

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 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 30 June 2023, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, 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*.

Chatchai Kasemsrithanawat  
Certified Public Accountant (Thailand) No. 5813

EY Office Limited  
Bangkok: 27 July 2023

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

**Statement of financial position**

**As at 30 June 2023**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<u>Note</u>	<u>30 June 2023</u>	<u>31 December 2022</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		7,190,686	10,142,200	1,490,730	5,835,260
Trade and other receivables	3	31,277,850	28,132,400	33,019,434	29,111,708
Short-term loans to related party	2	-	-	100,000	100,000
Inventories	4	31,981,305	25,048,621	21,801,232	16,635,020
Derivative assets	19.2	1,033	581,523	1,033	578,354
Other current assets	5	1,382,814	2,120,365	430,786	341,661
<b>Total current assets</b>		<u>71,833,688</u>	<u>66,025,109</u>	<u>56,843,215</u>	<u>52,602,003</u>
<b>Non-current assets</b>					
Deposits at bank with restrictions		35,316	33,640	-	-
Investments in subsidiary companies	6	-	-	16,232,076	14,078,896
Investment properties		208,996	213,914	-	-
Property, plant and equipment	7	26,340,520	22,699,590	16,816,949	13,947,640
Advances to contractors and for acquisitions of assets		609,422	406,337	609,422	406,337
Right-of-use assets		523,260	482,204	9,198	939
Goodwill		447,609	436,618	-	-
Other intangible assets		168,880	192,083	54,932	57,500
Deferred tax assets		380,053	320,196	-	-
Other non-current assets		199,352	174,786	22,085	10,869
<b>Total non-current assets</b>		<u>28,913,408</u>	<u>24,959,368</u>	<u>33,744,662</u>	<u>28,502,181</u>
<b>Total assets</b>		<u>100,747,096</u>	<u>90,984,477</u>	<u>90,587,877</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 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	8	1,815,794	945,278	1,429,956	-
Trade and other payables	9	35,037,966	30,201,549	29,824,469	24,827,541
Current portion of lease liabilities		77,516	66,057	5,119	968
Income tax payable		404,501	423,453	248,317	318,384
Short-term provisions	12	40,357	44,733	-	-
Liabilities and provision from tax assessments	18.4.1	258,173	258,173	258,173	258,173
Derivative liabilities	19.2	340,107	171	335,922	-
Other current liabilities	10	335,559	730,143	134,328	299,204
<b>Total current liabilities</b>		<b>38,309,973</b>	<b>32,669,557</b>	<b>32,236,284</b>	<b>25,704,270</b>
<b>Non-current liabilities</b>					
Long-term loans from related party	2	838,712	794,571	-	-
Lease liabilities, net of current portion		155,413	135,843	3,970	-
Deferred tax liabilities		147,684	139,025		-
Provision for long-term employee benefits	11	1,363,777	1,329,354	508,834	512,317
Long-term provisions	12	1,036,138	856,043	758,792	638,262
Other non-current liabilities		360,623	380,322	6,634	3,885
<b>Total non-current liabilities</b>		<b>3,902,347</b>	<b>3,635,158</b>	<b>1,278,230</b>	<b>1,154,464</b>
<b>Total liabilities</b>		<b>42,212,320</b>	<b>36,304,715</b>	<b>33,514,514</b>	<b>26,858,734</b>

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 2023**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>30 June 2023</u>	<u>31 December 2022</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital	13			
Registered				
12,590,000,000 ordinary shares of Baht 0.1 each (31 December 2022: 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				
12,473,816,140 ordinary shares of Baht 0.1 each (31 December 2022: 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	58,588,741	55,264,964	54,208,169	51,380,256
Other components of shareholders' equity	<u>(1,579,465)</u>	<u>(2,110,702)</u>	-	-
<b>Total shareholders' equity</b>	<u>58,534,776</u>	<u>54,679,762</u>	<u>57,073,363</u>	<u>54,245,450</u>
<b>Total liabilities and shareholders' equity</b>	<u>100,747,096</u>	<u>90,984,477</u>	<u>90,587,877</u>	<u>81,104,184</u>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the three-month period ended 30 June 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>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		35,510,386	27,755,637	30,566,817	23,653,061
Service income		330,060	248,378	77,457	18,646
Other income					
Gain on exchange		233,769	345,907	225,313	367,221
Others		236,548	106,982	146,848	78,001
<b>Total revenues</b>		<b>36,310,763</b>	<b>28,456,904</b>	<b>31,016,435</b>	<b>24,116,929</b>
<b>Expenses</b>					
Cost of sales		27,238,595	20,773,321	23,048,394	17,266,604
Cost of services		233,092	214,224	8,425	6,847
Selling and distribution expenses	18.2.1	2,162,485	1,640,520	1,871,942	1,375,992
Administrative expenses		671,493	637,751	377,612	423,274
Research and development expenses	18.2.2	961,778	873,818	1,084,172	873,830
Other expenses		101,979	6,386	100,347	969
<b>Total expenses</b>		<b>31,369,422</b>	<b>24,146,020</b>	<b>26,490,892</b>	<b>19,947,516</b>
<b>Operating profit</b>		<b>4,941,341</b>	<b>4,310,884</b>	<b>4,525,543</b>	<b>4,169,413</b>
Finance income		28,658	4,896	13,432	1,712
Finance cost		(22,472)	(3,966)	(1,303)	(308)
<b>Profit before income tax expenses</b>		<b>4,947,527</b>	<b>4,311,814</b>	<b>4,537,672</b>	<b>4,170,817</b>
Income tax expenses	15	(279,498)	(48,357)	(147,643)	(28,931)
<b>Profit for the period</b>		<b>4,668,029</b>	<b>4,263,457</b>	<b>4,390,029</b>	<b>4,141,886</b>

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 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>
<b>Other comprehensive income:</b>					
<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		807,611	267,540	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		807,611	267,540	-	-
<b>Other comprehensive income for the period</b>		<b>807,611</b>	<b>267,540</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>5,475,640</b>	<b>4,530,997</b>	<b>4,390,029</b>	<b>4,141,886</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		4,668,029	4,263,457	4,390,029	4,141,886
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		5,475,640	4,530,997	4,390,029	4,141,886
<b>Earnings per share</b>					
	16		(restated)		(restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		0.37	0.34	0.35	0.33

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 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>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		67,499,159	52,053,208	58,155,784	44,895,412
Service income		635,425	574,160	95,220	42,519
Other income					
Gain on exchange		389,130	545,947	365,720	580,420
Insurance compensation income due to flooding		-	330,679	-	330,679
Others		392,514	199,970	247,032	145,369
<b>Total revenues</b>		<b>68,916,228</b>	<b>53,703,964</b>	<b>58,863,756</b>	<b>45,994,399</b>
<b>Expenses</b>					
Cost of sales		52,577,327	40,047,449	44,654,675	33,685,832
Cost of services		475,485	426,591	10,184	12,769
Selling and distribution expenses	18.2.1	3,833,027	3,233,502	3,244,692	2,713,762
Administrative expenses		1,226,095	1,180,638	690,161	764,665
Research and development expenses	18.2.2	1,972,845	1,680,598	2,173,160	1,727,603
Other expenses		165,632	23,627	113,667	8,992
<b>Total expenses</b>		<b>60,250,411</b>	<b>46,592,405</b>	<b>50,886,539</b>	<b>38,913,623</b>
<b>Operating profit</b>		<b>8,665,817</b>	<b>7,111,559</b>	<b>7,977,217</b>	<b>7,080,776</b>
Finance income		64,351	26,631	33,878	2,538
Finance cost		(47,621)	(7,283)	(1,620)	(1,009)
<b>Profit before income tax expenses</b>		<b>8,682,547</b>	<b>7,130,907</b>	<b>8,009,475</b>	<b>7,082,305</b>
Income tax expenses	15	(400,061)	(87,322)	(222,853)	(60,681)
<b>Profit for the period</b>		<b>8,282,486</b>	<b>7,043,585</b>	<b>7,786,622</b>	<b>7,021,624</b>

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 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>
<b>Other comprehensive income:</b>				
<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	531,237	27,134	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	531,237	27,134	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial gain - net of income tax	30,817	-	30,817	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	30,817	-	30,817	-
<b>Other comprehensive income for the period</b>	<b>562,054</b>	<b>27,134</b>	<b>30,817</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>8,844,540</b>	<b>7,070,719</b>	<b>7,817,439</b>	<b>7,021,624</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	8,282,486	7,043,585	7,786,622	7,021,624
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	8,844,540	7,070,719	7,817,439	7,021,624
<b>Earnings per share</b>	16	(restated)	(restated)	
Basic earnings per share				
Profit attributable to equity holders of the Company	0.66	0.56	0.62	0.56

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 2023

(Unit: Thousand Baht)

Consolidated financial statements								
					Other components of shareholders' equity			
					Other comprehensive income			
					Exchange differences			
Issued and		Difference from business		Retained earnings		on translation of	Total other	Total
fully paid		combination under				financial statements	components of	shareholders'
share capital	Share premium	common control	Appropriated	Unappropriated	in foreign currency	shareholders' equity	equity	equity
<b>Balance as at 1 January 2022</b>	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	-	-	-	-	7,043,585	-	-	7,043,585
Other comprehensive income for the period	-	-	-	-	-	27,134	27,134	27,134
Total comprehensive income for the period	-	-	-	-	7,043,585	27,134	27,134	7,070,719
Dividend paid (Note 14)	-	-	-	-	(2,120,549)	-	-	(2,120,549)
<b>Balance as at 30 June 2022</b>	<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>
<b>Balance as at 1 January 2023</b>	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	-	-	-	-	8,282,486	-	-	8,282,486
Other comprehensive income for the period	-	-	-	-	30,817	531,237	531,237	562,054
Total comprehensive income for the period	-	-	-	-	8,313,303	531,237	531,237	8,844,540
Dividend paid (Note 14)	-	-	-	-	(4,989,526)	-	-	(4,989,526)
<b>Balance as at 30 June 2023</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>58,588,741</u>	<u>(1,579,465)</u>	<u>(1,579,465)</u>	<u>58,534,776</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 2023**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				<b>Total shareholders' equity</b>
	<b>Issued and fully paid share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>		
			<b>Appropriated</b>	<b>Unappropriated</b>	
<b>Balance as at 1 January 2022</b>	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 14)	-	-	-	(2,120,549)	(2,120,549)
<b>Balance as at 30 June 2022</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>42,342,732</u>	<u>45,207,926</u>
<b>Balance as at 1 January 2023</b>	1,247,382	1,491,912	125,900	51,380,256	54,245,450
Profit for the period	-	-	-	7,786,622	7,786,622
Other comprehensive income for the period	-	-	-	30,817	30,817
Total comprehensive income for the period	-	-	-	7,817,439	7,817,439
Dividend paid (Note 14)	-	-	-	(4,989,526)	(4,989,526)
<b>Balance as at 30 June 2023</b>	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>54,208,169</u>	<u>57,073,363</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****Cash flow statement****For the six-month period ended 30 June 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>
<b>Cash flows from operating activities:</b>				
Profit before tax	8,682,547	7,130,907	8,009,475	7,082,305
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	2,013,107	1,414,086	1,592,784	1,129,479
Amortisation	46,179	51,859	5,338	3,897
Allowance for expected credit losses	97,504	28,753	79,765	42,673
Reduction of inventory to net realisable value	1,406,370	742,311	832,864	544,685
Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories	(214,175)	(506,849)	(163,574)	(476,879)
Increase in provision for long-term employee benefits	51,640	40,429	30,837	26,398
Increase in provisions	283,651	97,108	175,256	74,658
(Gain) loss from disposal/write-off of property, plant and equipment	470	(229)	714	(6,680)
Unrealised gain on exchange	(1,446,176)	(176,590)	(1,424,438)	(341,899)
Loss on fair value valuation of derivative instruments	920,426	217,807	913,243	225,576
Interest income	(64,351)	(26,631)	(33,878)	(2,538)
Interest expenses	47,621	7,283	1,620	1,009
Profit from operating activities before changes in operating assets and liabilities	11,824,813	9,020,244	10,020,006	8,302,684
Decrease (increase) in operating assets:				
Trade and other receivables	(617,388)	(2,109,806)	(1,368,060)	(2,261,262)
Inventories	(8,171,692)	(1,464,844)	(5,835,502)	(819,221)
Other current assets	710,043	(66,165)	(110,245)	(56,066)
Other non-current assets	(19,258)	(39,222)	(11,468)	1,101
Increase (decrease) in operating liabilities:				
Trade and other payables	3,510,395	3,377,859	3,690,360	3,601,777
Other current liabilities	(404,180)	(239,195)	(175,522)	(63,079)
Cash paid for long-term employee benefits	(27,354)	(33,980)	(3,503)	(13,397)
Cash paid for provisions	(128,385)	(11,423)	(61,457)	(6,507)
Other non-current liabilities	(19,699)	38,277	2,749	(208)
Cash flows from operating activities	6,657,295	8,471,745	6,147,358	8,685,822
Cash received from interest income	65,526	31,042	33,129	2,538
Cash paid for interest expenses	(48,925)	(8,546)	(1,589)	(1,009)
Cash paid for corporate income tax	(466,193)	(20,312)	(292,173)	(12,289)
<b>Net cash flows from operating activities</b>	<b>6,207,703</b>	<b>8,473,929</b>	<b>5,886,725</b>	<b>8,675,062</b>

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 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>
<b>Cash flows from investing activities:</b>				
Decrease (increase) in deposits at bank with restrictions	(1,676)	284	-	-
Increase in investments in subsidiary	-	-	(2,153,180)	(169,423)
Increase in advances to contractors and for acquisitions of assets	(203,085)	(48,703)	(203,085)	(48,703)
Acquisition of property, plant and equipment	(4,026,239)	(2,090,923)	(3,340,041)	(1,322,940)
Cash paid others payable for purchase of plant and equipment	(1,051,716)	(1,399,345)	(962,209)	(1,385,542)
Proceeds from disposal of property, plant and equipment	11,288	23,610	10,859	19,272
Increase in right-of-use assets	(7,243)	(3,341)	(2,073)	(252)
Increase in investment properties	-	(22)	-	-
Increase in other intangible assets	(18,131)	(25,254)	(2,770)	(7,789)
<b>Net cash flows used in investing activities</b>	<b>(5,296,802)</b>	<b>(3,543,694)</b>	<b>(6,652,499)</b>	<b>(2,915,377)</b>
<b>Cash flow from financing activities:</b>				
Cash receipt from short-term loans from financial institutions	4,748,446	2,530,244	4,358,788	700,000
Repayment of short-term loans from financial institutions	(3,885,268)	(3,669,206)	(2,944,348)	(2,213,241)
Repayment of liabilities under lease agreements	(40,664)	(37,980)	(1,329)	(2,102)
Dividend paid	(4,989,526)	(2,120,549)	(4,989,526)	(2,120,549)
<b>Net cash flow used in financing activities</b>	<b>(4,167,012)</b>	<b>(3,297,491)</b>	<b>(3,576,415)</b>	<b>(3,635,892)</b>
<b>Increase in translation adjustments</b>	<b>298,569</b>	<b>40,067</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents before effect from currency translation</b>	<b>(2,957,542)</b>	<b>1,672,811</b>	<b>(4,342,189)</b>	<b>2,123,793</b>
Effect from currency translation of cash and cash equivalents	6,028	(88,817)	(2,341)	30,900
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,951,514)</b>	<b>1,583,994</b>	<b>(4,344,530)</b>	<b>2,154,693</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>10,142,200</b>	<b>6,571,566</b>	<b>5,835,260</b>	<b>1,535,903</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,190,686</b>	<b>8,155,560</b>	<b>1,490,730</b>	<b>3,690,596</b>
	-	-	-	-
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transaction				
Right-of-use assets increase under lease agreements	73,147	31,254	9,419	-
Increase in accounts payable from purchase of plant and equipment	1,246,360	789,112	1,130,140	766,451
Transfer from investment properties to property and plant	10,893	-	-	-

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 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 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b><u>Transactions with the parent company</u></b>				
Sales of goods and raw materials	39	44	39	44
Purchase of goods and raw materials	54	86	1	5
Royalty paid (Note 18.2.1)	1,063	889	1,063	889
Services paid	2	8	2	8
<b><u>Transactions with subsidiary companies</u></b>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	9,815	7,654
Purchase of goods and raw materials	-	-	391	413
Commission paid	-	-	117	62
Design and engineering fee paid (Note 18.2.2)	-	-	531	563
Administrative expenses	-	-	23	23
<b><u>Transactions with related companies</u></b>				
Sales of goods and raw materials	3,295	3,108	911	1,147
Purchase of goods and raw materials	2,495	1,663	1,222	751
Commission paid	229	177	226	138
Commission received	54	60	-	-
Services income	10	20	-	-
Design and engineering fee paid	201	16	196	14

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b><u>Transactions with the parent company</u></b>				
Sales of goods and raw materials	81	68	80	67
Purchase of goods and raw materials	193	134	1	18
Royalty paid (Note 18.2.1)	1,973	1,686	1,973	1,686
Services paid	4	10	4	10
<b><u>Transactions with subsidiary companies</u></b>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	18,605	14,319
Purchase of goods and raw materials	-	-	806	705
Commission paid	-	-	214	127
Design and engineering fee paid (Note 18.2.2)	-	-	1,133	1,134
Administrative expenses	-	-	38	39
<b><u>Transactions with related companies</u></b>				
Sales of goods and raw materials	6,539	5,817	1,782	2,275
Purchase of goods and raw materials	4,805	3,396	2,195	1,319
Commission paid	454	334	446	290
Commission received	130	93	-	-
Services income	31	44	-	-
Design and engineering fee paid	357	35	349	30

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 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
<b><u>Trade receivables - related parties (Note 3)</u></b>				
Parent company	51	74	39	62
Subsidiary companies	-	-	14,901	13,020
Related companies (common shareholders)	3,159	2,721	937	1,064
Total trade receivables - related parties	<u>3,210</u>	<u>2,795</u>	<u>15,877</u>	<u>14,146</u>



(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<b><u>Other receivables - related parties (Note 3)</u></b>				
Parent company	-	3	-	3
Subsidiary companies	-	-	12	12
Related companies (common shareholders)	1	3	1	2
Total other receivables - related parties	1	6	13	17
<b><u>Amounts due from related parties (Note 3)</u></b>				
Subsidiary companies	-	-	2	1
Total amounts due from related parties	-	-	2	1
<b><u>Interest receivables - related parties (Note 3)</u></b>				
Subsidiary companies	-	-	1	-
Total interest receivables - related parties	-	-	1	-
<b><u>Trade payables - related parties (Note 9)</u></b>				
Parent company	146	345	21	12
Subsidiary companies	-	-	234	329
Related companies (common shareholders)	2,667	2,122	919	617
Total trade payables - related parties	2,813	2,467	1,174	958
<b><u>Other payables - related parties (Note 9)</u></b>				
Parent company	878	557	870	532
Subsidiary companies	-	-	292	514
Related companies (common shareholders)	634	510	629	471
Total other payables - related parties	1,512	1,067	1,791	1,517
<b><u>Accrued expenses - related parties (Note 9)</u></b>				
Parent company	386	318	386	318
Related companies (common shareholders)	170	174	170	174
Total accrued expenses - related parties	556	492	556	492
<b><u>Advance received - related parties (Note 9)</u></b>				
Parent company	-	-	111	155
Total advance received - related parties	-	-	111	155

(Unaudited but reviewed)

### **Short-term loans to related party**

(Unit: Million Baht)

Short-term loans	Related by	Separate financial statements	
		Balance as at 1 January 2023	Balance as at 30 June 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 1 January 2023	Translation adjustment	Balance as at 30 June 2023
Eltek AS	Related company (common shareholders)	795	44	839
Total long-term loans from related party		795	44	839

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

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	35	32	17	11
Post-employment benefits	1	2	2	3
Total	36	34	19	14

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	67	70	29	33
Post-employment benefits	5	5	4	5
Total	72	75	33	38

(Unaudited but reviewed)

**3. Trade and other receivables**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	3,117	2,771	13,682	12,964
Past due				
Up to 3 months	82	22	2,193	1,179
3 - 6 months	11	-	1	3
6 - 12 months	-	-	1	-
Over 12 months	-	2	-	-
Total	3,210	2,795	15,877	14,146
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	23,537	21,510	13,984	12,222
Past due				
Up to 3 months	3,348	2,887	2,081	1,861
3 - 6 months	399	171	282	128
6 - 12 months	71	46	53	11
Over 12 months	74	72	31	24
Total	27,429	24,686	16,431	14,246
Total trade receivables	30,639	27,481	32,308	28,392
Less: Allowance for expected credit losses	(290)	(189)	(164)	(84)
Total trade receivables - net	30,349	27,292	32,144	28,308
<u>Other receivables</u>				
Amounts due from related parties (Note 2)	-	-	2	1
Other receivables - related parties (Note 2)	1	6	13	17
Other receivables - unrelated parties	923	834	859	786
Interest receivables - related parties (Note 2)	-	-	1	-
Interest receivables - unrelated parties	5	-	-	-
Total other receivables	929	840	875	804
Trade and other receivables - net	31,278	28,132	33,019	29,112

(Unaudited but reviewed)

#### 4. Inventories

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Inventories - cost	36,343	28,172	24,109	18,273
Reduce cost to net realisable value	(4,362)	(3,123)	(2,308)	(1,638)
Inventories - net	<u>31,981</u>	<u>25,049</u>	<u>21,801</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
<b>Balance as at 1 January 2023</b>	(3,123)	(1,638)
Increase during the period	(1,406)	(833)
Reversal of the reduction to net realisable value of the written off obsolete and damaged inventories during the period	214	163
Translation adjustment	(47)	-
<b>Balance as at 30 June 2023</b>	<u>(4,362)</u>	<u>(2,308)</u>

#### 5. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Input tax refundable	515	451	304	292
Advance payments	477	1,335	37	7
Prepaid expenses	333	271	79	34
Prepaid tax	39	34	-	-
Others	19	29	11	9
Total other current assets	<u>1,383</u>	<u>2,120</u>	<u>431</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	30 June	31 December	30 June	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
<b>Subtotal</b>				17,556	15,403
Less: Allowance for impairment loss of investments in subsidiaries				(1,324)	(1,324)
<b>Investments in subsidiaries - net</b>				16,232	14,079

No dividend was received from the above subsidiaries during the three-month and six-month periods ended 30 June 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 first quarter during the current year.

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
<b>Net book value as at 1 January 2023</b>	22,700	13,948
Acquisitions during period - cost	5,273	4,470
Disposals/write-off during period - net book value at disposal/write-off date	(12)	(12)
Depreciation for the period	(1,961)	(1,589)
Transfer from investment properties - net book value at transfer date	11	-
Translation adjustment	330	-
<b>Net book value as at 30 June 2023</b>	<b>26,341</b>	<b>16,817</b>

**8. Short-term loans from financial institutions**

		(Unit: Million Baht)			
	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
			(Audited)		(Audited)
Short-term loans from financial institutions	2.40 - 6.19	1,816	945	1,430	-
Total		1,816	945	1,430	-

**9. Trade and other payables**

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	2,813	2,467	1,174	958
Trade payables - unrelated parties	20,456	17,675	18,544	15,930
Other payables - related parties (Note 2)	1,512	1,067	1,791	1,517
Other payables - unrelated parties	2,736	2,440	2,491	2,172
Accrued expenses - related parties (Note 2)	556	492	556	492
Accrued expenses - unrelated parties	4,574	3,469	4,078	2,873
Advance received - related parties (Note 2)	-	-	111	155
Advance received - unrelated parties	2,391	2,592	1,079	731
Total trade and other payables	<b>35,038</b>	<b>30,202</b>	<b>29,824</b>	<b>24,828</b>

(Unaudited but reviewed)

**10. Other current liabilities**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Audited)		(Audited)
Withholding tax payable	108	288	68	248
Value added tax payable	141	234	17	14
Others	87	208	49	37
<b>Total other current liabilities</b>	<b>336</b>	<b>730</b>	<b>134</b>	<b>299</b>

**11. 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
<b>Balance as at 1 January 2023</b>	1,329	512
Recognition during the period	52	31
Paid during the period	(27)	(3)
Actuarial gain	(31)	(31)
Translation adjustment	41	-
<b>Balance as at 30 June 2023</b>	<b>1,364</b>	<b>509</b>

**12. Provisions**

	(Unit: Million Baht)				
	Consolidated financial statements			Separate financial statements	
	Other				
	Warranty	provisions	Total	Warranty	Total
<b>Balance as at 1 January 2023</b>	856	45	901	638	638
Recognition during the period	312	9	321	205	205
Paid during the period	(115)	(13)	(128)	(61)	(61)
Reversal during the period	(34)	(3)	(37)	(30)	(30)
Translation adjustment/unrealised loss on exchange rate	17	2	19	7	7
<b>Balance as at 30 June 2023</b>	<b>1,036</b>	<b>40</b>	<b>1,076</b>	<b>759</b>	<b>759</b>

(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
<b>Balance as at 31 December 2022</b>					
<b>(Audited)</b>	856	45	901	638	638
Short-term provisions	-	40	40	-	-
Long-term provisions	1,036	-	1,036	759	759
<b>Balance as at 30 June 2023</b>	1,036	40	1,076	759	759

### 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.

### 13. Share Capital

On 7 April 2023, the Annual General Meeting of the Company's shareholders approved a change in the par value of the ordinary 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.

### 14. Dividends

Dividends declared in 2023 and 2022 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 2022	Annual General Meeting of the shareholders on 7 April 2023	4,990	4.00
Final dividend for year 2021	Annual General Meeting of the shareholders on 1 April 2022	2,121	1.70



(Unaudited but reviewed)

## 15. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Current income tax charge	(298)	(48)	(148)	(34)
Adjustment in respect of income tax of previous year	-	2	-	5
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	22	4	-	-
Translation adjustment	(3)	(6)	-	-
<b>Income tax expense reported in profit or loss</b>	<b>(279)</b>	<b>(48)</b>	<b>(148)</b>	<b>(29)</b>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Current income tax charge	(448)	(130)	(223)	(66)
Adjustment in respect of income tax of previous year	-	93	-	5
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	48	(48)	-	-
Translation adjustment	-	(2)	-	-
<b>Income tax expense reported in profit or loss</b>	<b>(400)</b>	<b>(87)</b>	<b>(223)</b>	<b>(61)</b>

**16. Earnings per share**

Basic earnings per share is calculated by dividing profit for the three-month and six-month periods ended 30 June 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 13 to the financial statements. The number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

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

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u> (Restated)
Profit attributable to equity holders of the Company (Million Baht)	4,668	4,263	4,390	4,142
Weighted average number of ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	0.37	0.34	0.35	0.33
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u> (Restated)	<u>2023</u>	<u>2022</u> (Restated)
Profit attributable to equity holders of the Company (Million Baht)	8,282	7,044	7,787	7,022
Weighted average number of ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	0.66	0.56	0.62	0.56

## 17. 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 2023 and 2022.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Power electronics segment		Infrastructure segment		Automation segment		Others		Consolidated financial statements	
	<u>2023</u>	<u>2022</u>	<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	29,236	20,851	5,304	6,209	961	684	9	12	35,510	27,756
Service income from external customers	59	120	197	94	54	12	20	22	330	248
Total revenue	<u>29,295</u>	<u>20,971</u>	<u>5,501</u>	<u>6,303</u>	<u>1,015</u>	<u>696</u>	<u>29</u>	<u>34</u>	<u>35,840</u>	<u>28,004</u>
Segment profit (loss)	4,690	3,330	75	1,025	156	(54)	(348)	(438)	4,573	3,863
Unallocated income (expenses):										
Gain on exchange rate									234	346
Other income									237	107
Other expenses									(102)	(6)
Finance income									28	5
Finance cost									(23)	(4)
Profit before income tax expenses									<u>4,947</u>	<u>4,311</u>
Income tax expenses									<u>(279)</u>	<u>(48)</u>
Profit for the period									<u><u>4,668</u></u>	<u><u>4,263</u></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>2023</u>	<u>2022</u>	<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	54,278	39,362	11,225	11,299	1,975	1,351	21	41	67,499	52,053
Service income from external customers	68	137	474	323	58	70	35	44	635	574
Total revenue	<u>54,346</u>	<u>39,499</u>	<u>11,699</u>	<u>11,622</u>	<u>2,033</u>	<u>1,421</u>	<u>56</u>	<u>85</u>	<u>68,134</u>	<u>52,627</u>
Segment profit (loss)	8,096	5,494	439	1,303	247	(5)	(732)	(734)	8,050	6,058
Unallocated income (expenses):										
Gain on exchange rate									389	546
Insurance compensation income due to flooding									-	331
Other income									393	200
Other expenses									(166)	(24)
Finance income									64	27
Finance cost									(48)	(7)
Profit before income tax expenses									8,682	7,131
Income tax expenses									(400)	(87)
Profit for the period									<u>8,282</u>	<u>7,044</u>

## 18. Commitments and contingent liabilities

### 18.1 Capital commitments

As at 30 June 2023, the Group had significant capital commitments amounting to Baht 3,932 million, EUR 11 million or approximately Baht 417 million, and INR 1,500 million or approximately Baht 650 million in respect of the building construction, purchase of machinery and equipment (the Company only: Baht 3,932 million).

## **18.2 Significant long-term service commitments**

### **18.2.1 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.

### **18.2.2 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.

## **18.3 Guarantee obligations**

As at 30 June 2023, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 18.3.1 Outstanding letters of guarantee totaling approximately Baht 395 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 18.4.1 to the financial statements).

18.3.2 Outstanding letters of guarantee for totals of approximately Baht 20 million, INR 1,490 million or approximately Baht 645 million, EUR 0.5 million or approximately Baht 21 million and AUD 3 million or approximately Baht 66 million have been issued by banks to meet requirements of the subsidiaries.

#### **18.4 Tax assessment**

- 18.4.1 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.

(Unaudited but reviewed)

- d. On 20 August 2019, the Company received tax assessment notices for the year 2009 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 23 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 5 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

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

18.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 333 million or approximately Baht 145 million, covering the years 2012 - 2020, and sales tax and excise duties of approximately INR 116 million or approximately Baht 50 million, covering the years 2014 - 2017, against the subsidiary in India. The subsidiary has appealed the assessments. The management of the subsidiary believes 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.

## 19. Financial Instrument

### 19.1 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.

### 19.2 Fair value hierarchy

As at 30 June 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
<b>Assets measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	1	-	1
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	340	-	340

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	1	-	1
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	336	-	336

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.

## 20. Foreign currency risk and financial derivatives

As at 30 June 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	503	534	923	540
Euro	8	20	10	26
Japanese yen	305	441	155	457

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 30 June 2023
US dollar	35.5893
Euro	38.6512
Japanese yen	0.2461



(Unaudited but reviewed)

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 June 2023, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated financial statements						
	Amount			Forward rate		Maturity date
<b>Forward contracts to “Sell”</b>						
USD/THB	USD	288	million	33.3200 - 35.0130	THB/USD	July - October 2023
<b>Forward contracts to “Buy”</b>						
USD/INR	USD	18	million	82.2650 - 83.1900	INR/USD	July - September 2023
JPY/INR	JPY	10	million	0.6070	INR/JPY	August 2023
JPY/THB	JPY	240	million	0.2472 - 0.2580	THB/JPY	July - September 2023
EUR/THB	EUR	4	million	38.6800 - 38.8460	THB/EUR	July - August 2023
Separate financial statements						
	Amount			Forward rate		Maturity date
<b>Forward contracts to “Sell”</b>						
USD/THB	USD	288	million	33.3200 - 35.0130	THB/USD	July - October 2023
<b>Forward contracts to “Buy”</b>						
JPY/THB	JPY	240	million	0.2472 - 0.2580	THB/JPY	July - September 2023
EUR/THB	EUR	4	million	38.6800 - 38.8460	THB/EUR	July - August 2023

## 21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 27 July 2023.