

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries

Review report and consolidated and separate financial information

For the three-month and six-month periods ended

30 June 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 financial information of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods (collectively "the 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 July 2024

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		6,145,900	7,617,211	553,418	353,196
Trade and other receivables	3	37,948,531	33,237,289	36,357,075	34,695,748
Inventories	4	30,933,646	32,746,509	20,957,105	23,076,990
Derivative assets	18.2	18,812	562,669	18,802	562,600
Other current assets	5	2,180,181	1,402,270	562,633	523,935
Total current assets		<u>77,227,070</u>	<u>75,565,948</u>	<u>58,449,033</u>	<u>59,212,469</u>
Non-current assets					
Deposits at bank with restrictions		35,599	34,413	-	-
Investments in subsidiary companies	6	-	-	20,091,263	18,748,597
Investment properties		203,878	201,167	-	-
Property, plant and equipment	7	34,565,302	29,681,379	22,575,177	19,658,089
Advances to contractors and for acquisitions of assets		1,128,986	950,440	1,020,894	950,440
Right-of-use assets		505,875	525,492	40,235	62,111
Goodwill		452,126	443,885	-	-
Other intangible assets		161,799	147,212	46,069	51,868
Deferred tax assets		569,964	436,270	-	-
Other non-current assets		176,533	158,785	31,144	25,140
Total non-current assets		<u>37,800,062</u>	<u>32,579,043</u>	<u>43,804,782</u>	<u>39,496,245</u>
Total assets		<u>115,027,132</u>	<u>108,144,991</u>	<u>102,253,815</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 30 June 2024

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2024 (Unaudited but reviewed)	31 December 2023 (Audited)	30 June 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	8	993,263	2,496,591	925,263	2,475,907
Trade and other payables	9	33,874,851	32,096,498	26,649,918	26,550,932
Current portion of lease liabilities		102,893	110,247	36,005	40,013
Income tax payable		350,086	563,545	215,141	376,146
Short-term provisions	12	28,562	33,455	-	-
Liabilities and provision from tax assessments	17.4.1	113,201	113,201	113,201	113,201
Derivative liabilities	18.2	255,787	604	255,775	-
Other current liabilities	10	648,702	761,403	337,305	501,557
Total current liabilities		36,367,345	36,175,544	28,532,608	30,057,756
Non-current liabilities					
Long-term loans from related party	2	815,581	825,302	-	-
Lease liabilities, net of current portion		115,923	144,134	3,439	21,180
Deferred tax liabilities		280,022	233,774	-	-
Provision for long-term employee benefits	11	1,667,036	1,578,815	760,333	727,183
Long-term provisions	12	1,270,178	1,137,311	990,898	860,929
Other non-current liabilities		405,378	511,560	188,284	185,584
Total non-current liabilities		4,554,118	4,430,896	1,942,954	1,794,876
Total liabilities		40,921,463	40,606,440	30,475,562	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 30 June 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 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	73,758,925	68,499,609	68,913,059	63,990,888
Other components of shareholders' equity	<u>(1,178,756)</u>	<u>(2,486,558)</u>	-	-
Total shareholders' equity	<u>74,105,669</u>	<u>67,538,551</u>	<u>71,778,253</u>	<u>66,856,082</u>
Total liabilities and shareholders' equity	<u>115,027,132</u>	<u>108,144,991</u>	<u>102,253,815</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 30 June 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		40,963,871	35,510,386	33,928,746	30,566,817
Service income		808,307	330,060	149,538	77,457
Other income					
Gain on exchange		379,390	233,769	365,226	225,313
Compensation for contract decommitment		251,759	62,979	251,826	60,230
Others		235,482	173,569	192,675	86,618
Total revenues		<u>42,638,809</u>	<u>36,310,763</u>	<u>34,888,011</u>	<u>31,016,435</u>
Expenses					
Cost of sales		30,092,685	27,238,595	23,719,920	23,048,394
Cost of services		457,397	233,092	59,028	8,425
Selling and distribution expenses	17.2.1	3,613,032	2,162,485	3,315,945	1,871,942
Administrative expenses		784,025	671,493	407,081	377,612
Research and development expenses	17.2.2	1,005,899	961,778	856,247	1,084,172
Other expenses		2,903	101,979	1,801	100,347
Total expenses		<u>35,955,941</u>	<u>31,369,422</u>	<u>28,360,022</u>	<u>26,490,892</u>
Operating profit		6,682,868	4,941,341	6,527,989	4,525,543
Finance income		57,455	28,658	8,194	13,432
Finance cost		(22,117)	(22,472)	(10,404)	(1,303)
Profit before income tax expenses		6,718,206	4,947,527	6,525,779	4,537,672
Income tax expenses	14	(153,182)	(279,498)	(84,037)	(147,643)
Profit for the period		<u>6,565,024</u>	<u>4,668,029</u>	<u>6,441,742</u>	<u>4,390,029</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 comprehensive income (continued)

For the three-month period ended 30 June 2024

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</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>(168,756)</u>	<u>807,611</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(168,756)</u>	<u>807,611</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(168,756)</u>	<u>807,611</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>6,396,268</u></u>	<u><u>5,475,640</u></u>	<u><u>6,441,742</u></u>	<u><u>4,390,029</u></u>
Profit attributable to:				
Equity holders of the Company	<u><u>6,565,024</u></u>	<u><u>4,668,029</u></u>	<u><u>6,441,742</u></u>	<u><u>4,390,029</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u><u>6,396,268</u></u>	<u><u>5,475,640</u></u>	<u><u>6,441,742</u></u>	<u><u>4,390,029</u></u>
Earnings per share				
	15			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u><u>0.53</u></u>	<u><u>0.37</u></u>	<u><u>0.52</u></u>	<u><u>0.35</u></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 comprehensive income

For the six-month period ended 30 June 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		78,643,029	67,499,159	64,810,048	58,155,784
Service income		1,117,876	635,425	236,476	95,220
Other income					
Gain on exchange		608,947	389,130	582,662	365,720
Compensation for contract decommitment		528,943	74,083	529,814	65,727
Others		419,418	318,431	332,657	181,305
Total revenues		81,318,213	68,916,228	66,491,657	58,863,756
Expenses					
Cost of sales		59,862,085	52,577,327	47,154,520	44,654,675
Cost of services		705,055	475,485	130,548	10,184
Selling and distribution expenses	17.2.1	6,511,880	3,833,027	5,880,165	3,244,692
Administrative expenses		1,489,040	1,226,095	762,258	690,161
Research and development expenses	17.2.2	1,653,760	1,972,845	1,831,151	2,173,160
Other expenses		8,884	165,632	3,308	113,667
Total expenses		70,230,704	60,250,411	55,761,950	50,886,539
Operating profit		11,087,509	8,665,817	10,729,707	7,977,217
Finance income		107,393	64,351	17,997	33,878
Finance cost		(56,438)	(47,621)	(24,554)	(1,620)
Profit before income tax expenses		11,138,464	8,682,547	10,723,150	8,009,475
Income tax expenses	14	(265,931)	(400,061)	(187,762)	(222,853)
Profit for the period		10,872,533	8,282,486	10,535,388	7,786,622

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2024

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<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>1,307,802</u>	<u>531,237</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>1,307,802</u>	<u>531,237</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>1,307,802</u>	<u>562,054</u>	<u>-</u>	<u>30,817</u>
Total comprehensive income for the period	<u>12,180,335</u>	<u>8,844,540</u>	<u>10,535,388</u>	<u>7,817,439</u>
Profit attributable to:				
Equity holders of the Company	<u>10,872,533</u>	<u>8,282,486</u>	<u>10,535,388</u>	<u>7,786,622</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>12,180,335</u>	<u>8,844,540</u>	<u>10,535,388</u>	<u>7,817,439</u>
Earnings per share	15			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.87</u>	<u>0.66</u>	<u>0.84</u>	<u>0.62</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 six-month period ended 30 June 2024

(Unit: Thousand Baht)

Consolidated financial statements								
					<u>Other components of shareholders' equity</u>			
					<u>Other comprehensive income</u>			
					Exchange differences			
Issued and		Difference from business			on translation of		Total other	Total
fully paid		combination under			financial statements		components of	shareholders'
share capital		Share premium	common control	Retained earnings		in foreign currency	shareholders' equity	equity
				Appropriated	Unappropriated			
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	-	-	-	-	8,282,486	-	-	8,282,486
Other comprehensive income for the period	-	-	-	-	30,817	531,237	531,237	562,054
Total comprehensive income for the period	-	-	-	-	8,313,303	531,237	531,237	8,844,540
Dividend paid (Note 13)	-	-	-	-	(4,989,526)	-	-	(4,989,526)
Balance as at 30 June 2023	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>58,588,741</u>	<u>(1,579,465)</u>	<u>(1,579,465)</u>	<u>58,534,776</u>
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	-	-	-	-	10,872,533	-	-	10,872,533
Other comprehensive income for the period	-	-	-	-	-	1,307,802	1,307,802	1,307,802
Total comprehensive income for the period	-	-	-	-	10,872,533	1,307,802	1,307,802	12,180,335
Dividend paid (Note 13)	-	-	-	-	(5,613,217)	-	-	(5,613,217)
Balance as at 30 June 2024	<u>1,247,382</u>	<u>1,491,912</u>	<u>(1,339,694)</u>	<u>125,900</u>	<u>73,758,925</u>	<u>(1,178,756)</u>	<u>(1,178,756)</u>	<u>74,105,669</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2023	1,247,382	1,491,912	125,900	51,380,256	54,245,450
Profit for the period	-	-	-	7,786,622	7,786,622
Other comprehensive income for the period	-	-	-	30,817	30,817
Total comprehensive income for the period	-	-	-	7,817,439	7,817,439
Dividend paid (Note 13)	-	-	-	(4,989,526)	(4,989,526)
Balance as at 30 June 2023	1,247,382	1,491,912	125,900	54,208,169	57,073,363
Balance as at 1 January 2024	1,247,382	1,491,912	125,900	63,990,888	66,856,082
Profit for the period	-	-	-	10,535,388	10,535,388
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,535,388	10,535,388
Dividend paid (Note 13)	-	-	-	(5,613,217)	(5,613,217)
Balance as at 30 June 2024	1,247,382	1,491,912	125,900	68,913,059	71,778,253

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 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 operating activities:				
Profit before tax	11,138,464	8,682,547	10,723,150	8,009,475
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	3,067,477	2,013,107	2,409,034	1,592,784
Amortisation	34,899	46,179	5,799	5,338
Allowance for expected credit losses	135,331	97,504	157,866	79,765
Reduction of inventory to net realisable value	777,878	1,406,370	747,968	832,864
Reversal of the reduction to net realisable value of the written-off obsolete and damaged inventories	(652,511)	(214,175)	(560,954)	(163,574)
Increase in provision for long-term employee benefits	91,299	51,640	42,185	30,837
Increase in provisions	301,454	283,651	253,723	175,256
(Gain) loss from disposal/written-off of property, plant and equipment	(11,603)	470	459	714
Unrealised gain on exchange	(1,214,362)	(1,446,176)	(1,198,121)	(1,424,438)
Loss on fair value adjustments of derivative instruments	799,040	920,426	799,573	913,243
Finance income	(107,393)	(64,351)	(17,997)	(33,878)
Finance cost	56,438	47,621	24,554	1,620
Profit from operating activities before changes in operating assets and liabilities	14,416,411	11,824,813	13,387,239	10,020,006
Decrease (increase) in operating assets:				
Trade and other receivables	(2,766,771)	(617,388)	237,354	(1,368,060)
Inventories	1,598,449	(8,171,692)	1,932,871	(5,835,502)
Other current assets	(720,940)	710,043	(50,259)	(110,245)
Other non-current assets	(13,540)	(19,258)	(6,004)	(11,468)
Increase (decrease) in operating liabilities:				
Trade and other payables	1,125,636	3,510,395	(455,603)	3,690,360
Other current liabilities	(137,323)	(404,180)	(188,744)	(175,522)
Cash paid for long-term employee benefits	(34,453)	(27,354)	(9,035)	(3,503)
Cash paid for provisions	(191,682)	(128,385)	(123,754)	(61,457)
Other non-current liabilities	(106,182)	(19,699)	2,700	2,749
Cash flows from operating activities	13,169,605	6,657,295	14,726,765	6,147,358
Cash received from interest income	95,098	65,526	17,997	33,129
Cash paid for interest expenses	(55,510)	(48,925)	(26,303)	(1,589)
Cash paid for corporate income tax	(632,318)	(466,193)	(350,627)	(292,173)
Net cash flows from operating activities	12,576,875	6,207,703	14,367,832	5,886,725

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

(Unaudited but reviewed)

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

For the six-month period ended 30 June 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 investing activities:				
Increase in deposits at bank with restrictions	(1,186)	(1,676)	-	-
Increase in investments in subsidiary	-	-	(1,342,666)	(2,153,180)
Increase in advances to contractors and for acquisitions of assets	(178,546)	(203,085)	(70,454)	(203,085)
Acquisition of property, plant and equipment	(6,295,597)	(4,026,239)	(4,353,698)	(3,340,041)
Cash paid to others payable for purchase of plant and equipment	(1,180,124)	(1,051,716)	(1,142,974)	(962,209)
Proceeds from disposal of property, plant and equipment	86,791	11,288	20,094	10,859
Increase in right-of-use assets	-	(7,243)	-	(2,073)
Acquisition of other intangible assets	<u>(37,982)</u>	<u>(18,131)</u>	<u>-</u>	<u>(2,770)</u>
Net cash flows used in investing activities	<u>(7,606,644)</u>	<u>(5,296,802)</u>	<u>(6,889,698)</u>	<u>(6,652,499)</u>
Cash flow from financing activities:				
Cash receipt from short-term loans from financial institutions	21,612,529	4,748,446	21,527,643	4,358,788
Repayment of short-term loans from financial institutions	(23,156,740)	(3,885,268)	(23,119,170)	(2,944,348)
Repayment of long-term loans from related party	(38,032)	-	-	-
Repayment of liabilities under lease agreements	(62,552)	(40,664)	(22,243)	(1,329)
Dividend paid	<u>(5,613,217)</u>	<u>(4,989,526)</u>	<u>(5,613,217)</u>	<u>(4,989,526)</u>
Net cash flow used in financing activities	<u>(7,258,012)</u>	<u>(4,167,012)</u>	<u>(7,226,987)</u>	<u>(3,576,415)</u>
Increase in translation adjustments	<u>852,531</u>	<u>298,569</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents before effect from currency translation	(1,435,250)	(2,957,542)	251,147	(4,342,189)
Effect from currency translation of cash and cash equivalents	<u>(36,061)</u>	<u>6,028</u>	<u>(50,925)</u>	<u>(2,341)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,471,311)</u>	<u>(2,951,514)</u>	<u>200,222</u>	<u>(4,344,530)</u>
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>6,145,900</u>	<u>7,190,686</u>	<u>553,418</u>	<u>1,490,730</u>
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Additions to right-of-use assets and lease liabilities	14,425	73,147	-	9,419
Increase in others payable from purchase of plant and equipment	1,091,037	1,246,360	970,849	1,130,140
Transfer from investment properties to property and plant	-	10,893	-	-

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 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 30 June			
	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	72	39	56	39
Purchase of goods and raw materials	44	54	2	1
Purchase of equipment	142	61	138	59
Royalty paid (Note 17.2.1)	2,269	1,063	2,269	1,063
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	8,992	9,815
Purchase of goods and raw materials	-	-	350	391
Purchase of equipment	-	-	1	36
Commission paid	-	-	171	117
Design and engineering fee paid (Note 17.2.2)	-	-	118	531
<u>Transactions with related companies</u>				
Sales of goods and raw materials	5,513	3,295	1,889	911
Purchase of goods and raw materials	3,220	2,495	1,335	1,222
Purchase of equipment	649	336	620	317
Commission paid	255	229	245	226
Commission received	67	54	-	-
Services income	97	10	-	-
Design and engineering fee paid (Note 17.2.2)	301	201	293	196

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	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	167	81	133	80
Purchase of goods and raw materials	123	193	4	1
Purchase of equipment	243	297	231	295
Royalty paid (Note 17.2.1)	4,068	1,973	4,068	1,973
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Sales of goods and raw materials	-	-	17,556	18,605
Purchase of goods and raw materials	-	-	680	806
Purchase of equipment	-	-	104	68
Commission paid	-	-	346	214
Design and engineering fee paid (Note 17.2.2)	-	-	435	1,133
<u>Transactions with related companies</u>				
Sales of goods and raw materials	9,829	6,539	3,347	1,782
Purchase of goods and raw materials	6,220	4,805	2,499	2,195
Purchase of equipment	957	543	916	521
Commission paid	570	454	554	446
Commission received	130	130	-	-
Services income	123	31	-	-
Design and engineering fee paid (Note 17.2.2)	540	357	524	349

(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	
30 June	31 December	30 June	31 December	
2024	2023	2024	2023	
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 3)</u>				
Parent company	77	95	59	85
Subsidiary companies	-	-	13,290	15,516
Related companies (common shareholders)	5,240	4,136	1,985	797
Total trade receivables - related parties	<u>5,317</u>	<u>4,231</u>	<u>15,334</u>	<u>16,398</u>
<u>Other receivables - related parties (Note 3)</u>				
Parent company	1	-	1	-
Subsidiary companies	-	-	28	14
Related companies (common shareholders)	1	12	1	12
Total other receivables - related parties	<u>2</u>	<u>12</u>	<u>30</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	314	331	176	170
Subsidiary companies	-	-	315	318
Related companies (common shareholders)	3,266	2,294	757	813
Total trade payables - related parties	<u>3,580</u>	<u>2,625</u>	<u>1,248</u>	<u>1,301</u>
<u>Other payables - related parties (Note 9)</u>				
Parent company	851	2,123	846	2,115
Subsidiary companies	-	-	273	217
Related companies (common shareholders)	1,129	921	1,110	851
Total other payables - related parties	<u>1,980</u>	<u>3,044</u>	<u>2,229</u>	<u>3,183</u>
<u>Accrued expenses - related parties (Note 9)</u>				
Parent company	374	308	374	308
Related companies (common shareholders)	121	142	121	142
Total accrued expenses - related parties	<u>495</u>	<u>450</u>	<u>495</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 30 June 2024
Related company				
(common shareholders)				
- Eltek AS	825	(38)	29	816
Total long-term loans from related party	825	(38)	29	816

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 343 million and EUR 12 million, or approximately Baht 473 million are scheduled for June 2026 and October 2027, respectively.

Directors and management's benefits

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	52	35	20	17
Post-employment benefits	3	1	3	2
Total	55	36	23	19

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	99	67	42	29
Post-employment benefits	7	5	6	4
Total	106	72	48	33

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	5,168	4,144	12,967	13,361
Past due				
Up to 3 months	149	85	2,321	3,031
3 - 6 months	-	-	42	4
6 - 12 months	-	2	4	2
Total	5,317	4,231	15,334	16,398
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	26,921	21,603	16,518	13,414
Past due				
Up to 3 months	4,117	6,013	3,194	3,590
3 - 6 months	670	291	478	205
6 - 12 months	205	143	191	106
Over 12 months	84	115	30	65
Total	31,997	28,165	20,411	17,380
Total trade receivables	37,314	32,396	35,745	33,778
Less: Allowance for expected credit losses	(508)	(367)	(379)	(221)
Total trade receivables - net	36,806	32,029	35,366	33,557
<u>Other receivables</u>				
Amounts due from related party (Note 2)	-	-	2	2
Other receivables - related parties (Note 2)	2	12	30	26
Other receivables - unrelated parties	1,029	1,191	959	1,111
Accrued income - unrelated parties	97	-	-	-
Interest receivables - unrelated parties	15	5	-	-
Total other receivables	1,143	1,208	991	1,139
Trade and other receivables - net	37,949	33,237	36,357	34,696

(Unaudited but reviewed)

4. Inventories

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Inventories - cost	36,941	38,539	24,531	26,464
Reduce cost to net realisable value	(6,007)	(5,792)	(3,574)	(3,387)
Inventories - net	<u>30,934</u>	<u>32,747</u>	<u>20,957</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	(1,181)	(748)
Reversal of the reduction to net realisable value of the written off obsolete and damaged inventories during the period	653	561
Reversal during the period	403	-
Translation adjustment	(90)	-
Balance as at 30 June 2024	<u>(6,007)</u>	<u>(3,574)</u>

5. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Input tax refundable	928	603	397	423
Advance payments	439	328	41	27
Prepaid expenses	672	411	106	66
Prepaid tax	106	40	-	-
Others	35	20	19	8
Total other current assets	<u>2,180</u>	<u>1,402</u>	<u>563</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	30 June	31 December	30 June	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	2,941	2,526	1,293	1,109
Subtotal				21,415	20,073
Less: Allowance for impairment loss of investments in subsidiaries				(1,324)	(1,324)
Total investments in subsidiaries - net				<u>20,091</u>	<u>18,749</u>

No dividend was received from the above subsidiaries during the three-month and six-month periods ended 30 June 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 first quarter during the current year.
- On 26 April 2024, 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 5 million, or approximately Baht 184 million, to cover machinery capital expenditures. 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.

c) Additional investment of subsidiary company

- On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution approving the incorporation of a subsidiary, Delta Electronics (Hungary) Kft., 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. requested an additional share payment of EUR 0.13 million, or approximately Baht 5 million and the payment of the share capital was received on 2 May 2024.

- On 26 April 2024, a meeting of the Company's Board of Directors approved an additional investment by DET International Holding B.V., a subsidiary of the Company, in Delta Electronics (Automotive) Americas Inc. by USD 1.5 million, or approximately Baht 55 million, to support the expansion of research and development activities. The Company made this additional investment in the current quarter.
- On 26 April 2024, a meeting of the Company's Board of Directors approved an additional investment by Delta Energy Systems (Singapore) Pte. Ltd., a subsidiary of the Company, in Delta Electronics India Pvt. Ltd. by USD 28 million, or approximately Baht 1,019 million, to cover expenses related to the infrastructure improvements at the research and development center. The Company made this additional investment in the current quarter.

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

7. Property, plant and equipment

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

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2024	29,681	19,658
Acquisitions during period - cost	7,387	5,324
Disposals/write-off during period - net book value		
at disposal/write-off date	(75)	(20)
Depreciation for the period	(3,002)	(2,387)
Translation adjustment	574	-
Net book value as at 30 June 2024	34,565	22,575

(Unaudited but reviewed)

8. Short-term loans from financial institutions

(Unit: Million Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
			(Audited)		(Audited)
Short-term loans from financial institutions	2.70 - 6.19	993	2,497	925	2,476
Total		993	2,497	925	2,476

9. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	30 June	31 December	30 June	31 December	
	2024	2023	2024	2023	
			(Audited)		(Audited)
Trade payables - related parties (Note 2)	3,580	2,625	1,248	1,301	
Trade payables - unrelated parties	19,130	17,703	16,751	15,686	
Other payables - related parties (Note 2)	1,980	3,044	2,229	3,183	
Other payables - unrelated parties	1,939	2,179	1,560	1,954	
Accrued expenses - related parties (Note 2)	495	450	495	450	
Accrued expenses - unrelated parties	4,016	3,213	3,230	2,887	
Advance received - related party (Note 2)	-	-	-	346	
Advance received - unrelated parties	2,735	2,882	1,137	744	
Total trade and other payables	33,875	32,096	26,650	26,551	

(Unaudited but reviewed)

10. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Withholding tax payable	160	300	112	256
Value added tax payable	251	142	21	15
Others	238	319	204	231
Total other current liabilities	649	761	337	502

11. Provision for long-term employee benefits

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2024	1,579		727	
Recognition during the period	91		42	
Paid during the period	(34)		(9)	
Translation adjustment	31		-	
Balance as at 30 June 2024	1,667		760	

12. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Other			Warranty	Total
	Warranty	provisions	Total		
Balance as at 1 January 2024	1,130	40	1,170	861	861
Recognition during the period	353	9	362	301	301
Paid during the period	(184)	(8)	(192)	(124)	(124)
Reversal during the period	(52)	(9)	(61)	(47)	(47)
Translation adjustment	16	4	20	-	-
Balance as at 30 June 2024	1,263	36	1,299	991	991

(Unaudited but reviewed)

(Unit: Million Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>	
	Other			<u>Warranty</u>	<u>Total</u>
	<u>Warranty</u>	<u>provisions</u>	<u>Total</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	-	29	29	-	-
Long-term provisions	1,263	7	1,270	991	991
Balance as at 30 June 2024	<u>1,263</u>	<u>36</u>	<u>1,299</u>	<u>991</u>	<u>991</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. Dividends

Dividends declared in 2024 and 2023 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 2023	Annual General Meeting of the shareholders on 11 April 2024	<u>5,613</u>	<u>0.45</u>
Final dividend for year 2022	Annual General Meeting of the shareholders on 7 April 2023	<u>4,990</u>	<u>4.00*</u>

* The calculation of dividend per share is based on the number of ordinary shares as of the date of dividend approval, representing the number of shares prior to any change in the par value of the ordinary shares. If the calculation were based on the adjusted number of shares at Baht 0.10 per share, the dividend per share would be 0.40 Baht.

(Unaudited but reviewed)

14. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2024 and 2023 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	(195)	(298)	(84)	(148)
Deferred tax:				
Relating to origination and reversal of temporary differences	42	22	-	-
Translation adjustment	-	(3)	-	-
Income tax expense reported in profit or loss	<u>(153)</u>	<u>(279)</u>	<u>(84)</u>	<u>(148)</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	(338)	(448)	(188)	(223)
Deferred tax:				
Relating to origination and reversal of temporary differences	86	48	-	-
Translation adjustment	(14)	-	-	-
Income tax expense reported in profit or loss	<u>(266)</u>	<u>(400)</u>	<u>(188)</u>	<u>(223)</u>

15. 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.

16. 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. The chief operating decision maker has been identified as president of the Group. During the period, the Group changed the business units based on its products and services in order to make improvements to decision making with respect to the allocation of resources to the segment and to assessment of its performance. The Group restated the segment information of prior period, presented as comparative information.

The Group has four reportable segments as follows:

- 1) The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment and household electric appliances.
- 2) Mobility segment (former was electric vehicle solution under power electronics segment) is a business segment which designs, manufactures, and sales of power supplies applied to e-Drive System and Power Electronics System in driving electric vehicle.
- 3) Infrastructure segment is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure.
- 4) Automation segment is a business segment which designs, manufactures, and installations of industrial and building automation.

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

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2024 and 2023.

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Power electronics segment		Mobility segment		Infrastructure segment		Automation segment		Others		Consolidated financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue												
Sales from external customers	22,759	19,668	11,648	9,568	5,605	5,304	939	961	13	9	40,964	35,510
Service income from external customers	84	20	36	39	598	197	77	54	13	20	808	330
Total revenue	<u>22,843</u>	<u>19,688</u>	<u>11,684</u>	<u>9,607</u>	<u>6,203</u>	<u>5,501</u>	<u>1,016</u>	<u>1,015</u>	<u>26</u>	<u>29</u>	<u>41,772</u>	<u>35,840</u>
Segment profit (loss)	5,248	4,042	845	648	143	75	59	156	(475)	(348)	5,820	4,573
Unallocated income (expenses):												
Gain on exchange rate											379	234
Compensation for contract decommitment											252	63
Other income											235	174
Other expenses											(3)	(102)
Finance income											57	28
Finance cost											<u>(22)</u>	<u>(23)</u>
Profit before income tax expenses											6,718	4,947
Income tax expenses											<u>(153)</u>	<u>(279)</u>
Profit for the period											<u>6,565</u>	<u>4,668</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June											
	Power electronics segment		Mobility segment		Infrastructure segment		Automation segment		Others		Consolidated financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue												
Sales from external customers	42,685	36,829	22,526	17,449	11,541	11,225	1,853	1,975	38	21	78,643	67,499
Service income from external customers	120	22	67	46	763	474	141	58	27	35	1,118	635
Total revenue	<u>42,805</u>	<u>36,851</u>	<u>22,593</u>	<u>17,495</u>	<u>12,304</u>	<u>11,699</u>	<u>1,994</u>	<u>2,033</u>	<u>65</u>	<u>56</u>	<u>79,761</u>	<u>68,134</u>
Segment profit (loss)	8,483	7,537	1,713	559	218	439	92	247	(967)	(732)	9,539	8,050
Unallocated income (expenses):												
Gain on exchange rate											609	389
Compensation for contract decommitment											529	74
Other income											419	319
Other expenses											(9)	(166)
Finance income											107	64
Finance cost											(56)	(48)
Profit before income tax expenses											11,138	8,682
Income tax expenses											(265)	(400)
Profit for the period											<u>10,873</u>	<u>8,282</u>

17. Commitments and contingent liabilities

17.1 Significant capital commitments

As at 30 June 2024, the Group had significant capital commitments amounting to Baht 2,656 million, EUR 2 million or approximately Baht 87 million, and INR 5,643 million or approximately Baht 2,492 million in respect of the building construction, purchase of machinery and equipment (the Company only: Baht 2,656 million).

17.2 Significant long-term service commitments

17.2.1 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.

17.2.2 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.

17.3 Guarantee obligations

As at 30 June 2024, the Group had the following significant outstanding letters of guarantee required in the ordinary course of its businesses:

- 17.3.1 Outstanding letters of guarantee totaling approximately Baht 232 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 17.4.1 to the financial statements).
- 17.3.2 Outstanding letters of guarantee for totals of approximately Baht 46 million, INR 1,460 million or approximately Baht 645 million, EUR 0.5 million or approximately Baht 22 million and AUD 4 million or approximately Baht 103 million have been issued by banks to meet requirements of the subsidiaries.

17.4 Tax assessment

- 17.4.1 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.

17.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 169 million or approximately Baht 75 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.

18. Financial instruments

18.1 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, its fair value is not expected to be materially different from the amounts presented in the statement of financial position.

18.2 Fair value hierarchy

As at 30 June 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	-	19	-	19
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	256	-	256

(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	-	19	-	19
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	256	-	256

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.

19. Foreign currency risk and financial derivatives

As at 30 June 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	1,042	675	974	525
Euro	9	16	8	16
Japanese yen	179	514	179	360

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate
	as at 30 June 2024
US dollar	36.8497
Euro	39.4007
Japanese yen	0.2290

(Unaudited but reviewed)

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 June 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	550	million	35.0500 - 36.7650	THB/USD	July - November 2024
Forward contracts to “Buy”						
USD/INR	USD	3	million	83.5070 - 83.6375	INR/USD	July - August 2024
JPY/THB	JPY	105	million	0.2327 - 0.2352	THB/JPY	July - August 2024
EUR/THB	EUR	9	million	39.3200 - 39.6800	THB/EUR	July - August 2024
	Separate financial statements					
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	550	million	35.0500 - 36.7650	THB/USD	July - November 2024
Forward contracts to “Buy”						
JPY/THB	JPY	105	million	0.2327 - 0.2352	THB/JPY	July - August 2024
EUR/THB	EUR	9	million	39.3200 - 39.6800	THB/EUR	July - August 2024

20. Approval of interim financial statements

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