

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2024

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2024, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 26 April 2024

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2024

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		8,001,820	7,617,211	1,224,287	353,196
Trade and other receivables	3	35,068,590	33,237,289	35,527,802	34,695,748
Inventories	4	32,009,728	32,746,509	21,768,747	23,076,990
Derivative assets	17.2	5,717	562,669	4,950	562,600
Other current assets	5	1,818,117	1,402,270	434,135	523,935
Total current assets		<u>76,903,972</u>	<u>75,565,948</u>	<u>58,959,921</u>	<u>59,212,469</u>
Non-current assets					
Deposits at bank with restrictions		35,527	34,413	-	-
Investments in subsidiary companies	6	-	-	19,906,616	18,748,597
Investment properties		205,579	201,167	-	-
Property, plant and equipment	7	33,098,993	29,681,379	21,329,968	19,658,089
Advances to contractors and for acquisitions of assets		635,689	950,440	635,689	950,440
Right-of-use assets		540,224	525,492	51,299	62,111
Goodwill		451,112	443,885	-	-
Other intangible assets		153,105	147,212	48,968	51,868
Deferred tax assets		538,832	436,270	-	-
Other non-current assets		65,763	158,785	30,365	25,140
Total non-current assets		<u>35,724,824</u>	<u>32,579,043</u>	<u>42,002,905</u>	<u>39,496,245</u>
Total assets		<u>112,628,796</u>	<u>108,144,991</u>	<u>100,962,826</u>	<u>98,708,714</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	8	1,297,236	2,496,591	1,282,113	2,475,907
Trade and other payables	9	31,649,907	32,096,498	25,474,488	26,550,932
Current portion of lease liabilities		113,172	110,247	38,394	40,013
Income tax payable		692,884	563,545	481,127	376,146
Short-term provisions	12	34,353	33,455	-	-
Liabilities and provision from tax assessments	16.4.1	113,201	113,201	113,201	113,201
Derivative liabilities	17.2	490,620	604	490,620	-
Other current liabilities	10	454,893	761,403	258,489	501,557
Total current liabilities		34,846,266	36,175,544	28,138,432	30,057,756
Non-current liabilities					
Long-term loans from related party	2	813,364	825,302	-	-
Lease liabilities, net of current portion		141,119	144,134	11,952	21,180
Deferred tax liabilities		291,960	233,774	-	-
Provision for long-term employee benefits	11	1,632,695	1,578,815	742,506	727,183
Long-term provisions	12	1,224,686	1,137,311	924,365	860,929
Other non-current liabilities		356,088	511,560	195,843	185,584
Total non-current liabilities		4,459,912	4,430,896	1,874,666	1,794,876
Total liabilities		39,306,178	40,606,440	30,013,098	31,852,632

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
12,590,000,000 ordinary shares of Baht 0.1 each	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>
Issued and fully paid				
12,473,816,140 ordinary shares of Baht 0.1 each	1,247,382	1,247,382	1,247,382	1,247,382
Share premium	1,491,912	1,491,912	1,491,912	1,491,912
Difference from business combination under common control	(1,339,694)	(1,339,694)	-	-
Retained earnings				
Appropriated - Statutory reserve	125,900	125,900	125,900	125,900
Unappropriated	72,807,118	68,499,609	68,084,534	63,990,888
Other components of shareholders' equity	<u>(1,010,000)</u>	<u>(2,486,558)</u>	-	-
Total shareholders' equity	<u>73,322,618</u>	<u>67,538,551</u>	<u>70,949,728</u>	<u>66,856,082</u>
Total liabilities and shareholders' equity	<u>112,628,796</u>	<u>108,144,991</u>	<u>100,962,826</u>	<u>98,708,714</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2024

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit or loss:					
Revenues					
Sales		37,679,158	31,988,773	30,881,302	27,588,967
Service income		309,569	305,365	86,938	17,763
Other income					
Gain on exchange		229,557	155,361	217,436	140,407
Compensation for contract decommitment		277,184	11,104	277,988	5,497
Others		183,936	144,862	139,982	94,687
Total revenues		38,679,404	32,605,465	31,603,646	27,847,321
Expenses					
Cost of sales		29,769,400	25,338,732	23,434,600	21,606,281
Cost of services		247,658	242,393	71,520	1,759
Selling and distribution expenses	16.2.1	2,898,848	1,670,542	2,564,220	1,372,750
Administrative expenses		705,015	554,602	355,177	312,549
Research and development expenses	16.2.2	647,861	1,011,067	974,904	1,088,988
Other expenses		5,981	63,653	1,507	13,320
Total expenses		34,274,763	28,880,989	27,401,928	24,395,647
Operating profit		4,404,641	3,724,476	4,201,718	3,451,674
Finance income		49,938	35,693	9,803	20,446
Finance cost		(34,321)	(25,149)	(14,150)	(317)
Profit before income tax expenses		4,420,258	3,735,020	4,197,371	3,471,803
Income tax expenses	13	(112,749)	(120,563)	(103,725)	(75,210)
Profit for the period		4,307,509	3,614,457	4,093,646	3,396,593

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2024

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>1,476,558</u>	<u>(276,374)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>1,476,558</u>	<u>(276,374)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Actuarial gain - net of income tax	<u>-</u>	<u>30,817</u>	<u>-</u>	<u>30,817</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>-</u>	<u>30,817</u>	<u>-</u>	<u>30,817</u>
Other comprehensive income for the period	<u>1,476,558</u>	<u>(245,557)</u>	<u>-</u>	<u>30,817</u>
Total comprehensive income for the period	<u>5,784,067</u>	<u>3,368,900</u>	<u>4,093,646</u>	<u>3,427,410</u>
Profit attributable to:				
Equity holders of the Company	<u>4,307,509</u>	<u>3,614,457</u>	<u>4,093,646</u>	<u>3,396,593</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>5,784,067</u>	<u>3,368,900</u>	<u>4,093,646</u>	<u>3,427,410</u>
Earnings per share				
	14			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.35</u>	<u>0.29</u>	<u>0.33</u>	<u>0.27</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	Consolidated financial statements							
	Issued and fully paid share capital		Difference from business combination under common control	Retained earnings		Other components of shareholders' equity		Total
				Appropriated	Unappropriated	Other comprehensive income		
	Share premium	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity					
Balance as at 1 January 2023	1,247,382	1,491,912	(1,339,694)	125,900	55,264,964	(2,110,702)	(2,110,702)	54,679,762
Profit for the period	-	-	-	-	3,614,457	-	-	3,614,457
Other comprehensive income for the period	-	-	-	-	30,817	(276,374)	(276,374)	(245,557)
Total comprehensive income for the period	-	-	-	-	3,645,274	(276,374)	(276,374)	3,368,900
Balance as at 31 March 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>58,910,238</u>	<u>(2,387,076)</u>	<u>(2,387,076)</u>	<u>58,048,662</u>
Balance as at 1 January 2024	1,247,382	1,491,912	(1,339,694)	125,900	68,499,609	(2,486,558)	(2,486,558)	67,538,551
Profit for the period	-	-	-	-	4,307,509	-	-	4,307,509
Other comprehensive income for the period	-	-	-	-	-	1,476,558	1,476,558	1,476,558
Total comprehensive income for the period	-	-	-	-	4,307,509	1,476,558	1,476,558	5,784,067
Balance as at 31 March 2024	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>72,807,118</u>	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>73,322,618</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2023	1,247,382	1,491,912	125,900	51,380,256	54,245,450
Profit for the period	-	-	-	3,396,593	3,396,593
Other comprehensive income for the period	-	-	-	30,817	30,817
Total comprehensive income for the period	-	-	-	3,427,410	3,427,410
Balance as at 31 March 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>54,807,666</u>	<u>57,672,860</u>
Balance as at 1 January 2024	1,247,382	1,491,912	125,900	63,990,888	66,856,082
Profit for the period	-	-	-	4,093,646	4,093,646
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,093,646	4,093,646
Balance as at 31 March 2024	<u>1,247,382</u>	<u>1,491,912</u>	<u>125,900</u>	<u>68,084,534</u>	<u>70,949,728</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:				
Profit before tax	4,420,258	3,735,020	4,197,371	3,471,803
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	1,459,517	946,696	1,136,833	756,042
Amortisation	16,885	22,966	2,900	2,650
Allowance for expected credit losses (reversal)	38,410	(8,127)	(27,617)	(13,904)
Reduction of inventory to net realisable value	796,590	572,324	720,037	325,766
Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories	(393,175)	(79,045)	(350,628)	(49,042)
Increase in provision for long-term employee benefits	42,589	26,156	21,092	15,168
Increase in provisions	196,994	139,784	139,767	44,494
(Gain) loss from disposal/write-off of property, plant and equipment	(8,055)	2,060	1,344	2,005
Unrealised gain on exchange	(1,308,382)	(850,774)	(1,292,329)	(827,781)
Loss on fair value adjustments of derivative instruments	1,046,968	623,319	1,048,270	617,539
Finance income	(49,938)	(35,693)	(9,803)	(20,446)
Finance cost	34,321	25,149	14,150	317
Profit from operating activities before changes in operating assets and liabilities	6,292,982	5,119,835	5,601,387	4,324,611
Decrease (increase) in operating assets:				
Trade and other receivables	483,705	3,181,632	1,531,206	3,085,647
Inventories	254,769	(2,983,630)	938,834	(2,226,021)
Other current assets	(401,291)	639,619	62,001	2,950
Other non-current assets	97,035	(4,240)	(5,225)	(2,753)
Increase (decrease) in operating liabilities:				
Trade and other payables	(1,036,409)	276,378	(1,669,110)	452,588
Other current liabilities	(332,699)	(238,576)	(268,779)	(159,054)
Cash paid for long-term employee benefits	(17,502)	(12,988)	(5,769)	(1,496)
Cash paid for provisions	(124,419)	(22,421)	(76,331)	(584)
Other non-current liabilities	(155,472)	5,875	10,259	431
Cash flows from operating activities	5,060,699	5,961,484	6,118,473	5,476,319
Cash received from interest income	40,178	19,289	1,471	5,943
Cash paid for interest expenses	(35,218)	(24,869)	(16,119)	(316)
Cash paid for corporate income tax	(86,714)	(76,501)	(117)	(199)
Net cash flows from operating activities	4,978,945	5,879,403	6,103,708	5,481,747

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from investing activities:				
Increase in deposits at bank with restrictions	(1,114)	(327)	-	-
Increase in investments in subsidiary	-	-	(1,158,019)	(2,153,180)
Decrease (increase) in advances to contractors				
and for acquisitions of assets	314,751	(89,647)	314,751	(89,647)
Acquisition of property, plant and equipment	(3,599,543)	(1,082,193)	(2,057,682)	(844,321)
Cash paid to others payable for purchase of plant and equipment	(1,151,434)	(1,049,697)	(1,114,281)	(960,190)
Proceeds from disposal of property, plant and equipment	61,770	240	9,462	225
Increase in right-of-use assets	-	(6,954)	-	-
Acquisition of other intangible assets	(12,284)	(8,235)	-	(2,769)
Net cash flows used in investing activities	<u>(4,387,854)</u>	<u>(2,236,813)</u>	<u>(4,005,769)</u>	<u>(4,049,882)</u>
Cash flow from financing activities:				
Cash receipt from short-term loans from financial institutions	10,844,430	1,021,269	10,827,478	1,009,875
Repayment of short-term loans from financial institutions	(12,074,213)	(1,935,451)	(12,051,530)	(1,009,875)
Repayment of long-term loans from related party	(38,032)	-	-	-
Payment of principal portion of lease liabilities	(31,800)	(20,109)	(11,121)	(265)
Net cash flow used in financing activities	<u>(1,299,615)</u>	<u>(934,291)</u>	<u>(1,235,173)</u>	<u>(265)</u>
Increase (decrease) in translation adjustments	<u>1,071,812</u>	<u>(235,978)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents before effect from currency translation	363,288	2,472,321	862,766	1,431,600
Effect from currency translation of cash and cash equivalents	21,321	67,031	8,325	62,290
Net increase in cash and cash equivalents	384,609	2,539,352	871,091	1,493,890
Cash and cash equivalents at beginning of period	<u>7,617,211</u>	<u>10,142,200</u>	<u>353,196</u>	<u>5,835,260</u>
Cash and cash equivalents at end of period	<u>8,001,820</u>	<u>12,681,552</u>	<u>1,224,287</u>	<u>7,329,150</u>
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Additions to right-of-use assets and lease liabilities	22,372	27,713	-	-
Increase in others payable from purchase of plant and equipment	763,209	1,279,570	750,772	1,234,730

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2024

1. General information

1.1 Basis of preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2023, with no change in shareholding structure of subsidiaries during the current period.

1.3 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

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

Summaries significant business transactions with related parties are as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with the parent company</u>				
Sales of goods and raw materials	95	42	77	41
Purchase of goods and raw materials	79	139	2	-
Purchase of equipment	101	291	93	236
Royalty paid (Note 16.2.1)	879	910	879	910
Technical service paid	920	-	920	-
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	8,564	8,790
Purchase of goods and raw materials	-	-	330	415
Purchase of equipment	-	-	103	32
Commission paid	-	-	175	97
Design and engineering fee paid (Note 16.2.2)	-	-	317	602
<u>Transactions with related companies</u>				
Sales of goods and raw materials	4,316	3,244	1,458	871
Purchase of goods and raw materials	3,000	2,310	1,164	973
Purchase of equipment	308	409	296	204
Commission paid	315	225	309	220
Commission received	63	76	-	-
Services income	26	21	-	-
Design and engineering fee paid (Note 16.2.2)	239	156	231	153

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Parent company	106	95	84	85
Subsidiary companies	-	-	15,066	15,516
Related companies (common shareholders)	4,598	4,136	1,492	797
Total trade receivables - related parties	<u>4,704</u>	<u>4,231</u>	<u>16,642</u>	<u>16,398</u>
<u>Other receivables - related parties (Note 3)</u>				
Parent company	1	-	1	-
Subsidiary companies	-	-	17	14
Related companies (common shareholders)	4	12	3	12
Total other receivables - related parties	<u>5</u>	<u>12</u>	<u>21</u>	<u>26</u>
<u>Amounts due from related party (Note 3)</u>				
Subsidiary company	-	-	2	2
Total amounts due from related party	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<u>Trade payables - related parties (Note 9)</u>				
Parent company	306	331	170	170
Subsidiary companies	-	-	492	318
Related companies (common shareholders)	2,905	2,294	873	813
Total trade payables - related parties	<u>3,211</u>	<u>2,625</u>	<u>1,535</u>	<u>1,301</u>
<u>Other payables - related parties (Note 9)</u>				
Parent company	751	2,123	743	2,115
Subsidiary companies	-	-	314	217
Related companies (common shareholders)	771	921	763	851
Total other payables - related parties	<u>1,522</u>	<u>3,044</u>	<u>1,820</u>	<u>3,183</u>
<u>Accrued expenses - related parties (Note 9)</u>				
Parent company	304	308	304	308
Related companies (common shareholders)	151	142	151	142
Total accrued expenses - related parties	<u>455</u>	<u>450</u>	<u>455</u>	<u>450</u>
<u>Advance received - related party (Note 9)</u>				
Subsidiary company	-	-	-	346
Total advance received - related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>346</u>

(Unaudited but reviewed)

Long-term loans from related party

(Unit: Million Baht)

Long-term loans	Consolidated financial statements			
	Balance as at 1 January 2024	Decrease during the period	Translation adjustment	Balance as at 31 March 2024
Related company				
(common shareholders)				
- Eltek AS	825	(38)	26	813
Total long-term loans from related party	825	(38)	26	813

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 EUR 9 million, or approximately Baht 342 million and EUR 12 million, or approximately Baht 471 million are scheduled for June 2026 and October 2027, respectively.

Directors and management's benefits

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	47	32	22	12
Post-employment benefits	4	4	3	2
Total	51	36	25	14

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023 (Audited)	31 March 2024	31 December 2023 (Audited)
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	4,655	4,144	11,723	13,361
Past due				
Up to 3 months	46	85	4,913	3,031
3 - 6 months	1	-	4	4
6 - 12 months	-	2	-	2
Over 12 months	2	-	2	-
Total	4,704	4,231	16,642	16,398
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	23,960	21,603	14,855	13,414
Past due				
Up to 3 months	5,089	6,013	2,870	3,590
3 - 6 months	436	291	221	205
6 - 12 months	143	143	105	106
Over 12 months	94	115	45	65
Total	29,722	28,165	18,096	17,380
Total trade receivables	34,426	32,396	34,738	33,778
Less: Allowance for expected credit losses	(410)	(367)	(193)	(221)
Total trade receivables - net	34,016	32,029	34,545	33,557
<u>Other receivables</u>				
Amounts due from related party (Note 2)	-	-	2	2
Other receivables - related parties (Note 2)	5	12	21	26
Other receivables - unrelated parties	1,035	1,191	952	1,111
Interest receivables - unrelated parties	13	5	8	-
Total other receivables	1,053	1,208	983	1,139
Trade and other receivables - net	35,069	33,237	35,528	34,696

(Unaudited but reviewed)

4. Inventories

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Inventories - cost	38,284	38,539	25,525	26,464
Reduce cost to net realisable value	(6,274)	(5,792)	(3,756)	(3,387)
Inventories - net	<u>32,010</u>	<u>32,747</u>	<u>21,769</u>	<u>23,077</u>

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

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2024	(5,792)	(3,387)
Increase during the period	(925)	(720)
Reversal of the reduction to net realisable value of the written off obsolete and damaged inventories during the period	393	351
Reversal during the period	128	-
Translation adjustment	(78)	-
Balance as at 31 March 2024	<u>(6,274)</u>	<u>(3,756)</u>

5. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Input tax refundable	707	603	327	423
Advance payments	525	328	20	27
Prepaid expenses	475	411	73	66
Prepaid tax	79	40	-	-
Others	32	20	14	8
Total other current assets	<u>1,818</u>	<u>1,402</u>	<u>434</u>	<u>524</u>

(Unaudited but reviewed)

6. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Paid-up capital			Cost	
	Foreign currency	31 March	31 December	31 March	31 December
		2024	2023	2024	2023
		(Million)	(Million)		(Audited)
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	311	279	10,463	9,305
Delta Electronics (Vietnam) Company Limited	USD	0.1	0.1	3	3
Delta Electronics India Manufacturing Private Limited	INR	2,526	2,526	1,109	1,109
Subtotal				21,231	20,073
Less: Allowance for impairment loss of investments in subsidiaries				(1,324)	(1,324)
Total investments in subsidiaries - net				19,907	18,749

No dividend was received from the above subsidiaries during the three-month periods ended 31 March 2024 and 2023.

6.2 Significant events during the current period

6.2.1 Subsidiaries directly owned by the Company

a) Establishment of new subsidiary

On 27 October 2023, a meeting of the Company's Board of Directors passed a resolution approving the establishment of a subsidiary, PT Delta Electronics Indonesia, to operate as a trading and installation of electronic products. The subsidiary was incorporated in Indonesia on 28 February 2024, with a registered capital of IDR 10,000 million. The Company holds 100% of the new subsidiary's share capital.

PT Delta Electronics Indonesia has not called for payment of shares and has not commenced operations in the current quarter.

b) Additional investment in subsidiary company

On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Energy Systems (Singapore) Pte. Ltd. by USD 32 million, or approximately Baht 1,158 million, to enable the latter to invest in Delta Electronics India Pvt. Ltd. to support the business growth. The Company made the additional investment in the current quarter.

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

6.2.2 Subsidiaries indirectly owned by the Company

a) Restructuring of shareholding in subsidiaries

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) Registered capital reduction of subsidiary company

Delta Greentech (Netherlands) B.V.

On 26 February 2024, the Board of Directors' meeting of Delta Greentech (Netherlands) B.V. passed a resolution approving the reduction of the par value of its shares, resulting in a decrease in its registered share capital from EUR 26.9 million (2,691,020 ordinary shares of EUR 10 each) to EUR 0.4 million (2,691,020 ordinary shares of EUR 0.15 each). Delta Greentech (Netherlands) B.V. registered the corresponding decrease in its registered share capital on 15 March 2024. Subsequently, on 18 April 2024, Delta Energy Systems (Singapore) Pte. Ltd., which is a subsidiary of the Company, received payment in respect of the capital reduction, amounting to approximately EUR 26.5 million, or approximately Baht 1,036 million.

The decrease in investment had no impact on the investment structure of the Group.

(Unaudited but reviewed)

7. Property, plant and equipment

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

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2024	29,681	19,658
Acquisitions during period - cost	4,363	2,808
Disposals/write-off during period - net book value at disposal/write-off date	(54)	(11)
Depreciation for the period	(1,425)	(1,125)
Translation adjustment	534	-
Net book value as at 31 March 2024	<u><u>33,099</u></u>	<u><u>21,330</u></u>

8. Short-term loans from financial institutions

	(Unit: Million Baht)				
	Consolidated		Separate		
	<u>financial statements</u>		<u>financial statements</u>		
Interest rate (percent per annum)	31 March 2024	31 December 2023	31 March 2024	31 December 2023	
		(Audited)		(Audited)	
Short-term loans from financial institutions	2.70 - 6.19	<u>1,297</u>	<u>2,497</u>	<u>1,282</u>	<u>2,476</u>
Total		<u><u>1,297</u></u>	<u><u>2,497</u></u>	<u><u>1,282</u></u>	<u><u>2,476</u></u>

(Unaudited but reviewed)

9. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	3,211	2,625	1,535	1,301
Trade payables - unrelated parties	18,029	17,703	15,699	15,686
Other payables - related parties (Note 2)	1,522	3,044	1,820	3,183
Other payables - unrelated parties	2,577	2,179	1,902	1,954
Accrued expenses - related parties (Note 2)	455	450	455	450
Accrued expenses - unrelated parties	3,501	3,213	3,045	2,887
Advance received - related party (Note 2)	-	-	-	346
Advance received - unrelated parties	2,355	2,882	1,018	744
Total trade and other payables	<u>31,650</u>	<u>32,096</u>	<u>25,474</u>	<u>26,551</u>

10. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Withholding tax payable	160	300	88	256
Value added tax payable	107	142	17	15
Others	188	319	153	231
Total other current liabilities	<u>455</u>	<u>761</u>	<u>258</u>	<u>502</u>

(Unaudited but reviewed)

11. Provision for long-term employee benefits

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2024	1,579	727
Recognition during the period	43	21
Paid during the period	(18)	(5)
Translation adjustment	29	-
Balance as at 31 March 2024	<u>1,633</u>	<u>743</u>

12. Provisions

	Consolidated financial statements			Separate financial statements	
	Other				
	Warranty	provisions	Total	Warranty	Total
Balance as at 1 January 2024	1,130	40	1,170	861	861
Recognition during the period	212	15	227	164	164
Paid during the period	(112)	(12)	(124)	(77)	(77)
Reversal during the period	(27)	(3)	(30)	(24)	(24)
Translation adjustment	14	2	16	-	-
Balance as at 31 March 2024	<u>1,217</u>	<u>42</u>	<u>1,259</u>	<u>924</u>	<u>924</u>
Short-term provisions	-	33	33	-	-
Long-term provisions	1,130	7	1,137	861	861
Balance as at 31 December 2023					
(Audited)	<u>1,130</u>	<u>40</u>	<u>1,170</u>	<u>861</u>	<u>861</u>
Short-term provisions	-	34	34	-	-
Long-term provisions	1,217	8	1,225	924	924
Balance as at 31 March 2024	<u>1,217</u>	<u>42</u>	<u>1,259</u>	<u>924</u>	<u>924</u>

Warranty

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

13. Income tax

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	(143)	(150)	(104)	(75)
Deferred tax:				
Relating to origination and reversal of temporary differences	44	26	-	-
Translation adjustment	(14)	3	-	-
Income tax expense reported in profit or loss	<u>(113)</u>	<u>(121)</u>	<u>(104)</u>	<u>(75)</u>

14. Earnings per share

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

(Unaudited but reviewed)

15. Segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2024 and 2023.

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Power electronics segment		Infrastructure segment		Automation segment		Others		Consolidated financial statements	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue										
Sales from external customers	30,804	25,042	5,936	5,921	914	1,014	25	12	37,679	31,989
Service income from external customers	67	9	165	277	64	4	14	15	310	305
Total revenue	<u>30,871</u>	<u>25,051</u>	<u>6,101</u>	<u>6,198</u>	<u>978</u>	<u>1,018</u>	<u>39</u>	<u>27</u>	<u>37,989</u>	<u>32,294</u>
Segment profit (loss)	4,103	3,406	75	364	33	91	(492)	(384)	3,719	3,477
Unallocated income (expenses):										
Gain on exchange rate									230	155
Compensation for contract decommitment									277	11
Other income									184	145
Other expenses									(6)	(64)
Finance income									50	36
Finance cost									(34)	(25)
Profit before income tax expenses									4,420	3,735
Income tax expenses									(112)	(121)
Profit for the period									<u>4,308</u>	<u>3,614</u>

16. Commitments and contingent liabilities

16.1 Significant capital commitments

As at 31 March 2024, the Group had significant capital commitments amounting to Baht 3,997 million, EUR 4 million or approximately Baht 157 million, and INR 5,815 million or approximately Baht 2,555 million in respect of the building construction, purchase of machinery and equipment (the Company only: Baht 3,997 million).

16.2 Significant long-term service commitments

16.2.1 Intellectual Property & Technology License commitments

The Company entered into the Intellectual Property & Technology License Agreement with Delta Electronics Inc. (“Licensor”), whereby the Licensor granted the Company the right to manufacture and sell products that apply the Licensor’s patents and technology, including improvements thereof. In consideration for the rights, the Company agrees to pay a royalty to the Licensor at a percentage of revenue from sales of products manufactured under the licenses, with that percentage determined on an arm’s length basis. The percentage is to be amicably reviewed by the parties annually before each anniversary of the effective date, which was 1 January 2018. The agreement matures annually and renews continuously for further periods of one year until terminated by either party. The Company has recorded the related expense as “Royalty expenses”, which are presented under the caption of “Selling and distribution expenses” in the statements of comprehensive income.

16.2.2 Research and development service commitments

The Company entered into the research and development service agreements with the subsidiary companies and related companies. Under these agreements, the subsidiary companies and related companies provide research and development services (design and engineering) to the Company and charge 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.

16.3 Guarantee obligations

As at 31 March 2024, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 16.3.1 Outstanding letters of guarantee totaling approximately Baht 226 million have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 163 million issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment as mentioned in Note 16.4.1 to the financial statements).
- 16.3.2 Outstanding letters of guarantee for totals of approximately Baht 46 million, INR 1,387 million or approximately Baht 609 million, EUR 0.5 million or approximately Baht 22 million and AUD 4 million or approximately Baht 92 million have been issued by banks to meet requirements of the subsidiaries.

16.4 Tax assessment

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

(Unaudited but reviewed)

However, the Company has recorded provisions for the tax assessments as mentioned in a., b., and c., with approximately Baht 113 million (including penalties and surcharges) under the captions of “Liabilities and provision from tax assessments” in the statement of financial position.

16.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 169 million or approximately Baht 74 million, covering the years 2007 - 2016, and sales tax and excise duties of approximately INR 36 million or approximately Baht 16 million, covering the years 2014 - 2017, against the subsidiary in India. The subsidiary has appealed the assessments. The management of the subsidiary believe that the outcome of the cases will be favorable to the subsidiary and therefore no provision for these contingent liabilities have been made in the accounts.

17. Financial Instrument

17.1 Fair value of financial instruments

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

17.2 Fair value hierarchy

As at 31 March 2024, the Group had the financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	6	-	6
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	491	-	491

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	5	-	5
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	491	-	491

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

18. Foreign currency risk and financial derivatives

As at 31 March 2024, the significant outstanding balances of the Group's financial assets and financial liabilities denominated in foreign currencies are as follows:

(Unit: Million foreign currency unit)

Foreign currency	Consolidated financial statements		Separate financial statements	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
US dollar	965	564	944	517
Euro	17	29	16	29
Japanese yen	341	908	209	353

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 March 2024
US dollar	36.4651
Euro	39.2938
Japanese yen	0.2410

(Unaudited but reviewed)

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 31 March 2024, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated financial statements						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	518	million	33.9100 - 36.1450	THB/USD	April - August 2024
Forward contracts to “Buy”						
USD/INR	USD	3	million	83.1475 - 83.3075	INR/USD	April 2024
JPY/THB	JPY	84	million	0.2406 - 0.2422	THB/JPY	April - May 2024
Separate financial statements						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	518	million	33.9100 - 36.1450	THB/USD	April - August 2024
Forward contracts to “Buy”						
JPY/THB	JPY	84	million	0.2406 - 0.2422	THB/JPY	April - May 2024

19. Events after the reporting period

On 11 April 2024, the 2024 Annual General Meeting of the Company's shareholders approved the payment of a dividend of Baht 0.45 per share for 2023, totaling Baht 5,613 million.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 26 April 2024.