

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 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 September 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 October 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		8,652,529	10,142,200	1,146,880	5,835,260
Trade and other receivables	3	33,791,415	28,132,400	35,844,007	29,111,708
Short-term loans to related party	2	-	-	100,000	100,000
Inventories	4	33,656,460	25,048,621	23,247,829	16,635,020
Derivative assets	19.2	8,668	581,523	6,018	578,354
Other current assets	5	1,525,597	2,120,365	435,327	341,661
Total current assets		77,634,669	66,025,109	60,780,061	52,602,003
Non-current assets					
Deposits at bank with restrictions		35,343	33,640	-	-
Investments in subsidiary companies	6	-	-	18,748,597	14,078,896
Investment properties		206,793	213,914	-	-
Property, plant and equipment	7	28,842,999	22,699,590	18,859,768	13,947,640
Advances to contractors and for acquisitions					
of assets		700,063	406,337	700,063	406,337
Right-of-use assets		558,616	482,204	58,127	939
Goodwill		447,738	436,618	-	-
Other intangible assets		152,526	192,083	54,786	57,500
Deferred tax assets		402,564	320,196	-	-
Other non-current assets		188,504	174,786	23,854	10,869
Total non-current assets		31,535,146	24,959,368	38,445,195	28,502,181
Total assets		109,169,815	90,984,477	99,225,256	81,104,184

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 September 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	8	781,161	945,278	734,444	-
Trade and other payables	9	38,213,814	30,201,549	32,721,116	24,827,541
Current portion of lease liabilities		158,229	66,057	35,186	968
Income tax payable		297,640	423,453	159,637	318,384
Short-term provisions	12	32,572	44,733	-	-
Liabilities and provision from tax assessments	18.4.1	258,173	258,173	258,173	258,173
Derivative liabilities	19.2	508,356	171	508,240	-
Other current liabilities	10	457,403	730,143	132,127	299,204
Total current liabilities		40,707,348	32,669,557	34,548,923	25,704,270
Non-current liabilities					
Long-term loans from related party	2	839,177	794,571	-	-
Lease liabilities, net of current portion		108,442	135,843	21,786	-
Deferred tax liabilities		120,957	139,025	-	-
Provision for long-term employee benefits	11	1,379,530	1,329,354	524,253	512,317
Long-term provisions	12	1,140,800	856,043	844,692	638,262
Other non-current liabilities		598,266	380,322	263,893	3,885
Total non-current liabilities		4,187,172	3,635,158	1,654,624	1,154,464
Total liabilities		44,894,520	36,304,715	36,203,547	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 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
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)		1,259,000	1,259,000	1,259,000	1,259,000
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		64,017,402	55,264,964	60,156,515	51,380,256
Other components of shareholders' equity		(1,267,607)	(2,110,702)	-	-
Total shareholders' equity		64,275,295	54,679,762	63,021,709	54,245,450
Total liabilities and shareholders' equity		109,169,815	90,984,477	99,225,256	81,104,184
		-	-	-	-

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 September 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		39,950,716	30,957,269	35,275,291	28,255,610
Service income		527,008	367,188	70,807	34,058
Other income					
Gain on exchange		379,590	214,639	384,624	546,404
Others		299,908	191,742	330,150	157,828
Total revenues		41,157,222	31,730,838	36,060,872	28,993,900
Expenses					
Cost of sales		31,013,426	23,787,848	26,431,452	20,735,863
Cost of services		319,368	238,857	39,100	21,253
Selling and distribution expenses	18.2.1	2,331,444	1,925,694	1,984,914	1,594,461
Administrative expenses		696,903	663,494	435,570	455,008
Research and development expenses	18.2.2	1,069,365	934,802	1,069,757	940,385
Other expenses		153,073	16,300	28,329	11,056
Total expenses		35,583,579	27,566,995	29,989,122	23,758,026
Operating profit		5,573,643	4,163,843	6,071,750	5,235,874
Finance income		55,495	11,806	12,024	6,701
Finance cost		(33,736)	(160)	(3,959)	(2)
Profit before income tax expenses		5,595,402	4,175,489	6,079,815	5,242,573
Income tax expenses	15	(166,741)	(65,480)	(131,469)	(50,056)
Profit for the period		5,428,661	4,110,009	5,948,346	5,192,517

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 September 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	311,858	946,445	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	311,858	946,445	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial gain - net of income tax	-	62,839	-	62,839
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	62,839	-	62,839
Other comprehensive income for the period	311,858	1,009,284	-	62,839
Total comprehensive income for the period	5,740,519	5,119,293	5,948,346	5,255,356
Profit attributable to:				
Equity holders of the Company	5,428,661	4,110,009	5,948,346	5,192,517
Total comprehensive income attributable to:				
Equity holders of the Company	5,740,519	5,119,293	5,948,346	5,255,356
Earnings per share				
	16	(restated)		(restated)
Basic earnings per share				
Profit attributable to equity holders of the Company	0.44	0.33	0.48	0.42

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 nine-month period ended 30 September 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		107,449,875	83,010,477	93,431,075	73,151,022
Service income		1,162,433	941,348	166,027	76,577
Other income					
Gain on exchange		768,720	760,586	750,344	1,126,824
Insurance compensation income due to flooding		-	330,679	-	330,679
Others		692,422	391,712	577,182	303,197
Total revenues		110,073,450	85,434,802	94,924,628	74,988,299
Expenses					
Cost of sales		83,532,146	63,835,297	71,027,520	54,421,695
Cost of services		853,460	665,448	107,891	34,022
Selling and distribution expenses	18.2.1	6,164,471	5,159,196	5,229,606	4,308,223
Administrative expenses		1,922,998	1,844,132	1,125,731	1,219,673
Research and development expenses	18.2.2	3,042,210	2,615,400	3,242,917	2,667,988
Other expenses		318,705	39,927	141,996	20,048
Total expenses		95,833,990	74,159,400	80,875,661	62,671,649
Operating profit		14,239,460	11,275,402	14,048,967	12,316,650
Finance income		119,846	38,437	45,902	9,239
Finance cost		(81,357)	(7,443)	(5,579)	(1,011)
Profit before income tax expenses		14,277,949	11,306,396	14,089,290	12,324,878
Income tax expenses	15	(566,802)	(152,802)	(354,322)	(110,737)
Profit for the period		13,711,147	11,153,594	13,734,968	12,214,141

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 nine-month period ended 30 September 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>843,095</u>	<u>973,579</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>843,095</u>	<u>973,579</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>62,839</u>	<u>30,817</u>	<u>62,839</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>30,817</u>	<u>62,839</u>	<u>30,817</u>	<u>62,839</u>
Other comprehensive income for the period	<u>873,912</u>	<u>1,036,418</u>	<u>30,817</u>	<u>62,839</u>
Total comprehensive income for the period	<u>14,585,059</u>	<u>12,190,012</u>	<u>13,765,785</u>	<u>12,276,980</u>
Profit attributable to:				
Equity holders of the Company	<u>13,711,147</u>	<u>11,153,594</u>	<u>13,734,968</u>	<u>12,214,141</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>14,585,059</u>	<u>12,190,012</u>	<u>13,765,785</u>	<u>12,276,980</u>
Earnings per share	16	(restated)		(restated)
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.10</u>	<u>0.89</u>	<u>1.10</u>	<u>0.98</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 nine-month period ended 30 September 2023

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and fully paid		Difference from business combination under common control	Retained earnings		Other components of shareholders' equity		
						Other comprehensive income		
						Exchange differences		
						on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total shareholders' equity
share capital	Share premium		Appropriated	Unappropriated				
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	-	-	-	-	11,153,594	-	-	11,153,594
Other comprehensive income for the period	-	-	-	-	62,839	973,579	973,579	1,036,418
Total comprehensive income for the period	-	-	-	-	11,216,433	973,579	973,579	12,190,012
Dividend paid (Note 14)	-	-	-	-	(2,120,549)	-	-	(2,120,549)
Balance as at 30 September 2022	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>50,872,272</u>	<u>(924,006)</u>	<u>(924,006)</u>	<u>51,473,766</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	-	-	-	-	13,711,147	-	-	13,711,147
Other comprehensive income for the period	-	-	-	-	30,817	843,095	843,095	873,912
Total comprehensive income for the period	-	-	-	-	13,741,964	843,095	843,095	14,585,059
Dividend paid (Note 14)	-	-	-	-	(4,989,526)	-	-	(4,989,526)
Balance as at 30 September 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>64,017,402</u>	<u>(1,267,607)</u>	<u>(1,267,607)</u>	<u>64,275,295</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 nine-month period ended 30 September 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	-	-	-	12,214,141	12,214,141
Other comprehensive income for the period	-	-	-	62,839	62,839
Total comprehensive income for the period	-	-	-	12,276,980	12,276,980
Dividend paid (Note 14)	-	-	-	(2,120,549)	(2,120,549)
Balance as at 30 September 2022	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>47,598,088</u>	<u>50,463,282</u>
Balance as at 1 January 2023	1,247,382	1,491,912	125,900	51,380,256	54,245,450
Profit for the period	-	-	-	13,734,968	13,734,968
Other comprehensive income for the period	-	-	-	30,817	30,817
Total comprehensive income for the period	-	-	-	13,765,785	13,765,785
Dividend paid (Note 14)	-	-	-	(4,989,526)	(4,989,526)
Balance as at 30 September 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>60,156,515</u>	<u>63,021,709</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 nine-month period ended 30 September 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	14,277,949	11,306,396	14,089,290	12,324,878
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	3,201,606	2,213,032	2,533,258	1,772,522
Amortisation	67,162	82,370	8,084	6,345
Recording of allowance for expected credit losses	112,288	16,804	113,795	20,681
Reduction of inventory to net realisable value	2,350,375	1,093,540	1,514,275	687,093
Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories	(426,608)	(607,829)	(326,205)	(534,540)
Increase in provision for long-term employee benefits	78,337	71,470	46,255	50,035
Recording of the increase in provisions	423,944	214,076	275,531	146,145
(Gain) loss from disposal/write-off of property, plant and equipment	113,744	2,288	(9,147)	(8,702)
Reversal of the allowance for impairment loss on assets	-	(18,565)	-	(18,565)
Unrealised gain on exchange	(1,725,644)	(290,522)	(1,704,765)	(551,965)
Loss on fair value valuation of derivative instruments	1,081,040	557,709	1,080,576	575,083
Insurance compensation income due to flooding	-	(330,679)	-	(330,679)
Interest income	(119,846)	(38,437)	(45,902)	(9,239)
Interest expenses	81,357	7,443	5,579	1,011
Profit from operating activities before changes in operating assets and liabilities	19,515,704	14,279,096	17,580,624	14,130,103
Decrease (increase) in operating assets:				
Trade and other receivables	(2,643,298)	(3,930,134)	(3,733,794)	(5,292,677)
Inventories	(10,597,385)	(4,555,503)	(7,800,879)	(2,112,208)
Other current assets	559,170	(184,664)	(132,432)	(84,080)
Other non-current assets	(33,661)	(39,062)	(13,537)	841
Increase (decrease) in operating liabilities:				
Trade and other payables	6,093,465	7,483,558	5,914,883	6,853,244
Other current liabilities	(301,309)	(196,043)	(196,701)	(39,150)
Cash paid for long-term employee benefits	(39,154)	(46,286)	(3,502)	(14,298)
Cash paid for provisions	(181,583)	(20,638)	(81,366)	(6,537)
Other non-current liabilities	217,944	10,065	260,009	(208)
Cash flows from operating activities	12,589,893	12,800,389	11,793,305	13,435,030
Cash received from interest income	111,838	43,852	35,889	3,650
Cash received from insurance compensation due to flooding	-	330,679	-	330,679
Cash paid for interest expenses	(83,989)	(11,540)	(5,282)	(1,011)
Cash paid for corporate income tax	(778,637)	(68,689)	(512,396)	(49,234)
Net cash flows from operating activities	11,839,105	13,094,691	11,311,516	13,719,114

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 nine-month period ended 30 September 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:				
Increase in deposits at bank with restrictions	(1,703)	(74)	-	-
Cash paid for investments in subsidiaries	-	-	(4,669,701)	(169,423)
Decrease (increase) in advances to contractors and for acquisitions of assets	(293,726)	18,389	(293,726)	18,389
Acquisition of property, plant and equipment	(7,406,138)	(4,373,059)	(5,906,621)	(2,944,220)
Cash paid others payable for purchase of plant and equipment	(1,052,697)	(1,403,044)	(963,329)	(1,388,443)
Proceeds from disposal of plant and equipment	56,618	30,887	80,333	25,091
Increase in right-of-use assets	(7,730)	(2,856)	-	(252)
Increase in investment properties	-	(22)	-	-
Increase in other intangible assets	(22,723)	(52,244)	(5,370)	(7,789)
Net cash flows used in investing activities	(8,728,099)	(5,782,023)	(11,758,414)	(4,466,647)
Cash flow from financing activities:				
Cash receipt from short-term loans from financial institutions	9,227,634	2,688,538	9,140,681	700,000
Repayment of short-term loans from financial institutions	(9,394,799)	(3,743,465)	(8,417,463)	(2,213,241)
Repayment of liabilities under lease agreements	(69,309)	(57,466)	(10,991)	(3,155)
Dividend paid	(4,989,526)	(2,120,549)	(4,989,526)	(2,120,549)
Net cash flow used in financing activities	(5,226,000)	(3,232,942)	(4,277,299)	(3,636,945)
Increase in translation adjustments	567,940	470,203	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	(1,547,054)	4,549,929	(4,724,197)	5,615,522
Effect from currency translation of cash and cash equivalents	57,383	190,984	35,817	84,475
Net increase (decrease) in cash and cash equivalents	(1,489,671)	4,740,913	(4,688,380)	5,699,997
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	8,652,529	11,312,479	1,146,880	7,235,900
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Right-of-use assets increase under lease agreements	125,339	73,333	66,698	-
Increase in accounts payable from purchase of plant and equipment	1,613,837	763,225	1,599,889	761,285
Transfer from investment properties to property and plant	10,899	-	-	-

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 nine-month periods ended 30 September 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.

1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Group believes that adoption of these amendments will 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 September			
	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	51	65	48	62
Purchase of goods and raw materials	67	148	1	27
Purchase of equipment	235	174	229	174
Royalty paid (Note 18.2.1)	1,246	1,000	1,246	1,000
Services paid	2	9	2	9
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	11,416	9,454
Purchase of goods and raw materials	-	-	382	374
Purchase of equipment	-	-	38	24
Commission paid	-	-	118	62
Design and engineering fee paid (Note 18.2.2)	-	-	389	563
Administrative expenses	-	-	28	29

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with related companies</u>				
Sales of goods and raw materials	3,489	2,191	894	724
Purchase of goods and raw materials	2,766	2,308	1,539	904
Purchase of equipment	782	189	563	157
Commission paid	236	137	234	165
Commission received	110	120	-	-
Services income	66	31	-	-
Design and engineering fee paid	244	19	240	14

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	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	132	133	128	129
Purchase of goods and raw materials	260	282	2	45
Purchase of equipment	530	190	524	190
Royalty paid (Note 18.2.1)	3,219	2,686	3,219	2,686
Services paid	6	19	6	19
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	30,021	23,773
Purchase of goods and raw materials	-	-	1,188	1,079
Purchase of equipment	-	-	105	68
Commission paid	-	-	332	189
Design and engineering fee paid (Note 18.2.2)	-	-	1,522	1,697
Administrative expenses	-	-	66	68

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with related companies</u>				
Sales of goods and raw materials	10,028	8,008	2,676	2,999
Purchase of goods and raw materials	7,571	5,704	3,734	2,223
Purchase of equipment	1,105	264	866	224
Commission paid	690	471	680	455
Commission received	240	213	-	-
Services income	97	75	-	-
Design and engineering fee paid	601	54	589	44

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 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Parent company	68	74	59	62
Subsidiary companies	-	-	16,300	13,020
Related companies (common shareholders)	3,455	2,721	881	1,064
Total trade receivables - related parties	<u>3,523</u>	<u>2,795</u>	<u>17,240</u>	<u>14,146</u>
<u>Other receivables - related parties (Note 3)</u>				
Parent company	-	3	-	3
Subsidiary companies	-	-	7	12
Related companies (common shareholders)	8	3	8	2
Total other receivables - related parties	<u>8</u>	<u>6</u>	<u>15</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	-	-	10	-
Total interest receivables - related parties	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade payables - related parties (Note 9)</u>				
Parent company	243	345	53	12
Subsidiary companies	-	-	319	329
Related companies (common shareholders)	2,845	2,122	1,130	617
Total trade payables - related parties	3,088	2,467	1,502	958
<u>Other payables - related parties (Note 9)</u>				
Parent company	755	557	749	532
Subsidiary companies	-	-	286	514
Related companies (common shareholders)	948	510	918	471
Total other payables - related parties	1,703	1,067	1,953	1,517
<u>Accrued expenses - related parties (Note 9)</u>				
Parent company	405	318	405	318
Related companies (common shareholders)	156	174	156	174
Total accrued expenses - related parties	561	492	561	492
<u>Advance received - related parties (Note 9)</u>				
Subsidiary company	-	-	56	155
Total advance received - related parties	-	-	56	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	30 September 2023
Delta Green Industrial (Thailand) Company Limited	Subsidiary	100	100
Total short-term loans to related party		100	100

(Unaudited but reviewed)

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 September 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	40	32	23	17
Post-employment benefits	2	4	3	3
Total	42	36	26	20

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	107	102	52	50
Post-employment benefits	7	9	7	8
Total	114	111	59	58

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022 (Audited)	30 September 2023	31 December 2022 (Audited)
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	3,487	2,771	15,327	12,964
Past due				
Up to 3 months	24	22	1,904	1,179
3 - 6 months	8	-	9	3
6 - 12 months	4	-	-	-
Over 12 months	-	2	-	-
Total	3,523	2,795	17,240	14,146
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	25,938	21,510	15,177	12,222
Past due				
Up to 3 months	2,904	2,887	2,101	1,861
3 - 6 months	300	171	235	128
6 - 12 months	157	46	132	11
Over 12 months	89	72	43	24
Total	29,388	24,686	17,688	14,246
Total trade receivables	32,911	27,481	34,928	28,392
Less: Allowance for expected credit losses	(305)	(189)	(198)	(84)
Total trade receivables - net	32,606	27,292	34,730	28,308
<u>Other receivables</u>				
Amounts due from related parties (Note 2)	-	-	2	1
Other receivables - related parties (Note 2)	8	6	15	17
Other receivables - unrelated parties	995	834	924	786
Interest receivables - related parties (Note 2)	-	-	10	-
Interest receivables - unrelated parties	19	-	-	-
Accrued income - unrelated parties	163	-	163	-
Total other receivables	1,185	840	1,114	804
Trade and other receivables - net	33,791	28,132	35,844	29,112

(Unaudited but reviewed)

4. Inventories

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Inventories - cost	38,769	28,172	26,074	18,273
Reduce cost to net realisable value	(5,113)	(3,123)	(2,826)	(1,638)
Inventories - net	<u>33,656</u>	<u>25,049</u>	<u>23,248</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	(2,350)	(1,514)
Reversal of the reduction to net realisable value of the written off obsolete and damaged inventories during the period	427	326
Translation adjustment	(67)	-
Balance as at 30 September 2023	<u>(5,113)</u>	<u>(2,826)</u>

5. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Input tax refundable	499	451	324	292
Advance payments	479	1,335	34	7
Prepaid expenses	483	271	68	34
Prepaid tax	46	34	-	-
Others	19	29	9	9
Total other current assets	<u>1,526</u>	<u>2,120</u>	<u>435</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 currency	30 September 2023 (Million)	31 December 2022 (Million)	30 September 2023	31 December 2022
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	279	173	9,305	5,573
Delta Electronics (Vietnam) Company Limited	USD	0.1	0.1	3	3
Delta Electronics India Manufacturing Private Limited	INR	2,526	381	1,109	171
Subtotal				20,073	15,403
Less: Allowance for impairment loss of investments in subsidiaries				(1,324)	(1,324)
Investments in subsidiaries - net				18,749	14,079

No dividend was received from the above subsidiaries during the three-month and nine-month periods ended 30 September 2023 and 2022.

6.2 Significant events during the current period

6.2.1 Subsidiaries directly owned by the Company

Additional investments in subsidiary companies

- 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.
- 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 44 million, or approximately Baht 1,579 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 third quarter during the current year.

- On 28 August 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Electronics India Manufacturing Private Limited by USD 26 million, or approximately Baht 938 million, to support the capital expenditures and enhance the cash flow situation. The Company made the additional investment in the third quarter during the current year.

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

6.2.2 Subsidiaries indirectly owned by the Company

a) Establishment of new subsidiary

On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution to proceed with the incorporation of a subsidiary, Delta Electronics (Hungary) Kft., to engage in the manufacturing of electric vehicle and electronics products. The subsidiary was incorporated in Hungary on 31 May 2023, with a registered capital of EUR 8 million. The Company's subsidiary, DET International Holding B.V., holds 100% of the new subsidiary's share capital.

Delta Electronics (Hungary) Kft. called up EUR 0.1 million, or approximately Baht 4 million and the payment of the share capital was received on 12 October 2023.

b) Restructuring of shareholding in subsidiaries

On 28 August 2023, a meeting of the Company's Board of Directors passed a resolution approving an investment of DET International Holding B.V., a subsidiary of the Company, in Eltek s.r.o., a subsidiary indirectly held 100% through Delta Greentech (Netherland) B.V., by EUR 22 million, or approximately Baht 847 million. This investment will be allocated into a registered capital of EUR 4 million or approximately Baht 157 million and a share premium of EUR 18 million or approximately Baht 690 million. As a result of the additional investment, DET International Holding B.V.'s shareholdings in Eltek s.r.o. increased to 55%, while Delta Greentech (Netherlands) B.V.'s shareholdings in Eltek s.r.o. decreased to 45%.

DET International Holding B.V. made the additional investment for a registered capital amounting to EUR 4 million or approximately Baht 157 million on 2 October 2023.

The change in the shareholder structure of the above subsidiary 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	9,020	7,506
Disposals/write-off during period - net book value at disposal/write-off date	(170)	(71)
Depreciation for the period	(3,120)	(2,523)
Transfer from investment properties - net book value at transfer date	11	-
Translation adjustment	402	-
Net book value as at 30 September 2023	28,843	18,860

8. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		30 September 2023	31 December 2022 (Audited)	30 September 2023	31 December 2022 (Audited)
Short-term loans from financial institutions	2.45 - 6.19	781	945	734	-
Total		781	945	734	-

9. Trade and other payables

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022 (Audited)	30 September 2023	31 December 2022 (Audited)
Trade payables - related parties (Note 2)	3,088	2,467	1,502	958
Trade payables - unrelated parties	22,084	17,675	20,211	15,930
Other payables - related parties (Note 2)	1,703	1,067	1,953	1,517
Other payables - unrelated parties	2,826	2,440	2,520	2,172
Accrued expenses - related parties (Note 2)	561	492	561	492
Accrued expenses - unrelated parties	5,500	3,469	4,936	2,873
Advance received - related parties (Note 2)	-	-	56	155
Advance received - unrelated parties	2,452	2,592	982	731
Total trade and other payables	38,214	30,202	32,721	24,828

(Unaudited but reviewed)

10. Other current liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Withholding tax payable	111	288	72	248
Value added tax payable	230	234	20	14
Others	116	208	40	37
Total other current liabilities	457	730	132	299

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
Balance as at 1 January 2023	1,329	512
Recognition during the period	78	46
Paid during the period	(39)	(3)
Actuarial gain	(31)	(31)
Translation adjustment	43	-
Balance as at 30 September 2023	1,380	524

12. Provisions

	(Unit: Million Baht)				
	Consolidated financial statements			Separate financial statements	
	Other				
	Warranty	provisions	Total	Warranty	Total
Balance as at 1 January 2023	856	45	901	638	638
Recognition during the period	479	9	488	327	327
Paid during the period	(166)	(16)	(182)	(81)	(81)
Reversal during the period	(56)	(8)	(64)	(51)	(51)
Translation adjustment/unrealised loss on exchange rate	28	2	30	12	12
Balance as at 30 September 2023	1,141	32	1,173	845	845

(Unaudited but reviewed)

(Unit: Million Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>	
	Other		Total	Warranty	Total
	Warranty	provisions			
Short-term provisions	-	45	45	-	-
Long-term provisions	856	-	856	638	638
Balance as at 31 December 2022					
(Audited)	856	45	901	638	638
Short-term provisions	-	32	32	-	-
Long-term provisions	1,141	-	1,141	845	845
Balance as at 30 September 2023	1,141	32	1,173	845	845

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 nine-month periods ended 30 September 2023 and 2022 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	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	(223)	(77)	(131)	(50)
Adjustment in respect of income tax of previous year	-	3	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	53	19	-	-
Translation adjustment	3	(10)	-	-
Income tax expense reported in profit or loss	<u>(167)</u>	<u>(65)</u>	<u>(131)</u>	<u>(50)</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	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	(671)	(207)	(354)	(116)
Adjustment in respect of income tax of previous year	-	96	-	5
Deferred tax:				
Relating to origination and reversal of temporary differences	101	(29)	-	-
Translation adjustment	3	(13)	-	-
Income tax expense reported in profit or loss	<u>(567)</u>	<u>(153)</u>	<u>(354)</u>	<u>(111)</u>

16. Earnings per share

Basic earnings per share is calculated by dividing profit for the three-month and nine-month periods ended 30 September 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 September			
	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)	5,429	4,110	5,948	5,193
Weighted average number of ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	0.44	0.33	0.48	0.42
	For the nine-month periods ended 30 September			
	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)	13,711	11,154	13,735	12,214
Weighted average number of ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	1.10	0.89	1.10	0.98

(Unaudited but reviewed)

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 nine-month periods ended 30 September 2023 and 2022.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	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	34,176	24,881	4,907	5,334	837	740	31	2	39,951	30,957
Service income from external customers	169	7	285	347	57	-	16	13	527	367
Total revenue	<u>34,345</u>	<u>24,888</u>	<u>5,192</u>	<u>5,681</u>	<u>894</u>	<u>740</u>	<u>47</u>	<u>15</u>	<u>40,478</u>	<u>31,324</u>
Segment profit (loss)	5,358	4,052	88	117	58	76	(456)	(473)	5,048	3,772
Unallocated income (expenses):										
Gain on exchange rate									380	215
Other income									300	192
Other expenses									(153)	(16)
Finance income									55	12
Finance cost									(34)	-
Profit before income tax expenses									5,596	4,175
Income tax expenses									(167)	(65)
Profit for the period									<u>5,429</u>	<u>4,110</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	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	88,454	64,243	16,132	16,633	2,812	2,091	52	43	107,450	83,010
Service income from external customers	237	144	759	670	115	70	51	57	1,162	941
Total revenue	<u>88,691</u>	<u>64,387</u>	<u>16,891</u>	<u>17,303</u>	<u>2,927</u>	<u>2,161</u>	<u>103</u>	<u>100</u>	<u>108,612</u>	<u>83,951</u>
Segment profit (loss)	13,454	9,546	527	1,420	305	71	(1,189)	(1,205)	13,097	9,832
Unallocated income (expenses):										
Gain on exchange rate									769	761
Insurance compensation income due to flooding									-	331
Other income									692	392
Other expenses									(319)	(40)
Finance income									120	38
Finance cost									(81)	(7)
Profit before income tax expenses									14,278	11,307
Income tax expenses									(567)	(153)
Profit for the period									<u>13,711</u>	<u>11,154</u>

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 30 September 2023, the Group had significant capital commitments amounting to Baht 4,846 million, EUR 5 million or approximately Baht 196 million, and INR 1,688 million or approximately Baht 741 million in respect of the building construction, purchase of machinery and equipment (the Company only: Baht 4,846 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 September 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 401 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 18 million, INR 1,476 million or approximately Baht 647 million, EUR 0.5 million or approximately Baht 21 million and AUD 3 million or approximately Baht 75 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 169 million or approximately Baht 74 million, covering the years 2007 - 2016, and sales tax and excise duties of approximately INR 36 million or approximately Baht 16 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 September 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	-	9	-	9
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	508	-	508

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	6	-	6
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	508	-	508

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 September 2023, the significant outstanding balances of the Group's financial assets and financial liabilities denominated in foreign currencies are as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
US dollar	983	646	972	613
Euro	8	22	8	22
Japanese yen	149	480	100	466

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate
	as at 30 September 2023
US dollar	36.5583
Euro	38.6727
Japanese yen	0.2453

(Unaudited but reviewed)

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 September 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	350	million	33.6890 - 36.3800	THB/USD	October 2023 - January 2024
Forward contracts to "Buy"						
USD/INR	USD	13	million	82.2900 - 83.4600	INR/USD	October - November 2023
JPY/THB	JPY	220	million	0.2420 - 0.2457	THB/JPY	October - November 2023
EUR/THB	EUR	5	million	37.9800 - 38.0700	THB/EUR	October - November 2023
Separate financial statements						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	350	million	33.6890 - 36.3800	THB/USD	October 2023 - January 2024
Forward contracts to "Buy"						
JPY/THB	JPY	220	million	0.2420 - 0.2457	THB/JPY	October - November 2023
EUR/THB	EUR	5	million	37.9800 - 38.0700	THB/EUR	October - November 2023

21. Approval of interim financial statements

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