

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2023

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2023, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 26 April 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		12,681,552	10,142,200	7,329,150	5,835,260
Trade and other receivables	3	26,250,465	28,132,400	27,326,423	29,111,708
Short-term loans to related party	2	-	-	100,000	100,000
Inventories	4	27,547,463	25,048,621	18,584,317	16,635,020
Derivative assets	16.2	79,938	581,523	79,769	578,354
Other current assets	5	1,465,487	2,120,365	340,670	341,661
Total current assets		<u>68,024,905</u>	<u>66,025,109</u>	<u>53,760,329</u>	<u>52,602,003</u>
Non-current assets					
Deposits at bank with restrictions		33,967	33,640	-	-
Investments in subsidiary companies	6	-	-	16,232,076	14,078,896
Investment properties		213,619	213,914	-	-
Property, plant and equipment	7	24,099,692	22,699,590	15,268,732	13,947,640
Advances to contractors and for acquisitions					
of assets		495,984	406,337	495,984	406,337
Right-of-use assets		490,154	482,204	878	939
Goodwill		438,735	436,618	-	-
Other intangible assets		178,146	192,083	57,619	57,500
Deferred tax assets		356,231	320,196	-	-
Other non-current assets		180,292	174,786	13,622	10,869
Total non-current assets		<u>26,486,820</u>	<u>24,959,368</u>	<u>32,068,911</u>	<u>28,502,181</u>
Total assets		<u>94,511,725</u>	<u>90,984,477</u>	<u>85,829,240</u>	<u>81,104,184</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 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		21,558	945,278	-	-
Trade and other payables	8	31,203,042	30,201,549	26,069,876	24,827,541
Current portion of lease liabilities		71,582	66,057	704	968
Income tax payable		487,520	423,453	394,074	318,384
Short-term provisions	11	90,418	44,733	-	-
Liabilities and provision from tax assessments	15.4.1	258,173	258,173	258,173	258,173
Derivative liabilities	16.2	121,905	171	118,954	-
Other current liabilities	9	490,726	730,143	140,550	299,204
Total current liabilities		32,744,924	32,669,557	26,982,331	25,704,270
Non-current liabilities					
Long-term loans from related party	2	806,754	794,571	-	-
Lease liabilities, net of current portion		137,572	135,843	-	-
Deferred tax liabilities		147,894	139,025	-	-
Provision for long-term employee benefits	10	1,319,486	1,329,354	495,172	512,317
Long-term provisions	11	920,236	856,043	674,561	638,262
Other non-current liabilities		386,197	380,322	4,316	3,885
Total non-current liabilities		3,718,139	3,635,158	1,174,049	1,154,464
Total liabilities		36,463,063	36,304,715	28,156,380	26,858,734

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 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</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	58,910,238	55,264,964	54,807,666	51,380,256
Other components of shareholders' equity	<u>(2,387,076)</u>	<u>(2,110,702)</u>	-	-
Total shareholders' equity	<u>58,048,662</u>	<u>54,679,762</u>	<u>57,672,860</u>	<u>54,245,450</u>
Total liabilities and shareholders' equity	<u>94,511,725</u>	<u>90,984,477</u>	<u>85,829,240</u>	<u>81,104,184</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 31 March 2023

(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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss:					
Revenues					
Sales		31,988,773	24,297,571	27,588,967	21,242,351
Service income		305,365	325,782	17,763	23,873
Other income					
Gain on exchange		155,361	200,040	140,407	213,199
Insurance compensation income due to flooding		-	330,679	-	330,679
Others		155,966	92,988	100,184	67,368
Total revenues		32,605,465	25,247,060	27,847,321	21,877,470
Expenses					
Cost of sales		25,338,732	19,274,128	21,606,281	16,419,228
Cost of services		242,393	212,367	1,759	5,922
Selling and distribution expenses	15.2.1	1,670,542	1,592,982	1,372,750	1,337,770
Administrative expenses		554,602	542,887	312,549	341,391
Research and development expenses	15.2.2	1,011,067	806,780	1,088,988	853,773
Other expenses		63,653	17,241	13,320	8,023
Total expenses		28,880,989	22,446,385	24,395,647	18,966,107
Profit from operating activities		3,724,476	2,800,675	3,451,674	2,911,363
Finance income		35,693	21,735	20,446	826
Finance cost		(25,149)	(3,317)	(317)	(701)
Profit before income tax expenses		3,735,020	2,819,093	3,471,803	2,911,488
Income tax expenses	12	(120,563)	(38,965)	(75,210)	(31,750)
Profit for the period		3,614,457	2,780,128	3,396,593	2,879,738

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 31 March 2023

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</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	<u>(276,374)</u>	<u>(240,406)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(276,374)</u>	<u>(240,406)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial gain - net of income tax	<u>30,817</u>	<u>-</u>	<u>30,817</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>30,817</u>	<u>-</u>	<u>30,817</u>	<u>-</u>
Other comprehensive income for the period	<u>(245,557)</u>	<u>(240,406)</u>	<u>30,817</u>	<u>-</u>
Total comprehensive income for the period	<u>3,368,900</u>	<u>2,539,722</u>	<u>3,427,410</u>	<u>2,879,738</u>
Profit attributable to:				
Equity holders of the Company	<u>3,614,457</u>	<u>2,780,128</u>	<u>3,396,593</u>	<u>2,879,738</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>3,368,900</u>	<u>2,539,722</u>	<u>3,427,410</u>	<u>2,879,738</u>
Earnings per share				
	13			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.29</u>	<u>0.22</u>	<u>0.27</u>	<u>0.23</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 three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements							
	Issued and fully paid share capital		Difference from business combination under common control	Retained earnings		Other components of shareholders' equity		
				Appropriated	Unappropriated	Other comprehensive income		Total shareholders' equity
	Share premium	on translation of financial statements in foreign currency	Total other components of shareholders' equity					
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
Profit for the period	-	-	-	-	2,780,128	-	-	2,780,128
Other comprehensive income for the period	-	-	-	-	-	(240,406)	(240,406)	(240,406)
Total comprehensive income for the period	-	-	-	-	2,780,128	(240,406)	(240,406)	2,539,722
Balance as at 31 March 2022	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>44,556,516</u>	<u>(2,137,991)</u>	<u>(2,137,991)</u>	<u>43,944,025</u>
Balance as at 1 January 2023	1,247,382	1,491,912	(1,339,694)	125,900	55,264,964	(2,110,702)	(2,110,702)	54,679,762
Profit for the period	-	-	-	-	3,614,457	-	-	3,614,457
Other comprehensive income for the period	-	-	-	-	30,817	(276,374)	(276,374)	(245,557)
Total comprehensive income for the period	-	-	-	-	3,645,274	(276,374)	(276,374)	3,368,900
Balance as at 31 March 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>58,910,238</u>	<u>(2,387,076)</u>	<u>(2,387,076)</u>	<u>58,048,662</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 three-month period ended 31 March 2023

(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 2022	1,247,382	1,491,912	125,900	37,441,657	40,306,851
Profit for the period	-	-	-	2,879,738	2,879,738
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,879,738	2,879,738
Balance as at 31 March 2022	1,247,382	1,491,912	125,900	40,321,395	43,186,589
Balance as at 1 January 2023	1,247,382	1,491,912	125,900	51,380,256	54,245,450
Profit for the period	-	-	-	3,396,593	3,396,593
Other comprehensive income for the period	-	-	-	30,817	30,817
Total comprehensive income for the period	-	-	-	3,427,410	3,427,410
Balance as at 31 March 2023	1,247,382	1,491,912	125,900	54,807,666	57,672,860

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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:				
Profit before tax	3,735,020	2,819,093	3,471,803	2,911,488
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	946,696	690,825	756,042	546,618
Amortisation	22,966	26,715	2,650	1,814
Allowance for expected credit losses (reversal)	(8,127)	2,488	(13,904)	20,337
Reduction of inventory to net realisable value	572,324	548,304	325,766	398,547
Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories	(79,045)	(444,602)	(49,042)	(429,285)
Insurance compensation income due to flooding	-	(330,679)	-	(330,679)
Increase in provision for long-term employee benefits	26,156	22,971	15,168	14,855
Increase in provisions	139,784	41,361	44,494	31,908
Loss from disposal/written-off of property, plant and equipment	2,060	6,899	2,005	1,461
Unrealised gain on exchange	(850,774)	(83,146)	(827,781)	(125,413)
Loss on fair value valuation of derivative instruments	623,319	20,559	617,539	22,068
Interest income	(35,693)	(21,735)	(20,446)	(826)
Interest expenses	25,149	3,317	317	701
Profit from operating activities before changes in operating assets and liabilities	5,119,835	3,302,370	4,324,611	3,063,594
Decrease (increase) in operating assets:				
Trade and other receivables	3,181,632	(37,917)	3,085,647	(278,276)
Inventories	(2,983,630)	(130,495)	(2,226,021)	334,803
Other current assets	639,619	(74,649)	2,950	31,458
Other non-current assets	(4,240)	49,622	(2,753)	1,054
Increase (decrease) in operating liabilities:				
Trade and other payables	276,378	616,362	452,588	749,232
Other current liabilities	(238,576)	(154,351)	(159,054)	(81,737)
Cash paid for long-term employee benefits	(12,988)	(21,486)	(1,496)	(10,318)
Cash paid for provisions	(22,421)	(3,626)	(584)	(402)
Other non-current liabilities	5,875	17,510	431	(208)
Cash flows from operating activities	5,961,484	3,563,340	5,476,319	3,809,200
Cash received from interest income	19,289	25,566	5,943	363
Cash paid for interest expenses	(24,869)	(3,213)	(316)	(701)
Cash paid for corporate income tax	(76,501)	(35,491)	(199)	(692)
Net cash flows from operating activities	5,879,403	3,550,202	5,481,747	3,808,170

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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	(327)	702	-	-
Increase in investments in subsidiary	-	-	(2,153,180)	-
Decrease (increase) in advances to contractors and for acquisitions of assets	(89,647)	46,788	(89,647)	46,788
Acquisition of property, plant and equipment	(1,082,193)	(722,140)	(844,321)	(251,395)
Cash paid others payable for purchase of plant and equipment	(1,049,697)	(1,392,387)	(960,190)	(1,379,954)
Proceeds from disposal of property, plant and equipment	240	4,341	225	-
Increase in right-of-use assets	(6,954)	(3,265)	-	(252)
Increase in other intangible assets	(8,235)	(11,061)	(2,769)	(709)
Net cash flows used in investing activities	(2,236,813)	(2,077,022)	(4,049,882)	(1,585,522)
Cash flow from financing activities:				
Cash receipt from short-term loans from financial institutions	1,021,269	1,323,393	1,009,875	700,000
Repayment of short-term loans from financial institutions	(1,935,451)	(2,657,960)	(1,009,875)	(2,213,241)
Repayment of liabilities under lease agreements	(20,109)	(19,497)	(265)	(1,050)
Net cash flow used in financing activities	(934,291)	(1,354,064)	(265)	(1,514,291)
Decrease in translation adjustments	(235,978)	(105,446)	-	-
Net increase in cash and cash equivalents before effect from currency translation	2,472,321	13,670	1,431,600	708,357
Effect from currency translation of cash and cash equivalents	67,031	53,332	62,290	88,534
Net increase in cash and cash equivalents	2,539,352	67,002	1,493,890	796,891
Cash and cash equivalents at beginning of period	10,142,200	6,571,566	5,835,260	1,535,903
Cash and cash equivalents at end of period	12,681,552	6,638,568	7,329,150	2,332,794
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Insurance claim receivable due to flooding	-	330,679	-	330,679
Right-of-use assets increase under lease agreements	27,713	20,197	-	-
Increase in accounts payable from purchase of plant and equipment	1,279,570	612,064	1,234,730	601,355

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 period ended 31 March 2023

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 2022, 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with the parent company</u>				
Sales of goods and raw materials	42	24	41	23
Purchase of goods and raw materials	139	48	-	13
Royalty paid (Note 15.2.1)	910	797	910	797
Services paid	2	10	2	10
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	8,790	6,665
Purchase of goods and raw materials	-	-	415	292
Commission paid	-	-	97	65
Design and engineering fee paid (Note 15.2.2)	-	-	602	571
Administrative expenses	-	-	15	16
<u>Transactions with related companies</u>				
Sales of goods and raw materials	3,244	2,709	871	1,128
Purchase of goods and raw materials	2,310	1,733	973	568
Commission paid	225	157	220	152
Commission received	76	33	-	-
Services income	21	61	-	-
Design and engineering fee paid	156	19	153	16

(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	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Parent company	52	74	42	62
Subsidiary companies	-	-	12,475	13,020
Related companies (common shareholders)	3,285	2,721	869	1,064
Total trade receivables - related parties	<u>3,337</u>	<u>2,795</u>	<u>13,386</u>	<u>14,146</u>
<u>Other receivables - related parties (Note 3)</u>				
Parent company	5	3	5	3
Subsidiary companies	-	-	26	12
Related companies (common shareholders)	1	3	-	2
Total other receivables - related parties	<u>6</u>	<u>6</u>	<u>31</u>	<u>17</u>
<u>Amounts due from related parties (Note 3)</u>				
Subsidiary companies	-	-	2	1
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>
<u>Interest receivables - related parties (Note 3)</u>				
Subsidiary companies	-	-	15	-
Total interest receivables - related parties	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>
<u>Trade payables - related parties (Note 8)</u>				
Parent company	334	345	8	12
Subsidiary companies	-	-	419	329
Related companies (common shareholders)	2,689	2,122	697	617
Total trade payables - related parties	<u>3,023</u>	<u>2,467</u>	<u>1,124</u>	<u>958</u>
<u>Other payables - related parties (Note 8)</u>				
Parent company	724	557	721	532
Subsidiary companies	-	-	397	514
Related companies (common shareholders)	469	510	469	471
Total other payables - related parties	<u>1,193</u>	<u>1,067</u>	<u>1,587</u>	<u>1,517</u>
<u>Accrued expenses - related parties (Note 8)</u>				
Parent company	336	318	336	318
Related companies (common shareholders)	177	174	177	174
Total accrued expenses - related parties	<u>513</u>	<u>492</u>	<u>513</u>	<u>492</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Advance received - related parties (Note 8)</u>				
Parent company	-	-	55	155
Total advance received - related parties	-	-	55	155

Short-term loans to related party

(Unit: Million Baht)

	Short-term loans	Related by	Separate financial statements	
			Balance as at	Balance as at
			1 January 2023	31 March 2023
	Delta Green Industrial (Thailand) Company Limited	Subsidiary	100	100
	Total short-term loans to related party		100	100

Long-term loans from related party

(Unit: Million Baht)

	Long-term loans	Related by	Consolidated financial statements		
			Balance as at	Translation	Balance as at
			1 January 2023	adjustment	31 March 2023
	Eltek AS	Related company (common shareholders)	795	12	807
	Total long-term loans from related party		795	12	807

Directors and management's benefits

(Unit: Million Baht)

	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	32	28	12	12
Post-employment benefits	4	3	2	2
Total	36	31	14	14

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022 (Audited)	31 March 2023	31 December 2022 (Audited)
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	3,257	2,771	12,105	12,964
Past due				
Up to 3 months	80	22	1,278	1,179
3 - 6 months	-	-	3	3
Over 12 months	-	2	-	-
Total	3,337	2,795	13,386	14,146
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	20,169	21,510	12,123	12,222
Past due				
Up to 3 months	1,746	2,887	848	1,861
3 - 6 months	90	171	65	128
6 - 12 months	54	46	30	11
Over 12 months	66	72	25	24
Total	22,125	24,686	13,091	14,246
Total trade receivables	25,462	27,481	26,477	28,392
Less: Allowance for expected credit losses	(183)	(189)	(70)	(84)
Total trade receivables - net	25,279	27,292	26,407	28,308
<u>Other receivables</u>				
Amounts due from related parties (Note 2)	-	-	2	1
Other receivables - related parties (Note 2)	6	6	31	17
Other receivables - unrelated parties	946	834	871	786
Interest receivables - related parties (Note 2)	-	-	15	-
Interest receivables - unrelated parties	19	-	-	-
Total other receivables	971	840	919	804
Trade and other receivables - net	26,250	28,132	27,326	29,112

(Unaudited but reviewed)

4. Inventories

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Inventories - cost	31,155	28,172	20,499	18,273
Reduce cost to net realisable value	(3,608)	(3,123)	(1,915)	(1,638)
Inventories - net	<u>27,547</u>	<u>25,049</u>	<u>18,584</u>	<u>16,635</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 2023		(3,123)		(1,638)
Increase during the period		(572)		(326)
Reversal of the reduction to net realisable value of the written off obsolete and damaged inventories during the period		79		49
Translation adjustment		8		-
Balance as at 31 March 2023		<u>(3,608)</u>		<u>(1,915)</u>

5. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Input tax refundable	455	451	277	292
Advance payments	579	1,335	5	7
Prepaid expenses	380	271	49	34
Prepaid tax	32	34	-	-
Others	19	29	10	9
Total other current assets	<u>1,465</u>	<u>2,120</u>	<u>341</u>	<u>342</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	31 March	31 December	31 March	31 December
	<u>currency</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</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	234	173	7,726	5,573
Delta Electronics (Vietnam) Company Limited	USD	0.1	0.1	3	3
Delta Electronics India Manufacturing Private Limited	INR	381	381	171	171
Subtotal				17,556	15,403
Less: Allowance for impairment loss of investments in subsidiaries				(1,324)	(1,324)
Investments in subsidiaries - net				<u>16,232</u>	<u>14,079</u>

No dividend was received from the above subsidiaries during the three-month periods ended 31 March 2023 and 2022.

6.2 Significant events during the current period

Subsidiaries directly owned by the Company

Additional investment in subsidiary company

On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Energy Systems (Singapore) Pte. Ltd. by USD 61 million, or approximately Baht 2,153 million, to enable the latter to invest in Delta Electronics India Pvt. Ltd. to support the business growth. The Company made the additional investment in the current quarter.

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

(Unaudited but reviewed)

7. Property, plant and equipment

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023	22,700	13,948
Acquisitions during period - cost	2,362	2,079
Disposals/write-off during period - net book value at disposal/write-off date	(2)	(2)
Depreciation for the period	(922)	(756)
Translation adjustment	(38)	-
Net book value as at 31 March 2023	<u>24,100</u>	<u>15,269</u>

8. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
			(Audited)	
Trade payables - related parties (Note 2)	3,023	2,467	1,124	958
Trade payables - unrelated parties	18,481	17,675	16,694	15,930
Other payables - related parties (Note 2)	1,193	1,067	1,587	1,517
Other payables - unrelated parties	2,488	2,440	2,350	2,172
Accrued expenses - related parties (Note 2)	513	492	513	492
Accrued expenses - unrelated parties	3,482	3,469	2,964	2,873
Advance received - related parties (Note 2)	-	-	55	155
Advance received - unrelated parties	2,023	2,592	783	731
Total trade and other payables	<u>31,203</u>	<u>30,202</u>	<u>26,070</u>	<u>24,828</u>

(Unaudited but reviewed)

9. Other current liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Audited)		(Audited)
Withholding tax payable	109	288	63	248
Value added tax payable	206	234	21	14
Others	176	208	57	37
Total other current liabilities	491	730	141	299

10. 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 2023	1,329	512
Recognition during the period	28	15
Paid during the period	(13)	(1)
Reversal during the period	(2)	-
Actuarial gain	(31)	(31)
Translation adjustment	8	-
Balance as at 31 March 2023	1,319	495

11. Provisions

	(Unit: Million Baht)				
	Consolidated financial statements			Separate	
	financial statements			financial statements	
	Warranty	Other provisions	Total	Warranty	Total
Balance as at 1 January 2023	856	45	901	638	638
Recognition during the period	143	56	199	91	91
Paid during the period	(21)	(1)	(22)	(1)	(1)
Reversal during the period	(49)	(10)	(59)	(47)	(47)
Translation adjustment/unrealised gain on exchange rate	(9)	1	(8)	(6)	(6)
Balance as at 31 March 2023	920	91	1,011	675	675

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Warranty	Other	Total	Warranty	Total
		provisions			
Short-term provisions	-	45	45	-	-
Long-term provisions	856	-	856	638	638
Balance as at 31 December 2022					
(Audited)	<u>856</u>	<u>45</u>	<u>901</u>	<u>638</u>	<u>638</u>
Short-term provisions	-	91	91	-	-
Long-term provisions	920	-	920	675	675
Balance as at 31 March 2023	<u>920</u>	<u>91</u>	<u>1,011</u>	<u>675</u>	<u>675</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.

12. Income tax

Income tax expenses for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	(150)	(82)	(75)	(32)
Adjustment in respect of income tax of previous year	-	91	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	26	(52)	-	-
Translation adjustment	3	4	-	-
Income tax expense reported in profit or loss	<u>(121)</u>	<u>(39)</u>	<u>(75)</u>	<u>(32)</u>

13. Earnings per share

Basic earnings per share is calculated by dividing profit for the three-month periods ended 31 March 2023 and 2022 attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. After adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 1 each to Baht 0.10 each as mentioned in Note 18.2 to the financial statements. The number of ordinary shares is adjusted as if the share spilled had occurred at the beginning of the earliest period reported.

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Million Baht)	3,614	2,780	3,397	2,880
Weighted average number of ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	0.29	0.22	0.27	0.23

(Unaudited but reviewed)

14. 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 periods ended 31 March 2023 and 2022.

(Unit: Million Baht)

	For the three-month period ended 31 March								Consolidated financial statements	
	Power electronics segment		Infrastructure segment		Automation segment		Others			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
Revenue										
Sales from external customers	25,042	18,512	5,921	5,090	1,014	667	12	29	31,989	24,298
Service income from external customers	9	17	277	229	4	58	15	22	305	326
Total revenue	<u>25,051</u>	<u>18,529</u>	<u>6,198</u>	<u>5,319</u>	<u>1,018</u>	<u>725</u>	<u>27</u>	<u>51</u>	<u>32,294</u>	<u>24,624</u>
Segment profit (loss)	3,406	2,164	364	278	91	49	(384)	(298)	3,477	2,193
Unallocated income (expenses):										
Gain on exchange rate									155	200
Insurance compensation income due to flooding									-	331
Other income									156	93
Other expenses									(64)	(17)
Finance income									36	22
Finance cost									(25)	(3)
Profit before income tax expenses									3,735	2,819
Income tax expenses									(121)	(39)
Profit for the period									<u>3,614</u>	<u>2,780</u>

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 31 March 2023, the Group had significant capital commitments amounting to Baht 2,899 million, EUR 9 million or approximately Baht 324 million, and INR 1,435 million or approximately Baht 594 million in respect of the building construction, purchase of machinery and equipment (the Company only: Baht 2,899 million).

15.2 Significant long-term service commitments

15.2.1 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.

15.2.2 Research and development service commitments

The Company entered into the research and development service agreements with the subsidiary companies. Under these agreements, the subsidiary companies provides research and development services (design and engineering) to the Company and charges fees equal to the local operational costs incurred on product research and development plus a margin, on an arm’s length basis. These agreements matures annually.

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

15.3 Guarantee obligations

As at 31 March 2023, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 15.3.1 Outstanding letters of guarantee totaling approximately Baht 392 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 15.4.1 to the financial statements).
- 15.3.2 Outstanding letters of guarantee for totals of approximately Baht 18 million, INR 1,336 million or approximately Baht 553 million, EUR 0.5 million or approximately Baht 20 million and AUD 2 million or approximately Baht 53 million have been issued by banks to meet requirements of the subsidiaries.

15.4 Tax assessment

- 15.4.1 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.

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.

15.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 333 million or approximately Baht 138 million, covering the years 2012 - 2020, and sales tax and excise duties of approximately INR 116 million or approximately Baht 48 million, covering the years 2014 - 2017, against the subsidiary in India. The subsidiary has appealed the assessments. The management of the subsidiary believe that the outcome of the cases will be favorable to the company and therefore no provision for these contingent liabilities have been made in the accounts.

16. Financial Instrument

16.1 Fair value of financial instruments

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

(Unaudited but reviewed)

16.2 Fair value hierarchy

As at 31 March 2023, 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	-	80	-	80
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	122	-	122

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	80	-	80
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	119	-	119

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. Foreign currency risk and financial derivatives

As at 31 March 2023, 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	430	544	805	551
Euro	12	12	14	22
Japanese yen	196	542	96	551

(Unaudited but reviewed)

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 March 2023
US dollar	33.9345
Euro	36.8055
Japanese yen	0.2528

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 31 March 2023, 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	307	million	32.3750 - 34.7380	THB/USD	April - July 2023
Forward contracts to “Buy”						
USD/INR	USD	19	million	82.3200 - 83.5150	INR/USD	April - June 2023
JPY/THB	JPY	340	million	0.2564 - 0.2620	THB/JPY	April - June 2023
Separate financial statements						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	307	million	32.3750 - 34.7380	THB/USD	April - July 2023
Forward contracts to “Buy”						
JPY/THB	JPY	340	million	0.2564 - 0.2620	THB/JPY	April - June 2023

18. Events after the reporting period

On 7 April 2023, the 2023 Annual General Meeting of the Company’s shareholders approved the following matters:

- 18.1 Approve a dividend payment of Baht 4.00 per share, a total of Baht 4,990 million. The dividend will be paid from the Company’s operating results for the year 2022.
- 18.2 Approve a change in the par value of the Company’s shares from Baht 1 per share to Baht 0.10 per share, thus increasing the number of ordinary shares comprising the registered share capital and the issued and paid-up share capital from 1,259,000,000 and 1,247,381,614 ordinary shares, to 12,590,000,000 and 12,473,816,140 ordinary shares, respectively. The company has already registered with the Ministry of Commerce on 25 April 2023.

(Unaudited but reviewed)

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 April 2023.