | | 5 | 11 |
| Finance cost | | | | | | | | | (4) | (1) |
| Profit before income tax expenses | | | | | | | | | 4,311 | 1,699 |
| Income tax expenses | | | | | | | | | (48) | (44) |
| Profit for the period | | | | | | | | | <u>4,263</u> | <u>1,655</u> |

(Unaudited but reviewed)

(Unit: Million Baht)

| | For the six-month periods ended 30 June | | | | | | | | | |
|---|---|---------------|---------------------------|--------------|-----------------------|--------------|-------------|-------------|--------------------------------------|---------------|
| | Power electronics segment | | Infrastructure segment | | Automation segment | | Others | | Consolidated financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Revenue | | | | | | | | | | |
| Sales from external customers | 39,362 | 28,641 | 11,299 | 9,654 | 1,351 | 906 | 41 | 28 | 52,053 | 39,229 |
| Service income from external customers | 137 | 55 | 323 | 198 | 70 | 146 | 44 | 50 | 574 | 449 |
| Total revenue | <u>39,499</u> | <u>28,696</u> | <u>11,622</u> | <u>9,852</u> | <u>1,421</u> | <u>1,052</u> | <u>85</u> | <u>78</u> | <u>52,627</u> | <u>39,678</u> |
| Segment profit (loss) | 5,494 | 2,345 | 1,303 | 767 | (5) | 6 | (734) | (416) | 6,058 | 2,702 |
| Unallocated income (expenses): | | | | | | | | | | |
| Gain on exchange rate | | | | | | | | | 546 | 474 |
| Insurance compensation income due to flooding | | | | | | | | | 331 | - |
| Other income | | | | | | | | | 200 | 334 |
| Other expenses | | | | | | | | | (24) | (23) |
| Finance income | | | | | | | | | 27 | 30 |
| Finance cost | | | | | | | | | (7) | (2) |
| Profit before income tax expenses | | | | | | | | | <u>7,131</u> | <u>3,515</u> |
| Income tax expenses | | | | | | | | | <u>(87)</u> | <u>(104)</u> |
| Profit for the period | | | | | | | | | <u>7,044</u> | <u>3,411</u> |

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 30 June 2022, the Group had significant capital commitments amounting to Baht 4,307 million, EUR 9 million or approximately Baht 345 million, and INR 3,157 million or approximately Baht 1,413 million in respect of the building construction, purchase of machinery and equipment (The Company only: Baht 4,303 million).

16.2 Significant long-term service commitments

16.2.1 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.

16.2.2 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.

16.3 Guarantee obligations

As at 30 June 2022, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

16.3.1 Outstanding letters of guarantee totaling approximately Baht 385 million have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment as mentioned in Note 16.4.1 to the financial statements).

16.3.2 Outstanding letters of guarantee for totals of approximately Baht 12 million, INR 1,242 million or approximately Baht 556 million, EUR 0.5 million or approximately Baht 20 million and AUD 1 million or approximately Baht 30 million have been issued by banks to meet requirements of the subsidiaries.

16.4 Tax assessment

- 16.4.1 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.

(Unaudited but reviewed)

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

16.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 339 million or approximately Baht 152 million, covering the years 2006 - 2020, and sales tax and excise duties of approximately INR 153 million or approximately Baht 68 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.

17. Financial Instrument

17.1 Fair value of financial instrument

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

17.2 Fair value hierarchy

As at 30 June 2022, the Group had the financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 11 | - | 11 |
| Liabilities measured at fair value | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 215 | - | 215 |

(Unit: Million Baht)

| | Separate financial statements | | | |
|---|-------------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 7 | - | 7 |
| Liabilities measured at fair value | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 215 | - | 215 |

(Unaudited but reviewed)

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

17. Financial derivatives

As at 30 June 2022, the significant outstanding balances of the Group's financial assets and financial liabilities denominated in foreign currencies are as follows:

(Unit: Million foreign currency unit)

| Foreign currency | Consolidated financial statements | | Separate financial statements | |
|---------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| US dollar | 437 | 450 | 709 | 443 |
| Euro | 9 | 13 | 10 | 16 |
| Japanese yen | 188 | 457 | 87 | 455 |

(Unit: Baht per 1 foreign currency unit)

Average exchange rate
as at 30 June 2022

| Foreign currency | |
|------------------|---------|
| US dollar | 35.2970 |
| Euro | 36.8703 |
| Japanese yen | 0.2587 |

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 June 2022, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

| | Consolidated financial statements | | | | | |
|------------------------------------|-----------------------------------|-----|--------------|-------------------|---------------|-----------------------|
| | Amount | | | Forward rate | | Maturity date |
| Forward contracts to "Sell" | | | | | | |
| USD/THB | USD | 267 | million | 33.3450 - 35.2500 | THB/USD | July - November 2022 |
| Forward contracts to "Buy" | | | | | | |
| USD/INR | USD | 12 | million | 76.7600 - 78.7100 | INR/USD | July - August 2022 |
| JPY/THB | JPY | 170 | million | 0.2590 - 0.2717 | THB/JPY | July - September 2022 |
| Separate financial statements | | | | | | |
| | | | | | | |
| Amount | | | Forward rate | | Maturity date | |
| Forward contracts to "Sell" | | | | | | |
| USD/THB | USD | 267 | million | 33.3450 - 35.2500 | THB/USD | July - November 2022 |
| Forward contracts to "Buy" | | | | | | |
| JPY/THB | JPY | 170 | million | 0.2590 - 0.2717 | THB/JPY | July - September 2022 |

(Unaudited but reviewed)

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 July 2022.