

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition from sales of goods

Revenue from sales of goods is one of the Company's significant accounts because the amounts of revenue recorded would directly affect the Company's profit or loss for the year. Moreover, the Company has a large number of customers with a variety of different commercial terms. There are therefore risks with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Company's recognition of revenue from sales of goods in order to ensure that the revenue is recorded correctly and in accordance with the relevant accounting standards.

I have examined the Company's revenue recognition by gaining an understanding and evaluating the effectiveness of the Company's internal controls with respect to revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes issued by the Company to its customers after the period-end and performed analytical review procedures on the sales account to identify possible irregularities in sales transactions throughout the period.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in the Note 9 to the financial statements, is an area of significant management judgement, and the inventories of the Company are high technology products, which become obsolete faster than some other products. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the Company's internal controls relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and I also assessed the method and the assumption applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis. In addition, I compared the data on inventory aging and inventory movement to identify product lines with indicators of lower than normal inventory turnover. I also compared details of net amount that an entity expects to realise from the sale of inventory after the date of the financial statements with the cost of inventory for each product line.

Impairment of goodwill

As at 31 December 2023, the Group had goodwill amounting to Baht 444 million. I have focused on the consideration of the impairment of the goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risks with respect to the amounts of goodwill.

In auditing the impairment of goodwill, I assessed the identified cash generating units by gaining an understanding of and testing the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate applied, making enquiry of responsible executives and comparing details with sources of information about the Group and the industry.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 15 February 2024

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	7,617,210,826	10,142,199,773	353,196,230	5,835,260,335
Trade and other receivables	8	33,237,288,997	28,132,399,814	34,695,748,111	29,111,707,654
Short-term loans to related party	6	-	-	-	100,000,000
Inventories	9	32,746,509,432	25,048,620,957	23,076,989,840	16,635,019,726
Derivative assets	33.1	562,668,521	581,522,918	562,600,327	578,353,530
Other current assets	10	1,402,270,545	2,120,365,566	523,934,838	341,661,398
Total current assets		75,565,948,321	66,025,109,028	59,212,469,346	52,602,002,643
Non-current assets					
Deposits at bank with restrictions		34,413,191	33,639,918	-	-
Investments in subsidiary companies	11	-	-	18,748,597,094	14,078,895,987
Investment properties	12	201,166,821	213,913,950	-	-
Property, plant and equipment	13	29,681,378,931	22,699,590,390	19,658,089,182	13,947,640,098
Advances to contractors and for acquisitions					
of assets		950,439,744	406,337,480	950,439,744	406,337,480
Right-of-use assets	19	525,491,690	482,204,033	62,111,041	939,035
Goodwill	14	443,885,208	436,618,051	-	-
Other intangible assets	15	147,211,653	192,082,820	51,868,099	57,499,462
Deferred tax assets	26	436,270,012	320,195,967	-	-
Other non-current assets		158,785,287	174,785,686	25,139,626	10,868,994
Total non-current assets		32,579,042,537	24,959,368,295	39,496,244,786	28,502,181,056
Total assets		108,144,990,858	90,984,477,323	98,708,714,132	81,104,183,699

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	2,496,590,713	945,278,458	2,475,907,200	-
Trade and other payables	17	32,096,498,443	30,201,548,730	26,550,932,073	24,827,540,998
Current portion of lease liabilities	19	110,246,919	66,056,681	40,013,022	967,779
Income tax payable		563,544,556	423,452,809	376,145,822	318,383,895
Short-term provisions	21	33,455,347	44,732,954	-	-
Liabilities and provision from tax assessments	31.4.1	113,201,431	258,172,754	113,201,431	258,172,754
Derivative liabilities	33.1	604,345	171,180	-	-
Other current liabilities	18	761,402,464	730,143,415	501,556,305	299,204,384
Total current liabilities		36,175,544,218	32,669,556,981	30,057,755,853	25,704,269,810
Non-current liabilities					
Long-term loans from related party	6	825,302,066	794,571,258	-	-
Lease liabilities, net of current portion	19	144,134,148	135,843,102	21,179,645	-
Deferred tax liabilities	26	233,773,616	139,024,703	-	-
Provision for long-term employee benefits	20	1,578,814,463	1,329,353,728	727,183,482	512,316,625
Long-term provisions	21	1,137,310,709	856,042,761	860,929,301	638,262,352
Other non-current liabilities		511,560,298	380,322,495	185,583,434	3,885,398
Total non-current liabilities		4,430,895,300	3,635,158,047	1,794,875,862	1,154,464,375
Total liabilities		40,606,439,518	36,304,715,028	31,852,631,715	26,858,734,185

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity					
Share capital	22				
Registered					
12,590,000,000 ordinary shares of Baht 0.1 each					
(2022: 1,259,000,000 ordinary shares of					
Baht 1 each)		<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>	<u>1,259,000,000</u>
Issued and fully paid					
12,473,816,140 ordinary shares of Baht 0.1 each					
(2022: 1,247,381,614 ordinary shares of					
Baht 1 each)		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Difference from business combination under					
common control		(1,339,694,088)	(1,339,694,088)	-	-
Retained earnings					
Appropriated - Statutory reserve	23	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		68,499,609,190	55,264,964,435	63,990,888,303	51,380,255,400
Other components of shareholders' equity		<u>(2,486,557,876)</u>	<u>(2,110,702,166)</u>	-	-
Total shareholders' equity		<u>67,538,551,340</u>	<u>54,679,762,295</u>	<u>66,856,082,417</u>	<u>54,245,449,514</u>
Total liabilities and shareholders' equity		<u>108,144,990,858</u>	<u>90,984,477,323</u>	<u>98,708,714,132</u>	<u>81,104,183,699</u>
		-	-	-	-

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

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

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: 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		144,732,458,271	117,211,365,609	124,797,226,630	103,379,372,088
Service income		1,638,889,992	1,346,601,076	198,735,843	171,878,668
Other income					
Gain on exchange		675,371,014	449,870,986	712,908,539	889,724,991
Insurance compensation income due to flooding		-	330,678,795	-	330,678,795
Compensation for contract decommitment		545,775,325	68,611,791	526,500,872	68,697,723
Others		574,501,882	478,065,868	442,180,801	342,558,650
Total revenues		<u>148,166,996,484</u>	<u>119,885,194,125</u>	<u>126,677,552,685</u>	<u>105,182,910,915</u>
Expenses					
Cost of sales		111,730,865,380	89,640,857,897	94,488,261,025	77,061,232,597
Cost of services		1,149,682,550	976,698,149	118,472,201	115,524,824
Selling and distribution expenses	31.2.1	9,597,378,832	7,164,092,328	8,353,246,930	5,987,384,529
Administrative expenses		2,008,880,166	2,541,397,159	922,731,542	1,723,475,334
Research and development expenses	31.2.2	3,876,474,593	3,741,842,861	4,269,402,359	3,968,352,022
Other expenses		382,063,252	55,135,833	216,937,850	31,482,376
Total expenses		<u>128,745,344,773</u>	<u>104,120,024,227</u>	<u>108,369,051,907</u>	<u>88,887,451,682</u>
Operating profit		<u>19,421,651,711</u>	<u>15,765,169,898</u>	<u>18,308,500,778</u>	<u>16,295,459,233</u>
Finance income		183,410,391	65,839,993	63,618,136	24,118,899
Finance cost		(109,353,449)	(19,516,480)	(9,079,266)	(1,012,980)
Profit before income tax expenses		<u>19,495,708,653</u>	<u>15,811,493,411</u>	<u>18,363,039,648</u>	<u>16,318,565,152</u>
Income tax expenses	26	(1,073,168,664)	(466,946,829)	(571,393,047)	(332,166,827)
Profit for the year		<u>18,422,539,989</u>	<u>15,344,546,582</u>	<u>17,791,646,601</u>	<u>15,986,398,325</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2023

(Unit: 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>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		<u>(375,855,710)</u>	<u>(213,117,334)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>(375,855,710)</u>	<u>(213,117,334)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		<u>(198,368,778)</u>	<u>264,579,094</u>	<u>(191,487,242)</u>	<u>72,749,125</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(198,368,778)</u>	<u>264,579,094</u>	<u>(191,487,242)</u>	<u>72,749,125</u>
Other comprehensive income for the year		<u>(574,224,488)</u>	<u>51,461,760</u>	<u>(191,487,242)</u>	<u>72,749,125</u>
Total comprehensive income for the year		<u>17,848,315,501</u>	<u>15,396,008,342</u>	<u>17,600,159,359</u>	<u>16,059,147,450</u>
Profit attributable to:					
Equity holders of the Company		<u>18,422,539,989</u>	<u>15,344,546,582</u>	<u>17,791,646,601</u>	<u>15,986,398,325</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>17,848,315,501</u>	<u>15,396,008,342</u>	<u>17,600,159,359</u>	<u>16,059,147,450</u>
Earnings per share	28		(restated)		(restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.48</u>	<u>1.23</u>	<u>1.43</u>	<u>1.28</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements							
						Other components of shareholders' equity		Total equity attributable to owners of the Company
						Other comprehensive income		
				Retained earnings		Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
	Issued and fully paid share capital	Share premium	Difference from business combination under common control	Appropriated	Unappropriated			
Balance as at 1 January 2022	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	41,776,387,503	(1,897,584,832)	(1,897,584,832)	41,404,302,697
Profit for the year	-	-	-	-	15,344,546,582	-	-	15,344,546,582
Other comprehensive income for the year	-	-	-	-	264,579,094	(213,117,334)	(213,117,334)	51,461,760
Total comprehensive income for the year	-	-	-	-	15,609,125,676	(213,117,334)	(213,117,334)	15,396,008,342
Dividend paid (Note 24)	-	-	-	-	(2,120,548,744)	-	-	(2,120,548,744)
Balance as at 31 December 2022	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>(1,339,694,088)</u>	<u>125,900,000</u>	<u>55,264,964,435</u>	<u>(2,110,702,166)</u>	<u>(2,110,702,166)</u>	<u>54,679,762,295</u>
								-
Balance as at 1 January 2023	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	55,264,964,435	(2,110,702,166)	(2,110,702,166)	54,679,762,295
Profit for the year	-	-	-	-	18,422,539,989	-	-	18,422,539,989
Other comprehensive income for the year	-	-	-	-	(198,368,778)	(375,855,710)	(375,855,710)	(574,224,488)
Total comprehensive income for the year	-	-	-	-	18,224,171,211	(375,855,710)	(375,855,710)	17,848,315,501
Dividend paid (Note 24)	-	-	-	-	(4,989,526,456)	-	-	(4,989,526,456)
Balance as at 31 December 2023	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>(1,339,694,088)</u>	<u>125,900,000</u>	<u>68,499,609,190</u>	<u>(2,486,557,876)</u>	<u>(2,486,557,876)</u>	<u>67,538,551,340</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2022	1,247,381,614	1,491,912,500	125,900,000	37,441,656,694	40,306,850,808
Profit for the year	-	-	-	15,986,398,325	15,986,398,325
Other comprehensive income for the year	-	-	-	72,749,125	72,749,125
Total comprehensive income for the year	-	-	-	16,059,147,450	16,059,147,450
Dividend paid (Note 24)	-	-	-	(2,120,548,744)	(2,120,548,744)
Balance as at 31 December 2022	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>51,380,255,400</u>	<u>54,245,449,514</u>
					-
Balance as at 1 January 2023	1,247,381,614	1,491,912,500	125,900,000	51,380,255,400	54,245,449,514
Profit for the year	-	-	-	17,791,646,601	17,791,646,601
Other comprehensive income for the year	-	-	-	(191,487,242)	(191,487,242)
Total comprehensive income for the year	-	-	-	17,600,159,359	17,600,159,359
Dividend paid (Note 24)	-	-	-	(4,989,526,456)	(4,989,526,456)
Balance as at 31 December 2023	<u>1,247,381,614</u>	<u>1,491,912,500</u>	<u>125,900,000</u>	<u>63,990,888,303</u>	<u>66,856,082,417</u>
					-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:				
Profit before tax	19,495,708,653	15,811,493,411	18,363,039,648	16,318,565,152
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	4,521,045,079	3,086,654,125	3,570,311,186	2,472,552,288
Amortisation	86,570,597	102,882,671	11,001,363	8,805,867
Recording of allowance for expected credit losses	178,585,064	37,982,294	137,162,963	46,004,797
Reduction of inventory to net realisable value	3,309,515,104	1,611,082,627	2,213,922,403	876,693,384
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(628,794,005)	(772,656,775)	(465,472,786)	(642,399,056)
Increase in provision for long-term employee benefits	123,437,822	126,065,922	61,673,862	92,966,703
Recording of the increase in provisions	505,988,363	313,202,459	317,689,761	249,581,670
(Gain) loss from disposal/write-off of property, plant and equipment	194,232,071	10,646,177	81,549,048	(1,765,559)
Reversal of the allowance for impairment loss on assets	-	(18,565,370)	-	(18,565,370)
Loss from write-off of other intangible assets	21,135	-	-	-
Unrealised (gain) loss on exchange	(284,167,552)	782,239,464	(255,759,115)	851,946,997
(Gain) loss on fair value valuation of derivative instruments	19,287,562	(567,444,732)	15,753,203	(561,578,512)
Insurance compensation income due to flooding	-	(330,678,795)	-	(330,678,795)
Interest income	(183,410,391)	(65,839,993)	(63,618,136)	(24,118,899)
Interest expenses	109,353,449	19,516,480	9,079,266	1,012,980
Profit from operating activities before changes in operating assets and liabilities	27,447,372,951	20,146,579,965	23,996,332,666	19,339,023,648
Decrease (increase) in operating assets:				
Trade and other receivables	(5,140,140,467)	(9,178,729,824)	(5,576,517,785)	(9,565,720,257)
Inventories	(10,367,166,005)	(6,240,609,976)	(8,190,419,731)	(3,229,798,915)
Other current assets	720,554,578	(474,514,925)	(173,854,996)	(29,396,040)
Other non-current assets	(14,334,440)	(50,633,862)	(14,270,632)	(629,578)
Increase (decrease) in operating liabilities:				
Trade and other payables	1,809,334,378	9,099,364,991	1,572,793,733	7,235,586,167
Other current liabilities	44,074,154	212,463,264	211,450,934	138,587,999
Cash paid for long-term employee benefits	(97,782,293)	(87,329,631)	(38,294,247)	(36,457,771)
Cash paid for provisions	(223,524,317)	(70,375,088)	(83,931,105)	(49,044,533)
Other non-current liabilities	131,237,803	(34,873,335)	181,698,036	2,435,305
Cash flows from operating activities	14,309,626,342	13,321,341,579	11,884,986,873	13,804,586,024
Cash received from interest income	175,887,336	64,035,516	64,058,684	23,678,351
Cash received from insurance compensation due to flooding	-	330,678,795	-	330,678,795
Cash paid for interest expenses	(103,013,842)	(14,159,921)	(10,724,453)	(998,384)
Cash paid for income tax resulting from tax assessments	(144,971,323)	-	(144,971,323)	-
Cash received from corporate income tax refund	14,322,608	26,358,556	1,457,487	-
Cash paid for corporate income tax	(939,158,624)	(132,119,828)	(514,332,500)	(49,381,511)
Net cash flows from operating activities	13,312,692,497	13,596,134,697	11,280,474,768	14,108,563,275

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	(773,273)	3,704,460	-	-
Cash paid for investments in subsidiaries	-	-	(4,669,701,107)	(169,423,000)
Increase in advances to contractors and for acquisitions of assets	(544,102,264)	(51,019,659)	(544,102,264)	(51,019,659)
Acquisition of property, plant and equipment	(10,492,161,842)	(6,478,702,420)	(8,314,904,676)	(4,624,094,689)
Cash paid others payable for purchase of plant and equipment	(1,052,839,911)	(1,403,044,176)	(963,328,871)	(1,388,442,587)
Proceeds from disposal of plant and equipment	131,398,011	32,030,661	120,199,285	27,704,312
Increase in right-of-use assets	(6,970,267)	(5,867,908)	-	(252,240)
Increase in investment properties	-	(22,014)	-	-
Increase in other intangible assets	(37,988,535)	(49,732,252)	(5,370,000)	(8,013,200)
Net cash flows used in investing activities	(12,003,438,081)	(7,952,653,308)	(14,377,207,633)	(6,213,541,063)
Cash flows from financing activities:				
Cash receipt from short-term loans from financial institutions	13,345,930,057	4,190,306,735	12,948,044,100	700,000,000
Repayment of short-term loans from financial institutions	(11,757,674,399)	(4,848,799,988)	(10,443,459,300)	(2,213,241,000)
Decrease (increase) in short-term loans from related parties	-	-	100,000,000	(100,000,000)
Cash receipt from long-term loans from related party	-	439,124,400	-	-
Payment of lease liabilities	(100,750,653)	(79,105,661)	(22,248,663)	(3,692,200)
Dividend paid	(4,989,526,456)	(2,120,548,744)	(4,989,526,456)	(2,120,548,744)
Net cash flows used in financing activities	(3,502,021,451)	(2,419,023,258)	(2,407,190,319)	(3,737,481,944)
Increase in translation adjustments	(379,161,342)	125,451,186	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	(2,571,928,377)	3,349,909,317	(5,503,923,184)	4,157,540,268
Effect from currency translation of cash and cash equivalents	46,939,430	220,724,967	21,859,079	141,817,203
Net increase (decrease) in cash and cash equivalents	(2,524,988,947)	3,570,634,284	(5,482,064,105)	4,299,357,471
Cash and cash equivalents at beginning of year	10,142,199,773	6,571,565,489	5,835,260,335	1,535,902,864
Cash and cash equivalents at end of year	7,617,210,826	10,142,199,773	353,196,230	5,835,260,335
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Right-of-use assets increase under lease agreements	150,944,950	70,597,098	81,623,731	-
Increase in accounts payable from purchase of plant and equipment	1,181,374,605	1,055,168,432	1,145,899,962	963,340,121
Transfer from investment properties to property and plant	10,718,671	-	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Delta Electronics (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Delta Electronics Inc., which is incorporated in Taiwan. The registered office of the Company is at 714 Moo 4, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn.

The Group is principally engaged in the manufacture and distribution of electronic products, together with related research and development.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

2.2.1 The consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
DET International Holding B.V. (formerly known as “DET International Holding Limited”)	Holding business	The Netherlands	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
Delta Electronics (Vietnam) Company Limited	Trading of electronic products	Vietnam	100	100
Delta Electronics India Manufacturing Private Limited	Manufacture and trading of electronic products	India	100	100

The subsidiaries which the Company owns through DET International Holding B.V. are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (wholly owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100
Eltek s.r.o.*	Manufacture and trading of electronic products	Slovakia	55	-
Delta Electronics (Automotive) Americas Inc.**	Research and development of electronic products	USA	100	-
Delta Electronics (Hungary) Kft.	Manufacture and trading of electric vehicle and electronics products	Hungary	100	-

* 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% during the year.

** DET International Holding B.V. acquired all shares of Delta Electronics (Automotive) Americas Inc. from Delta Greentech (Netherlands) B.V. during the year.

The subsidiaries which the Company owns through Delta Energy Systems (Singapore) Pte. Ltd. are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
Delta Electronics (Australia) Pty. Ltd.	Trading of electronic products	Australia	100	100
Delta Greentech (Netherlands) B.V.	Holding business	The Netherlands	100	100
Delta Energy Systems LLC (wholly owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	Russia	100	100
Eltek s.r.o.* (wholly owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Slovakia	45	100
Delta Electronics (Automotive) Americas Inc.** (wholly owned by Delta Greentech (Netherlands) B.V.)	Research and development of electronic products	USA	-	100
Delta Electronics India Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	100
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	100
Delta Energy Systems (UK) Limited	Research and development of electronic products	Scotland	100	100

* 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% during the year.

** DET International Holding B.V. acquired all shares of Delta Electronics (Automotive) Americas Inc. from Delta Greentech (Netherlands) B.V. during the year.

2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- 2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 2.2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

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

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements except for the following standard, which involves changes to key principles, as summarised below.

TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The Group has applied the mandatory exception by not recognising and not disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Revenue from installation, repair and other services are recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed. The cost of inventories is measured using the standard cost method, which approximates actual cost.

4.4 Investments in subsidiaries

Investments in subsidiary companies are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2 - 32 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	10 - 50 years
Land improvement	5 - 10 years
Machinery and equipment	3 - 7 years
Molds	2 - 5 years
Installation	5 - 15 years
Furniture, fixtures and office equipment	5 - 7 years
Computer	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided for land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follow:

	<u>Useful lives</u>
Patents	10 years
Computer software	3 years
Customer relationship	10 years

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	1 - 99	years
Buildings	1 - 6	years
Machinery and equipment	1 - 5	years
Motor vehicles	1 - 3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel and directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established the provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the contributions of the Company are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments, it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

The liabilities under the defined benefit plan consist of the present value of the defined benefit obligation less fair value of plan assets.

Net interest recognised in profit or loss consists of the interest cost on the defined benefit obligation net with the interest income on plan assets which calculated using the same rate as the discount rate applying for the post-employment benefit obligation.

Actuarial gains and losses from defined benefit plans and return of plan assets net from interest income on plan assets are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Research and development expenses

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

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.18 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Reduction of inventory cost to net realisable value

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

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which these deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Tax assessments

The Group has contingent liabilities as the result of tax assessments. The management was required to exercise judgement to assess the results of the tax assessments and estimate the liabilities that might be incurred as at the end of the reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with the parent company</u>					
Sales of goods and raw materials	149	199	143	194	With reference to market price
Purchase of goods and raw materials	331	585	5	61	With reference to market price
Purchase of equipment	856	403	811	350	Contract price
Royalty paid (Note 31.2.1)	4,219	3,678	4,219	3,678	Contract price
Technical service paid	1,376	-	1,376	-	Contract price
Services paid	8	20	8	20	Contract price
Administrative expenses	38	37	-	-	Contract price
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	39,894	33,803	With reference to market price
Purchase of goods and raw materials	-	-	1,621	1,396	With reference to market price
Purchase of equipment	-	-	126	88	Contract price
Commission paid	-	-	500	270	Contract price
Design and engineering fee paid (Note 31.2.2)	-	-	1,946	2,413	Contract price
Administrative expenses	-	-	105	111	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	13,489	10,900	3,635	4,091	With reference to market price
Purchase of goods and raw materials	9,915	7,865	4,758	3,025	With reference to market price
Purchase of equipment	1,490	530	1,113	329	Contract price
Commission paid	927	842	913	835	Contract price
Commission received	254	250	-	-	Contract price
Services income	165	96	-	-	Contract price
Design and engineering fee paid	830	310	816	299	Contract price
Administrative expenses	41	65	17	13	Contract price
Interest paid	31	4	-	-	EURIBOR + 0.5% p.a.

The balances of the accounts as at 31 December 2023 and 2022 between the Group and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties (Note 8)</u>				
Parent company	95	74	85	62
Subsidiary companies	-	-	15,516	13,020
Related companies (common shareholders)	4,136	2,721	797	1,064
Total trade receivables - related parties	<u>4,231</u>	<u>2,795</u>	<u>16,398</u>	<u>14,146</u>
<u>Other receivables - related parties (Note 8)</u>				
Parent company	-	3	-	3
Subsidiary companies	-	-	14	12
Related companies (common shareholders)	12	3	12	2
Total other receivables - related parties	<u>12</u>	<u>6</u>	<u>26</u>	<u>17</u>
<u>Amounts due from related parties (Note 8)</u>				
Subsidiary companies	-	-	2	1
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>
<u>Trade payables - related parties (Note 17)</u>				
Parent company	331	345	170	12
Subsidiary companies	-	-	318	329
Related companies (common shareholders)	2,294	2,122	813	617
Total trade payables - related parties	<u>2,625</u>	<u>2,467</u>	<u>1,301</u>	<u>958</u>
<u>Other payables - related parties (Note 17)</u>				
Parent company	2,123	557	2,115	532
Subsidiary companies	-	-	217	514
Related companies (common shareholders)	921	510	851	471
Total other payables - related parties	<u>3,044</u>	<u>1,067</u>	<u>3,183</u>	<u>1,517</u>
<u>Accrued expenses - related parties (Note 17)</u>				
Parent company	308	318	308	318
Related companies (common shareholders)	142	174	142	174
Total accrued expenses - related parties	<u>450</u>	<u>492</u>	<u>450</u>	<u>492</u>
<u>Advance received - related parties (Note 17)</u>				
Subsidiary companies	-	-	346	155
Total advance received - related parties	<u>-</u>	<u>-</u>	<u>346</u>	<u>155</u>

Short-term loans to related party

As at 31 December 2023 and 2022, the balances of short-term loans to related party and the movement in short-term loans are as follows:

(Unit: Million Baht)

Long-term loans	Related by	Consolidated financial statements		
		Balance as at 1 January 2023	Decrease during the year	Balance as at 31 December 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

As at 31 December 2023 and 2022, the balances of long-term loans from related party and the movement in long-term loans are as follows:

(Unit: Million Baht)

Long-term loans	Related by	Consolidated financial statements		
		Balance as at 1 January 2023	Translation adjustment	Balance as at 31 December 2023
Eltex AS	Other related company (common shareholders)	795	30	825
Total long-term loans from related party		795	30	825

The Group has long-term loans from related party, which are unsecured, carry interest at a rate of EURIBOR + 0.50 percent per annum, payable every three months and six months. The principal repayments of Baht 369 million and Baht 456 million are scheduled for June 2026 and October 2027, respectively.

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	153	126	74	62
Post-employment benefits	15	15	9	14
Total	168	141	83	76

7. Cash and cash equivalents

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bank deposits in current accounts	2,836	1,584	2	2
Bank deposits in saving accounts	2,032	8,140	351	5,833
Fixed deposits with maturity				
not over 3 months	2,749	418	-	-
Total	7,617	10,142	353	5,835

As at 31 December 2023, the above bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 7.08 percent per annum (2022: between 0.00 and 8.00 percent per annum) (the Company only: between 0.00 and 2.50 percent per annum, 2022: between 0.00 and 1.75 percent per annum).

8. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables, related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	4,144	2,771	13,361	12,964
Past due				
Up to 3 months	85	22	3,031	1,179
3 - 6 months	-	-	4	3
6 - 12 months	2	2	2	-
Total	4,231	2,795	16,398	14,146
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	21,603	21,510	13,414	12,222
Past due				
Up to 3 months	6,013	2,887	3,590	1,861
3 - 6 months	291	171	205	128
6 - 12 months	143	46	106	11
Over 12 months	115	72	65	24
Total	28,165	24,686	17,380	14,246
Total trade receivables	32,396	27,481	33,778	28,392
Less: Allowance for expected credit losses	(367)	(189)	(221)	(84)
Total trade receivables - net	32,029	27,292	33,557	28,308

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other receivables</u>				
Amounts due from related parties (Note 6)	-	-	2	1
Other receivables - related parties (Note 6)	12	6	26	17
Other receivables - unrelated parties	1,191	834	1,111	786
Interest receivables - unrelated parties	5	-	-	-
Total other receivables	<u>1,208</u>	<u>840</u>	<u>1,139</u>	<u>804</u>
Trade and other receivables - net	<u>33,237</u>	<u>28,132</u>	<u>34,696</u>	<u>29,112</u>

The normal credit term is 30 to 150 days.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	(189)	(156)	(84)	(38)
Provision for expected credit losses	(185)	(53)	(137)	(46)
Reversal	6	15	-	-
Translation adjustment	1	5	-	-
Ending balance	<u>(367)</u>	<u>(189)</u>	<u>(221)</u>	<u>(84)</u>

9. Inventories

	(Unit: Million Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	16,790	9,970	(2,215)	(960)	14,575	9,010
Work in process	3,559	3,436	-	-	3,559	3,436
Raw materials	16,344	13,584	(3,577)	(2,163)	12,767	11,421
Goods in transit	1,846	1,182	-	-	1,846	1,182
Total	<u>38,539</u>	<u>28,172</u>	<u>(5,792)</u>	<u>(3,123)</u>	<u>32,747</u>	<u>25,049</u>

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	10,263	4,314	(759)	(145)	9,504	4,169
Work in process	3,015	2,931	-	-	3,015	2,931
Raw materials	12,112	10,289	(2,628)	(1,493)	9,484	8,796
Goods in transit	1,074	739	-	-	1,074	739
Total	<u>26,464</u>	<u>18,273</u>	<u>(3,387)</u>	<u>(1,638)</u>	<u>23,077</u>	<u>16,635</u>

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	(3,123)	(2,350)	(1,638)	(1,403)
Increase during the year	(3,324)	(1,611)	(2,214)	(877)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the year	629	773	465	642
Reversal during the year	14	-	-	-
Translation adjustment	12	65	-	-
Balance at end of year	<u>(5,792)</u>	<u>(3,123)</u>	<u>(3,387)</u>	<u>(1,638)</u>

The Group reduced cost of inventories to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories and reduced the amount of inventories recognised as expenses during the year.

10. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Input tax refundable	603	451	423	292
Advance payments	328	1,335	27	7
Prepaid expenses	411	271	66	34
Prepaid tax	40	34	-	-
Others	20	29	8	9
Total other current assets	1,402	2,120	524	342

11. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Paid-up capital			Cost	
	Foreign currency	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Million)	(Million)		
DET International Holding B.V.	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 subsidiary companies				(1,324)	(1,324)
Investments in subsidiary companies - net				18,749	14,079

No dividend was received from the above subsidiary companies during the years ended 31 December 2023 and 2022.

11.2 Significant events during the year

11.2.1 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.

11.2.2 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

Eltek s.r.o.

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 (Netherlands) 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.

Delta Electronics (Automotive) Americas Inc.

On 27 October 2023, a meeting of the Board of Directors of the Company passed a resolution to dispose of its 100% equity interest in Delta Electronics (Automotive) Americas Inc., a subsidiary indirectly held through Delta Greentech (Netherlands) B.V., by USD 3.4 million, or approximately Baht 118 million, to DET International Holding B.V., which is a subsidiary of the Company. The sale of this investment has now been completed on 1 December 2023.

The Group did not recognise a gain or loss on the sale of this investment under the equity method in the consolidated financial statements because it was the sale of an investment within a group of companies under common control.

12. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2023:			
Cost	42	314	356
Less: Accumulated depreciation	-	(98)	(98)
Translation adjustment	(10)	(47)	(57)
Net book value	<u>32</u>	<u>169</u>	<u>201</u>
31 December 2022:			
Cost	44	323	367
Less: Accumulated depreciation	-	(89)	(89)
Translation adjustment	(10)	(54)	(64)
Net book value	<u>34</u>	<u>180</u>	<u>214</u>

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	214	231
Acquisition of assets	-	-
Depreciation charged	(9)	(10)
Transfer out due to change in type of use of assets (Note 13)	(11)	-
Translation adjustment	7	(7)
Net book value at end of year	<u>201</u>	<u>214</u>

The additional information of the investment properties as at 31 December 2023 and 2022 stated below:

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
The fair value	229	233

The fair value of the land and office building held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, long-term vacancy rate and long-term growth in real rental rates.

13. Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements									
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Cost:									
1 January 2022	1,743	4,775	13,250	1,587	3,081	5,915	699	467	31,517
Purchase/transfer in	85	203	4,949	243	295	4,180	112	54	10,121
Disposal/write-off/transfer out	-	(5)	(708)	(25)	(73)	(2,573)	(28)	(53)	(3,465)
Translation adjustment	(39)	72	(31)	10	(14)	(517)	(11)	(12)	(542)
31 December 2022	1,789	5,045	17,460	1,815	3,289	7,005	772	456	37,631
Purchase/transfer in	19	3,122	7,215	407	456	4,599	175	126	16,119
Disposal/write-off/transfer out	-	(239)	(978)	(65)	(147)	(4,442)	(62)	(37)	(5,970)
Transfer out due to change in type of use of assets (Note 12)	2	9	-	-	-	-	-	-	11
Translation adjustment	(5)	57	50	1	11	(44)	2	3	75
31 December 2023	1,805	7,994	23,747	2,158	3,609	7,118	887	548	47,866
Accumulated depreciation:									
1 January 2022	-	1,188	7,791	1,421	1,610	-	512	374	12,896
Depreciation for the year	-	122	2,236	169	311	-	110	33	2,981
Depreciation - disposal/write-off	-	(1)	(674)	(20)	(72)	-	(28)	(40)	(835)
Translation adjustment	-	(23)	(63)	-	(10)	-	(17)	(17)	(130)
31 December 2022	-	1,286	9,290	1,570	1,839	-	577	350	14,912
Depreciation for the year	-	154	3,452	272	352	-	130	38	4,398
Depreciation - disposal/write-off	-	(61)	(863)	(64)	(125)	-	(61)	(25)	(1,199)
Translation adjustment	-	11	35	-	7	-	(2)	4	55
31 December 2023	-	1,390	11,914	1,778	2,073	-	644	367	18,166

13. Property, plant and equipment (continued)

(Unit: Million Baht)

Consolidated financial statements									
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Allowance for impairment loss:									
1 January 2022	-	17	5	-	2	14	-	-	38
Increase during the year	-	-	(5)	-	-	(14)	-	-	(19)
31 December 2022	-	17	-	-	2	-	-	-	19
31 December 2023	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2022	1,789	3,742	8,170	245	1,448	7,005	195	106	22,700
As at 31 December 2023	1,805	6,587	11,833	380	1,534	7,118	243	181	29,681
Depreciation for the year									
Year 2022 (Baht 2,438 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,981
Year 2023 (Baht 3,697 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									4,398

13. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Cost:									
1 January 2022	1,084	2,488	10,739	1,577	2,664	1,736	450	122	20,860
Purchase/transfer in	-	128	4,236	241	287	3,169	84	30	8,175
Disposal/write-off/transfer out	-	-	(615)	(24)	(62)	(2,573)	(18)	(20)	(3,312)
31 December 2022	1,084	2,616	14,360	1,794	2,889	2,332	516	132	25,723
Purchase/transfer in	-	2,048	5,634	398	283	3,400	133	44	11,940
Disposal/write-off/transfer out	-	(96)	(874)	(60)	(142)	(2,474)	(46)	(17)	(3,709)
31 December 2023	1,084	4,568	19,120	2,132	3,030	3,258	603	159	33,954
Accumulated depreciation:									
1 January 2022	-	626	6,194	1,413	1,368	-	298	87	9,986
Depreciation for the year	-	60	1,875	166	257	-	83	10	2,469
Depreciation - disposal/write-off	-	-	(593)	(20)	(61)	-	(18)	(7)	(699)
31 December 2022	-	686	7,476	1,559	1,582	-	363	90	11,756
Depreciation for the year	-	64	2,817	262	292	-	103	11	3,549
Depreciation - disposal/write-off	-	(17)	(781)	(59)	(121)	-	(44)	(6)	(1,028)
31 December 2023	-	733	9,512	1,762	1,753	-	422	95	14,277

13. Property, plant and equipment (continued)

(Unit: Million Baht)

Separate financial statements

	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Allowance for impairment loss:									
1 January 2022	-	17	5	-	2	14	-	-	38
Decrease during the year	-	-	(5)	-	-	(14)	-	-	(19)
31 December 2022	-	17	-	-	2	-	-	-	19
31 December 2023	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2022	1,084	1,913	6,884	235	1,305	2,332	153	42	13,948
As at 31 December 2023	1,084	3,818	9,608	370	1,275	3,258	181	64	19,658
Depreciation for the year									
Year 2022 (Baht 2,162 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,469
Year 2023 (Baht 3,120 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									3,549

As at 31 December 2023, certain items of building, machinery and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately of Baht 8,867 million (2022: Baht 8,155 million) (the Company only: Baht 6,957 million, 2022: Baht 6,415 million).

14. Goodwill

The net book value of goodwill as at 31 December 2023 and 2022 is presented below.

	(Unit: Million Baht)
	Consolidated
	financial statements
	<hr/>
Net book value as at 1 January 2022	443
Translation adjustment	(6)
Net book value as at 31 December 2022	<hr/> 437
Translation adjustment	7
Net book value as at 31 December 2023	<hr/> <hr/> 444

As at 31 December 2023, the net book value of the goodwill as above included the goodwill of approximately Baht 215 million from Power electronics segment related to DES products and the goodwill of approximately Baht 229 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. in 2017.

The Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period.

Key assumptions used in the value in use calculation of each group of the cash generating units are summarised below:

	(Unit: Percent per annum)	
	Power electronics segment related to	
	<hr/> DES products	<hr/> Eltek s.r.o.
Growth rate	2.0	2.0
Pre-tax discount rates	14.1	15.1

The management of the Group determined growth rates based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to each cash generating units.

The Group performed impairment tested on goodwill by comparing the recoverable amount of the cash generating units (calculated by independent appraiser) with their carrying value and found that the recoverable amount of the cash generating units was higher than the carrying value. The management of the Group thus believes that goodwill is not impaired.

15. Other intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				Total
	Patent rights	Computer software	Customer relationship	Others	
Cost:					
1 January 2022	63	546	134	3	746
Purchase	-	50	-	-	50
Translation adjustment	-	(16)	(4)	-	(20)
31 December 2022	63	580	130	3	776
Purchase	-	38	-	-	38
Disposal/write-off	-	(20)	-	-	(20)
Translation adjustment	-	13	4	-	17
31 December 2023	63	611	134	3	811
Accumulated amortisation:					
1 January 2022	7	423	63	3	496
Amortisation for the year	7	83	13	-	103
Translation adjustment	-	(13)	(2)	-	(15)
31 December 2022	14	493	74	3	584
Amortisation for the year	6	68	13	-	87
Amortisation - disposal/ write-off	-	(20)	-	-	(20)
Translation adjustment	-	10	3	-	13
31 December 2023	20	551	90	3	664
Net book value:					
31 December 2022	49	87	56	-	192
31 December 2023	43	60	44	-	147

(Unit: Million Baht)

	Separate financial statements		
	Patent rights	Computer software	Total
Cost:			
1 January 2022	63	86	149
Purchase	-	8	8
31 December 2022	63	94	157
Purchase	-	6	6
31 December 2023	63	100	163
Accumulated amortisation:			
1 January 2022	8	83	91
Amortisation for the year	6	3	9
31 December 2022	14	86	100
Amortisation for the year	6	5	11
31 December 2023	20	91	111
Net book value:			
31 December 2022	49	8	57
31 December 2023	43	9	52

16. Short-term loans from financial institutions

(Unit: Million Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term loans from financial institutions	2.70 - 8.62	<u>2,497</u>	<u>945</u>	<u>2,476</u>	<u>-</u>
Total		<u>2,497</u>	<u>945</u>	<u>2,476</u>	<u>-</u>

17. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - related parties (Note 6)	2,625	2,467	1,301	958
Trade payables - unrelated parties	17,703	17,675	15,686	15,930
Other payables - related parties (Note 6)	3,044	1,067	3,183	1,517
Other payables - unrelated parties	2,179	2,440	1,954	2,172
Accrued expenses - related parties (Note 6)	450	492	450	492
Accrued expenses - unrelated parties	3,213	3,469	2,887	2,873
Advance received - related parties (Note 6)	-	-	346	155
Advance received - unrelated parties	2,882	2,592	744	731
Total trade and other payables	<u>32,096</u>	<u>30,202</u>	<u>26,551</u>	<u>24,828</u>

18. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Withholding tax payable	300	288	256	248
Value added tax payable	142	234	15	14
Others	319	208	231	37
Total other current liabilities	<u>761</u>	<u>730</u>	<u>502</u>	<u>299</u>

19. Leases

The Group as a lessee

The Group has lease contracts for assets used in its operations. Leases have lease terms between 1 - 99 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

	Consolidated					Separate
	financial statements					financial statements
	Land	Buildings	Machinery and equipment	Motor Vehicles	Total	Buildings
1 January 2022	315	190	7	18	530	5
Additions	-	65	3	8	76	-
Depreciation for the year	(4)	(78)	(3)	(11)	(96)	(4)
Translation adjustment	(23)	(5)	-	-	(28)	-
31 December 2022	288	172	7	15	482	1
Additions	16	124	2	16	158	82
Depreciation for the year	(5)	(96)	(3)	(10)	(114)	(21)
Translation adjustment	(3)	2	-	-	(1)	-
31 December 2023	296	202	6	21	525	62

b) Lease liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	266	205	62	1
Less: Deferred interest expenses	(12)	(3)	(1)	-
Total	254	202	61	1
Less: Portion due within one year	(110)	(66)	(40)	(1)
Lease liabilities - net of current portion	144	136	21	-

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	202	219	1	5
Additions	151	70	82	-
Accretion of interest	5	2	-	-
Repayments	(101)	(79)	(22)	(4)
Translation adjustment	(3)	(10)	-	-
Balance at end of year	<u>254</u>	<u>202</u>	<u>61</u>	<u>1</u>

A maturity analysis of lease payments is disclosed in Note 33.2 under the liquidity risk.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	114	96	21	4
Interest expense on lease liabilities	5	2	-	-
Expense relating to short-term leases and leases of low-value assets	66	49	10	9

d) Other

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 167 million (2022: Baht 128 million) (the Company only: Baht 32 million, 2022: Baht 13 million), including the cash outflow related to short-term lease and leases of low-value assets.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Defined benefit obligation	(1,664)	(1,406)	(727)	(512)
Fair value of plan assets	85	77	-	-
Provisions for long-term employee benefits				
as at 31 December	<u>(1,579)</u>	<u>(1,329)</u>	<u>(727)</u>	<u>(512)</u>

The change in the defined benefit obligation is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Defined benefit obligation at beginning of year	(1,406)	(1,675)	(512)	(529)
Included in profit or loss:				
Current service cost	(80)	(110)	(44)	(86)
Interest cost	(50)	(21)	(18)	(6)
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	6	31	3	30
Financial assumptions changes	(36)	262	(43)	75
Experience adjustments	(168)	(28)	(151)	(32)
Benefits paid during the year	93	85	38	36
Translation adjustments	(23)	50	-	-
Defined benefit obligation at end of year	<u>(1,664)</u>	<u>(1,406)</u>	<u>(727)</u>	<u>(512)</u>

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Fair value of plan assets at beginning of year	77	79	-	-
Included in profit or loss:				
Interest income on plan assets	7	5	-	-
Contributions by employer	11	6	-	-
Benefits paid during the year	(6)	(4)	-	-
Translation adjustments	(4)	(9)	-	-
Fair value of plan assets at end of year	85	77	-	-

The amount of each major category constitutes of the fair value of the total plan assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Government bonds	50	45	-	-
Debentures	29	26	-	-
Others	6	6	-	-

The Group expects to pay Baht 131 million of long-term employee benefits during the next year (the Company only: Baht 38 million) (2022: Baht 76 million, the Company only: Baht 11 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit of the Group is 8 - 32 years (the Company only: 14 years) (2022: 8 - 22 years, the Company only: 13 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Discount rate	2.9 - 7.2	3.2 - 7.4	3.06	3.46
Future salary increase rates (depending on age)	3.2 - 8.3	2.5 - 8.5	3.2 - 8.0	2.5 - 7.0
Pension increase rate	2.5	2.3	-	-
Turnover rate	1.0 - 18.0	0.8 - 16.0	2.0 - 16.0	3.9 - 16.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

	As at 31 December 2023			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%-1%	Decrease 0.5%-1%	Increase 1%	Decrease 1%
Discount rate	Decrease 71	Increase 81	Decrease 59	Increase 67
Future salary increase rates (depending on age)	Increase 62	Decrease 56	Increase 58	Decrease 52
Pension increase rate	Increase 8	Decrease 8	-	-
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 10%	Decrease 10%
Turnover rate	Decrease 30	Increase 34	Decrease 26	Increase 27

(Unit: Million Baht)

	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%-1%	Decrease 0.5%-1%	Increase 1%	Decrease 1%
Discount rate	Decrease 92	Increase 101	Decrease 43	Increase 49
Future salary increase rates (depending on age)	Increase 48	Decrease 41	Increase 43	Decrease 38
Pension increase rate	Increase 42	Decrease 39	-	-
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 10%	Decrease 10%
Turnover rate	Decrease 20	Increase 21	Decrease 19	Increase 20

21. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Other			Warranty	Total
	Warranty	provisions	Total		
Balance as at 1 January 2022	609	34	643	429	429
Recognition during year	520	61	581	313	313
Decrease during year	(65)	(5)	(70)	(49)	(49)
Reversal during year	(224)	(44)	(268)	(63)	(63)
Translation adjustment/unrealised loss on exchange rate	16	(1)	15	8	8
Balance as at 31 December 2022	856	45	901	638	638
Recognition during year	628	29	657	443	443
Decrease during year	(206)	(18)	(224)	(84)	(84)
Reversal during year	(134)	(17)	(151)	(125)	(125)
Translation adjustment/unrealised gain on exchange rate	(14)	1	(13)	(11)	(11)
Balance as at 31 December 2023	1,130	40	1,170	861	861
Short-term provisions	-	45	45	-	-
Long-term provisions	856	-	856	638	638
Balance as at 31 December 2022	856	45	901	638	638
Short-term provisions	-	33	33	-	-
Long-term provisions	1,130	7	1,137	861	861
Balance as at 31 December 2023	1,130	40	1,170	861	861

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.

22. 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.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

24. 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

* The calculation of dividend per share is based on the number of ordinary shares as of the date of dividend approval, which represents the number of shares prior to any change in the par value of the ordinary shares.

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Salaries, wages and other employee benefits	15,880	13,296	10,323	8,923
Raw materials used and purchase of				
finished goods	96,474	78,534	80,849	65,527
Changes in finished goods and work in progress	(6,943)	(3,332)	(6,033)	(1,107)
Depreciation	4,521	3,087	3,570	2,473
Amortisation	87	103	11	9
Commission expenses	993	887	1,464	1,157
Marketing fee	41	32	139	121
Design and engineering fee	843	310	2,771	2,712
Royalty paid	4,219	3,678	4,219	3,678
Technical service paid	1,376	-	1,376	-
Services paid	8	20	8	20

26. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	(1,107)	(461)	(577)	(338)
Adjustment in respect of income tax of previous year	6	15	6	6
Deferred tax:				
Relating to origination and reversal of				
temporary differences	21	(36)	-	-
Translation adjustment	7	15	-	-
Tax expenses reported in profit or loss	(1,073)	(467)	(571)	(332)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	19,496	15,811	18,363	16,319
Income tax at Thai corporate income tax rate of 20%	(3,899)	(3,162)	(3,673)	(3,264)
Adjust in respect of income tax of previous years	6	15	6	6
Effect of elimination entries on the consolidated financial statements	(92)	(231)	-	-
Tax effect of:				
Difference in tax rates of overseas subsidiaries	(188)	(45)	-	-
Tax savings from the tax privileges granted by the government	3,123	2,853	3,122	2,852
Loss for the current year	(6)	(15)	-	-
Non-deductible expenses	(29)	(28)	-	-
Unrecognised deferred tax assets on temporary differences	(94)	(4)	(27)	(4)
Utilisation of previously unrecognised deferred tax asset on tax losses	95	66	-	-
Exemption of income	-	71	-	71
Write-down of deferred tax asset	-	(65)	-	-
Others	11	78	1	7
Total	2,912	2,911	3,096	2,926
Tax expenses reported in profit or loss	(1,073)	(467)	(571)	(332)

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are 9.00% to 34.94%.

As at 31 December 2023 and 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit losses	26	28	-	-
Allowance for diminution in value of inventories	290	231	-	-
Provision for warranty	10	8	-	-
Others	110	53	-	-
Total	436	320	-	-

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	234	139	-	-
Total	<u>234</u>	<u>139</u>	<u>-</u>	<u>-</u>

As at 31 December 2023 the Group has deductible temporary differences and unused tax losses totaling Baht 1,327 million, INR 37 million or approximately Baht 15 million and EUR 24 million or approximately Baht 928 million (2022: 1,338 million, INR 69 million or approximately Baht 29 million and EUR 31 million or approximately Baht 1,124 million). No deferred tax assets have been recognised on these amounts as the Company has been granted tax privileges by the Board of Investment and the subsidiaries have determined that they may not be able to utilise the deductible temporary difference and unused tax losses because they do not yet have any taxable profits and they are unable to estimate the benefit they would generate from utilisation of such deductible temporary difference and unused tax losses.

Detail of expiry date of unused tax losses are summarised as below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The five-year limitation period				
31 December 2023	-	12	-	-
31 December 2024	2	2	-	-
31 December 2027	1	1	-	-
The eight-year limitation period				
31 March 2023	-	13	-	-
31 March 2024	15	15	-	-
No expiry date	<u>928</u>	<u>1,124</u>	<u>-</u>	<u>-</u>
Total	<u>946</u>	<u>1,167</u>	<u>-</u>	<u>-</u>

As at 31 December 2023, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 291 million (2022: Baht 184 million).

27. Promotional privileges

The Company was granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company are as follows:

Details	The Company						
	1732(2)/2557	1158(2)/2558	1688(2)/2558	61-1505-1-00-1-0	63-0114-1-00-1-0	63-0340-1-00-1-0	64-1295-1-20-1-0
1. Certificate No.	1732(2)/2557	1158(2)/2558	1688(2)/2558	61-1505-1-00-1-0	63-0114-1-00-1-0	63-0340-1-00-1-0	64-1295-1-20-1-0
2. Promotional privileges for	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of electro - magnetic products	Manufacturing of telecommunication equipment	Manufacturing of vehicle equipment	Manufacturing of Ventilation Fan
3. The significant privileges are							
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	8 years (Maximum amount Baht 124,000,000)	7 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 538,898,005)	4 years (Maximum amount Baht 1,572,170,000)	6 years (Maximum amount Baht 632,252,669)	13 years (Maximum amount Baht 1,547,250,000)	3 years (Maximum amount Baht 3,222,000)
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted	-
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Granted	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of first earning operating income	5 January 2018	5 January 2017	1 December 2017	24 February 2022	8 January 2020	6 January 2023	15 January 2022
5. Additional right and benefit	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	Granted the additional tax incentive under the Skill, Technology and Innovation	-	Granted the additional tax incentive under the Skill, Technology and Innovation	-

The Company's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	1,116	1,085	151	506	1,267	1,591
Export sales	116,494	96,127	7,036	5,661	123,530	101,788
Service income	-	-	199	172	199	172
Total sales and service income	<u>117,610</u>	<u>97,212</u>	<u>7,386</u>	<u>6,339</u>	<u>124,996</u>	<u>103,551</u>

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

- On 20 March 2019, Delta Electronics India Pvt. Ltd. was granted tax privileges by the Government of India for operations in a special economic zone at Krishnagiri. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 15 years from the year in which the promoted operations commenced, ending on 31 March 2034.

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. 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 22 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:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		(Restated)
Profit attributable to equity holders				
of the Company (Million Baht)	18,423	15,345	17,792	15,986
Weighted average number of				
ordinary shares (Million shares)	12,474	12,474	12,474	12,474
Basic earnings per share (Baht)	1.48	1.23	1.43	1.28

29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as president of the Group.

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

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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2023 and 2022.

	(Unit: Million Baht)									
	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		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	119,735	91,106	21,237	23,194	3,684	2,872	76	39	144,732	117,211
Service income from external customers	555	146	868	991	146	137	70	73	1,639	1,347
Total revenue	<u>120,290</u>	<u>91,252</u>	<u>22,105</u>	<u>24,185</u>	<u>3,830</u>	<u>3,009</u>	<u>146</u>	<u>112</u>	<u>146,371</u>	<u>118,558</u>
Segment profit (loss)	17,511	14,380	798	1,911	321	128	(622)	(1,926)	18,008	14,493
Unallocated income (expenses):										
Gain on exchange rate									675	450
Insurance compensation income due to flooding									-	331
Compensation for contract decommitment									546	69
Other income									575	478
Other expenses									(382)	(55)
Finance income									183	66
Finance cost									(109)	(20)
Profit before income tax expenses									19,496	15,812
Income tax expenses for the year									(1,073)	(467)
Profit for the year									<u>18,423</u>	<u>15,345</u>

¹⁾ The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances and automotive electronic products. The main products are DC-DC Converter, Power supply for Computer & Server, DES product, Automotive electronic product, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.

²⁾ Infrastructure segment is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.

³⁾ Automation segment is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

Geographic information:

Revenue from external customers is based on locations of the customers

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
United States	44,171	38,597
Germany	21,528	9,658
China	19,052	15,818
Singapore	11,107	5,094
India	11,066	8,741
Taiwan	5,927	3,501
Thailand	5,368	2,159
The Netherlands	4,289	6,043
Ireland	3,733	3,093
Slovakia	3,564	3,433
Others	16,566	22,421
Total	<u>146,371</u>	<u>118,558</u>

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

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
Thailand	20,743	14,434
India	7,280	6,485
Slovakia	2,321	2,011
Germany	989	927
Others	173	137
Total	<u>31,506</u>	<u>23,994</u>

Major customer

For the years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 5 - 10 percent of basic salary (2022: 5 - 10 percent of basic salary). The fund, which is managed by TMBThanachart Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 190 million (2022: Baht 162 million) were recognised as expenses.

The provident funds of the subsidiaries and their employees have been established in accordance with each subsidiary's policies and the law of its country of domicile.

31. Commitments and contingent liabilities

31.1 Significant capital commitments

As at 31 December 2023, the Group had significant capital commitments amounting to Baht 4,543 million, EUR 4 million or approximately Baht 149 million and INR 1,437 million or approximately Baht 594 million in respect of the building construction, purchase of machinery and equipment (2022: Baht 3,233 million, EUR 8 million or approximately Baht 309 million and INR 2,484 million or approximately Baht 1,039 million) (the Company only: Baht 4,543 million, 2022: Baht 3,233 million).

31.2 Significant long-term service commitments

31.2.1 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.

31.2.2 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.

31.3 Guarantee obligations

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

31.3.1 Outstanding letters of guarantee totaling approximately Baht 225 million (2022: Baht 389 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 163 million (2022: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 31.4.1 to the financial statements).

31.3.2 Outstanding letters of guarantee for totals of approximately INR 1,507 million or approximately Baht 623 million, EUR 0.5 million or approximately Baht 21 million, AUD 3.9 million or approximately Baht 91 million have been issued by banks to meet requirements of the subsidiaries (2022: INR 1,341 million or approximately Baht 561 million, EUR 0.5 million or approximately Baht 20 million, AUD 1.3 million or approximately Baht 31 million).

31.4 Tax assessment

31.4.1 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). 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.

During the year, the Tax Appeal Committee judgement dismissed the Company's petition to consider revoking the tax assessments made by the Revenue Department. As a consequent, the Company is required to remit corporate income tax, penalties and surcharges totaling approximately Baht 145 million to the Revenue Department. On 13 December 2023, the Company completed the payment of this amount.

- b. On 23 August 2017, the Company received tax assessment notices for the year 2007 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 79 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 3 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- c. On 21 August 2018, the Company received tax assessment notices for the year 2008 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 49 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 4 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- d. On 20 August 2019, the Company received tax assessment notices for the year 2009 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 23 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 5 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

The Company has recorded provisions totaling approximately Baht 113 million (including penalties and surcharges) for the tax assessments mentioned in b., c., and d., under the caption of "Liabilities and provision from tax assessments" in the statement of financial position as at 31 December 2023.

31.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 169 million or approximately Baht 70 million, covering the years 2007 - 2016, and sales tax and excise duties of approximately INR 36 million or approximately Baht 15 million, covering the years 2014 - 2017, against the subsidiaries in India. The subsidiaries have appealed the assessments. The management of the subsidiaries believe that the outcome of the cases will be favorable to the companies and therefore no provision for these contingent liabilities have been made in the accounts.

32. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had certain assets and liabilities that were measured at fair value or for which fair value were disclosed using different levels of inputs (as mentioned in Note 4.19 to the financial statements) as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	563	-	563
Liabilities measured at fair value				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 12)	-	-	229	229

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	582	-	582
Assets for which fair value are disclosed				
Investment properties (Note 12)	-	-	233	233

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	563	-	563

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	578	-	578

33. Financial instruments

33.1 Derivatives

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	563	582	563	578
Total derivative assets	<u>563</u>	<u>582</u>	<u>563</u>	<u>578</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	1	-	-	-
Total derivative liabilities	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

Derivatives not designated as hedging instruments

The Group uses foreign currency forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 4 months.

33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, investments, short-term loans from financial institutions and long-term loans from related party. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, other accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments, customer type and rating, and coverage by letters of credit and other forms of credit insurance.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into derivatives, in the form of foreign currency forward contracts, in order to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. Mostly the Group seeks to reduce this risk by entering into foreign currency forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023 and 2022, the balances of the financial assets and financial liabilities denominated in foreign currencies are summarised below:

(Unit: Million foreign currency unit)

Foreign currency	As at 31 December							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
US dollar	1,023	855	672	577	983	843	613	509
Euro	44	15	28	17	25	12	28	17
Japanese yen	82	163	734	547	82	106	724	530

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 December	
	<u>2023</u>	<u>2022</u>
US dollar	34.2233	34.5624
Euro	38.0334	36.8274
Japanese yen	0.2423	0.2609

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar, Euro and Japanese yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2023		2022	
	Change in FX rates	Effect on profit before tax	Change in FX rates	Effect on profit before tax
	(%)	(Million Baht)	(%)	(Million Baht)
US dollar	+3	361	+6	137
	-3	(361)	-6	(137)
Euro	+9	55	+9	18
	-9	(55)	-9	(18)
Japanese yen	+7	(11)	+8	(7)
	-7	11	-8	7

This information is not a forecast or prediction of future market conditions and should be used with care.

As at 31 December 2023 and 2022, the outstanding forward contracts are summarised below.

Consolidated financial statements						
As at 31 December 2023						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	421	million	34.1700 - 36.8100	THB/USD	January - April 2024
Forward contracts to "Buy"						
USD/INR	USD	10	million	83.0935 - 83.7375	INR/USD	January - February 2024
JPY/THB	JPY	521	million	0.2426 - 0.2438	THB/JPY	January - February 2024
EUR/THB	EUR	2	million	38.100 - 38.1780	THB/EUR	January 2024
Consolidated financial statements						
As at 31 December 2022						
	Amount			Forward rate		Maturity date
Forward contracts to "Sell"						
USD/THB	USD	358	million	34.2150 - 38.0600	THB/USD	January - April 2023
Forward contracts to "Buy"						
USD/INR	USD	23	million	81.7100 - 83.3800	INR/USD	January - March 2023
JPY/THB	JPY	290	million	0.2570 - 0.2632	THB/JPY	January - March 2023

Separate financial statements						
As at 31 December 2023						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	421	million	34.1700 - 36.8100	THB/USD	January - April 2024
Forward contracts to “Buy”						
JPY/THB	JPY	521	million	0.2426 - 0.2438	THB/JPY	January - February 2024
EUR/THB	EUR	2	million	38.100 - 38.1780	THB/EUR	January 2024

Separate financial statements						
As at 31 December 2022						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	358	million	34.2150 - 38.0600	THB/USD	January - April 2023
Forward contracts to “Buy”						
JPY/THB	JPY	290	million	0.2570 - 0.2632	THB/JPY	January - March 2023

Interest rate risk

The Group’s exposure to interest rate risk relates primarily to its cash deposits with financial institutions, short-term loans from financial institutions and long-term loans from related party. Most of the Group’s financial assets and financial liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and financial liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	2,748	-	-	2,977	1,892	7,617	0.00 - 7.08
Trade and other receivables	-	-	-	-	33,237	33,237	-
Derivative assets	-	-	-	-	563	563	-
Deposits at bank with restrictions	32	-	-	-	2	34	0.00 - 6.10
Total	2,780	-	-	2,977	35,694	41,451	
Financial liabilities							
Short-term loans from financial institutions	2,497	-	-	-	-	2,497	2.70 - 5.87
Trade and other payables	-	-	-	-	32,096	32,096	-
Long-term loans from related party	-	-	-	825	-	825	EURIBOR + 0.50
Total	2,497	-	-	825	32,096	35,418	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2022

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	418	-	-	8,082	1,642	10,142	0.00 - 8.00
Trade and other receivables	-	-	-	-	28,132	28,132	-
Derivative assets	-	-	-	-	582	582	-
Deposits at bank with restrictions	32	-	-	-	2	34	0.00 - 6.50
Total	450	-	-	8,082	30,358	38,890	
Financial liabilities							
Short-term loans from financial institutions	945	-	-	-	-	945	7.91 - 8.62
Trade and other payables	-	-	-	-	30,202	30,202	-
Long-term loans from related party	-	-	-	795	-	795	EURIBOR + 0.50
Total	945	-	-	795	30,202	31,942	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2023

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	351	2	353	0.00 - 2.50
Trade and other receivables	-	-	-	-	34,696	34,696	-
Derivative assets	-	-	-	-	563	563	-
Total	-	-	-	351	35,261	35,612	
Financial liabilities							
Short-term loans from financial institutions	2,476	-	-	-	-	2,476	5.87
Trade and other payables	-	-	-	-	26,551	26,551	-
Total	2,476	-	-	-	26,551	29,027	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	5,833	2	5,835	0.00 - 1.75
Trade and other receivables	-	-	-	-	29,112	29,112	-
Short-term loans to related party	100	-	-	-	-	100	2.40
Derivative assets	-	-	-	-	578	578	-
Total	100	-	-	5,833	29,692	35,625	
Financial liabilities							
Trade and other payables	-	-	-	-	24,828	24,828	-
Total	-	-	-	-	24,828	24,828	

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

Liquidity risk

Approximately 89% of the Group's debt will mature in less than one year at 31 December 2023 (2022: 90%) (the Company only: 94%, 2022: 96%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the liquidity risk and concluded it to be low. The Group believes that it has ability to pay its debts and accessibility to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	2,497	-	-	2,497
Trade and other payables	-	32,096	-	32,096
Lease liabilities	-	117	149	266
Long-term loans and interest expenses from related party	-	36	906	942
Total non-derivatives	2,497	32,249	1,055	35,801

(Unit: Million Baht)

Consolidated financial statements			
As at 31 December 2022			
On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	945	-	945
Trade and other payables	-	30,202	30,202
Lease liabilities	-	67	204
Long-term loans and interest expenses from related party	-	31	943
Total non-derivatives	945	30,300	32,294

(Unit: Million Baht)

Separate financial statements			
As at 31 December 2023			
On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	2,476	-	2,476
Trade and other payables	-	26,551	26,551
Lease liabilities	-	41	62
Total non-derivatives	2,476	26,592	29,089

(Unit: Million Baht)

Separate financial statements			
As at 31 December 2022			
On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives			
Trade and other payables	-	24,828	24,828
Lease liabilities	-	1	1
Total non-derivatives	-	24,829	24,829

33.3 Fair values of financial instruments

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

For derivatives, the fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

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

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 0.60:1 (2022: 0.66:1) and the Company's was 0.48:1 (2022: 0.50:1).

35. Events after the reporting period

- a) On 5 January 2024, Delta Greentech (Netherlands) B.V. sold 45% interests in Eltek s.r.o. to two subsidiary companies, 44.99% to DET International Holding B.V. and 0.01% to Delta Energy Systems (Singapore) Pte. Ltd. for a total of EUR 18.4 million, or approximately Baht 700 million and had a loss on the sale of approximately EUR 2.2 million, or Baht 84 million.

The Group did not recognise a loss on the sale of this investment under the equity method in the consolidated financial statements because this transaction constitutes the sale of an investment within a group of companies under common control.

- b) On 15 February 2024, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 0.45 per share, a total of Baht 5,613 million. The dividend will be paid from the Company's operating results for the year 2023.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2024.