



ANNUAL REPORT

2022

(FORM 56-1 One Report)

Delta Electronics (Thailand) Public Company Limited



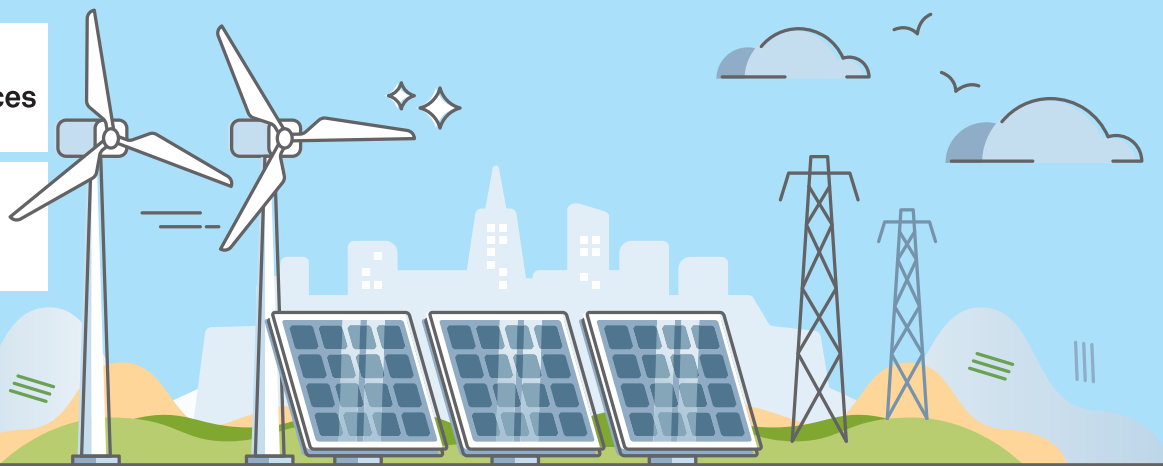
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Sustainability Indices**

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Company General Information

Name	Delta Electronics (Thailand) Public Company Limited
Company Registration Number	0107537002559
Headquarter Contact Address	909 Soi 9, Moo 4, E.P.Z., Bangpoo Industrial Estate, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn Province 10280, Thailand Tel. : (662) 709-2800 Fax. : (662) 709-2827
Nature of Business	Manufacturing and exporting of power supplies and other electronic equipment and components
Home Page	www.deltathailand.com
Registered Share Capital	1,259,000,000 ordinary shares at par value of Baht 1
Paid up Capital	1,247,381,614 ordinary shares at par value of Baht 1 (As of 13 February 2023)
Juristic persons which Company holds more than 10%	Please find details in the section of “1.3. Investment Structure”
References	<ol style="list-style-type: none">Auditor EY Office Limited (Formerly know as Ernst & Young Office Limited) 33rd Floor, Lake Rajada Office Complex, 193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 264-0777 Fax. : (662) 264-0789Share Registrar Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel. : (662) 009-9000 Fax. : (662) 009-9991



“Smarter”

is our continuous innovation in power electronics technology.

“Greener”

represents Delta’s mission since our founding.

“Together”

is our business philosophy in building long-term cooperation with our stakeholders.



Mission

To provide **innovative, clean** and **energy-efficient** solutions for a better tomorrow



Brand Promise

Get Closer to Customers

Understand People Better

Serve People Better



Corporate Culture

Strive for change, and pursue sustainability



Innovation

Create new ideas and take them to success effectively



Quality

Consistently deliver superior performance and pursue improvement all the time



Agility

Identify emerging trends and act quickly to capture new opportunities



Teamwork

Fully leverage global value networks and collaborate to achieve mutual goals



Customer Satisfaction

Anticipate customer needs and exceed expectations



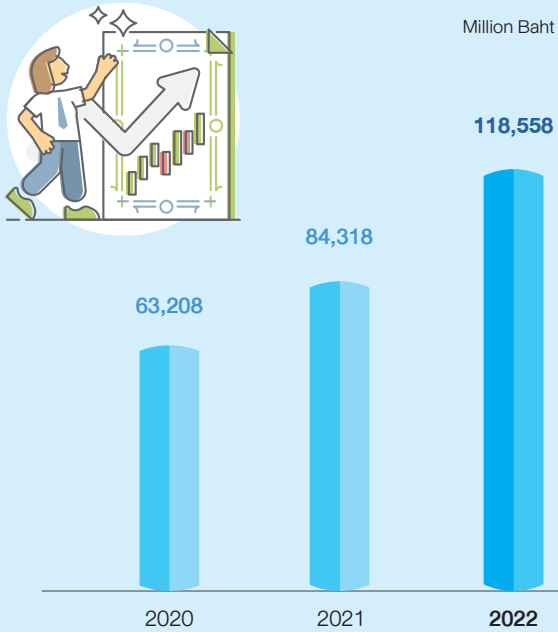
Financial Highlights 2020-2022

Unit : Million Baht	Consolidated			The Company Only		
	2022	2021	2020	2022	2021	2020
Total Assets	90,984	69,338	57,219	81,104	61,868	42,491
Total Liabilities	36,305	27,934	19,611	26,859	21,561	9,558
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	54,680	41,404	37,607	54,245	40,307	32,933
Sales Revenues	118,558	84,318	63,208	103,551	70,982	40,122
Total Revenues	119,885	85,778	64,103	105,183	72,369	40,548
Cost of Sales	90,618	66,960	48,089	77,177	55,199	31,604
Gross Profit	27,940	17,358	15,119	26,374	15,783	8,518
Selling & Admin Expense	13,447	11,435	8,762	11,679	9,846	6,488
Operating Profit	14,493	5,923	6,356	14,695	5,937	2,030
Net Profit (Equity Holders of the Company)	15,345	6,699	7,102	15,986	6,755	2,419
Unit : (%)						
Gross Profit Margin	23.57%	20.59%	23.92%	25.47%	22.24%	21.23%
Operating Profit Margin	12.22%	7.02%	10.06%	14.19%	8.36%	5.06%
Net Profit Per Total Revenues	12.80%	7.81%	11.08%	15.20%	9.33%	5.97%
Return On Equity	34.56%	18.14%	20.27%	36.47%	18.78%	7.49%
Return On Assets	21.92%	11.61%	13.76%	25.64%	13.16%	5.81%
Unit : Baht						
Earning Per Share	12.30	5.37	5.69	12.82	5.42	1.94
Dividend Per Share	4.00*	1.70	3.30	4.00*	1.70	1.80
Book Value Per Share	43.84	33.20	30.16	43.49	32.32	26.41

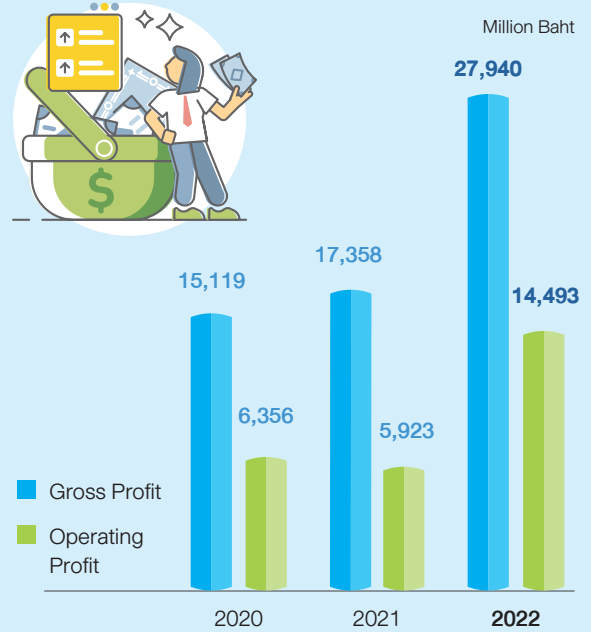
* Pending approval from shareholders' meeting



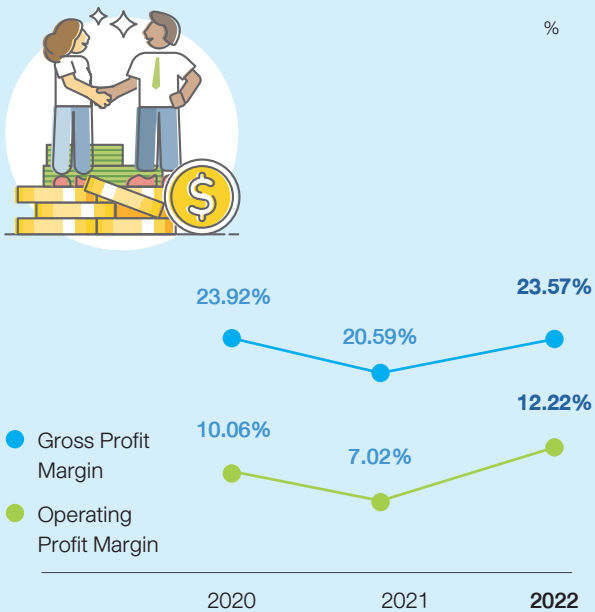
Sales Revenues



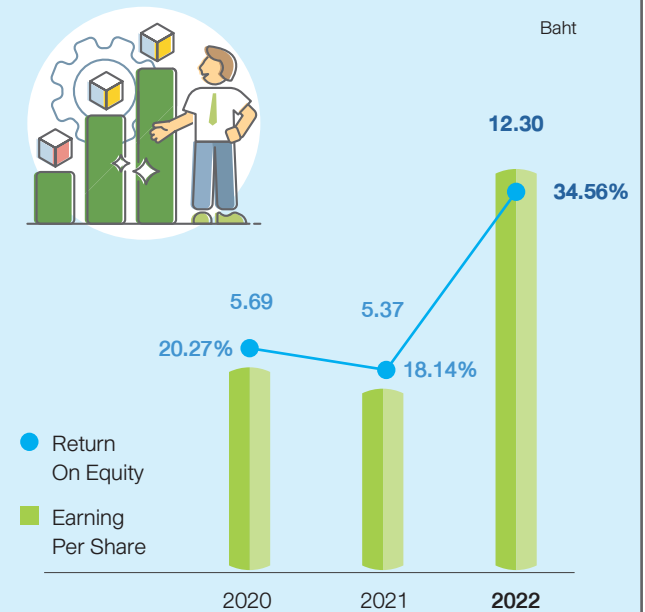
Gross Profit vs Operating Profit



Gross Profit Margin vs Operating Profit Margin



EPS vs ROE





Achievements in 2022



THE PRIME MINISTER'S INDUSTRY AWARD 2022

Potential Industry Category



ENVIRONMENT



Delta Thailand held a grand opening ceremony for the Net Zero Container Showroom with smart, green solutions at Amata City Chonburi. The theme of Delta's 100% renewable energy showcase is smart, green energy for the RE100 era based on Delta's business model of sustainable development aligned to global mega-trends. To develop best-in-class solutions that make factories smarter, buildings greener and business more integrated in Thailand and Southeast Asia.



Delta Thailand today hosted Thailand's Ministry of Energy and industrial leader to discuss future-proof green innovations and solutions that support the Thailand 4.0 roadmap and drive the nation towards a sustainable future. The Delta Future Industry Summit 2022 : "Smart Green Energy for a Resilient and Sustainable Thailand". And open forum for Delta partners to exchange ideas to explore new destinations of the future.



Delta Thailand received the highest level of UL2779A Zero Waste to Landfill (ZWTL) certification from UL Environment. UL Environment has audited and certified Delta Thailand's achievements 100% zero waste to landfill with 0.1% energy recovery, as well as certifying the recycling rate and mitigation 99.7% recycled.



Delta Thailand was included in the Asia-Pacific Climate Leaders 2022 list by the Financial Times and Nikkei Asia in recognition of its outstanding performance in environmental, social and governance (ESG) and an ongoing commitment to reduce carbon footprint.





SOCIAL



Delta Thailand and Ministry of Industry organize Angel Fund for Startups Awards 2022 to support startups along with giving awards and funds to support Thai innovation. Winning teams can receive cash prizes and join pitching at the business reality show “Shark Tank Thailand” for additional funding and get national exposure that opens doors to new opportunities.



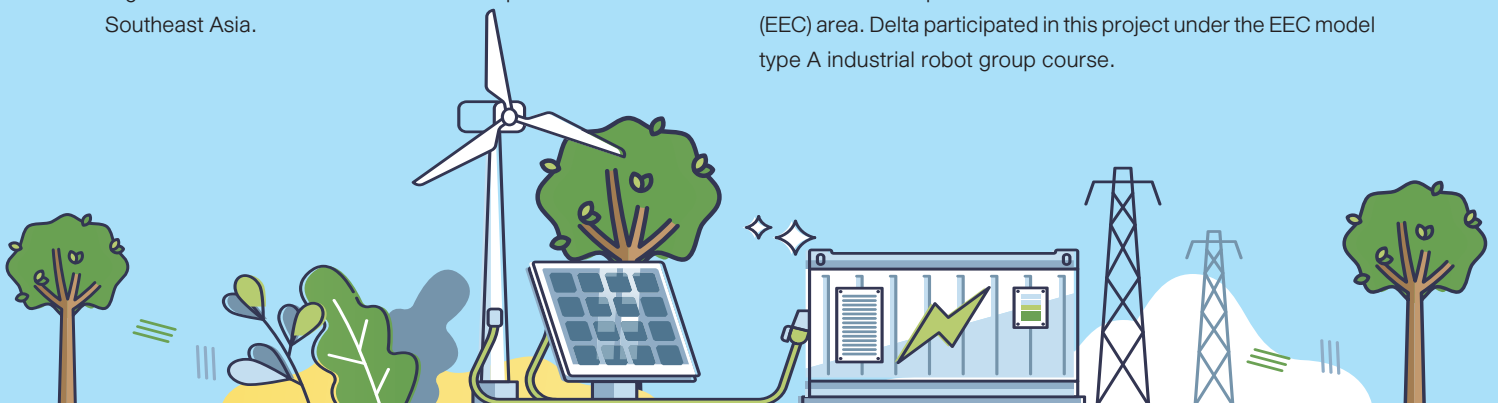
Delta Thailand opened Delta Power E Lab, its first-ever Power Electronics Lab located at the Department of Electrical and Computer Engineering, at the Faculty of Engineering of King Mongkut’s University of Technology North Bangkok. The Delta Power E Lab as part of the Thailand Board of Investment’s (BOI) to raise the level of technical skills among local engineering talents and offer them access to the latest innovation and advanced technology.



Delta Thailand and the Asian Institute of Technology (AIT) signed a five-year MOU for joint promotion and development of academic programs and activities supporting research and development (R&D), training of AIT students in innovation related to Delta regional business and sustainable development in Thailand and Southeast Asia.



Delta Electronics (Thailand) PCL. joined seven universities and group of nine companies to sign a Memorandum of Academic Cooperation by the Ministry of Higher Education, Science, Research and Innovation (MHESI) and EEC-HDC for talent and workforce development in Thailand’s Eastern Economic Corridor (EEC) area. Delta participated in this project under the EEC model type A industrial robot group course.



GOVERNANCE



Delta Thailand qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2022 in the second year of recognition for excellent environmental, social & governance (ESG) performance. Delta Thailand is again the only Thailand company in the “ITC Electronic Equipment, Instruments & Components” industry segment in the 2022 DJSI index.



Delta Thailand received the ASEAN Asset Class award with a score of at least 97.5 points from the 2021 ASEAN CG Scorecard for corporate governance excellence.



Delta Thailand joins the Thailand Sustainability Investment (THSI) 2022 List. This is in the seventh year for Delta to join the SET THSI List with the company joining 157 SET-listed companies chosen for outstanding performance on Environment, Social and Governance (ESG).



Delta Thailand had its Environmental, Social, and Governance (ESG) Rating upgraded to ‘AA’ in 2022 from ‘A’ in 2021 by MSCI (Morgan Stanley Capital International) Global for industry leadership in employee management practices.



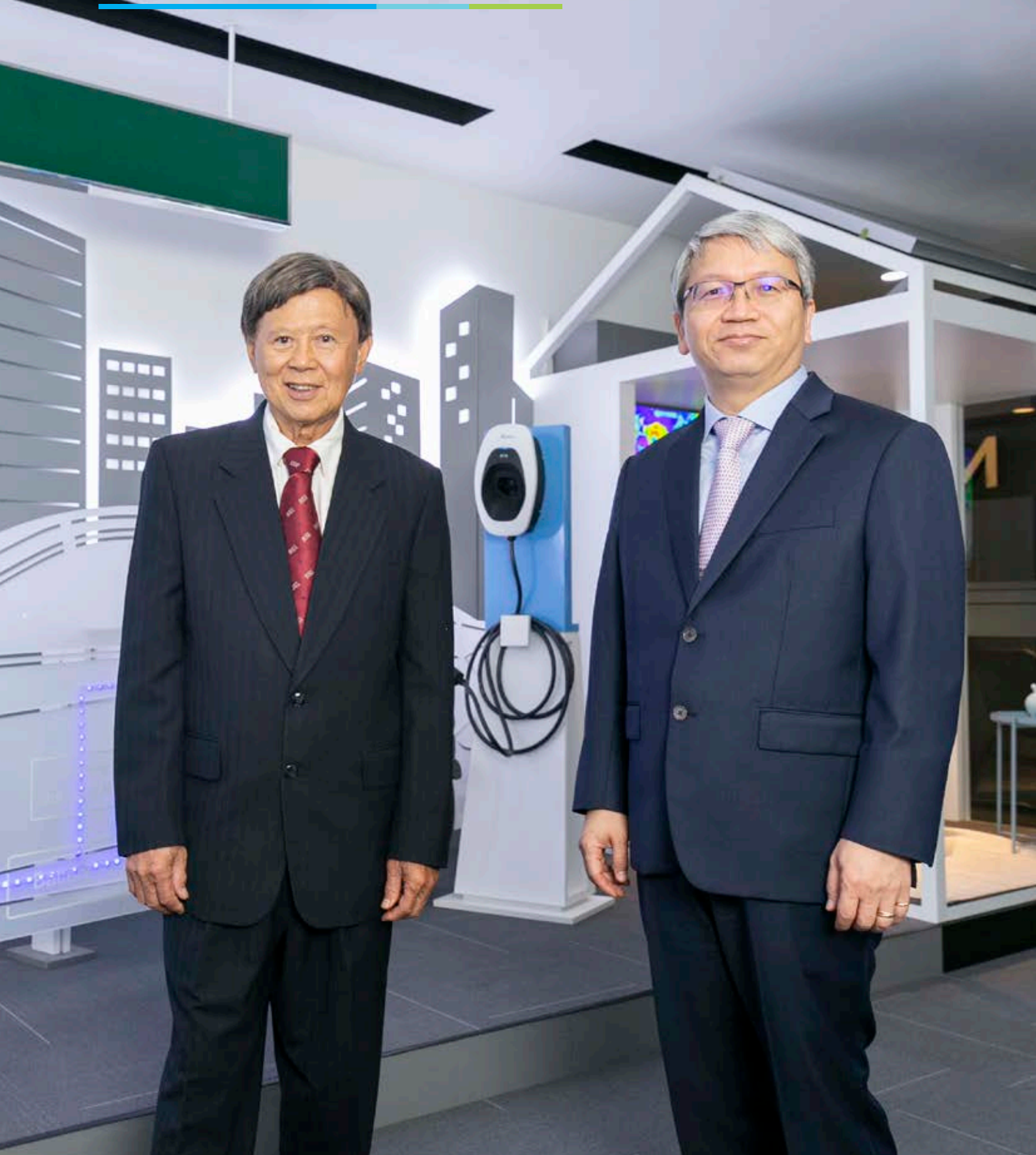
Delta Thailand was rated “Excellent” for the seventh consecutive year with a score of 94 percent in the 2022 Corporate Governance Report of Listed Companies (CGR 2022) from the Thai Institute of Directors (IOD).



Delta Thailand joins 100 of Thailand’s best-performing public listed companies for Environmental, Social and Governance (ESG) aspects for the eight consecutive year in the 2022 ThaiPat Institute ESG100 Universe.



Message from Chairman



The three-year COVID-19 pandemic left its mark on 2022 with a new normal of complexity, uncertainty and opportunities. China's COVID-19 lockdowns further exacerbated risks in the global supply chain. Geopolitical conflict and tension, war between Russia and Ukraine along with the US-China trade war adversely impacted many businesses and have potential to stall recovery. This overall global turmoil posed challenges this year along with opportunities to leverage synergies for inclusive and resilient growth.

Delta's vision of sustainability and green transformation for a better tomorrow is already happening today. Leveraging our future-ready business platform, Delta Thailand has emerged stronger driven by accelerated customer demand. For 2022 our robust strategy enabled us to continue our strong growth momentum and leadership in key markets. Here, we supported structural growth toward electrification, digitalization, and green energy. We expect EV to grow the fastest as global electrification efforts accelerate. Demand for essential infrastructure including ICT and servers will also be strong in line with high data processing demand and the acceleration of high-performance computing. As we navigate the energy transformation trends, Delta will continue to serve our customers in all areas by driving innovation in automation, renewable energy, energy storage and energy management.

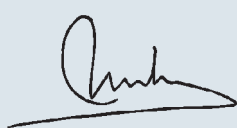
Delta Thailand is well-positioned as a top-performing responsible supplier to global customers. We put maximum effort to working with our partners to minimize disruption, find solutions and recover for continuous operation. Despite major headwinds throughout 2022, we achieved headline revenue of USD 3.3 billion and net profit of USD 434 million, a sharp YoY growth of 28% and 108% respectively. Our EV and server power supply business continued

to keep momentum this year despite the broader tech slowdown. Although EV-related production was limited on the supply side due to the shortage of semiconductors and other components, we have accelerated ongoing capacity expansion to capitalize on the fast-growing electro-mobility trend.

Moving forward this year, we are scaling up our regional business to become an integrated solutions provider. Across India, Australia and SEA, we have made significant inroads towards the energy infrastructure solutions segment to support the EV ecosystem. Datacenter infrastructure and industrial automation solutions also experienced very good growth in Thailand, Vietnam, and India. The digital drive towards industry 4.0 and 5G will further fuel demand for our automated industrial technology and ICT infrastructure.

Delta takes a proactive approach to seizing opportunities. Our production capacity across Thailand, India, Slovakia continues to optimize and expand to meet customer's long-term business growth and demand. In addition, we accelerated our investment in localized supply chains and launched productivity improvement solutions through smart manufacturing implementation to mitigate risks from ongoing logistics and cost issues.

Finally, on behalf of the Board of Directors we would like to express our sincere appreciation to our shareholders, businesses partners, financial institutions and all relevant authorities for your continued trust and support. We would also like to thank the company management and all employees for their dedication and relentless efforts in making fiscal year 2022 a remarkable success.



Ng Kong Meng
Chairman of the Board



Chang Tsai-hsing
President



Board of Directors



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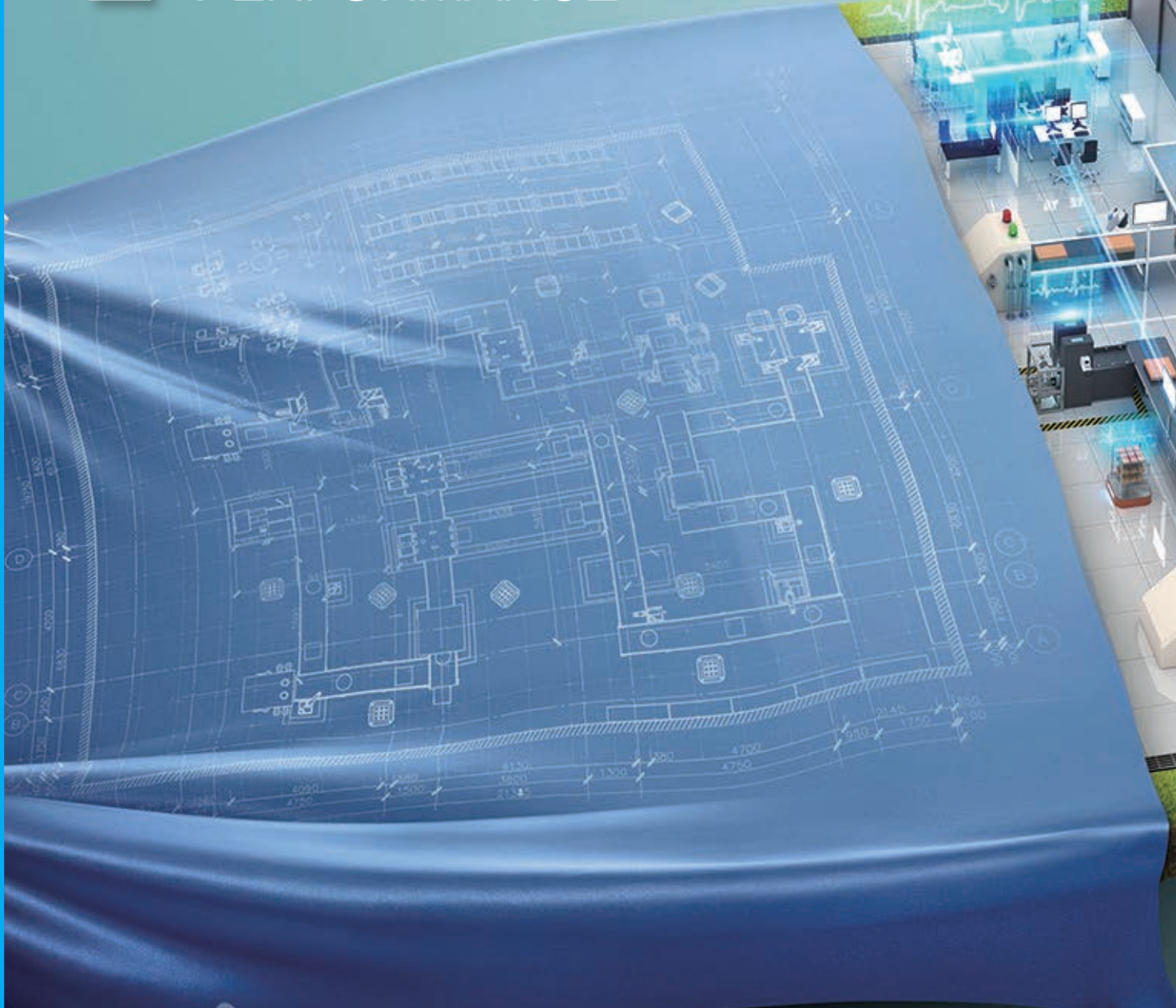
1. Mr. Ng Kong Meng
Chairman of the Board
2. Mr. Cheng Ping
Director of the Board
3. Mr. Ko Tzu-shing
Director of the Board

4. Mr. Chang Tsai-hsing
Director of the Board
5. Mr. Chu Chih-yuan
Independent Director
6. Mr. Anusorn Muttaraid
Director of the Board

7. Mr. Boonsak Chiempricha
Independent Director
8. Dr. Witoon Simachokedee
Independent Director
9. Mrs. Tipawan Chayutimand
Independent Director

1

BUSINESS OPERATIONS AND PERFORMANCE



SMARTER



1. Structure and Business Operations

2. Risk Management

3. Driving Business for Sustainability

4. Management Discussion and Analysis (MD&A)

5. General Information and Other Important Information



1. Structure and Business Operations

1.1. Business Policy and Overview

Delta Electronics (Thailand) Public Company Limited was inaugurated on June 16, 1988, with THB 40 million in initial capital. The company was converted to a public limited company on September 23, 1994, and listed on the Stock Exchange of Thailand on July 24, 1995, under the symbol of “DELTA”. As of December 31, 2017, the company has THB 1,259,000,000 in registered capital with THB 1,247,381,614 in paid-up capital at THB 1 par value per share.

Delta Thailand is a manufacturer and exporter of power supplies and electronics equipment and parts, the company is one of the world's

leading producers of power supplies and electronic components that include DC fans, EMI filters and solenoids. Our businesses are now mainly involved in power management solutions. Our current power management product line covers various types of power supplies including power systems for information technology, telecommunications, industrial applications, office automation and medical industries; and power supplies for servers, networking and DC-DC converters. Presently, we are extending our businesses to cover renewable energies such as solar power, electric vehicle and hybrid-electric vehicles.



Confidence in “DELTA”



- ESG 100 for the 8th consecutive year (2015-2022)



- ASEAN Asset Class by the ASEAN CG Scorecard 2021 Project



- “Excellent” grade on the Corporate Governance Report (CGR) for the 7th consecutive year (2016-2022)

Corporate Objectives & Strategy

1. Strive for sustainable growth in company revenue and profit
2. Grow the company’s regional market share and brand recognition
3. Provide comprehensive customer service and excellent product quality to achieve total customer satisfaction
4. Operate a transparent business with integrity and accountability
5. Increase the morale of employees through training and by uplifting their quality of life
6. Reduce the company’s carbon footprint by developing environment-friendly and energy saving products and solutions

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

- Qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2022 in the “ITC Electronic Equipment, Instruments & Components” industry segment in the 2022 DJSI index and is in the DJSI World lists



- Thailand Sustainability Investment (THSI) 2022



1.2. Nature of Business

Delta and our subsidiaries are manufacturers and distributors of power supplies and electronic equipment and parts. At present, the company has 2 main plants in Thailand, our headquarters in Bangpoo Industrial Estate, Samutprakarn and another plant in Wellgrow Industrial Estate, Chachoengsao. Our overseas plants are in India (Rudrapur, Gurgaon and Krishnagiri), Slovakia (Dubnica nad Váhom and Liptovsky Hradok) and Myanmar (Yangon). Delta divides its products into 3 main business groups as follows;

1. Power Electronics Group

1.1 Power and Systems (PSBG) Product Group which can be further divided down into 5 subgroups as follows;

- DC Power
- Computer & Networking Power, i.e. power supply for storage, server and networking.
- Custom Design Power, which offers high-end custom-designed power supplies for information technology, telecommunications and industrial applications.
- Micro Mobility Power, includes power supplies for industrial and consumer electronics tools.
- Industrial Power Solutions, includes power supplies solutions for industrial

1.2 Fan & Thermal Management (FMBG) Product Group includes Cooling Fan, EMI filter and Solenoid product categories.

1.3 Electronics Vehicle Solutions (EVSBG) Product Group includes power supplies and electronics for automotive product categories.

2. Automation Group supplies automatic equipment for the industrial sector and smart factory including smart sensors and automatic systems for building, lighting and surveillance.

3. Infrastructure Group

3.1 ICT Infrastructure (ICTBG) Product Group which can be further divided down into 2 subgroups as follows;

- Communication & Information Solutions
- Networking Infrastructure

3.2 Energy Infrastructure Solutions (EISBG) Product Group including renewable energy product and electric vehicle charging solutions.

(Please find further product details in the Product Profiles section)

1.2.1. Revenue Structure of Delta and Subsidiaries

(Unit : Million Baht)

Product Group	2022		2021		2020	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	91,252	77.0%	61,369	72.8%	45,020	71.2%
Infrastructure Group	24,185	20.4%	20,685	24.5%	16,252	25.7%
Automation Group	3,009	2.5%	2,098	2.5%	1,811	2.9%
Others	112	0.1%	166	0.2%	125	0.2%
Total Sales Revenues	118,558	100.0%	84,318	100.0%	63,208	100.0%

Product Profile



Power Electronics

- Power & Systems
- Fans & Thermal Management
- Electronics Vehicle Solutions



Automation

- Industrial Automation
- Building Automation

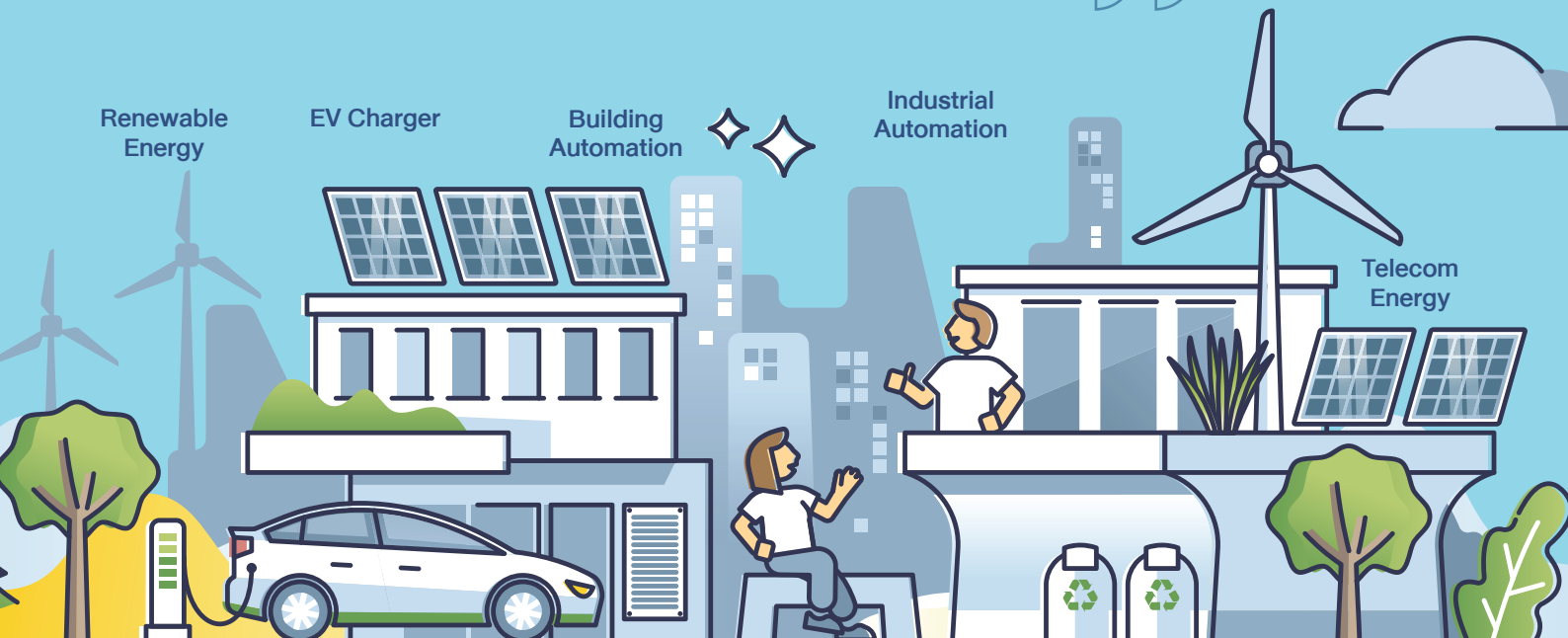


Infrastructure

- ICT Infrastructure
- Energy Infrastructure

Solutions

“ TO PROVIDE
THE MOST EFFICIENT AND RELIABLE
ENERGY SAVING
SOLUTIONS FOR CUSTOMERS ”



Green Solutions





Power Electronics

Delta is a leading supplier and provider of switching power supplies and DC brushless fans. We offer a diversified selection of power supplies and thermal management products for use in an extensive range of portable devices, cloud computing equipment, home appliances and medical-device applications. Our design customization services are also the first choice of leading OEMs/ODMs. We provide tailor-made components, devices and related services to help our customers advance their competitiveness in the field power electricity. This following are our three power electronics business group.



Power and Systems

As a result of major technological advances, Delta has steadily increased the efficiency of its power supply products and has introduced products with energy-saving features. Power supply of this group are now mainly divided into four subgroups as follows.

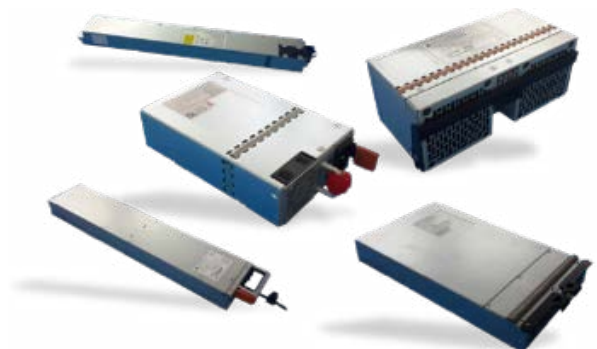
DC-DC Power

Our DC-DC Converter's main application is to supply stable voltage to microprocessor that generally generates unstable load (dynamic load) during operation. Delta offers high voltage DC-DC converters up to 2650W, that provide high power density, a low profile and high efficiency.



Computer & Networking Power

This subgroup mainly comprises of power supplies for PCs, servers, networking, workstations, storage and other high voltage power supplies that provide power, ranging up to 7200W per power module, with efficiency over 90% and power density up to 25W/inch³.





Power and Systems

Custom Design Power

The supply of power is indispensable to data center operations. A stable power supply, redundancy, and a reliable power distribution system that protects equipment, achieves high efficiency and saves energy at the same time are primary considerations when setting up a data center. Delta has been successfully established as tier one supplier of standard and custom specific power supply solutions. Delta's innovations for hyperscale and cloud computing data center are market leading with the principle focus on high reliability, high quality, high efficiency and high density to reduce the total cost of ownership.



Industrial Tools

The Industrial Tools Group includes power supplies for industrial, consumer electronics tools and adaptor. We are one of the world's largest producers of AC/DC adapters for portable computers and other external power source applications. The use of ASIC, hybrid circuits, and thin film technology allow us to produce adapters with industry-leading power density and a broad range of standard power supplies for industrial and medical applications.



Industrial Power Solutions

Delta has developed power supply units for industrial and medical applications with our own brand. Our world-class technology and decades of manufacturing experience help us meet the ever-changing needs of ODM and general customers. Delta also offer various standard power supply form factors (DIN rail, Panel mount, Open frame, and adaptor) for a broad range of demanding applications like industrial automation, factory automation, building automation, test and measurement, household appliances medical equipment and many more.

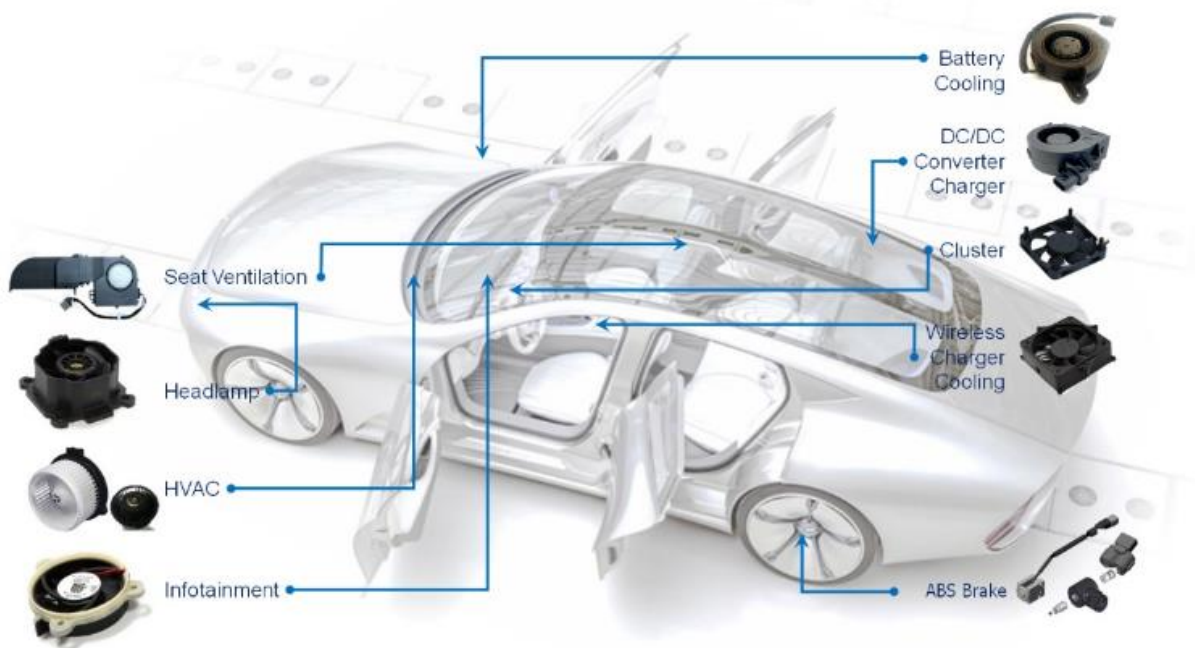




Fan & Thermal Management

Delta DC fans are custom-designed and produced with cooling, ventilating and circulating functions to be used in many areas for our world-renowned customers' automotive, telecom, IT, household and industrial applications.

Delta designed DC Brushless fans/blowers are more environmental friendly and has increasing higher energy efficiency, thus getting more accepted into different sectors' applications, such as Automotive, Telecom, Household, IT etc. The fans/blowers' structures are uniquely designed to have no interference contact between the spinning rotor and the stator. Without such rubbing contacts of the brushes used in conventional fans/blowers, the emittance of any hazardous particles is zero.



EMI Filter

Electromagnetic Interference (EMI) Filters, with their function for noise & interference reduction, are widely used in home appliances, IT, Telecom to Industrial and Automotive applications.



Solenoid

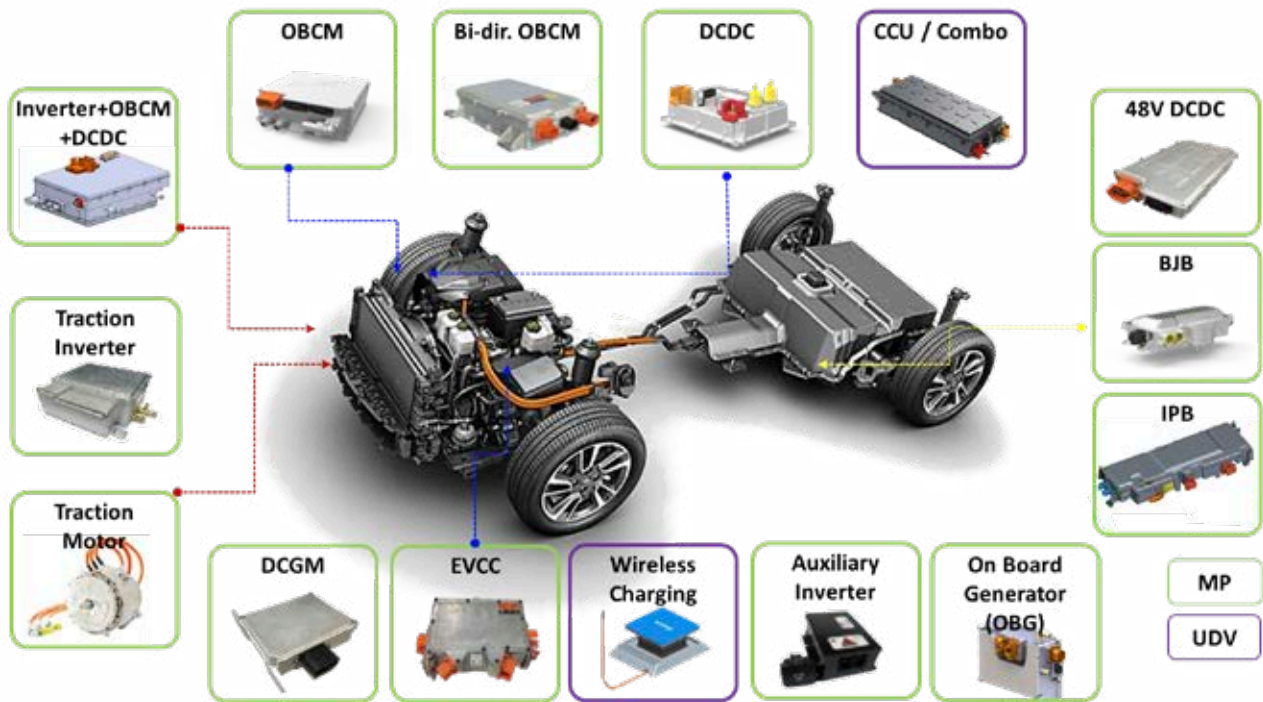
Home appliance and automotive Solenoid are available for our customers' unique requirements, such as applications in the Automotive, Home Appliance and Safety Locks.



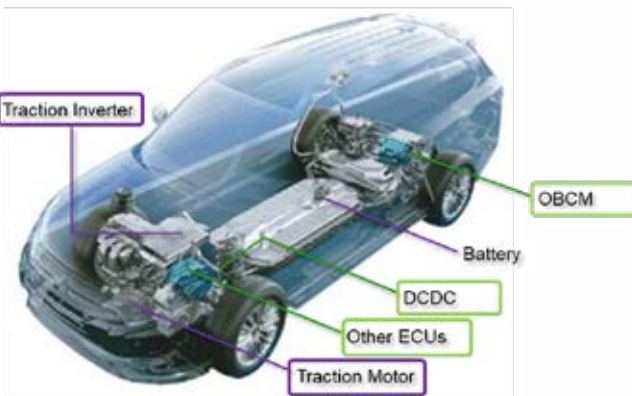


Electric Vehicle Solutions

Delta's Electric Vehicle Solutions Business provides high reliable and efficient products in Power electronics and e-Drive system, major for BEV/PHEV applications. The basic four elements are OBCM(~22kW), DCDC(~4kW), Traction Inverter, Traction Motor and all the products are with an industry-leading high efficiency level (up to 96%), also are scalable for multiple combinations like Combo (OBCM+DCDC), 2-in-1(Motor+Inverter), 3-in-1, 4-in-1 products or even more.



e-Drive Battery / Traction Motor / Traction Inverter
Power OBCM / DCDC / Other ECUs



The Powertrain of an Electric Vehicle consists of e-Drive and Power Electronics. An e-Drive system is including Battery, Traction Inverter and Traction Motor. The Power Electronics contains On-Board Charging Module (OBCM), DCDC and diverse Electronic Controlling Units(ECU) which like EVCC, DCGM etc. Except Battery, Delta EV Solutions Business is providing all the products of a Powertrain for Electric Vehicle.



Industrial Automation

Delta offers high-performance, reliable automation products and solutions including drives, motion control systems, industrial control and communication, power quality improvement, human machine interfaces, sensors, meters, and robot solutions. We also provide information monitoring and management systems such as SCADA system and Industrial EMS for complete, smart manufacturing solutions.





Infrastructure



ICT Infrastructure

Delta's ICT Infrastructure includes telecom power systems, networking systems, and UPS & datacenter infrastructure.

Telecom Power Solutions

Telecom power solutions secure telecommunication services in case of grid power interruptions and fluctuations. Delta's power systems are designed for wireless broadband access and fixed-line applications, as well as for Internet backbone and data centres. We provide a broad range of power systems and global services to telecom operators, network manufacturers and integrators.

Delta's InD, OutD and HelpD series are designed to complement each other. InD stands for indoor power systems, while OutD solutions are designed for demanding outdoor use. HelpD is our global service concept. Our CellD, MidD and CabD series are designed to fulfil all your power requirements.



Data Center Infrastructure Solutions

Delta has developed a new generation of tier 3 data center solutions or above that allow companies to achieve this essential goal of high level of data center reliability. Our data center design provides IT managers with the exact tools and capabilities they need in order to effectively organize the various servers within a company.

Delta's InfraSuite Data Center Infrastructure Solutions are grouped into four main modules which optimize our customers' ability to maximize operating efficiency at the lowest cost, maintain a high level of flexibility and control for IT managers, quickly scale to meet demand, and monitor data center solutions 24/7/365 from anywhere around the world. These modules are as follows: Power Management, Rack and Accessories, precision cooling and Environmental Management System. The interlocking nature of the modules allows companies to implement fully integrated system architecture.

Critical Infrastructure Solutions

Delta UPS solutions include a full line of UPSs and management software, and we deliver industry-specific solutions worldwide to a broad range of market sectors and industry leaders. Our UPS solutions not only ensure uninterrupted processes with unmatched reliability but also meet your growing business demands with uniquely-designed scalability and flexibility. Delta's UPS product portfolio includes one- and three-phase UPSs as well as online and line-interactive systems.

The full product range comes in four models based on load type :

- UPS Modulon family : The Modulon family features a three-phase modularization architecture for power rating requirements above 20kVA.
- UPS Ultron family : The Ultron family are three-phase UPS systems for power rating requirements above 10kVA.
- UPS Amplon family : The Amplon family are single phase UPS systems for power rating requirements above 1kVA.
- UPS Agilon family : The Agilon family are single phase UPS systems for power rating requirements under 1kVA.



Network Solutions



Delta rides on the cutting edge of the communication technology wave and has accumulated more than 20 years of experience in Network Communication Equipment Industry. By providing extraordinary design and manufacturing quality for best brand in the world, we build trustworthy relationship with customers. Delta has complete portfolio for various network market including Datacenter, Enterprise, Carrier, SOHO and Industrial networks, and we always committed to providing competitive networking solutions which designed to meeting customers needs.



Energy Infrastructure



Renewable Energy

Delta's M250HV Outdoor PV Grid Tied Inverter is a technologically advanced, utility scale String Inverter with rated output of 250kW up to 50°C comes with Delta's cutting edge technology and reliable service support. With Smart Forced Air cooling system, the Inverter can achieve absolutely no power de-rating up to 50°C ambient temperature @UPF and ease of installation to the customers with Pedestal or Wall mounted options. The M250HV includes the advanced grid support functions like PQ control, LVRT/HVRT and grid voltage regulations which can be parametrically set.

Electric Vehicle Charging

Delta delivers energy-efficient EV charging solutions including AC charger, DC quick charger, and Site Management System. Delta's EV chargers offer high-performance power efficiency of up to 97.5%, support communication functions for system integration and have global safety certifications such as UL, IEC, CHAdEMO and CCS. Our comprehensive EV charging solutions can fulfill the needs for various applications such as parking, workplace and residential buildings etc. Delta has successfully completed numerous EV charging installations for several applications and automotive industrial around the world.



1.2.2 Research & Development

From our mission “To provide innovative, clean and energy-efficient solutions for a better tomorrow” Delta continues our R&D investments, focusing specifically on our fast-growing businesses. We achieved fine tuning and expansion of our product lines along with continued optimization of our product’s key features, efficiency, power density and digital intelligence.

Delta R&D increased the application range and customer base respectively of its power technology products like industrial wireless charging, combined charge units for electro-mobility and power solutions for artificial intelligence (AI) applications.

R&D knowledge and professionalism is the key to Delta’s competitiveness and leadership in green environment-friendly and efficient energy saving power devices. Delta has a worldwide network of R&D centers located in Asia and Europe. In addition, Delta R&D globally engaged in cooperation with renowned universities. Delta participates in several research programs to ensure sustainable growth with cutting-edge technology. This collaboration is tremendously beneficial in supporting the creation of new innovative and green ideas and strengthening our Delta R&D expertise.

R&D investment in the past 5 years

Item	Year	2018	2019	2020	2021	2022
Total R&D investment	Millions Baht	2,096	2,745	2,621	3,165	3,742

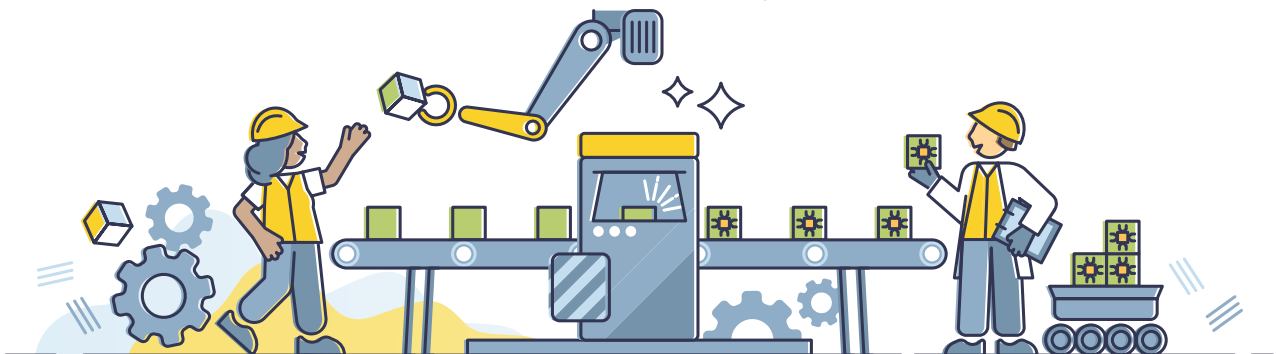
Promoting Innovation in the Organization

Delta Innovation Award

Delta Group has been organizing the Delta Innovation Award annually since 2008 to encourage and recognize effective innovation designs among Delta employees worldwide. The selected works will be used to further develop the company’s innovations. There are 4 types of competitions and the evaluation criteria are as follows :



- **Intellectual Property (IP)** : Invention and/or establishment of high quality IP portfolios with clear business value
- **New Product** : New technology applications, or system architecture, or increase in product competitiveness and added-value to customers
- **Manufacturing** : Innovation in manufacturing for higher quality, productivity, and lower total costs
- **New Business Model/New Business Process** : Innovation in business model or functional processes such as R&D, marketing, procurement, logistics, and integration for better business efficiency and effectiveness



DET Patents Recognition Ceremony



To recognize and appreciate the accomplishment on patents of DET inventors, company has set up “DET Patents Recognition Ceremony”. It is a special occasion to thank our employee for the all the effort that they have put in to our company.

At the same time, the inventors also takes the chances to present and share their achievement to the team.

Delta Implements the First VTScada Facility Management Control System in Southeast Asia



Delta Thailand successfully implemented the first Facility Management Control System (FMCS) powered by VTScada in Southeast Asia at the Delta Plant 7 in Wellgrow Industrial Estate.

VTScada software is an industry-leading SCADA software developed by Trihedral, a Canadian company in the Delta Group.

The VTScada-powered system at Delta Plant 7 aims to greatly improve facility management and reduce energy consumption in all operations. Managers can leverage the powerful system for detailed and flexible monitoring and reporting of energy consumption data and get optimal automated control of the plant’s HVAC system. In addition, real-time data and paperless operation greatly reduces on-site work and allows managers to make better-informed decisions onsite.

In 2021, Delta Thailand’s Industrial Automation team introduced the VTScada to the Thailand market and started its first application project that combines VTScada with the Delta energy management software (EMS) DIAEnergie.

The combined SCADA and EMS offer a perfect platform for control of Delta’s industrial automation products in a complete facility management solution.

Delta Thailand’s Industrial Automation team developed its own original FMCS at Delta Plant 7 leveraging its ability to provide expert local support and competitive pricing compared with other providers in the market. Another key to the project’s success is the excellent working relationship between Delta’s engineering team and all stakeholders.



Social and Environmental Innovation

Smart Farm for Community Enterprises



Delta Thailand held a grand opening ceremony for the Delta's first Smart Farm Solution for community enterprises in Thailand. The Delta Smart Farm is a part of a BOI project called Investment Promotion Measures for Grassroots Economy.

The Industrial Estate Authority of Thailand (IEAT) and the Praeksa Municipal government are also involved in this joint project that aims to promote investment to support community enterprises and boost the competitiveness of Thailand's grassroots economy.

The IoT-driven Delta Smart Farm Solution is specifically designed, it features the world-class VTScada software control platform with integrated Delta industrial automation devices. The solution leverages automation to improve efficiency, reduce labor and save water. The solar rooftop system that is used 100% for the Smart Farm operations.



A Reverse Osmosis water treatment system enables wastewater reuse to cut down on total water usage. This water reuse system only has 10-20% water consumption compared with normal requirements. It also reduced the growing time from 40-45 days to only 35 days, with more consistent weight and quality of produce. The resulting output can generate income for the community up to THB 8,000-10,000 per month.

We expect this project to grow into a viable business model while improving quality and standardizing its agricultural products to eventually move up in the market.

We hope that this groundbreaking project can be the start of a totally new smart farming model that revolutionizes Thailand's agricultural sector and benefits communities across the country.

Smart Water Level Monitoring System for Flood Prevention at Bangpoo Industrial Estate



As part of its commitment to the community, Delta leverages its innovation to respond to social needs. The rapid urbanization in the coastal Bangpoo and Praksa

areas has disrupted the water flow in the local canal network.

In 2020, heavy rainfall caused floods in the Export Zone of the Bangpoo Industrial Estate. To address this issue, Delta donated and implemented more Smart Water Level Monitoring Systems to further support flood prevention measures.

The Smart Water Level Monitoring System which leverages Delta's industrial cloud router and DIACloud service to offer precise monitoring and control for pump stations. This will help provide the Bangpoo Industrial Estate's more precise data on water levels in the canal network to prevent flooding.



Delta Thailand Launches the Country's First Net Zero Container Showroom

Delta Thailand held a grand opening ceremony for the Delta Thailand Net Zero Container Showroom at Amata City Chonburi. The theme of Delta's 100% renewable energy showcase is smart, green energy for the RE100 era.

Delta's Net Zero Energy Solution includes an solar rooftop array and one Delta 40kW wall mount PV inverter that can generate up to 38kWh a day to store in a 57.6kWh battery system for 24/7 usage.

A Battery Management System (BMS) enables optimal power consumption by monitoring available energy and controlling power consumption from lighting and the VRV (Variable Regulating Valve) air conditioner according to real usage.

The container showroom demonstrates Delta's concept of "Smart Wellbeing" for buildings with the Delta Smart Building Management Solution that leverages room controllers and a control panel to manage lighting, HVAC and temperature via BACnet protocol and monitor air quality with sensors via MODBUS protocol.

Delta building automation includes facial recognition and intelligent surveillance for security and COVID-19 prevention while HEPA filter ventilation provides fresh pollution-free air and keeps CO₂ and PM2.5 levels down.

Delta's scalable and modular Datacenter Solution serves as the brain of the smart building that handles all the data from security, lighting, environment and EV charging. The modular data center stores the CCTV security and display video data from the showroom and smart pole and features remote management capabilities. Delta's modular data center solution supports high-efficiency and high-density applications. Visit 360 Virtual Net Zero Container Showroom at <https://netzero.deltathailand.com>.

Delta relentlessly pursues leading innovation for customers, world-class industry standards and a RE100 target of 100% renewable electricity in global operations by 2030. This commitment helps it deliver on the brand promise : **Smarter. Greener. Together.**



2022/2023 Industry Outlook

The following information is extracted from established market research reports. All quoted sources are clearly defined in attributions.

General Economic Outlook

Worldwide

In the November 2022 report, Macro Outlook 2023 : This Cycle Is Different, Goldman Sachs economics research expects global growth of just 1.8% in 2023, as US resilience contrasts with a European recession and a bumpy reopening in China.

According to Goldman Sachs, the US should narrowly avoid recession as core PCE inflation slows from 5% now to 3% in late 2023. In contrast to the US, the Euro area and the UK are probably in recession, mainly because of the real income hit from surging energy bills which should boost headline inflation to peaks of 12% in the Euro area and 11% in the UK, far higher than in the US.

On the other hand, China is likely to grow slowly in H1 as an April reopening initially triggers an increase in COVID cases that keeps caution high, but should accelerate sharply in H2 on a reopening boost. Goldman Sachs estimates that much of the slowdown in actual China growth in recent years corresponds to a slowdown in potential growth to only 4.2% in 2023.

In summary, the key economic question for 2023 is whether central banks will be able to bring down inflation to more acceptable levels without a recession, or at least without a deep recession. Goldman Sachs is reasonably optimistic, but there are substantial risks to their view including the Russia-Ukraine war and the uncertain impact of the price cap on Russian oil and political instability in the Middle East's potential impact to the already precarious supply-demand balance of energy markets.

Source : Goldman Sachs. 2022. Global Economics Analyst Macro Outlook 2023 : This Cycle Is Different. Accessed November 2022.

In the November 2022 OECD Economic Outlook, the Organization for Economic Cooperation and Development (OECD) reports that the global economy is reeling from the largest energy crisis since the 1970s. Russia's war of aggression against Ukraine has pushed up prices substantially, especially for energy, adding to inflationary pressures at a time when the cost of living was already rising rapidly around the world.

The Outlook forecasts that world growth will decline to 2.2% in 2023 and bounce back to a relatively modest 2.7% in 2024. Asia will be the main engine of growth in 2023 and 2024, whereas Europe, North America and South America will see very low growth.

High inflation and rising interest rates are restraining growth in North America. US GDP growth is projected to slow from 1.8% in 2022 to 0.5% in 2023, before picking up to 1.0% in 2024. Annual growth in the euro area is also projected to slow from 3.3% in 2022 to 0.5% in 2023, before picking up to 1.4% in 2024 as spending starts to recover. In China, GDP growth is projected to pick up from 3.3% in 2022 to 4.6% in 2023 before easing to 4.1% in 2024. In India, growth is projected to dip from 6.6% in the current (2022-23) fiscal year to 5.7% in FY2023-24, before rebounding to 6.9% in FY2024-25, broadly in line with the pre-pandemic trend.

European economies continue to face significant challenges from embargos on Russian energy imports and supply of gas. A key risk around the projections is that the associated increase in energy prices proves much more disruptive and persistent than assumed in the baseline. In China, the resurgence of COVID-19 outbreaks or the contagion of financial fragilities in

the highly indebted property sector to the rest of the economy could result in a sharper-than-expected slowdown in growth. Several emerging-market and developing economies (EMDEs) also face food security risks from high food, energy and fertilizer prices, and supply shortages.

Source : OECD (2022), OECD Economic Outlook, Volume 2022 Issue 2 : Preliminary version, OECD Publishing, Paris, <https://doi.org/10.1787/f6da2159-en>.

In its January 2023 Global Economic Prospects, the World Bank reports global growth is expected to decelerate sharply to 1.7% in 2023 from 3.0% expected just six months previously. This is downgrade reflects synchronous policy tightening aimed at containing very high inflation, worsening financial conditions and continued disruptions from Russia's invasion of Ukraine. The US, Euro area and China are all undergoing a period of pronounced weakness, and the resulting spillovers are exacerbating other headwinds faced by emerging market and developing economies (EMDEs).

Growth in advanced economies is projected to slow sharply in 2023 to 0.5% as central banks continue to tighten monetary policy to contain inflationary pressures, labor markets soften, and energy market disruptions in Europe persist. Forecast 2023 growth for the US is 0.5%, Euro area 0% and Japan 1%.

In emerging and developing economies, growth is forecast to remain essentially unchanged at 3.4% in 2023. Growth in China is projected to pick up to 4.3% in 2023 from a low of 2.7% in 2022 as the lifting of pandemic restrictions releases pent-up consumer spending.

In Indonesia, GDP is projected to grow by 4.9% on average in 2023-24, only slightly slower than in 2022, reflecting softening but still robust private spending. After the strong rebound in 2022, growth in Malaysia, the Philippines, and Vietnam is expected to moderate to 4.0%, 5.4%, and 6.3% respectively as the growth of exports to major markets slows. In contrast, growth in Thailand is projected to accelerate to 3.6% in 2023, reflecting the delayed recovery of contact intensive sectors like tourism and transport.

Source : World Bank. 2023. Global Economic Prospects, January 2023. Washington, DC : World Bank. doi : 10.1586/978-1-4648-1906-3. License : Creative Commons Attribution CC BY 3.0 IGO

The general consensus among leading global economists and organizations is that the global economy faces a sharp decline in growth due to headwinds including high inflation, high energy costs and continued disruptions from Russia's invasion of Ukraine. Advanced economies, especially Europe, face the greatest challenge while growth in Southeast Asia will moderate.

Further negative shocks such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies, or rising geopolitical tensions could push the global economy into recession. In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in emerging and developing economies.

Power Supply Market

Global Power Supply Market

Despite the continued impact of COVID-19 in 2022, Delta Electronics Thailand continued to see strong demand in the global power supply industry overall as investment in infrastructure and electrification continue. The main growth drivers for the power supply industry in the past year remained data centers, telecom/ networking and onboard charging modules for electric vehicles (EV).



As demand for data center infrastructure continues and digitalization remains a priority for governments and businesses, Delta expects industry trends like AI, 5G along with factory and building automation to continue providing new applications and boost

demand for the power supply industry. Meanwhile, the ongoing shift to EVs to reduce carbon emissions is continuing to boost development and demand for both on-board and off-board chargers.

Emerging Markets

Table 1. Worldwide IT Spending Forecast

(Millions of U.S. Dollars)

Item	2022 Spending	2022 Growth (%)	2022 Spending	2022 Growth (%)
Data Center Systems	212,376	12.0	213,853	0.7
Software	783,462	7.1	856,029	9.3
Devices	722,181	-10.6	685,633	-5.1
IT Services	1,244,746	3.0	1,312,588	5.5
Communications Service	1,422,506	-2.4	1,423,367	0.1
Overall IT	4,385,270	-0.2	4,491,471	2.4

Source : Gartner (January 2023)

Data Center Market

In January 2023, Gartner, Inc. projected worldwide IT spending to total almost USD4.5 trillion in 2023, an increase of 2.4% from 2022. This is down from the previous quarter's forecast of 5.1% growth. While inflation continues to erode consumer purchasing power and drive device spending down, overall enterprise IT spending is expected to remain strong.

According to Gartner, a turbulent economy has changed the context of business decisions and can cause CIOs to become more hesitant, delay decisions or reorder priorities. However, IT budgets are not driving these shifts, and IT spending remains recession-proof

The software and IT services segments are projected to grow 9.3% and 5.5% in 2023, respectively. The devices segment is forecast to decline 5.1% this year as both consumers and enterprises lengthen device refresh cycles.

Meanwhile, as software spend continues to rise, the IT services market is growing as companies look to bring in outside IT staff for implementation and support. For example, spending on consulting is expected to reach USD 264.9 billion in 2023, a 6.7% increase from 2022.

Source : Gartner (2023). Gartner Forecasts Worldwide IT Spending to Grow 2.4% in 2023. Gartner, January 18, 2023



Delta is supporting customers with all-in-one data center solution InfraSuite integrates Power Management, Rack and Accessories, Precision Cooling and Environmental Management System to give IT managers maximum efficiency and TCO that provides a competitive edge in the digital age. By working with our ICT partner network, SIs and customers, Delta can offer greater value for stakeholders.

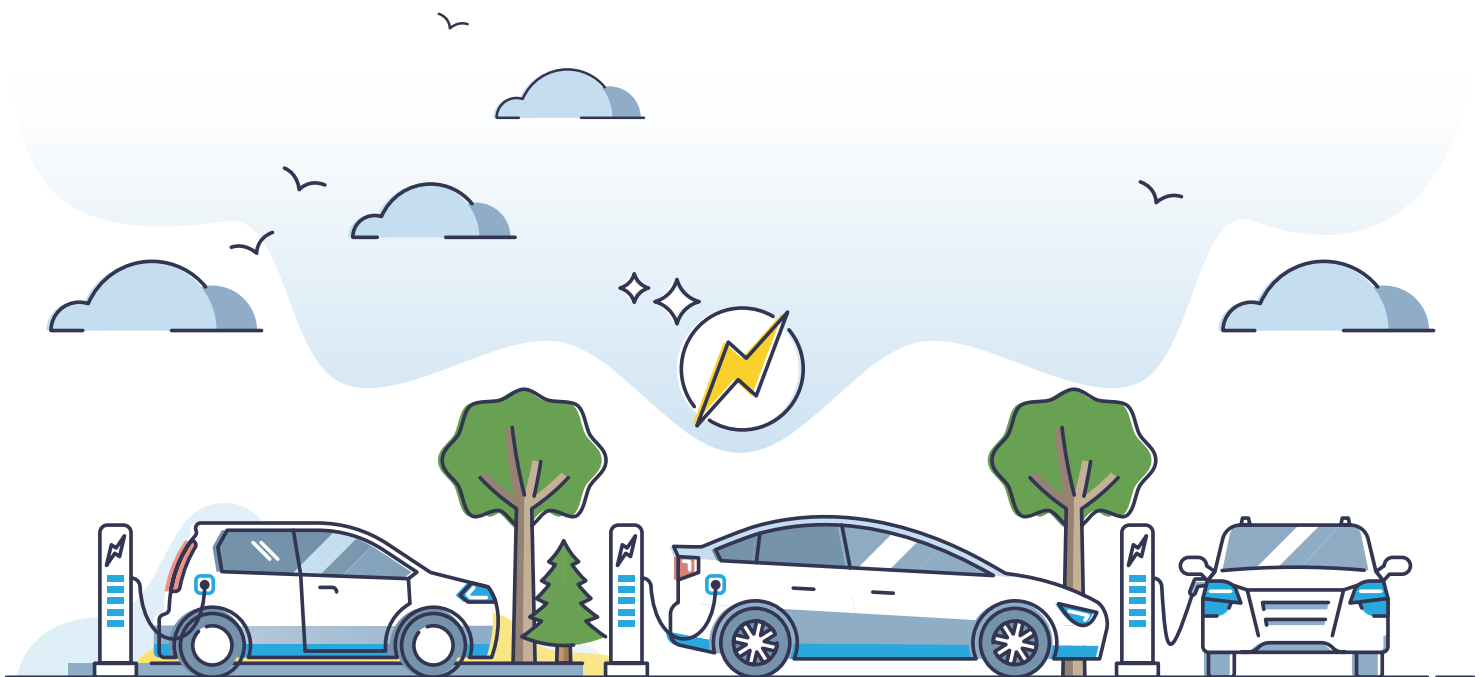
In addition, Delta is developing solutions to meet the needs of data centers in hot climates like Thailand that face challenges in heat dissipation and cooling while extending high-performance equipment in response to today's massive data needs. CPU/GPU thermal design power (TDP) trends and density are beginning to push the limits of traditional air cooling with traditional methods taking up to 45% of total electricity costs.

In 2022, Delta launched a new Air-Assisted Liquid Cooling solution in Thailand a practical, cost effective

and efficient way to upgrade high performance data centers in the local market. As an equipment manufacturer, Delta has full capabilities in design, manufacturing, integration and verification of this and other solutions for local customers.

Electric Vehicle Market

In November 2022, Bloomberg New Energy Finance (BNEF) released the Zero-Emission Vehicle Fact book in cooperation with the Accelerating to Zero Coalition and in partnership with Bloomberg Philanthropies, to coincide with COP27, the 2022 United Nations Climate Change Conference. The report indicates that global momentum towards zero-emissions road transport has continued to accelerate despite the pandemic. Annual passenger EV sales are on track for around 10.6 million units in 2022, up from 6.6m in 2021. In the first half of 2022, 13.2% of new cars sold globally were electric, up from 8.7% in 2021. Spending on clean road transport globally will exceed USD 450 billion this year.





The adoption of EVs and fuel cell vehicles are expected to avoid almost 1.7 million barrels of oil use per day in 2022, up from 1.5 million barrels per day in 2021 and equal to about 3.8% of total demand. Global lithium-ion battery manufacturing capacity has increased 38% since 2021, from 540GWh to 806GWh. Automakers have collectively committed to sell around 43 million EVs per year by 2030, and automakers with planned phase-outs of combustion engines now account for 30% of the global auto market.

BNEF raised its forecast for the global zero-emission vehicle (ZEV) fleet in 2040 from 491 million vehicles in its 2020 forecast, to 781 million in its 2022 Long-Term Electric Vehicle Outlook. Underpinning the stronger forecasts are a range of factors including improved policy and regulation in major markets, higher gas prices due to Russia's invasion of Ukraine, a wider range of vehicle models on offer to customers, and longer range and faster charging speeds available on the newest vehicles, increased battery manufacturing capacity and cost reduction, more investment in charging infrastructure and increased public station installations.

Automakers continue to switch battery chemistries to reduce their reliance on metals associated with higher prices or supply concerns. In 2022, around 40% of batteries used in passenger EVs were Lithium iron phosphate (LFP)-which use no cobalt, or nickel-up from just 16% in 2020. Investment in public charging

is estimated to have grown 2.6x in the last year and annual public charging installations are expected to top 910,000 in 2022, up from 460,000 in 2021. Home charger installations are expected to top 3.8 million globally in 2022, but uptake will vary by region.

Source : BloombergNEF (2022), Zero-Emission Vehicles Fact book, November 2022

Delta is a key supplier for both EV onboard charging modules and off-board chargers for global automakers and EV charger operators. Delta's EV chargers offer high-performance power efficiency of up to 94%, support communication functions for system integration and have global safety certifications such as UL, IEC, CHAdeMO, CQC and CNS.

Delta's strong R&D development and manufacturing capabilities in the growing EV manufacturing and EV charging segments are key drivers of revenue growth and lay a solid foundation for low-carbon cities in Southeast Asia and around the world.

In 2022, Delta Indonesia successfully implemented almost 250 EV chargers to foster e-mobility at the 2022 G20 Bali Summit. Delta chargers made up around 80% of chargers on Bali Island and charged almost 900 EVs during the B20 and G20 events. This remarkable milestone further cements Delta's status as EV charger market leader in Indonesia with over 2,000 Delta EV chargers installed across the country.



2023 Business Directions

Delta Thailand Operations Review

During the past period, COVID-19 was major issue that affected Thailand for future demand increase. The increased cases of COVID-19 from Q2 to the beginning of Q3 2022 and which peaked from Q3 to Q4 2022 had quite a significant impact on growth in manufacturing. However, the pandemic has also provided to be a boost to the data center and PC businesses and highlighted the booming demand for EVs.

Delta Thailand expanded its construction of new buildings and new production lines for high-demand products including : networking/ server/storage power supplies for the data center business and on-board chargers/DC-DC converters for the automotive EV industry. These new production lines have contributed to a 30% growth in revenue in 2022 and is expected to provide a further boost of 30% growth in 2023.

Meanwhile, the implementation of Delta Smart Manufacturing (DSM) and Smart Logistics is a key

focus of our smart factory transformation as we explore adaptive and flexible manufacturing solutions for our high-end power supply production. So far, we have deployed our Manufacturing Execution System (MES), including smart factory dashboard for advanced manufacturing technologies. This serves as the platform for better quality and productivity via monitoring and management. All in all, the DSM implementation can facilitate our improvement in manufacturing efficiency, increase productivity, reduce costs and lead to long-term cost savings.

Electric Vehicle Business (EV)

In 2022, our automotive business revenue increased by 68% compared to the previous year. Overall market demand was even higher but global material shortages, mainly electronic components like IC and semiconductors, limited the production output and business unit revenue.

The global EV demand will increase steadily in 2023 with higher growth on full electrical battery vehicles (BEV) compared to plug-in hybrid vehicles. Increased driving ranges by larger battery sizes and governmental incentives will make BEVs more attractive and therefore push the market demand throughout the coming years. Limiting factors will remain the availability of components as a result of shortages especially in the supply of ICs. The global IC shortage crisis is continuing to be the biggest impact to the automotive EV business.

Delta's onboard charger (OBC), DCDC converter, DC charge management solutions as well as combination units that integrate those various functions are installed in more and more EVs of leading automotive manufacturers in Europe. New product launches in 2023 will support the continuous growth of this business in the next coming years.

Custom Design Power Business (CD)

Delta's CDBU business had significant growth of over 98% in 2022. We enjoyed exponential growth from leading data center customers. In addition, we successfully penetrated the Chinese data center market with key projects for next-gen Data Center infrastructure for major domestic players.

However, our telecommunication business continued to struggle throughout most of the year, due to the slow pace of 5G deployment. The worldwide material situation had an impact on operations and was a major challenge in our efforts to support the strong demand in data center business. Overall, we do see a continuous high focus in expanding cloud business throughout our major customers.

Needless to say for 2023, recession is a big topic those days and we also see that our customers are more careful on CAPEX spending. Nevertheless, the demand for data and data processing will be continuous even in times of recession. The growth might not be as exponential as last year however on average we still

see a healthy growth by the forecasted numbers we have received.

The worldwide material supply situation is showing the first improvements but remains a challenge that we must overcome to support the strong demand in our data center business. Our R&D focus for the year remains to bring up additional suppliers to counter worldwide material constraints. Our data center business remains our major focus for investment and the fastest growing business for CDBU.

Delta CDBU will continuously strive to dominate the data center power solution business and we have been selected as a major supplier for next generation power solution for Tier-1 data center providers in both the US and China markets.

Furthermore, Delta CDBU is expanding the business scope to adjacent segments to support the goal of sustainable data center meeting net zero carbon.

Industrial & Medical Business (IM)

In 2022, IMBU expected an easing of the material cost increases and less semiconductor shortages, but in reality the supply crisis extended well into 2022 and even worsened. It cumulated in the Shanghai lockdown at the end of March that effectively closed down the shipping industry as well as the semiconductor industry. As a direct consequence, our first and second quarter results stayed significantly below our expectations.

From May onwards, with tremendous effort spent for qualification of second source components and coordination on the sourcing side, IMBU was able to close the gap between our actual figures and the planned budget. This resulted in USD139.5M (-1.7%YoY) of revenue and NOP USD13.5M (-30.5% YoY). Growth could have been easily been on budget, but due to the material shortage and supply chain issues an order backlog of USD ~65M remained in our books at the end of 2022.



The enormous level of effort expended to resolve continued supply issues obviously had an effect on product development and delayed some product release. Despite the negative circumstances, IM and IEV LOB continue to maintain a high level of revenue and the market shows a strong growth trend.

Besides the successful market launch of our 1 kW wireless charging system, we will release our 30kW wireless charging system (100V) in early 2023. The response from the market is very positive with regards to product performance, order intake and expected volumes confirm our expectations.

Another milestone in IM LOB is the successful continuation of our long-lasting relationship with a key charging equipment customer, resulting in positive negotiations for the next product generation with a very good market outlook. In addition, we continue to grow with additional customers who are key players in the medical segment for IM LOB.

With an ongoing easing of the supply chain situation, we expect to recover some of the missing revenues for the BU in 2023 and reduce order backlog back to normal levels. The revenue for IEV LOB is targeted to surpass the level of 2021 again in 2023, driven by additional charging station customers next year. The potential for this business is still significantly higher and continues to grow.

Finally, the remarkable business results in 2022 would not have been possible without the outstanding global teamwork & dedication.

Fan and Thermal Solutions Business

As a leading provider of Fans and Thermal Management Products, Delta Group designs and builds innovative cooling systems performing at the highest levels - even in the harshest environments. The Delta Fan and Thermal Management Product lines in Thailand offer

a full range of axial fans, blowers, motors and thermal management products.

The innovative and unique design structure greatly increases cooling performance and reduces system noise. Delta fans and thermal management products can be found worldwide, serving a wide range of applications, industries and organizations. Highly efficient cooling and ventilation systems can be customized to fit the needs of virtually any business nowadays.

Of course, 2022 was definitely a challenging year not only because of the long-lasting post-pandemic situation but also all the associated side effects. The unstable and fragile material supply chain continued. All these factors were reflected in the increased material and production costs. The extended transportation lead time had significant impact on our business operation and management as well.

Despite facing the aforementioned challenges, Delta's Fans and Thermal Management business still contributed substantially to the company's growth. The significant and stable growth in automotive markets was the major growth momentum in 2022. The transformation and upgrading of the automotive industry in the world requires new material, technology, equipment, mode, etc. to achieve the expected functions. These indeed increase requirement demands on heat dissipation and high efficiency. In addition, the robust requirement demands on server, data center, cloud, 5G and traditional automotive products also played a remarkable role in sales revenue.

Nevertheless, 2023 does is not expected to be an easy year. In the post-pandemic "New Normal" world we are now facing a range of risks including war, inflation, global warming, cost-of-living crises, geopolitical confrontation, etc. Most of the issues are bringing challenges ti Delta's Fans and Thermal Management team in different aspects.



We expect to use various operations and management methods to maintain and keep our competitiveness in the market. Strategic layout and supply chain management will be critical in 2023. The Delta Fans and Thermal Management team will continue closely working with suppliers to define and execute strategies proactively to smoothly manage the supply chain. We will also seamlessly work with customers to develop new technologies and products so as to establish win-win business relationships in all existing and new industries and applications.

In summary, we anticipate global market demand to rise together with the increased demand for heat dissipation. In 2023, Delta's Fans and Thermal Management team will be part of the company's growth. We remain optimistic and have geared up for the challenges ahead.

Industrial Power Supply Business (IPS)

Delta successfully launched 3 off-the-shelf standard power supplies series i.e. PMT-2 Enclosed, LYTE-2 and Force-GT DIN Rail series in 2021 and 2022. Despite the

global semiconductor market shortage, which seriously affected many of our competitors, we were able to leverage Delta's large material pool secure material to support the increased demand for all our customers.

Our high price to performance ratio, and availability attracted many new industrial customers globally. Because of these three series, the Delta IPS business unit saw another year of good growth in 2022.

With the increase in IIoT and Industry 4.0 transformation, we see the Industrial Connectivity sector as a big growth driver for IPS team, and are already in close partnership with several global companies.

In marketing, the numbers of subscribers and followers on our Youtube, LinkedIn and DeltaPSU.com website have continued to increase. Our efforts into creating exciting new product videos and technical content will continue into 2023 and we seek to bring even more customers in to explore our extensive range of industrial and medical power supplies.

Industrial Automation (IA)

Delta IA team's overall performance has increased compared to last year. We see consumers taking more action for personal hygiene and protection during the COVID-19 pandemic which boosted growth in the medical, electronics, rubber & plastic and animal husbandry industries. Delta's IA related business experienced good growth in 2022. With the ease of COVID-19, SEA region onsite support will definitely enhance our distributors and customers' confidence.

In order to strengthen the integrity of Delta's intelligent manufacturing systems, Delta acquired a 100% share of Trihedral Engineering Limited, a Canadian SCADA graphical control and industrial Internet software company, in end of 2020. We focus on cooperation with SIs and already developed some partners in Thailand and Singapore this year and we will continue developing SI partner in 2022.

Trihedral has been developing SCADA software more than 30 years. Its main customers include power, water treatment, and oil & gas industries. This acquisition integrates the experience and expertise of both companies in the automation business and will help further enhance Delta's long-term competitiveness in the global automation market.

Delta IA continues to invest in R&D in industrial automation products including the main products low voltage drives, servo drives & motor, PLC and HMI, and also new areas like robot, IIoT cloud, 2D/3D machine vision. Some new product highlights are SCADA software where we keep a dual brands strategy. VTScada is suitable for large-scale redundant applications while DIAView as a high-end HMI suitable for small and medium applications.

For LV drive products, we have the MPD series motor-mounted pump with high-efficiency motor and IP55 protection. Delta motors also have new products with unique magnetic reluctance technology and ultra-high efficiency (up to IE5 class), rated power up to 37kW. Delta control products include the AX EtherCAT Motion which integrates with a CODESYS solution and supports PLCopen motion control instructions. For motion servo drive we keep promoting the A3/B3 series in all regions.

This year Delta IA team cooperate with our distributors more to implement our solution and explorer new field. In Vietnam, we successfully penetrated the VFFS packaging machine with a price competitive application pack. In Malaysia, we offer our EtherCAT motion card and high end A3 EtherCAT drive for AOI machine maker. Meanwhile, we also have some progress in plastic industry in Thailand, film blowing application already continuously contribute revenue to our partner and the 1st EtherCAT based All Electric Blow Molding Machine (AEBMM) solution prototype already done.

Furthermore, we promote Servo Press with some progress in Thailand, Malaysia and Indonesia. Regarding servo screwdriver, we offer strong technical support DET Automotive plant, Malaysia and Vietnam SIs, we believe next year will gradually see the fruit.

The last portion of our business is robot with inspection, since we gained a lot of experience from usage in our own factories. This helps us to resolve customer questions or issues more efficiently. Currently, our robot and inspection business mainly comes from Key Account customers but we target to have some SIs and offer training to grow this business.

Since recent years, all function teams have become more mature and cooperation among BUs or distributors has also improved. With competitor material shortage issue ongoing, we will try our best to gain many more customers and revenue in 2023.

Critical Infrastructure Solution (CIS)

In the post-COVID period in 2022, Thailand and the Southeast Asia business environment has been recovering from a static situation in the previous years. Many business activities resumed to be as normal as it used to be. Moreover, the legacy of the lock-down period still remains in practice in the country where online activities, e-commerce, cash-less platform have been widely adopted as new norm by people on all levels at work or with family. The new norm has driven a demand of internet data usage, data analytics and cyber security to become an important factor of any business platform from small shops and food sellers to taxi drivers who get orders and bookings via mobile applications up to a large enterprises who analyze customer behavior through big data with comprehensive data analytic algorithm.

In addition, the newly released PDPA was enforced in the IT environment in the middle of the year and ushered in a new chapter of private data security while raising data protection awareness in all organizations. Therefore, these factors continue to spur demand for upgrades in private datacenters, enhancement of network securities and adoption of hybrid cloud datacenters rather than standalone cloud services. Datacenter products and solutions from Delta has continuously deployed in 2022 as a strong back-bone for various types of datacenter from SME scale up to state enterprise level. This demand is in response to the new norm of Thailand's digital-driven era.

As demand for datacenter experiences high growth across Southeast Asia, reliability with shortened time to market has become a new challenge for any datacenter operator. Delta's solutions evocate a strong leadership in power solutions and addresses the needs of local manufacturing in Thailand. We released a prefabricated Megawatt Powertrain solution for colocation or hyper scale datacenters in Southeast Asia. The powertrain is fully assembled and tested at a Delta factory to ensure quality yet also promoting shorter time to deployment.

Standard design and reproduction will also help Delta's colocation datacenter customers to have quicker response to new tenants with the least investment upfront. This powertrain product has recently gained more popularity for large colocation and hyper scale datacenters across South East Asia and the APAC regions. Delta's solution team has played an important role in designing the powertrain and supporting various customers in 2022 and we look forward to being involved in more deployments in coming years.

A key part of the megawatt powertrain is a prefabricated all-in-one containerized datacenter solution that has also gained more use cases in both the telecom and datacenter industries. Due to the low latency requirement from 5G networks as well as a massive data consumption demand from the digital life style, containerized datacenters are required to deploy as close as possible to the user at the edge of network. Smart city and field autonomous system will also require edge datacenters to support by providing fast deployment in hash environment. This shift in technology will encourage more demand of prefabricated solutions from Delta solution as a new area of business growth. In 2022, Delta Thailand has delivered containerized datacenters to a few telecom customers in South East Asia and we look forward to more demand in coming years not only in the telecom industry but also other application like industrial, mining or transportation systems.

Modernization of existing 4G LTE to 5G was a major activity of telecom operators supporting the digital demands of Thai users. Delta and Eltek products have supported major telecom customers in Thailand to upgrade existing power systems to support higher power demands of 5G as well as reduce the footprint of traditional batteries to be more compatible to lithium-ion adoption which providing more energy efficiency, longer life cycle and less space usage. Hybrid solar power solution is also a new trend helping telecom operators to save energy cost as well as contribute to green energy initiatives pursuant to ESG requirements. Delta and Eltek product has supported in both modernizing and upgrading existing power systems and hybrid systems with solar energy for various customers in 2022. Ongoing projects are continuously running with more deployment in 2023 and onwards.

Urbanization means the spread of public transportation into rural areas which is one of national agendas of Thailand. In 2022, Delta and Eltek power solutions have not only supported the telecom industry, but also successfully deployed to support new railway applications in Thailand. There were routes deployed in 2022 and more new route to be deployed in 2023. Furthermore, Delta UPS has been also successfully deployed in the Bangkok metro area to support MRT critical application services with plans for further expansion ahead in 2023 and the future.

Delta Network Infrastructure

In 2022, DNI was successful in developing and coordinating our new products such as Wi-Fi 6/Wi-Fi 6E, and high-end ProAV and SMB PoE Multi-Gigabit managed switches into production. As per previous predictions, our sales revenue was slight reduced when compared with 2021. However, through our team's great effort, our growth margin turned to be better than expected in the 2nd half of 2022 due to strong demand from the market for high-end ProAV and SMB switch. This brought a much more healthy result to DNI's business overall and helped us to achieve our annual target in terms of revenue and profit for 2022.

In 2023, DNI will continue to invest more resources in technical talents as well as high-end precision test instruments and production automation to introduce the high-end Enterprise and SMB switch products into production. This significant investment will help to enhance DNI's capacity and ability to produce upcoming new products and support more tier-1 customers in the networking industry who have migrated their production to Thailand.

As the global economic trends go toward more diversification in 2023, we're working closely with our customers to enhance their products ability to be rapidly and successfully produced in Delta Thailand. We foresee our current momentum continuously driving our growth in each business segment in terms of revenue and margin.

On the products aspect, apart from multi-Gigabit managed switches for enterprise and SMB, DNI also plans to introduce SD-WAN access and data center switches into our Thailand production. Our production strategy has gradually changed to cover not only high volume products, but also ensure our capability to support rapid changes for multi SKU with more higher margin.

In addition, we have re-developed respective technical talent teams to ensure NPI (new product introduction), product quality, delivery and services all meet to different customers' requirements.

Looking forward, DNI plans to have significant growth in term of sales revenue and gross margin in 2023. Although we face many challenges from external global economic risks and geographic politics conflicts, we will continue our implementation throughout and work closer with all customers and the Delta Group BU to ensure that we meet customers' requirements and successfully complete production migration.



Delta India Operations Review

Telecom Power Solutions Business (TPS)

In 2022, 5G adoption has begun in India. The government has set the pace of Indian Telecom growth and issued many policy improvements on taxation, spectrum holding period, moratorium on prior period payments etc. These initiatives provided a big boost to telecom operators.

The two largest operators in the country, Reliance and Airtel, began 5G deployment with Class A cities from Q3-Q4' 2022. They announced that by 2024, they would cover entire country with 5G network. Meanwhile, the government also undertook to revive government owned operator BSNL, by allocating a \$20Bn package. This large fund shall be used for improving networks by offering a Pan-India 4G network, spectrum pay-out and various other expenses.

As a national carrier, BSNL are obliged to provide coverage in far flung areas where the population is less and commercial viability remains a challenge. The 3rd private telecom operator, Vodafone Idea, is still struggling with funding issues due to a large debt and is making all efforts to remain afloat. Telecom operators also made a beeline to increase ARPU (Average Revenue Per user), a key matrix to show their health financial health and that continuous improvements are taking place.

For Delta, India's 5G network deployment has been bringing significant opportunities. Delta TPS and Eltek business contributed \$99M revenue in 2022. In H1 of 2022, India faced an acute shortage of semiconductors, which improved in H2. Despite all these odds, we could consistently retain market leadership.

India had ~114Bn mobile subscribers in 2022 and 5G proliferation has set in. With the device ecosystem developing, 5G subscriptions are bound to grow at a rapid pace to 690M by 2028. With rising digital adoption, mobile data consumption per user is to the tune of 20GB/user per month. Digital payments, app usage, OTT platforms and entertainment are main drivers of growing data usage. At the same time, 5G networks are paving the way for various new use cases i.e. remote telemedicine, M2M connectivity, AR/ VR adoption, IE 4.0 etc.

All in all, in the upcoming two years, we see promising opportunities for Delta's TPS business mainly from 5G adoption and the BSNL network rollout plan. The TPS team of Delta India is making all possible efforts to make best use of this opportunity to convert into revenue stream by proactive planning while bringing innovative and new products and solutions to the market.

1.2.3. Procurement of Products and Services

Production Capacity in 2022

1. Thailand Plant

1.1 Plant 1 : Bangpoo Industrial Estate, Samutprakarn

Production area : 16,884 sq.m
No. of operators : 2,895
Production line : 17 lines
Actual production : 100% of production capacity

1.2 Plant 3 : Bangpoo Industrial Estate, Samutprakarn

Production area : 15,752 sq.m
No. of operators : 2,674
Production line : 106 lines
Actual production : 98% of production capacity

1.3 Plant 5 : Bangpoo Industrial Estate, Samutprakarn

Production area : 34,054 sq.m
No. of operators : 3,809
Production line : 51 lines
Actual production : 96% of production capacity

1.4 Plant 6 : Wellgrow Industrial Estate, Chachoengsao

Production area : 22,456 sq.m
No. of operators : 4,382
Production line : 86 lines
Actual production : 93% of production capacity

1.5 Plant 7 : Wellgrow Industrial Estate, Chachoengsao

Production area : 30,000 sq.m
No. of operators : 1,022
Production line : 14 lines
Actual production : 100% of production capacity

2. Slovakia Plant

2.1 Dubnica nad Vahom Plant

Production area : 10,800 sq.m
No. of operators : 316
Production line : 22 lines
Actual production : 81% of production capacity

2.2 Liptovsky Plant (Eltek)

Production area : 3,600 sq.m
No. of operators : 379
Production line : 15 lines
Actual production : 80% of production capacity

2.3 Liptovsky Plant (Eltek Precision)

Production area : 9,300 sq.m
No. of operators : 77
Production line : 18 lines
Actual production : 100% of production capacity

3. India Plant

3.1 Rudrapur Plant

Production area : 11,635 sq.m
No. of operators : 236
Production line : 12 line
Actual production : 67% of production capacity

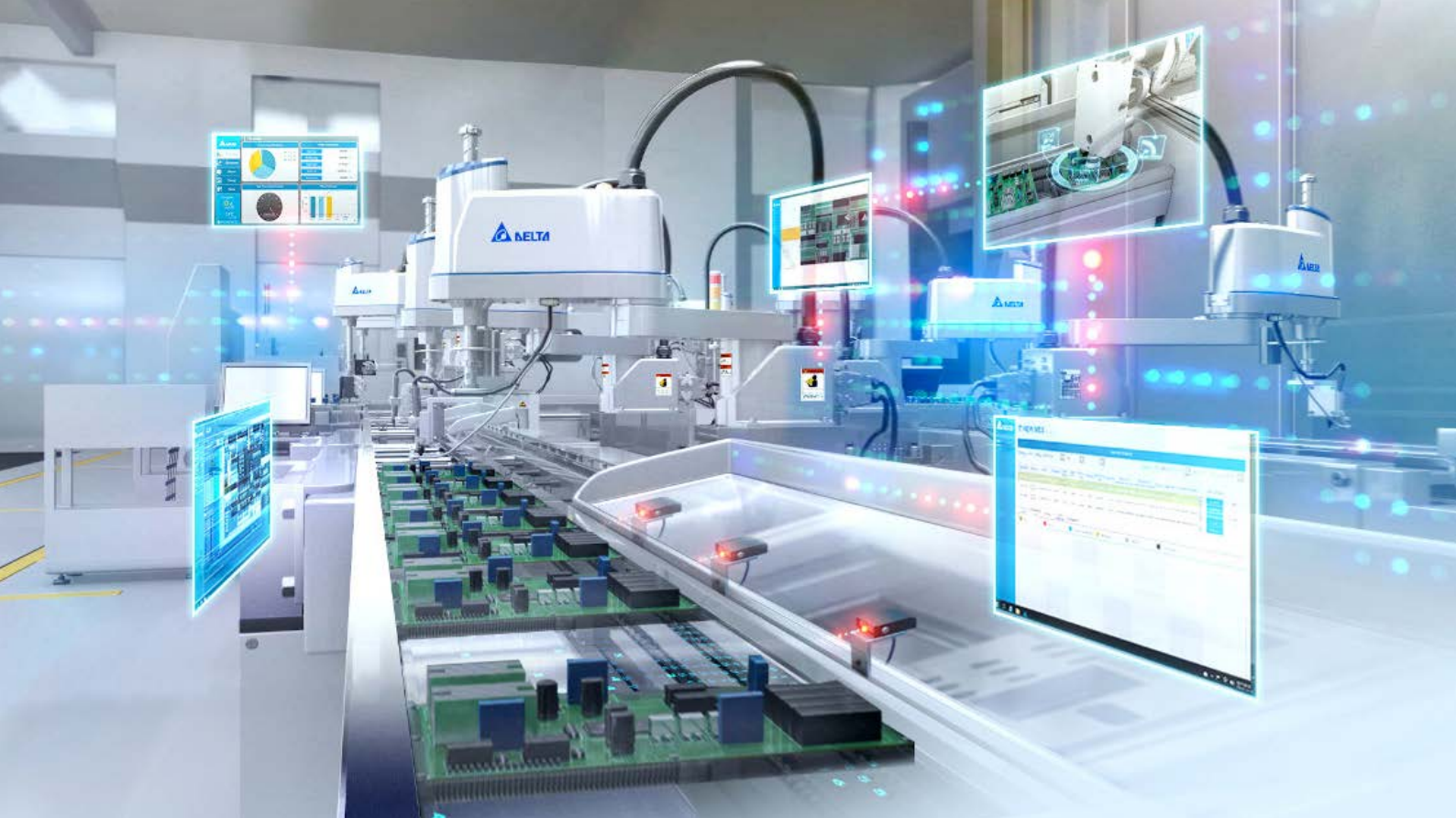
3.2 Gurgaon Plant

Production area : 1,488 sq.m
No. of operators : 55
Production line : 3 line
Actual production : 84% of Production Capacity

3.3 Krishnagiri Plant

Production area : 11,152 sq.m
No. of operators : 1,158
Production line : 24 line
Actual production : 82% of Production Capacity

Most of the Company's products manufactured in Thailand are obtained BOI privileges



Raw Material and Suppliers Sourcing

The raw materials used by Delta Thailand are classified into two main categories: Electronics parts and Mechanical parts. Electronics parts are composed of Semiconductors (IC, Diode, MOSFET, PWM etc.) and Passive Components (capacitors, fuse, resistor, relay etc.), the majority of which are imported from Singapore, Hong Kong, Japan, Taiwan, Europe and the United States of America and mainly paid for in US dollars. Mechanical parts compose of metal stamping, die-casting, wire harness, plastic injection, PWB and packaging that are mostly procured from local manufacturers, with some parts imported from China for risk diversification and cost benchmarking purposes. The ratio of imported raw materials to domestic raw materials is approximately 80:20. The company presently procures our direct raw materials from approximately 1,302 vendors (due to the consolidation of our vendor base) with purchase value per vendor not exceeding 9% of total procurement value. Vendors are also required to fulfill the requirements of ISO9001, ISO14001, ONSAS18001, IATF16949 ETC,

As reported previously, the company has conducted an in-depth analysis of our key suppliers' financial status after the global financial crisis. The company also reviewed our supply chain diversification/geographical distribution of suppliers' production lines. This was in order to reduce the risk of part shortages caused by extreme climate conditions or possible major disasters in the future.

In 2022, the global Coronavirus pandemic continued bring lots of challenges to supply chain management across regions. Many countries continued lock-downs and manufacturing disruptions as a result of quarantine, travel or other legal restrictions imposed by local authorities. The supply chain encountered low capacity utilization, low flexibility, and longer transportation time and cost while material lead time extended. Although the situation improved in H2, we continue to monitor the overall status.

A series of immediate actions were taken by the company during these periods which included reviewing the potential supply risks, working more closely with suppliers to secure the priority of limited output to meet company demand and defining future supply plans by capacity booking along with long-term supply agreements. Through these efforts, the company was able to manage and mitigate the impact and keep our supply chain disruption to a minimum level. Our team will continuously monitor the market trends and possible changes against the demand and supply situation in the coming year of 2023.

Furthermore, since 2018 the company has been responding to US-China trade tensions by developing a diversified supplier base with regards to our countries of materials' origin. In view of the disruption caused by COVID-19, this will help further accelerate our pace of developing a more flexible, but cost efficient, supply chain.

For the longer term, however, the company will need to undertake more actions to enhance localization and further develop and strengthen our supplier base in the ASEAN region.

Automotive Business Materials Management

The company purchased material from suppliers that are approved for supply. Suppliers are approved by a positive result from a defined supplier selection procedure, which may include a potential analysis and/or supplier audit according to VDA 6.3.* To ensure timely and quality project execution, the supplier is obligated to develop an effective project plan based on IATF16949, VDA 2 etc.

.....

**VDA 6.3 is a tool for process audits within the automotive industry by the German Association of the Automotive Industry*

As a D-U-N-S Number is affiliated with a company's business credit profile. Delta Thailand addresses the role of the D-U-N-S Number of related suppliers of EU car manufacturers to produce a D-U-N-S Number list that the company can benefit from when monitoring suppliers' credit profile. With a solid supplier credit profile, the company can grow its business and potentially win more contracts.

Management of Environment-Related Substances (ERS) in Products

The company has introduced the IECQ/QC080000 Quality System and promoted Green Product Management (GPM) systems in its major plants. IECQ was implemented based on the risk classification of materials. The company utilizes the Green Products Management (GPM) system as an environmental information sharing platform for the supply chain. The most recent international environmental requirements, such as the latest controlled substances of EU's RoHS 2.0, REACH SVHC, are simultaneously relayed to supplier partners for their reference and compliance.

Control of Conflict Metals

Delta Thailand implements a policy of banning conflict metals. In addition, the company requests suppliers of power supply products to fill out a "Metal Origin Survey Form" and to sign a "Statement of Non-use of Conflict Metals", the company continuously communicates this policy with major materials suppliers by employing influence on Corporate Social Responsibility, and increasing the opportunities for ore products to receive verification of origin by the Responsible Business Alliance (RBA), formerly the EICC, or a third party.

As of December 2022, around 98.7% of the company's suppliers have already signed the "Statement of Non-use of Conflict Metals".

ESG Management of the Supply Chain

Delta Thailand started promoting RBA Verification Consultation from 2014 to reduce ESG risks in the supply chain and raise our competitiveness. A verification and consultation team was organized jointly by Delta Thailand's Human Resources, Labor Safety, Plant Affairs, and Purchasing departments as well as the cooperating Delta Electronics Inc. ESG committee to perform ESG related tasks. This includes ESG risk evaluation of supply chain, waste reduction program, supplier audit team, and improvement mechanism. Room for improvement in health and safety aspects of the RBA management system was verified with most suppliers. To address these issues, the Delta verification and consultation team shared experiences in introducing and promoting the Delta Management System to suppliers. The team also follows up with the supplier's status to ensure continued improvement.

As of December 2022, 96.5% of Delta Thailand's suppliers have signed the "Declaration of Compliance with RBA Code of Conduct". Besides obtaining a high number signees, the company also held an "RBA On-Site Audit" focusing on local suppliers. The audit found that all of the company's local suppliers can comply with RBA Code of Conduct requirements.

Carbon Footprint/Water Resource and Carbon Reduction Management

In order to fulfill its business commitment, "Care for the Environment, Energy Saving, and Our Green Earth", Delta Thailand continuously works with suppliers to reduce carbon emissions, which not only lowers operation costs for both the company and the supplier but also increases the competitiveness of the entire supply chain.

Embedded CSR in Supply Chain

In 2022, the company had over a 85% completion rate among purchasing suppliers for the Supplier ESG Questionnaire (subjects are: Enterprise Management, Health Safety, Environment & Employee) with collection and analysis. The company initiated activities for at-risk suppliers including audits and coaching since Q1'2021.

Establishing a Green Supply Chain

Moving forward to 2023, the company will continue in our "Green Supply Chain" establishment direction. It will emphasize a Green Policy for our Partners, Processes and Products by implementing the Delta Carbon Emission Reduction Project (GHG water consuming and waste reduction), regularly holding supplier communication and learning activities and ordering ample resource allocation to boost suppliers' participation in CSR activity.





1.2.4. Business Assets

The business assets of the Company and its subsidiaries as of December 31, 2022 are as follows :

1) Land, Buildings and Equipment

(Unit : million baht)

Type of Assets	Ownership	Amount	Obligation
Land	Owner	1,789	None
Building and Factory	Owner	3,742	None
Machinery / Equipment	Owner	8,170	None
Mold	Owner	245	None
Installation	Owner	1,448	None
Assets under installation and under construction	Owner	7,005	None
Computer	Owner	195	None
Others	Owner	106	None
Total		22,700	

Depreciation for the year 2022 total amount THB 2,981 million (2021 : THB 2,262 million). Depreciation amount THB 2,438 million (2021 : THB 1,819 million) include in manufacturing cost, and the balance amount THB 543 million (2021 : THB 442 million) in selling, administrative and research and development expenses

As at 31 December 2022, certain items of building, machinery and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately of Baht 8,155 million (2021 : Baht 7,407 million) (The Company only : Baht 6,415 million, 2021 : Baht 5,664 million).

2) Other Intangible Assets The net book value of intangible assets as at 31 December 2022 is presented below

(Unit : million baht)

Item	Consolidated Financial Statements				Separate Financial Statements		
	Patent Rights	Computer Software	Customer Relationship	Total	Patent Rights	Computer Software	Total
Net book value :	49	87	56	192	49	8	57

3) Goodwill The net book value of goodwill as at 31 December 2022 and 2021 is presented below.

(Unit : million baht)

Item	Consolidated Financial Statements
Net book value as at 31 December 2021	443
Translation adjustment	(6)
Net Book Value as at 31 December 2022	437

As at 31 December 2022, the net book value of the goodwill as above included the goodwill of approximately Baht 215 million from Power electronics segment related to DES products and the goodwill of approximately Baht 222 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. ("Eltek SK") in 2017.

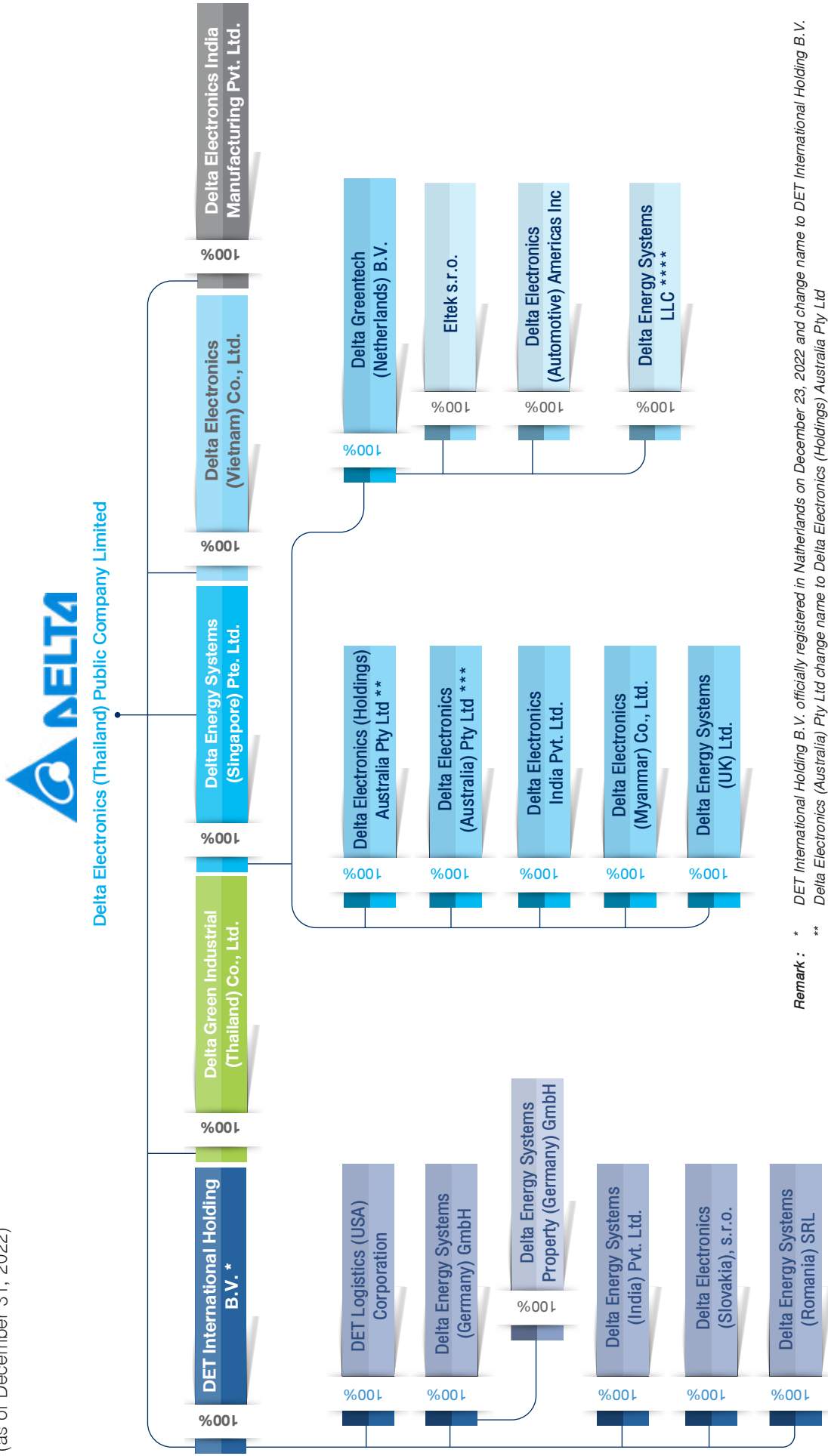
The Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period.

Investment Policy in Subsidiaries and Associated Companies

Most of the companies in the group operate business related to electronic products or businesses that are related to or support the operations of the Company. From which these companies have different strengths that can help each other support each other. The Company has closely supervised the operations, especially its subsidiaries, by sending directors or executives to supervise policies and business directions as well as to report the operating results and follow up the operating results closely and continuously. This makes the subsidiaries in the group understand the working direction and aims to work together to provide the best service to customers as well as to strengthen the group's business.

1.3 Investment Structure

(as of December 31, 2022)



Remark : * DET International Holding B.V. officially registered in Netherlands on December 23, 2022 and change name to DET International Holding B.V.
 ** Delta Electronics (Australia) Pty Ltd change name to Delta Electronics (Holdings) Australia Pty Ltd
 *** Eltek (Australia) Pty Ltd change name to Delta Electronics (Australia) Pty Ltd
 **** Delta Energy Systems LLC on process of liquidation.
 ***** Delta Greentech (Netherlands) Coöperatie U.A. has registered the completeness of liquidation on 11 February 2022
 ***** Delta PBA Engineering Solutions Co., Ltd. has registered the completeness of liquidation on 20 September 2021

Company	Location	Type of Business	Type of Stock	Registered Capital	Paid up Capital	% Holding
1. DET International Holding B.V.	Netherlands	Business Investment	Common Stock	USD 300,000,000	USD 264,357,329	100
1.1 DET Logistics (USA) Corporation	United State of America	Sales	Common Stock	USD 1,000,000	USD 500,000	100
1.2 Delta Energy Systems (Germany) GmbH	Germany	- Marketing & Sales - R&D	Common Stock	EUR 18,301,000	EUR 18,301,000	100
1.2.1 Delta Energy Systems Property (Germany) GmbH	Germany	Property	Common Stock	EUR 25,000	EUR 25,000	100
1.3 Delta Energy Systems (India) Pvt. Ltd.	India	Marketing & Sales	Common Stock	INR 494,500,000	INR 490,476,020	100
1.4 Delta Electronics (Slovakia), s.r.o	Slovakia	Manufacturing & Sales	Common Stock	EUR 47,120,947	EUR 47,120,947	100
1.5 Delta Energy Systems (Romania) SRL	Romania	R&D	Common Stock	RON 395,200	RON 395,200	100
2. Delta Energy Systems (Singapore) Pte. Ltd.	Singapore	- Business Investment - Management and Consultancy Service - Trading	Common Stock	USD 173,263,590	USD 173,263,590	100
2.1 Delta Electronics (Holdings) Australia Pty Ltd	Australia	- Business Investment - Local sales & Trading	Common Stock	AUD 3,329,000	AUD 3,329,000	100
2.2 Delta Electronics (Australia) Pty Ltd	Australia	Local sales & Trading	Common Stock	AUD 1,799,982	AUD 1,799,982	100
2.3 Delta Electronics India Pvt. Ltd.	India	- Marketing & Sales - Manufacturing	Common Stock	INR 36,498,000,000	INR 8,280,887,780	100
2.4 Delta Electronics (Myanmar) Co., Ltd.	Myanmar	Manufacturing	Common Stock	USD 2,350,000	USD 2,350,000	100
2.5 Delta Energy Systems (UK) Ltd.	United Kingdom	R&D	Common Stock	GBP 700,000	GBP 700,000	100
2.6 Delta Greentech (Netherlands) B.V.	Netherlands	Business Investment	Common Stock	EUR 26,937,182	EUR 26,937,182	100
2.6.1 Eltek s.r.o.	Slovakia	Manufacturing	Common Stock	EUR 3,326,031	EUR 3,326,031	100
2.6.2 Delta Electronics (Automotive) Americas Inc.	United State of America	R&D	Common Stock	USD 10,000,000	USD 2,500,000	100
2.6.3 Delta Energy Systems LLC	Russia	Marketing & Sales	Common Stock	RUB 30,000	RUB 30,000	100

Company	Location	Type of Business	Type of Stock	Registered Capital	Paid up Capital	% Holding
3. Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, Sales/ Trading, Installation and Service	Common Stock	THB 206,000,000	THB 206,000,000	100
4. Delta Electronics (Vietnam) Co., Ltd.	Vietnam	Trading and solution business	Common Stock	VND 2,323,700,000	VND 2,323,700,000	100
5. Delta Electronics India Manufacturing Pvt. Ltd.	India	Manufacturing	Common Stock	INR 381,110,000	INR 381,110,000	100



1.3.1 Supervision of Subsidiary and Associated companies

The Board of Directors has assigned the Executive Committee to supervise the operations of subsidiary and associated companies. The Executive Committee has a certain authority to make investments in subsidiaries and associates and may assign some directors or top executives of the companies and/or appoint some local personnel to participate in the Board of Directors or management of its subsidiaries or associates to support management and determine business policies and direction. After appointment, the Executive Committee will report such appointment to the Board of Directors for their acknowledgment. However, if the investment amount exceeds the granted authority, the Executive Committee is required to seek for Board's approval.

Further supervision and monitoring are done through the implementation of Enterprise Resource Planning

(ERP) solutions, which effectively gathers and provides important information including finance, accounting and other data, to support the management, controlling and monitoring of subsidiaries and associates operations. Furthermore, the Treasury and Investment Section of the company also actively participates in monitoring and supporting the sourcing of funds, capital increase and reduction. It seeks approval from the Executive Committee or Board of Directors for these transactions. Almost all of the companies in the Delta Group are wholly-owned subsidiaries so there would be no connected transactions occurring. In the case that there might be some transactions with other related companies in Delta Group, the subsidiaries have been instructed that prior approval from the company's Executive Committee or Board of Directors is required and relevant SET or SEC's requirements must also be complied with.

1.4 Registered and Paid-up Capital

Registered and Paid up Share Capital (31 December 2022)

Type of Equity	No. of Shares	Par value (Baht)	Total Value (Baht)
1. Registered Share Capital (Common share)	1,259,000,000	1	1,259,000,000
2. Paid up Capital (Common share)	1,247,381,614	1	1,247,381,614

The Voting Rights : 1 share 1 vote

Top 10 Shareholders (as of 1 March 2023)

No.	Name	Holding	%
1.	Delta Electronics Int'l (Singapore) Pte. Ltd	534,479,306	42.85%
2.	Delta International Holding Limited	191,984,450	15.39%
3.	CITI (Nominees) Limited-CBHK-PBGSG-Restricted Shares	172,845,420	13.86%
4.	Delta Electronics Inc.	69,128,140	5.54%
5.	The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong Branch	60,200,000	4.83%
6.	Raffles Nominees (Pte) Limited	57,857,500	4.64%
7.	UBS AG Hong Kong Branch	54,760,000	4.39%
8.	Thai NVDR Co., Ltd.	40,108,816	3.22%
9.	South East Asia UK (Type C) Nominees Limited	11,270,567	0.90%
10.	State Street Europe Limited	7,574,457	0.61%
11.	Others	47,172,958	3.78%
	Total	1,247,381,614	100.0%

Note :

Shareholders of Thai NVDR Co., Ltd., who held non-voting depositary receipts (NVDR) in Item 8, were ineligible for voting at shareholders' meetings except when exercising their voting rights on delisting the shares from SET.

Minor Shareholders

As of March 1, 2023, total number of Minor Shareholders (Free float) is 6,571, equivalent to 22.36%

Shareholding Agreement with Major Shareholders

Among major shareholders, the company does not have any shareholding agreement, which might affect its management.

1.5. Other Types of Shares

The company does not issue other types of shares, except from ordinary share, which is the only one class of security.

1.6 Dividend Policy

The company has a policy to pay dividend at least 30% of its net profits. However, the dividend payout ratio would be subject to change depending on the investment plan and/or other capital requirements the Company may have in the future.

The company's Board of Directors' Meeting No. 1/2023 held on 15 February 2023 resolved to pay dividend for the year 2022 at Baht 4.00 per share, representing a payout ratio of 32.5%. This is subject to the 2023 Annual General Meeting of Shareholders' approval. (The dividend paid in 2022 was Baht 1.70 per share, representing a payout ratio of 31.7%).

Dividend payment of the subsidiaries

Dividend payment of the subsidiaries would be determined based on the profitability and reinvestment opportunities of each subsidiary. In addition, the relevant laws, regulations, tax and foreign exchange control of the country where the subsidiary is located at will also be taken into consideration for greatest benefits of the company and shareholders.

Dividend Payment in past 5 years

Year	EPS	Dividend/Share (Baht)	% Payout Ratio
2018	4.12	2.30	55.9%
2019	2.37	1.80	75.9%
2020	5.69	3.30	58.0%
2021	5.37	1.70	31.7%
2022*	12.30	4.00	32.5%

* Pending for approval from the 2023 Annual General Meeting of Shareholders' on April 7, 2023 to approve the dividend distribution for the year 2022.





2. Risk Management



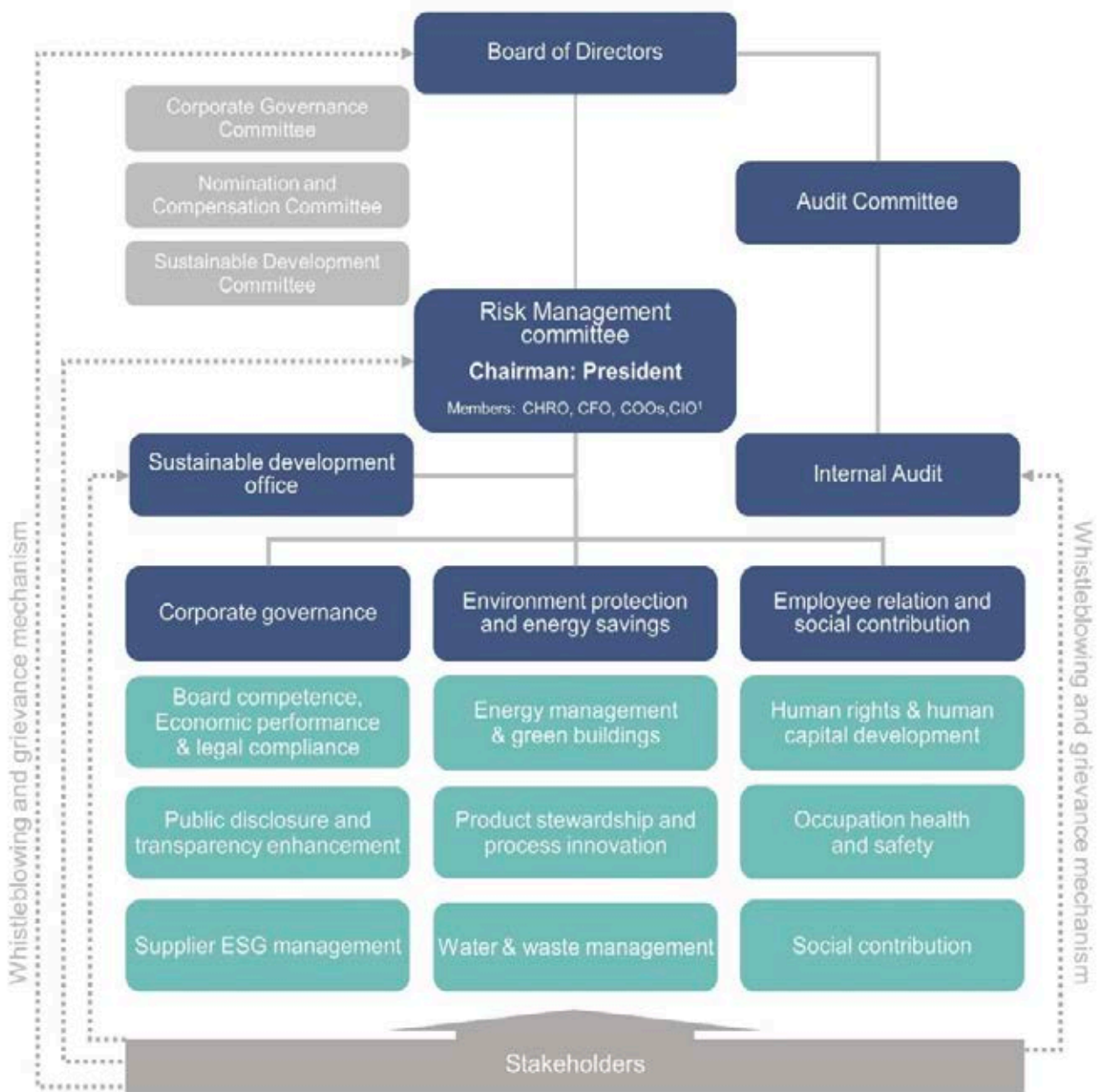
2.1. Risk Management Policy and Plans

Risk is inherent in all business and administrative activities that are increasing in complexity to keep pace with changes in a highly dynamic business environment. Delta continually raises awareness in risk management throughout our organization. We believe risk management is one of the most effective tools to ensure good management practice and facilitate the achievement of our objectives.

The Board of Directors has appointed a Risk Management Committee to establish a risk management policy that covers our entire organization and extended networks to ensure that risk management procedures or systems are in place to mitigate negative impact appropriately within the organization.

Risk Management Committee

The company President is both Chairman of the Risk Management Committee and a member of the Board of Directors. The Committee comprises of not less than five members who are the heads of major functions and/or persons assigned by the Board of Directors or Chairman of the Committee. When necessary the Committee may invite other persons who are involved with or responsible for any matters related to the meeting agenda to participate in the Risk Management Committee meeting.



Attribute of global ESG Risks that affect Delta's value chain

The the World Economic Forum's Executive Opinion Survey (EOS)					
	Risk 1	Risk 2	Risk 3	Risk 4	Risk 5
Thailand	• Debt crises in large economies	▲ Cost-of-living crisis	▼ Human-made environmental damage	• Digital inequality	Geo Economic confrontation
India	▲ Digital inequality	Geopolitization of strategic resources	▲ Cost-of-living crisis	▼ Debt crises	Natural disaster and extreme weather events
Slovakia	Rapid and/or sustained inflation	Severe commodity price shock	Severe commodity crises	▼ Asset bubble bursts in large economies	Interstate conflict
Australia	▲ Cost-of-living crisis	▲ Debt crises in large economies	Rapid and/or sustained inflation	Geoeconomic confrontation	▼ Climate action failure
China	▲ Geo Economic confrontation	▲ Natural disaster and extreme weather events	Rapid and/or sustained inflation	▼ Infectious diseases	• Geopolitical contestation • Asset bubble burst • Digital power concentration
Germany	▲ Rapid and/or sustained inflation	Severe commodity price shock	Interstate conflict	Severe commodity supply crises	• Geopolitization of strategic resources
Netherlands	• Climate action failure	▲ Rapid and/or sustained inflation	Geo Economic confrontation	Geopolitization of strategic resources	Cost-of-living crisis
Romania	▲ Rapid and/or sustained inflation	▲ Geo Economic confrontation	Interstate conflict	Severe commodity price shock	Cost-of-living crisis
Singapore	▲ Geoeconomic confrontation	Rapid and/or sustained inflation	Severe commodity supply crises	Severe commodity price shock	Cost-of-living crisis
Taiwan, China	▲ Geo Economic confrontation	▲ Rapid and/or sustained inflation	▼ Infectious diseases	▼ Natural disaster and extreme weather events	Severe commodity shocks
United Kingdom	▲ Cost-of-living crisis	• Debt crises in large economies	Rapid and/or sustained inflation	• Climate action failure	- Terrestrial biodiversity loss and ecosystem collapse - Interstate conflict - Asset bubble burst
United State of America	▲ Debt crises in large economies	Rapid and/or sustained inflation	Geo Economic confrontation	Cost-of-living crisis	▼ Climate action failure
Vietnam	▲ Rapid and/or sustained inflation	▲ Infectious diseases	▲ Geopolitization of strategic resources	• Natural disaster and extreme weather events	Failure of cybersecurity measures

■ Major manufacturing sites
 ■ Economics
 ■ Social
 ■ Environment

Source : https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf page 80-89



Duties and Responsibilities of Risk Management Committee :

1. Establish risk management procedures
2. Collaborate with other committees to strategically mitigate ESG risk in long-term
3. Implement risk management, delegate risk management tasks to their respective managers
4. Develop and review strategic risk management plans
5. Report to the Audit Committee semi-annually, or whenever necessary, and report to the Board of Directors at least once a year
6. Monitor and continuously improve risk management
7. Seek advice from relevant professional consultants in some cases Risk Management Committee Organization

Risk Management Process

set up the risk assessment and risk policy for management and documented information in the “Risk Management Committee Charter”.

Based on the World Economic Forum’s Global Risk Report, the Committee considers the relevance, impact, influence, opportunity of risks to Delta’s sustainable goals. The Risk Management Committee advises management to perform risk management according to the Risk Management Policy with support from the Risk Management Manager who acts as the focal point for each department. The management and heads of major functions must identify risks, how they occur, investigate risk background and find areas where risks occur. Next, they must measure, rank and prioritize identified risks to form management strategies and processes. The Risk Management Manager will summarize the information and documentation from relevant departments and present it to the Committee.

The Committee will review documentation, allocate priorities, develop and review strategic risk management

plans proposed by each function (if any). They will also ensure compliance with risk assessment and management procedures. Finally, the Committee will submit a report on the risk management status to the Audit Committee and the Board of Directors at least twice a year.

2.2 Risks Factor and Management Strategies

1. Financial Risk Management

• Exchange Rate Risk

The Thai GDP in 3Q22 grew higher than expected at 4.5% YoY. Thus, the Thai GDP in 2022 is likely to expand at a higher rate than previous estimate of 2.9%. Major banks expect another strong growth period in 4Q22 on the back of continued recovery in the inbound tourists to Thailand and its associated domestic trade-stimulating impacts brought about from it.

As the Thailand Current Account turns to surplus, with a better than expected rebound in foreign tourist arrivals, this will be accompanied by lower oil prices and sliding shipping costs. The Thai Baht policy rate is expected to be at 2-2.5% at year-end 2023. Decrease in the USD/THB rate will relieve pressure to the Bank of Thailand to hike rate.

In 2023, it is expected that the Thai economy will continue to remain optimistic and grow on expectations of higher and steadier tourism income that will continue to boost domestic trade activities coupled with stronger export performance.

In 2022 the company had gains on exchange of about Baht 449.9 Million mostly caused by the depreciation of the Baht this year. This is in despite factors including slow economic recovery and supply chain disruption globally.

The company is aware of uncertainties and continues adopting a hedging policy to mitigate foreign exchange risk with natural hedging for the company's assets and liabilities in foreign currencies. In addition, our company also uses foreign currency forward contracts to protect net position of each currency. This policy is effective in minimizing risk from fluctuations of exchange rates or interest rates.

Apart from managing the risk on US dollar currency, the company also deals with other currencies in relation to the countries where subsidiaries are located in such as the Indian Rupee and others. Risk management for each currency is varied in accordance with the situation in each country. It is therefore necessary to monitor closely and regularly.

- **Accounts Receivables Collections**

The company constantly monitors and evaluates the economic situation to see if there will be any factors affecting company's operations and our customers' financial position to ensure smooth collection of receivables. The company also utilizes credit insurance and other related financial instruments to mitigate trading risk.

Delta has experienced personnel and systems to evaluate credit risks and monitor AR aging. Although the company must navigate various challenges, we were still able to manage the accounts receivable and collection according to good business practice and standards during the past year. This has helped to ensure sufficient and smooth cash in-flows to support our business operations and needs.

2. Corporate Investment Risk Management

Investment and financial assistance given to subsidiaries are generally risk inherent transactions. Risk management practices that our company adopts

include closely monitoring and controlling treasury, accounts receivable and other significant financial and administrative activities.

The executives of our subsidiaries attend company gatherings from time to time for training, meeting or performance review which is regularly done through video conference. This ensures administration efficiency towards the same business direction and boost working morale cooperation among the group also.

3. Supply Chain Risk Management

The company assesses the major risk factors throughout the supply chain, this is because any misalignment in the supply chain management would affect the confidence of customers and other stakeholders as well as impact future operations. In 2022, the main focuses for the Supply Chain Management are supply risk mitigation and cash flow control. Since the Coronavirus pandemic, we have learnt that having a local supply chain to supply the production is a key to success.

Over dependence on production from different countries has led to line down risks. For example, Shanghai was locked down during the period of February to April 2022. During this period, shipments from Shanghai were completely stopped. We immediately started a second source approval or second production location approval process.

In 2022, key projects, which have components supply from overseas, were marked to obtain approved local sourcing as a must. We have made a review and plan for all local sources to be implemented. Our goal in 2023 is to have 60 percent of mechanical parts manufactured locally. This includes metal parts, die castings, plastic and other inter-company supported parts. For Electronic components, dual backend facilities need to be available. In the case of one country having a shutdown, we must have another location available in order to minimize impact to our supply.

Our company is promoting the idea of a healthy ASEAN region supply chain. We have incorporated the ASEAN countries into our local supply chain. We have successfully started a business relationship with several new suppliers in the Vietnam and Malaysia. This will further enhance the diversification and competitiveness in our local supply chain to strengthen Delta's localization of material content.

In terms of cash flow improvement, Delta has been reviewing with the factory side to adjust the Master Production Schedule (MPS) according to the global supply plan of semiconductors. Weekly reviews on the MPS has been conducted. At the same time, we have try to balance the shipment of semiconductors. For categories which are no longer in shortage, we rearranged purchase order request dates and worked to push out the delivery from vendors. For categories which are in shortage, we continue to work with our supplier management team to pull in critical parts. As a result, we can also reduce our inventory level, and reduce our accounts payable as well.

4. Information Risk Management

Manufacturing equipment with feature like or similar to IoT can realize the seamless integration of various manufacturing devices equipped with sensing, identification, processing, communication, actuation and networking capabilities. This is based on a highly integrated smart cyber-physical space with networking between machinery, sensors and control systems. The intelligent systems enable rapid manufacturing of new products, dynamic response to product demands, real-time optimization of manufacturing production and supply chain networks.

However, this opens the door to create a whole new range of cyberattacks for our Smart Manufacturing.

Unsecure manufacturing IoT is like an open gate that is vulnerable to information attacks from outside. To secure and mitigate this risk, our IT infrastructure management uses rugged and resilient equipment. We engage with professional contractors and service providers to build up our security appliance, hardware redundancy, maintenance service and proactive care service. This aims to reduce risks from cyberattacks, hardware failure and data loss while improving the level of information security among Delta employees.

The company has established the following IT security measures and continuously monitors cyber-threats to prevent and minimize our cyber security risks:

People

- In accordance with new cyberattack trends and the exponential increase in the use of digital technology, our company continuously provides cybersecurity awareness training in a bid to keep pace with the situation
- Provide IT Orientation for new employees to help them understand how to use our IT services and what to follow for compliance with ISO27001
- Regularly perform phishing tests to encourage employees to exercise caution when using information systems
- Regularly update/educate employees for information security related issues via our internal email channel

Policy & Process

- Establish and announce the latest IT Security Policy procedures on the company intranet to serve as a guideline for the efficient use of IT systems and infrastructure
- Conduct cybersecurity rehearsals and disaster recovery tests regularly to ensure prompt response and minimize impacts on DET information systems

- Develop IT security infrastructure, such as Operational Technology (OT) Security Operation. Monitor and prepare protection for new threats to both offices and plants, perform tests and assessments regularly to put in place a proactive preventive plan before an attack takes place
- Implement measures to reduce the scope of impact, and update policy for any network connected device that needs good management and to process vulnerability risk verification for new applications

Technology

- Implement the appropriate cyber protection tools on both of protection and prevention facets
- Implement multi-factor authentication for securing the accessing to importance services and systems
- Keep track of Data Leak Prevention to control and prevent company data confidential leaks
- Implement an information security management system and asset security practices in accordance with international standards

Our company requests employees' cooperation with IT for any new IoT devices implementation. Moving forward, the IT department will prepare and implement application management, awareness programs and regular audits, in cooperation with vendors, to improve software compliance.

The company also has Software Development Process & Control Procedures to manage in-house software development and bugs detection. These applications and device monitoring allow us to do remote health checks of real time manufacturing capacity input and output as well as machine performance based on infrastructure network that connects everything.

We applied new technology to speed up and improve accuracy of production by using in-house development which utilizes Virtual Reality technology as the model. This could include Virtual Training tools and deep analysis, remote troubleshooting during COVID-19 pandemic situation.

5. Legal and Intellectual Property Rights Risk Management

Intellectual Property (IP) refers to any intellectual creations of the inventors and authors such as copyrights, trademarks, patents, petty patents, know-how, trade secrets, and layout-designs of integrated circuits, etc., which have value both beneficially and commercially which results from intellectual ability, knowledge, monetary investment, and time in the creation of Intellectual Property. Therefore, the rights of inventors and authors should be protected and maintained from any kind of infringement and the Intellectual Property of others should be respected and legally used.

In recognition of the importance of Intellectual Property, the company has determined to guard and protect the Intellectual Properties owned by the company and other companies within the Delta Group from violation and unauthorized use, while also maintaining strict respect for the Intellectual Property of others.

Delta Practice

Executives and employees of the company must abide by relevant national and international laws, rules, and regulations such as patent law, trademark law, copyright law, trade secret law, or any agreement on Trade-Related Aspects of Intellectual Property Rights in every region and country where conduct business. This also includes adhering to promises or lawful agreements that bind the company and other companies of Delta Group.



- When using, duplicating, adapting, disclosing, or disseminating copyrighted materials to the public, whether in whole or in part, executives and employees can only proceed after being granted approval or permission from the copyright owners. In the case of any doubt in dealing with such copyrighted materials, before proceeding-it is the duty of the executives and employees to consult on such matters with the Legal Department.
- When using legally registered logos or trademarks of the Delta Group, executives and employees should take into account the appropriateness of use and apply it prudently only for the benefit of the company or Delta Group.
- Any invention and design, new product, or any discovery which results in an improved or new and innovative product or service, which has not yet been registered for a patent or petty patent must be safely guarded and protected from Intellectual Property infringement.
- When duplicating, adapting, disclosing, and disseminating copyrighted works or other people's trade secrets to a third party or the public, either in whole or in part, permission or consent must first be legally granted from the copyright owners.
- Executives and employees who have access to trade secrets (for example, trade information, production cost information, production formulas, product pricing formulas, patterns, software, technical methods, production procedures, business management information, product price details, customer lists, and advertising strategies, etc.) are required to safeguard such information and comply with the company Code of Conduct.
- Cost increases from ICP (Internal Carbon Pricing)
- Climate change from the occurrence of the La Niña phenomenon for three consecutive years
- World temperature rising

The company has realized the necessity to manage these risks and has been developing policies to prevent and reduce the risks of energy and environmental management from our growing and common processes.

1. The new Delta factory, DET7 has begun operation since January 2022. It has four floors and 60-70% of total area dedicated to production. It is expected to reach full capacity on every floor by end of 2022. As a result, the electricity consumption rate will increase continuously. To mitigate this issue, our company has prepared for energy saving projects to reduce energy consumption for the coming years and started a project of solar energy installation on the building roof.
2. The Russia-Ukraine war has had an effect on energy costs and oil prices as a result of a global energy crisis. Consequently, the Energy Regulatory Commission of Thailand (ERC) brought in a resolution at the start of 2022 to raise fuel adjustment tariffs (FT) to 0.0139 Thai Baht. Subsequently, by the end of the year, it had increased the rate to 0.9343 Thai Baht, a rise of 6,622% from the beginning of the year. This has led to an estimated 20% increase in electricity expense and expect to continue upward trend in the following year.
3. Internal Carbon Pricing (ICP) is an additional charge implemented by Delta from electricity bills that funds corporate energy-saving projects, energy management, renewable energy contributions and others projects that reduce carbon emissions.
4. The La Niña phenomenon has occurred three years (from 2020 to Y2022) in a row for the first time in one hundred years, causing an abnormally high amount of rainfall, more frequent monsoons and storms. As a result, our company's efforts to achieve a target of solar electricity production for factory use have been adversely affected.

6. Energy and Environmental Risk Management

In 2022, our company has developed several strategies to address new challenges including the risks of the energy shortages and environmental management due to many factors such as:

- Factory expansion which will cause more energy consumption for production
- The Russia - Ukraine war situation

5. The global average temperature in 2022 is estimated to be about 1.15 (1.02 to 1.28) °C above the base year 1850-1900 pre-industrial average (UNFCCC target is to keeping the average rise at 2°C). If the global temperature rises above 2°C, it is likely that Thailand will experience negative impacts including more frequent and severe heatwaves, droughts and storms as well as a rise in sea level. These events could have significant impact on social and economic such as crop failure, loss of property and infrastructure, and increased strain on natural resources and public health systems.

7. Occupational Health and Safety (OHS) Risk Management

During the past two years, the world faced with the spread of COVID-19 as another great health crisis of mankind. Many countries, organizations, companies have been affected by the COVID-19 pandemic.

On October 2022, the Thai government declared COVID-19 as an endemic disease and treated it as a common cold. Subsequently, the government has also announced to open the country for tourist visitors. With the economic recovery from tourism, business and people would be able to live back to normal life again.

Starting from November 2022 the situation of the outbreak begins to wind down. The number of infections has decreased and be controlled. The Thai government has announced the cancellation of the contingency plan to control the spread of COVID-19 as a serious contagious diseases. Although the rate of the epidemic is getting lower and some patients still develop mild symptoms, the Thai government still encourages people to get vaccinated and get a booster dose. Moving forward, the epidemic situation is likely to improve further.

In the past COVID-19 pandemic situation, Delta Thailand took all possible measures to operate our business in order to have the least impact to the production, service as well as delivery of products to the customers.

Safety of employees is our company's top priority, and we have provided protection by distributing daily masks and hand sanitizers. Our strict health control policy and co-operation from all parties included executives, employee and all stakeholders. This enabled our company to continue production operations in the safest manner.

For risks and strategies in implementing occupational safety and health in this year, we have considered and focused on the following five main areas:

1. Increased number of employees to respond to and accommodate our increasing production expansion. This will increase the use of resources and energy, which our organization must evaluate, plan, review, correct and adjust our utility systems to accommodate. We boost education related to safety and occupational health knowledge to avoid affecting the organization and the environment both inside and outside our company.
2. Changes in production technology from manual processes to automation. Employees must adapt and work with automation devices and machines to improve safety and quality. Employees who lack caution at work will cause accidents. Therefore, ample training and coaching must be provided to ensure employees know how to work properly and work safely with automation machines.
3. Safety and the pandemic. The transmission of COVID-19 within the factory must be controlled so as not to adversely affect our production processes. Our company must continue production and fulfill delivery of customer goods on timely basis.
4. Waste management from production process such as garbage, waste water and polluted air. Waste must be assessed, planned, managed to accommodate the quantity and control the treatment to meet the specified standards before releasing to the outside of our factories.
5. New policy implementation in accordance with the laws, standards, requirements that our organization is involved, which includes customer requirements, to maintain our standards and corporate image in the context of sustainability.



3. Sustainable Development Report

Beneficiaries

<p>Shareholder</p> <ul style="list-style-type: none"> Good and long-term return from sustainable investment 	<p>Customer</p> <ul style="list-style-type: none"> High value-added product and solutions Compliance to recognized industry standards. 	<p>Employee</p> <ul style="list-style-type: none"> Decent jobs and well-being 	<p>Supplier</p> <ul style="list-style-type: none"> Partnership to sustainability Higher competence with ESG standards and leading technology requirement 	<p>Community</p> <ul style="list-style-type: none"> Sufficient resources and capability for well-being in long-term
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Challenge

Our Mission

Impact

1.5 degree climate change mitigation

To provide innovative, clean and energy-efficient solutions for better tomorrow

Extreme weathers and temperatures from climate change are disrupting the balance of nature. This poses many current and future risks to human beings and all forms of life on Earth.

Climate change directly affects fuel supply, energy production as well as the physical resilience of current and future energy infrastructure.

Everyone has a role to play in contributing to climate change mitigation.

Demographic Changes

Shift in Economic Power

Rapid Urbanisation

Climate Change and Resource Scarcity

Technology Change

Agriculture and Food

Wellness and Medicine

Energy, Materials and Biochemicals

Tourism and Creative Economy

Thailand's BCG Model

Industrial Automation

- Smart Farm Solution
- Flood monitoring Solution
- Smart Manufacturing

Data Center

- Containerized data Center

Smart Energy

- Renewable Energy Solutions
- Microgrid
- Energy Storage System (ESS)

EV Charging Stations

- EV Charging Stations
- Bidirectional Charging

Telecom Energy Solutions

- Support 5G network

Display and Monitoring

- 8K projection for museum and surgery

Building Automation

- Smart building for healthcare service like hospital
- Indoor air quality for homes

Power Electronics, Automation and Infrastructures



As one of the largest electronics manufacturing companies in Thailand, Delta Electronics (Thailand) Public Company Limited understands that our actions will have direct and indirect impact in the communities around us and the enterprises that engage with us.

Guided by our founding mission, “to provide innovative, clean energy-efficient solutions for a better tomorrow”, Delta has been conducting our business based on the principle of sustainable development (SD).

At Delta we strive to have minimal negative impact and make positive contributions to the environment, society and economy. We believe that ethical business practices can result in a stronger foundation for a long lasting company.

Since Delta Thailand’s establishment in 1988, we have thrived on the challenges of discovering innovative solutions that help to reduce carbon footprint like Delta power supplies and thermal management solutions that reduces energy wastage with market-leading efficiency. As the negative impact of climate change becomes more apparent, Delta’s environmentally friendly product and solution offerings, like our electric vehicle charging products, are also growing.

As a result, Delta Thailand is able to offer good returns for our stakeholders while creating positive impact for the environment and society. This can be seen below in our SD centric business development strategy outline.

Delta’s business strategy is based on sustainable development principles with products and solutions that address global megatrends, good corporate governance standards recognized by our industry and authorities and meaningful actions for environment conservation and community development.

Delta Thailand’s Risk management committee and Sustainable Development Committee has revisited the World Economic Forum’s risks report, key megatrends and our internal and external stakeholder’s expectation, to ensure Delta’s sustainability are still on the right track. Risk Management Committee (RMC) reports our risk management progress to the President. The risk management results will be reported to our Audit Committee or the Board at least twice a year.

Based on 2022 RMC’s survey, TCFD framework for climate-related risk management and risk prioritization results, Sustainable Development Committee conducted a material issues survey to allow Delta Thailand’s major entities including Delta Thailand, India and Slovakia to realize the impacts of our business activities and business relationships on the economy, environment, and people. The awareness of negative and positive consequences includes operational or reputational, and therefore in many cases financial for both our stakeholders and the organization itself should help create risk culture and sustain collaborations. The result of the material issues survey was reported to the Board of Director on 15 February 2022.



Increase positive impact

30%

Green revenue to total consolidate revenue by 2025.

Reduce negative impact

Overall

Net-Zero Target

reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year.

90%

reduce absolute scope 1 and 2 GHG emissions by 2030 from a 2021 base year.

100%

increase annual sourcing of renewable electricity from 55% in 2021 to 100% by 2030

Reference:

<https://sciencebasedtargets.org/companies-taking-action/>

Material issues	Impact in ESG aspect			Impacted stakeholders					Type of impact				Type of impact			
	Economy	Environment	People (including Human rights)	Customers	Employee	Supplier	Community & society	Others	Actual / Potential	Negative / Positive	Short-term/ Longer	Intend / Unintend	Reversible/ Irreversible	High	Moderate	Low
Energy Transformation	●	●	●	●	●	●	●	●	A	N, P	L	U	R	●		
Eco-efficient Operation	●	●	●	●	●				P	N, P	L	U	R	●		
Sustainable Supply chain	●	●	●	●	●	●	●		P	N, P	L	U	R	●		
Innovation Management	●	●	●	●	●	●	●		A	N, P	L	U	R	●		
DEI Promotion	●		●	●	●				P	N, P	L	U	R	●	●	
Health and Safety	●		●	●	●				P	N, P	L	U	R	●	●	
Business Ethics	●	●	●	●	●	●	●	●	P	P	L	I	R	●		
Economic Performance	●	●	●	●	●	●	●	●	P	P	L	I	R	●		



Delta realize that our rapid growth means more resources we use and more human rights we involve, we systematically manage potential ESG issues that might impact global and national citizen well-being directly or indirectly. In addition, Climate change already disproportionately affects vulnerable communities on a broad range of human rights, including health, water, food, sanitation, and other basic human needs, and these impacts are likely to increase.

Based on recent material issue prioritization and our scenario analysis, our material issues to maintain mutual sustainability for both Delta and our stakeholders in long-term are as following :

Energy Transition

Delta group announced in March 2021 that it had joined the RE100, a global renewable electricity initiative, and had pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta's global locations. This effort is not only to reduce the organization's carbon footprint but a significant pathway to help our customer reduce product carbon footprint and preserve natural resources for the next generation's quality of life.

Eco-efficient Operation

The rapid growth of tech industry as the consequence of COVID-19 pandemic leads to Producing more with less material is essential for many industries affected by the growing natural resource scarcity. Operational Eco-Efficiency enhances competitiveness in terms of cost reductions and reduced environmental liabilities. It also enables companies to be better prepared for future environmental regulations.

Sustainable Supply Chain

Close collaboration with our business partners helps in the implementation of our business plan as well as our journey to Net Zero. To maintain partnership and technology competence, critical suppliers have been identified our Central Purchasing Committee to ensure

their capacity to survive in ESG-centric business era. Delta Thailand is continuing production capacity expansion while working with partners to manage risks and find solutions to mitigate risks from global material, logistics and cost issues.

Innovation Management

Despite the risk of recession in the global economy, Delta sees demand for essential infrastructure and investment in long-term sustainable innovation driving growth in line with market demand for datacenter, telecom power and EV-related businesses.

Diversity Equity and Inclusivity Promotion

Due to our drastic growth, Delta has more and more newcomers joined us in this couple of years. These new-comers have made a lower average age and tenure of our total employees. HR-related functions actively play its roles to ensure our work environment, compensations, benefits and engagement are in line with diverse member's satisfaction and comparable to the industry standards.

Health and Safety

The increasing numbers of our colleagues urge us to pay more attention on ensure our colleagues understanding of health, safety and well-being practices. Furthermore, communication diseases, more frequent natural disaster, severe climate and pollution remind us to undertake our colleagues good work environment, food and sanitary in preventive manners.

Business Ethics, Code of Conduct and Integrity

To accomplish our aggressive target to reduce negative impact new resources, investment, information, standard compliance and partnership with our stakeholders is vital. Competition among business sectors to win sufficient resources to resume the planned growth amid the global economy decline, inflation, resources scarcity and geo-economic confrontation highlights the importance of ethic and integrity in business process. According

to our Sustainable Development Committee meeting dated 28 February 2023, the meeting agreed that Business ethics and integrity matter to fair business practices, Delta's recognition and our financial performance. We stay committed to sustainable development with business transparency.

Economic Performance

Despite major headwinds throughout the year, Delta Electronics Thailand delivered on guidance to achieve all of its planned operational and financial targets, alongside successful management of critical global material shortages to meet business growth in 2022.

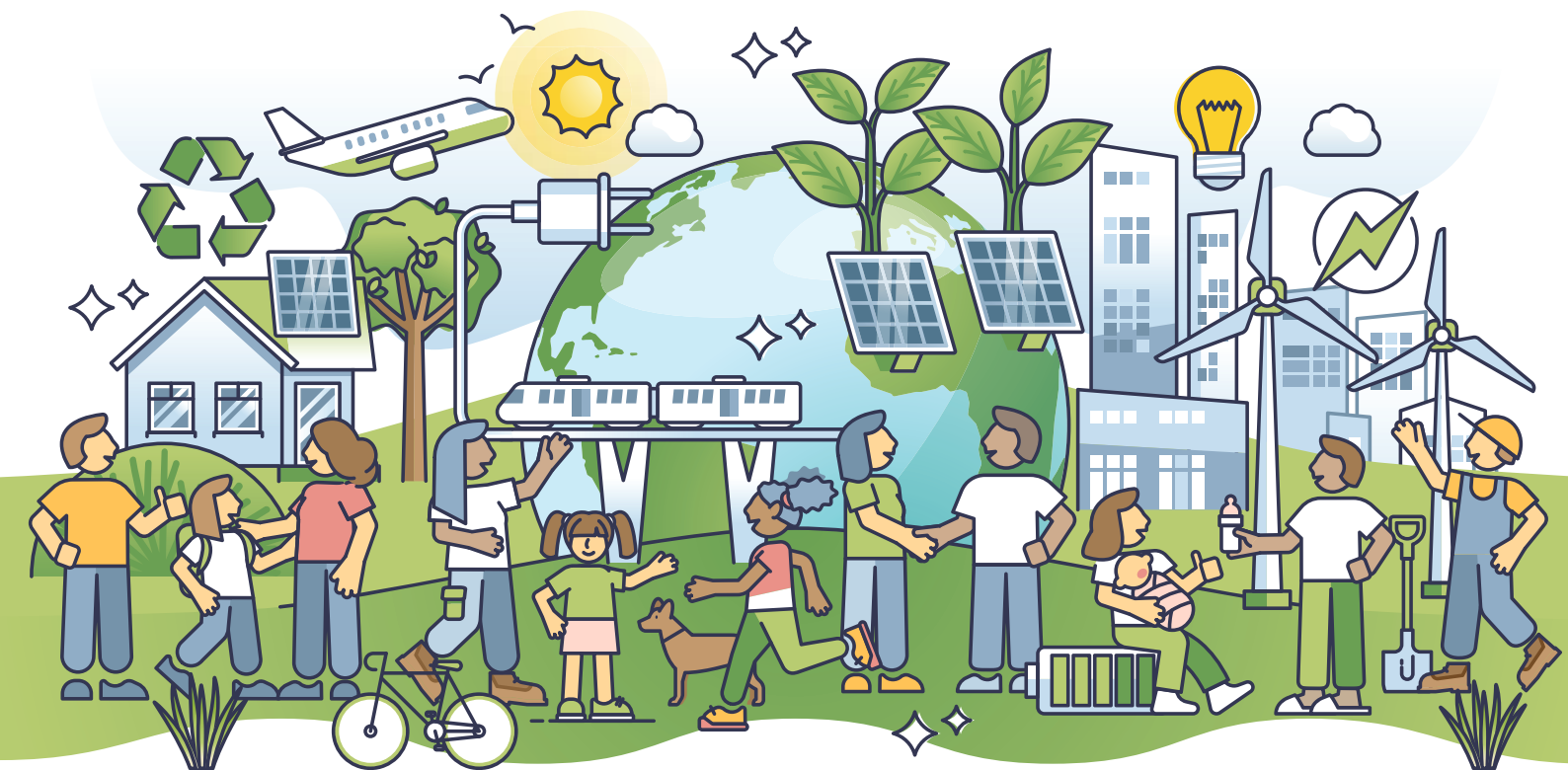
In addition, Delta Electronics (Thailand) PCL. qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2021 in recognition of its superior environmental, social & governance (ESG) performance. Delta Thailand is the only Thailand company in the "ITC Electronic Equipment, Instruments & Components" industry segment in the 2022 DJSI index and is in both DJSI World and DJSI Emerging Markets region/country lists. This year, over 10,000 publicly

traded companies were invited to participate in the S&P Global CSA. Delta Thailand joins the DJSI index for the first time after two consecutive years of S&P Global Silver Class Awards. Delta Thailand values the comprehensiveness of the questionnaires and guidelines for DJSI assessment submission more than our ranking. Our SD team has been leveraging on the reporting process to continuously gauge the effectiveness of our SD projects for continuous improvement.

Delta Thailand has positioned our products and solutions to address global megatrends. To counter emerging risks, we take mitigating actions and create proactive strategies to bolster our company's long-term resilience. We seek to manage risks through ethics, informed decision making, foresight and agility and to forge a business that will benefit society far into the future.

More detail of the stakeholder engagement, material issues prioritization process and key ESG performances will be available in our coming issue of online Sustainable Development Report. (<https://deltathailand.com/en/download-sd-report>)





Environment Management

Delta's corporate mission is "To provide innovative, clean and energy-efficient solutions for a better tomorrow". All main production plants in Thailand have passed third-party certification of the ISO14001 Environmental Management System and promote environmentally-friendly performance management.

Delta Thailand recognizes the importance of environmental capital and continuously promotes, follow up and reviews efficient use of energy and natural resources to reduce waste, prevent pollution and improve environmental performance. In addition, we have established Environmental Policy and other related policies, including the Energy Management Policy, as well as short and long-term sustainable development goals to drive progress toward the UN Sustainable Development Goals (SDGs).

These actions can include measures such as GHG reduction operations, reducing energy and water consumption, and recycling and reusing materials. Moreover, our company also seeks to reduce our

greenhouse gas emissions through implementing internal carbon pricing mechanisms, investment in renewable power plants, power purchase agreements (PPA) for the direct purchase of renewable electricity, and unbundled Energy Attribute Certificates (EACs).

GHG Operation Target

Near term
1.5°C
by
2030

Long term
1.5°C
by
2050

NET ZERO
Commitment by **2050**

The overall Net-Zero Target of Delta Group commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year. Near-Term Targets Delta Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2030 from a 2021 base year.

Delta Group also commits to increase annual sourcing of renewable electricity from 55% in 2021 to 100% by 2030. Delta Group further commits to reduce the absolute scope 3 GHG emissions by 25% within the same timeframe. Long-Term Targets of Delta Group include a commitment to maintain at least 90% of the absolute scope 1 and 2 of GHG emission reductions from 2030 through 2050 from a 2021 base year. In addition, Delta Group commits to reducing the absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year.

To challenge our organization, Delta committed to reduce the absolute scope 1 and 2 GHG emissions 90% by 2030 from a 2021 base year and committed to reduce absolute scope 3 GHG emissions 25% within the same timeframe in 2030.

Moreover, Delta Electronics Thailand is also aware that the sources of our purchased electricity, to operate our business, have been conventional sources such as fossil fuels, natural gas, diesel, petroleum, and liquid petroleum. These are the main source of our GHG emissions (almost 99%). Therefore, we commit to increase annual sourcing of renewable electricity from 35% in 2025 to 100% by 2030 and set a long term target to become carbon neutral in the same year to align with our RE100 commitment.



At our Thailand sites, Delta has set the target to reduce GHG intensity 20% by 2025 comparing with a new base year of 2020. Our latest statistics shows that the direct emissions (Scope 1 - Category 1) of 2022 were 1,486 tonsCO₂e, indirect emissions (Scope 2 - Category 2) were 59,866 tons CO₂e for location based and 57,966 tonsCO₂e for market based and other indirect emissions (Scope 3 - Category 3, 4, 5 and 6) were 167,322 tonsCO₂e separately, that mean the GHG intensity (Thailand's sites) of 2022 (scope1 and 2) was 22.41 tonsCO₂e/ MUSD for location based and 21.71 tonsCO₂e/MUSD for market based. This represents a 44% and 46% reduction for location-based and market-based emissions, respectively, from our base year of 2014, and a 3% and 6% decrease, respectively, from 2021

Action Plan

To achieve our target, Delta has set up internal carbon price (ICP) since 2017 globally for carbon management and has internalized the economic costs of carbon emissions from operating activities. This is the key to enhance incentives for reducing carbon emissions and performance management.

In 2022, Delta Group has set its own internal carbon price at 300 USD per ton based on the internal and external carbon costs of our global production plants including regulatory penalties, emissions trading price and case studies of international benchmarking companies. This ICP is in addition to the company's investment in renewable energy solutions and green electricity purchase costs.

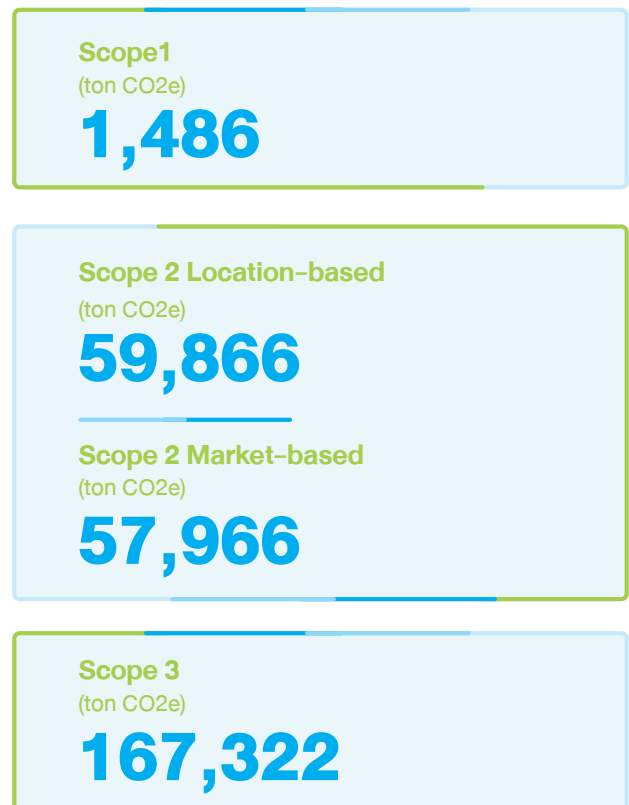
Funds generated through our internal carbon price initiative are used for actions that help us achieve Delta's RE100 and net zero goals, such as energy conservation and carbon emissions reduction projects, and investments in renewable electricity.

Moreover, the funds are also used to encourage research and development on carbon negative technologies and low-carbon product innovation.

Performance

Delta Thailand continuously monitors and manages corporate greenhouse gas emissions. In 2022, we achieved our target through actions such as energy conservation initiatives, extended self-generated solar power, and the purchase of renewable energy certificates. Moreover, we have completed the ISO 14064-1:2018 GHG inventory certification with data verified by a third party - SGS (Thailand) Company Limited for Scope 1, Scope 2 and Scope 3 emission disclosure in the 2022 GHG Inventory Report.

Our latest statistics shows GHG intensity Scope 1 and 2 (location-based) was 22.41 tons of CO₂e/ MUSD, Scope 1 and 2 (market-based) was 21.71 tons of CO₂e/ MUSD, a decrease of 3% for location-based and 6% for market-based from last year



RE100 Projects

Target

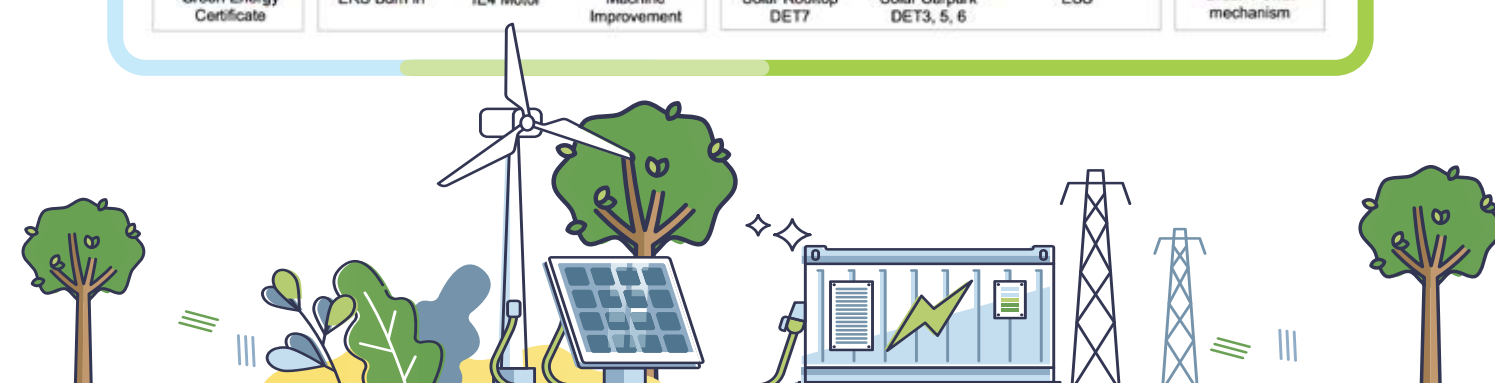
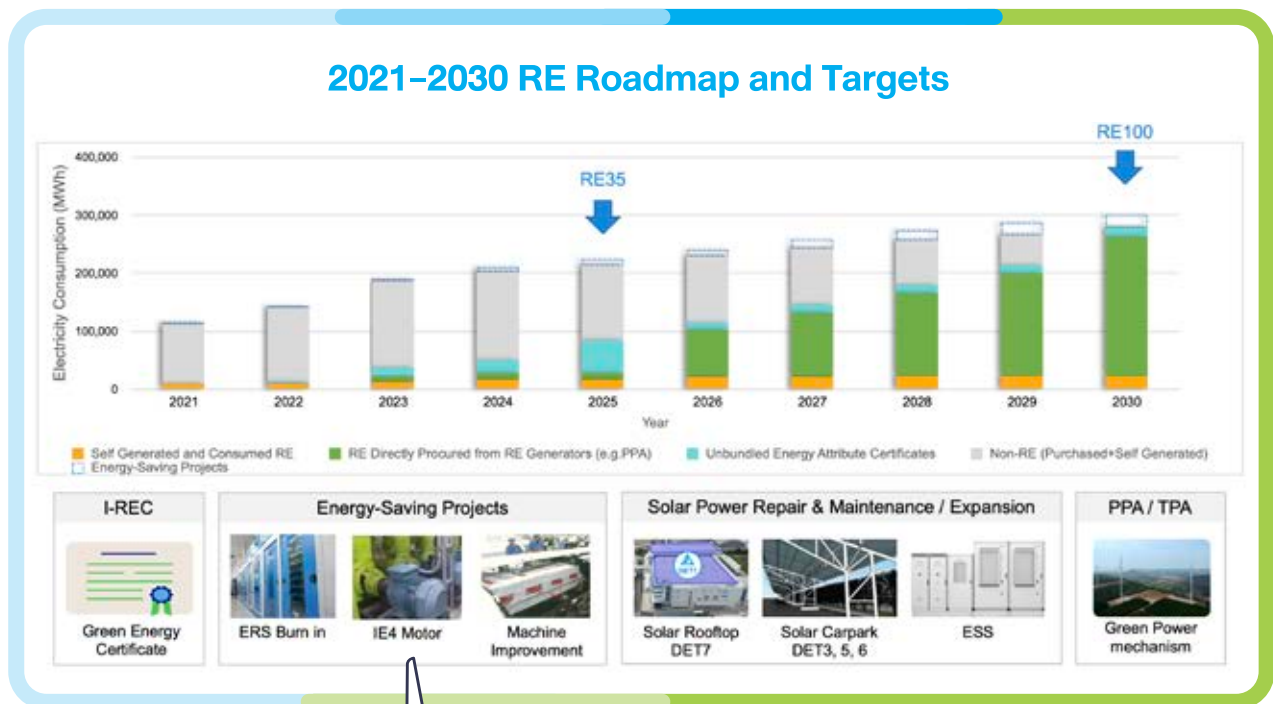
Delta Group announced in March 2021 that it had joined the RE100, a global renewable electricity initiative, and had pledged to achieve the goal of 100% renewable electricity and carbon neutrality by 2030 for all of Delta’s global locations.

Moreover, Delta Thailand also joined RE100 Thailand club to propose policies to the government and drive the Thai industry towards 100% usage of renewable energy (RE100) and help the company achieve our greenhouse gas reduction target and Paris Agreement goals to keep the global average surface temperature from rising above 1.5 degrees’ Celsius pre-industrial level.

Delta Group also implemented a corporate-wide RE100 management mechanism and included it as one of the key performance indicators for our CEO and senior executives of all related business units.

Action Plan

In the case of Delta Thailand, we have set a near term target to achieve 35% of renewable energy by 2025 and a long term target to 100% by 2030. We focus on energy conservation projects, self-generated power, investment in renewable power plants, power purchase agreements (PPA) for the direct purchase of renewable electricity, and unbundled Energy Attribute Certificates (EACs) for certain operations to meet the commitment goals.



Performance

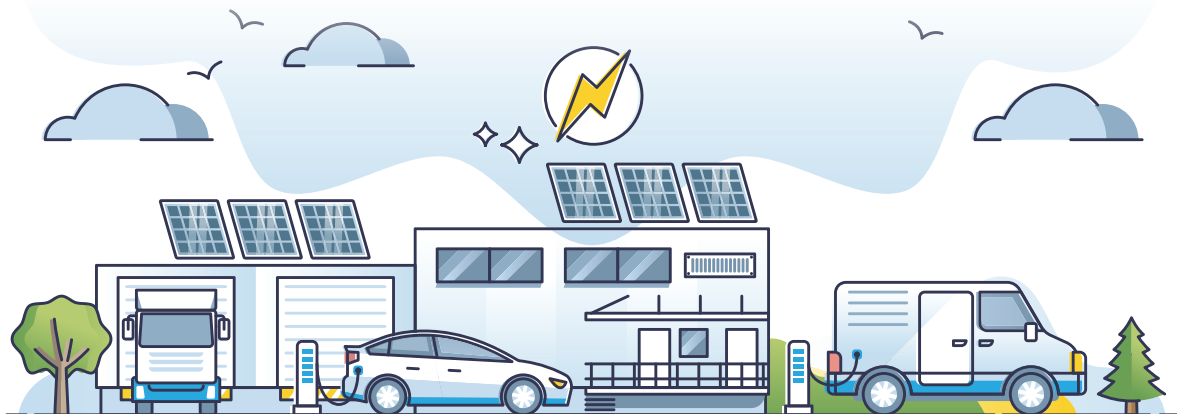
In 2022, the total electricity consumption for Delta Thailand was 128,693 MWh. We operated our business with 8,862 MWh of electricity from self-generated solar energy, and purchased 3,800 MWh of unbundled Energy Attribute Certificates (mainly iREC) accepted by the RE100. As a result, renewable electricity accounted for approximately 10% of the electricity consumption for Delta Thailand operations.

RE100 has global operations as its scope. In terms of procurement methods, green electricity from unbundled energy attribute certificates accounted for 3% while self-generated and consumed renewable electricity accounted for 7% of our purchased energy.

DET Solar Rooftop Project



Description	DET1	DET3	DET5	DET6	DET7	WHC	Total
Panel type	Thin film / Poly	Mono	Thin film	Poly	-	-	
Panel power (W)	170 / 330	405	170 / 175	260 / 315 / 320	-	-	
Capacity (kWp)	995	418	3,203	2,077	-	-	6,691
Energy generation (kWh/year)	1,427,635	605,295	4,902,208	2,784,017	-	-	9,719,155
Energy Consumption (kWh/Year)	17,460,000	11,872,000	48,656,000	13,334,400	26,000,000	8,000,000	91,322,400
Solar Power Ratio	7%	5%	10%	15%	0%	0%	7%



Energy Saving Operation

Delta Thailand aims to increase our industrial production capacity, expand production, reduce energy consumption in production, and improve economic efficiency. Our company is in compliance with ISO 50001 for energy management systems and continues to improve energy conservative projects within our organization.

In addition, Delta has set an Electricity Intensity (EI) targets, to implement energy saving projects and improve energy efficiency, continuously since 2009. We have an energy management committee to support the implementation of various energy conservation and improvement measures of our facilities such as the sintering furnace, reflow furnace, wave soldering furnace and burn-in production plant.

In 2022, we achieved 34% EI reduction from target 8% compared to the baseline year of 2020, as a result of improved energy efficiency. Projects included :

- HVAC : Automatic temp control AHU projects
- Operational efficiency projects : Air compressor
- RE100 : Solar carparks at production plants

- DET3 Solar carpark 34 kWp capacity
- DET5 Solar carpark 209 kWp capacity
- DET6 Solar carpark 172 kWp capacity

Besides energy conservation projects and RE100 projects, we have also developed the SCADA system to provide real-time energy consumption, load analysis, and self-optimization to enhance management of equipment operations, power consumption efficiency, and analysis of current energy consumption in each system. This accurate real-time report data is the basis for evaluating energy-saving improvements and ensuring accurate control of energy costs.

Moreover, Delta continues to expand products and energy-efficient solutions in green buildings. Delta's Plant 5 in Thailand has attained LEED Gold certification for existing building since 2017.

In 2022, Delta Thailand Plant 7, a new production site expansion in Wellgrow Industrial Estate, has been certified Leadership in Energy & Environmental Design (LEED) Certified by the U.S. Green Building Council (USGBC) in New construction (BD+C) - Gold Level category by constructed the building energy-efficiently.





Water Operation

Delta Thailand has implemented a range of water conservation measures at Delta facilities, including the use of water recycling systems and water-efficient technologies. In addition, Delta engages in regular water quality testing and monitoring to ensure that the water used in its operations meets high standards. These actions help our company achieve water productivity indicator (WPI) with a 27% reduction from our target of 4% compared to a baseline year of 2020.

The company also works closely with local communities and stakeholders to promote sustainable water use and to address water-related challenges in the region. Overall, Delta Thailand is committed to responsible water management practices in order to protect natural resources and ensure the long-term sustainability of its operations.

Waste Operation

checking our waste management to ensure our stakeholders' and natural resources will stay secure for the long-term. All of Delta's main plants divide waste

into three categories : production waste, non-production waste and hazardous waste. Production waste includes metal waste, plastic waste, waste pallets, paper, and paper boxes, which are sorted, collected, and handed over to local qualified recycling businesses

One important part of our Waste Management is to reduce food waste to landfills and promote the "Circular Economy" concept in our local community.

To reach our goals, Delta manages food waste processing at our company canteen with a "FoodCycle" model. This brings food waste from our canteens to local farmers to use as animal feed. Our food recycling process benefits local farmers and enables us to reduce food waste typically disposed of as general waste to landfills.

Every year, Delta sorts around 620 tons of food waste to give to local farmers to use as animal feed. In this way Delta Thailand is able to reduce our waste to landfill and help our community farmers reduce their animal feed costs by 31%. This is a significant economic contribution to our local farm sector of approximately 1,720,000 Baht per year in animal feed savings.



3.4 Sustainability Management – Social Dimensions

3.4.1 Policies and Guidelines

The company is committed to conducting business according to our Corporate Social Responsibility Policy cover to governance, regulator and environment. The policy shall provide guidelines for the directors, management and employees to operate business ethically with transparency, compliance with regulations, accountability and respect for human rights and the fair treatment to all stakeholders. The company shall support promotion and education activities and promote employee participation. This includes building a good relationship with the surrounding communities to promote sustainable quality social and environment.

The company recognizes the importance human rights principles. The Company shall uphold human rights by incorporating internationally recognized human rights related practices, namely The Responsible Business Alliance (RBA)'s Code of Ethics and International Labour Organization's (ILO) labor standards into the Company's operations. In addition, the Company's human rights policy is developed based on the UN's Guiding Principles on Business and Human Rights - UNGP. We are committed to protecting, respecting and supporting our employees, business partners and vulnerable individuals or groups as outlined in the company's human rights policy in all our business processes. We will ensure that

human rights are respected and violations of human rights in all forms are prevented throughout the company and our value chain. For the complete Human Rights Policy, please download at <https://deltathailand.com/en/human-rights>.

3.4.2 Social Dimension Performance

1. Human Rights Protection

As a global corporate citizen, Delta Electronics Group commits to upholding human rights by incorporating internationally recognized human rights related practices, namely The Responsible Business Alliance (RBA)'s Code of Ethics and International Labour Organization's (ILO) labor standards into the Company's operations. In addition, the company's human rights policy is developed based on the UN's Guiding Principles on Business and Human Rights - UNGP. The company strictly acts on this policy which has been announced on the company's intranet and website www.deltathailand.com/en/human-rights and the policy is made known to employees by means of training so that all employees adopt a positive attitude towards their co-workers with respect and equitable treatment. There is a mechanism available for feedback and filing complaints concerning human rights issues. To date, no complaint has been filed.

The ongoing war in the Democratic Republic of the Congo which appears to be calming is believed to be majority funded by mining of precious metals including tantalum, gold, zinc, and tungsten. Those rare metals are key raw materials for production of electronic devices. Given their availability in the country with frequent human rights violations such as Congo and Rwanda, these materials from specific countries of origin are consequently known as Conflict Minerals/Metals. The company realizes the importance of human rights and therefore responds to such conflicts by examining the sources of minerals and seeks for procurement from locations outside the conflict areas. The company laid out Conflict Minerals/

Metals-free Policy to address prohibits usage of minerals from the Democratic Republic of the Congo and adjoining countries, either directly or indirectly which is defined as an agreement on Responsible Minerals Initiatives (RMI) Agreement (for more details please see www.deltathailand.com/en/related-documents). Implementation of this policy had also been extended to all our supply chains. All our suppliers were required to sign up for acknowledgement on the “Minerals/ Metals Source Survey” and “Declaration on Non-use of Conflict Minerals/Metals”. The signing is held as part of the managerial process of our company’s business.

2. Diversity Equity and Inclusion (DEI)

สัปดาห์ความยั่งยืนของเดลต้า 2565
2022 DELTA SD WEEK

ขอเชิญชวนพนักงานและครอบครัวเข้าร่วมกิจกรรมความยั่งยืนของเดลต้า
 สถานที่: ศาลาว่าการเดลต้า 5 | วันอาทิตย์ 21 ตุลาคม 2565, เวลา 11:00 - 13:00 น.

Join us to Celebrate Unity In Diversity!
 Venue: Outside DKT 5 Callcenter | Date/Time: Oct 21, 2022 at 11:00 - 13:00 hrs

11:00 - 11:15	กิจกรรม "Workshop ความเท่าเทียมกันและ ความหลากหลาย" โดยวิทยากร: ดร. ปิยะพันธุ์ ประทุมมาลาพิชิต "ความเท่าเทียมกันและ ความหลากหลาย"	11:00 - 11:15	What is Diversity, Equity, Inclusion (DEI) with social Champ
11:15 - 11:30	กิจกรรมพิเศษ "Workshop ความเท่าเทียมกัน และหลากหลาย" โดยวิทยากร: ดร. ปิยะพันธุ์ ประทุมมาลาพิชิต	11:15 - 11:30	Photo Contest Winners
11:30 - 12:30	กิจกรรมพิเศษ "Workshop ความเท่าเทียมกัน และหลากหลาย" โดยวิทยากร: ดร. ปิยะพันธุ์ ประทุมมาลาพิชิต	11:30 - 12:30	SD Discussion with Special Duties
12:30 - 12:45	กิจกรรมพิเศษ	12:30 - 12:45	Q & A from audience
12:45 - 13:00	กิจกรรมพิเศษ	12:45 - 13:00	Entertainment

การประกวดภาพถ่าย PHOTO CONTEST

รางวัล
 รางวัลที่ 1 5,000 บาท/ทีม
 รางวัลที่ 2 2,000 บาท/ทีม
 รางวัลที่ 3 1,000 บาท/ทีม
 รางวัลที่ 4 4,000 บาท/ทีม
 รางวัลที่ 5 5-10,500 บาท/ทีม

How to Play
 1. Scan QR code for the contest
 2. Post your photo on your
 Facebook or IG and mention the
 #DEIWeek2022 #DTS2022
 3. Add your caption about DEI
 4. Closing date: Fri at Oct 12, 2022
 5. Winner announcement: Oct 31, 2022

DELTA

The Delta Group Human Rights and Employment Policy includes our commitment to Diversity Equity and Inclusion (DEI) as one of our fundamental principles. Delta advocates a corporate culture of diversity and inclusion, respect for individual differences, and the integration of diverse viewpoints to strengthen the unique competitiveness of the company. We value the diversity and inclusion in the staffing of people with disabilities, gender diversity, ethnic and racial minorities, and track the implementation status year by year in various management levels and employees, own operational processes and supply chain management.

In the past year, the company has organized activities “2022 Delta SD Week” with the theme of “Oneness in Diversity of Delta People” to promote and support diversity, equality and inclusion of employee.



3. Equitable Treatments of Employees

From the policy to treat employees fairly treats employees fairly and provide equal career opportunities on the basis of aptitude and capability. Domestic and international trainings are organized regularly to enhance employee skills. The projects and accomplishments in 2022 are as follows :

1. Human Development

- MFG - Elite Program

Delta Thailand (DET) HR has launched the Elite Program with the primary objective to provide selected talents and newly appointed managers with the knowledge and fundamental management skills to become competent and effective future leaders. The program focuses on

leadership skills and competences that are required to lead teams in the fast moving disruptive business markets that we are facing today and future.

Nowadays, leadership needs to be more focused on leading teams through constant and exponential changes that are the result of new disruptive business models, digitalization, artificial intelligence and ever-increasing competition. In 2022, we successfully launched four courses with 246 employees participating. Moving forward, in 2023, we will continue to provide effective training courses for our talents and newly appointed managers.



- **Delta Talent Development Committee**

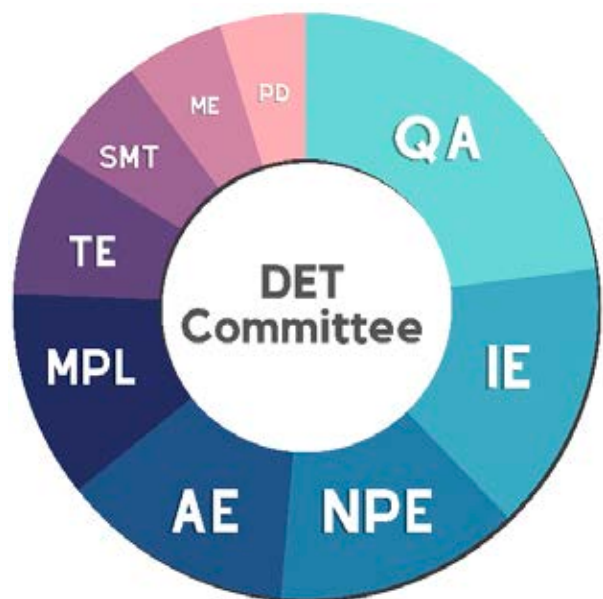
Talent is always the most important asset to our company. We believe that professional leaders will be capable of transforming organizations, enacting company values, improving performance efficiencies and engaging their teams to deliver better results. To select the competent and potential talents, we follow the following four steps in identifying talents in our organization. All the talents are closely reviewed, monitored and developed with the view to help them grow.

Leader Development Process



- **DET Training Committee**

In 2022, we have launched the DET Training Committee with the establishment of the QA, Material/Logistic, SMT, DSM/Automation, NPE, IE, TE, ME and Production groups in order to provide learning and development activities that fulfill the requirement of each job position. Meanwhile, we also took the chance to develop and integrate the training resources, training material and internal trainers to improve the capability of employees for 2022. We held 148 courses participated over 7,000 times.



- **Potential Development**

The company has the policy to regularly provide a training course for both newcomers and existing employees with a clear written scheme of each training course. To ensure equal opportunity for employee development and provide job-related training to enhance employee capabilities and skill i.e. Six Sigma, Kaizen, and Energy Management System. The company keeps developing our employees' both hard skills and soft skill. Delta doesn't not only keep focusing on deepening employees' capability but also inspiring employees' motivation and potential to fulfill continuous growth.

Training Course in 2022



- **Shaping Cultural Mindset - DETERMINATION**

“As we drive behavioral changes in our employees, the process might seem like a long journey, but eventually we believe we will succeed with everyone’s support”

“Determination” is an important cultural mindset that DET is planning to promote. Therefore, DET HR arranges the determination workshop for employees to discuss, identify and create the plan to drive a determination mindset in our company. As employees of the company, we all need to clearly understand the issues that the company is facing during our transition period and what everyone can do to effectively create better performance.



Human Resource Management Award

The Most Remarkable Employee Award

To engage and encourage positive behavior among employees, Delta Thailand arranged the Most Remarkable Employee Award. The award is given to those who show positive behavior with “Determination” and nominated by peers and managers for recognition. For this award, we received

many outstanding nominations. Finally, we gave the prize to 88 employees. This is a remarkable achievement not only for our hard-working employees but also for our company as a whole.



Thailand Best Employer Brand Award 2022 in Best Training Initiatives

Delta Thailand was recognized with the Thailand Best Employer Brand Awards in the category of Excellence in Training & Development - Best Training Initiatives for 2022.

DET HR worked with the Productivity Improvement Team to develop and implement a Digital Twin training program for employees. On the production line, such digital tools can be utilized to estimate production capacity, predict potential bottlenecks and identify potential problems beforehand. Moreover, it enables optimization/verification before hardware is built, avoiding extra hardware revision costs.

HR team will continuously increase training opportunities and quality of instruction for employees to obtain and learn vital digital and technology skills, boost workforce satisfaction and well-being. As we advance our development strategy, DET will continue to provide learning and development activities in ever-more ingenious ways as we join hands with our teams and grow together with our employees.

Thailand Best Employer Brand Awards 2023 in Talent Management and Most-Effective Recruitment Campaign

Delta Thailand won the Thailand Best Employer Brand Awards 2023 in the categories of Talent Management and Most-Effective Recruitment Campaign.



- **Talent Management**

Delta Thailand has a dedicated HR team to implement various initiatives. This includes talent strategy, acquisition, performance management, learning and development. Succession planning includes actions to select, develop, appraise and retain talent.

The Regional Leadership Development Committee and Talent Development Committee meetings are

held to select potential talents from within the organization, ensure development plan progress and review mechanisms.

In addition, Delta has launched a Training Committee and MFG - Elite Program to develop frontline talents and secure talent for the future.

- **Most-Effective Recruitment Campaign**

Delta Thailand collaborated with top universities in Thailand and Taiwan to launch the Delta International Exchange Program which aims to train and develop future Southeast Asian talent.

In 2023, Delta Thailand launched the Seed Project to attract more Thai students who study in Taiwan and China. The company also expanded rotation and hiring to overseas talents.

Average Training Hours (hours/ person/ year)

Year	2019	2020	2021	2022*
Overall	14.6	17.2	25.4	41.7
Staff	22.15	37.6	33.7	35.0
Operator	12.25	11.1	26.3	42.7

Remark

* Data as at 20 March 2023 which is reviewed but not audited.

2. Delta Employee Engagement Survey

The company conducted an employee engagement survey to help the management understand the situation employee engagement and work motivation for continually improving and making Delta a better workplace. In 2022, the employee satisfaction survey was approved from 12 of 14, which the survey results were compiled for revision through projects in the following areas :

Strengthen companywide communication

- Official LINE account for instant communication with employees
- Coffee Talk with President
- Launch 360 bi-monthly magazine
- The DET Kiosk project is to install smart screens in the canteen to help employees for updated their information and other information of the company by themselves.
- Delta99 Project to set up private Facebook group for employees and a communication clip from the CEO

Cross-organization infrastructure and system utilization

- Use the Performance Indicator System (PIS) to do the Performance appraisal and promotion
- DMS (Delta Management System)
- Mobile OA (e-payslip, e-leave etc.)

Employee Engagement

- Delta@share Project
- DET Voices
- Project “Delta Thailand Long Service Award 2022” 10 | 20 | 25 | 30 years
- Most Remarkable Employee Awards 2022

Employee Care

- Free Wi-fi for employee
- Improve Shuttle Buses



Learning and Development

- Delta Academy for online and mobile training
- Online Languages Training Programs
- Internal Career Journey

3. Occupational Health, Safety and Work Environment

Safety, occupational health and work environment are of equal importance among other operational business goals of the company. Management of each division will be responsible for keeping effective implementation of this policy. Every operational unit is to be assessed of impact and its staff is to be consistently trained.

An environmental committee is also established to ensure compliance of occupational health and safety in accordance with the Standards of environmental management system-ISO14001 and Standards of occupational health and safety-OHSAS18001. The company has been

certified with these two standards consecutive years.

Promoting our Zero Accident campaign in the workplace is one of the key goals that the company aims to achieve and consistently drives performance towards. Although work-related accidents are on a downward trend, our company still actively runs a Safety Week event in a bid to achieve zero accident. This event promotes and educates employee to have safety awareness.

The number of work-related injuries can be found in the Sustainability Report 2022 at the website <https://deltathailand.com/en/download-sd-report>

ขอเชิญพนักงานเดลต้าฯ ทุกท่านเข้าร่วมงาน Safety & Energy Week 2022
"สัปดาห์แห่งความปลอดภัย การอนุรักษ์พลังงานและสิ่งแวดล้อม"
วันศุกร์ที่ 30 กันยายน เวลา 10.00-14.00 ณ ลานหน้าโรงอาหารชั้น 1 โรง 5

พลังงาน
 การประกวดวาดภาพระบายสี ชิงเงินรางวัล และเกียรติบัตร ในหัวข้อ
"เด็กรุ่นใหม่ใส่ใจพลังงานสีเขียว 100%"
 กระดาษปอนด์ ไม่ต่ำกว่า 100 ปรอท ขนาด A2 5รูปสถานที่/สิ่งพลังงานโรงงาน 5 หรือสิ่งประดิษฐ์
 ทุกโรงงาน

ประกวดภาพถ่ายที่แสดงถึงการอนุรักษ์พลังงานและสิ่งแวดล้อม ในหัวข้อ
"For a Better Tomorrow รักษ์โลกต้องแสดงออก"
 ทั่วไปสอง Facebook หรือ Instagram โดยเปิดสถานะเป็นสาธารณะ (Public) พร้อมตั้งแฮชแท็ก
 #DeltaFABT #DeltaForABetterTomorrow #เดลต้ารักษ์โลก #เดลต้าดีใจโลก

ความปลอดภัยและสิ่งแวดล้อม
 การประกวดภาพวาดระบายสี ในหัวข้อ **"ความปลอดภัยในชีวิตประจำวัน"**
 ดึงใช้กระดาษ 100 ปอนด์ ขนาด A3 ในการวาดรูปเท่านั้น สามารถกรอกรอยได้ทั้งหมด
 Safety ทั่วประเทศ สามารถใช้สีชนิดใดก็ได้

รางวัลชนะเลิศ ชิงรางวัล 3,000 บาท
 รางวัลรองชนะเลิศอันดับ 1 ชิงรางวัล 1,500 บาท
 รางวัลรองชนะเลิศอันดับ 2 ชิงรางวัล 1,000 บาท
 รางวัลชมเชย ชิงรางวัล 500 บาท (5 รางวัล)

รางวัลชนะเลิศ ชิงรางวัล 1,000 บาท
 รองชนะเลิศอันดับที่ 1 ชิงรางวัล 800 บาท
 รองชนะเลิศอันดับที่ 2 ชิงรางวัล 500 บาท (3 รางวัล)
 ติดต่อรับข้อมูลเพิ่มเติม 02-709-2800 ต่อ 5 7222

การประกวดแต่งคำขวัญ ความยาว 16 คำ ในหัวข้อ **"การอนุรักษ์สิ่งแวดล้อม"**
 สามารถเข้าร่วมส่งผลงานผ่าน Google Form ตาม QR Code

รางวัลชนะเลิศ ชิงรางวัล 1,000 บาท
 รองชนะเลิศอันดับที่ 1 ชิงรางวัล 800 บาท
 รองชนะเลิศอันดับที่ 2 ชิงรางวัล 500 บาท

เข้าร่วมกิจกรรมตอบแบบสอบถาม **"ค้นหาอันตรายในพื้นที่ทำงาน"**
 ผ่านช่องทาง Google Form ชิงเงินรางวัล

รางวัลที่ 1 ชิงรางวัล 500 บาท
 รางวัลที่ 2 ชิงรางวัล 300 บาท
 รางวัลที่ 3 ชิงรางวัล 200 บาท
 ติดต่อรับข้อมูลเพิ่มเติม 02-709-2800 ต่อ 5 3092

ส่งผลงานประกวดทั้งหมดได้ตั้งแต่วันที่ ถึง 16 กันยายน 2022



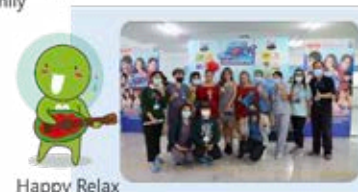
4. Delta Happy 8 Workplace

The company involves in various activities to help promote well-being and quality of life for employees. For example, the company has participated in the “Happy 8 Workplace” program initiated to help create balance family life, work and social life to employees. The program has been carried in coordination with the Thai Health Promotion Foundation and the Association of Thai Electrical & Electronic Industries. This program has positively enhanced quality of life of employees. In 2022, various activities were organized to promote our Happy 8 Workplace as follows.

Delta Happy 8 Workplace

เดลต้า องค์กรแห่งความสุข

เสริมสร้างคุณภาพชีวิตของคนทำงานในองค์กร ด้วยแนวคิด ความสุข 8 ด้าน เพื่อผลผลิตขององค์กรที่ดีขึ้น และสังคมที่มีความสุขอย่างยั่งยืน



5. Employment of Disabilities

The Company recognizes to improve the quality of life of people with disabilities to have the opportunity to earn income for self-reliance and the company has encouraged the implementation accordingly the Persons with Disabilities Empowerment B.E. 2550. In 2022, the company has employed and promoted occupations by granting concessions and organizing a place to distribution of goods 102 disabled workers according to the ratio between normal worker and people with disabilities at 1 disabled worker per 100 normal workers as required by law.

4. Customer

The company strives to bring the highest level of satisfaction to its customers by offering high quality products and impressive services. In this connection, the company applies various international standards to its operations to raise consumer confidence and it is certified to a number of internationally-recognized standards as follows;

- ISO9001 - International Standard of quality management system
- IATF16949 - International Automotive Task Force
- TL9000 - International Standard of quality management system for telecommunications Industry
- ISO/IEC17025 - Standard of quality laboratory system
- IEC-61340-5-1 and ANSI/ESD S20.20 - Standards of Electrostatic Discharge Control Program
- Authorised economic operator (AEO) Certificate - European commission declared by The Customs department, Thailand
- ISO 13485 - Quality management system for medical device
- IECQ QC 080000 - Hazardous Substance Process Management System.

The company also concerns about consumer safety and has in place procedures to properly manage environmental-related substances to control and prevent the use of hazardous chemicals in production processes. This effort is to assure consumers that the company's products contain no toxic substances that are harmful to them.

The company actively communicates with customers of every segment to ensure maximum reach as well

as help fulfill their needs. Customers can learn more about information and news of our products from www.deltathailand.com. Feedback can also be emailed to info@deltathailand.com as displayed on the company's website. Feedback and comments will be presented to the company's management for analysis and solution findings for further development.

The company conducted Customer Satisfaction survey by using on-line questionnaire to ensure our business really suit our customer's needs. With 80% satisfaction rate as Delta's qualitative target, the survey help to reflect the customer satisfaction level on the company's product, service and business ethics, etc. in different aspect. Meanwhile, there feedbacks from other comment portion, has brought to Sustainable Development Committee, Strategic Marketing, Sales Meeting to seek for further improvement accordingly. Amidst the global outbreak crisis and its high impacted consequence such as port recession and the rising raw material price. We conduct the survey, we were able to maintain our satisfaction at 80%. Delta has tracked the annual customer retention rate of its top 20 clients since 2014. During this reporting period, the company's annual customer retention rate was an impressive 85%

5. Community & Society

Delta is committed to performing its business operations in accordance with the corporate social responsibility policy, including fair treatment to stakeholders. The company also supports international standards, such as 1) the International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 2) the Global Reporting Initiative : GRI.

This is the corporate social responsibility policy to which the company adheres at all times, resulting in Delta being accepted by the nearby communities, including government sectors, schools, and hospitals, for its participation in social activities. Both in terms of support and disseminating innovations to the community to reduce the impact and create good relationships with the community.

The company's most important goal is the commitment to the employees' quality of life, including the family within the community where they live. In the year 2022, the company has organized social projects as follows.

Do the good things for our society and communities



Delta Thailand partners with BOI, IEAT and Municipal Government to launch Delta's First Smart Farm for community enterprises



Delta Thailand donates Smart Water Level Monitoring System for flood prevention at Bangpoo Industrial Estate



Delta Thailand donates to Chachoengsao Province for COVID-19 prevention and offers booster vaccinations



Delta Thailand presents donation to Samutprakan Hospital for medical equipment and supplies



Delta Thailand volunteers joined a reforestation activity to support a Bangpoo Industrial Estate Office project to conserve and restore local mangrove forests and canals



Delta Thailand donates computers and equipment to support development of rural schools in Thailand



4. Management's Discussion and Analysis

The following management's discussion and analysis should be read in conjunction with the consolidated financial statements and notes to financial statements. If not defined otherwise, all financial information presented in this document are in Thai Baht. The company presents its financial statements in accordance with the Thai Financial Reporting Standards (TFRS), which has been adjusted in accordance with the International Financial Reporting Standards (IFRS). All the financial information discussed herein is for the fiscal year ending 31 December 2022, 2021, 2020 and has been prepared on consolidated basis.

Consolidated Financial Information	unit	2022	2021	2020
Total Assets	million baht	90,984	69,338	57,219
Total Liabilities	million baht	36,305	27,934	19,611
Total Shareholders' Equity	million baht	54,680	41,404	37,607
Registered Capital	million baht	1,259	1,259	1,259
Paid-up Capital	million baht	1,247	1,247	1,247
Key Financial Ratios				
Liquidity Ratios				
Current Ratio	times	2.04	2.00	2.47
Quick Ratio	times	1.18	1.11	1.62
Cash Ratio	times	0.43	0.09	0.51
Receivable Turnover	times	4.87	4.88	5.30
Average Collection Period	days	74	74	68
Inventory Turnover	times	4.06	4.15	4.44
Average Inventory Turnover Period	days	89	87	81
Account Payable Turnover	times	4.35	4.37	4.62
Average Payment Period	days	83	82	78
Cash Conversion Cycle	days	80	78	71
Financial Data and Profitability Ratios				
Sales Revenues	million baht	118,558	84,318	63,208
% Change	(%)	40.6%	33.4%	21.4%

Consolidated Financial Information	unit	2022	2021	2020
Financial Data and Profitability Ratios (Continued)				
Gross Profit	million baht	27,940	17,358	15,119
Gross Profit Margin	(%)	23.57%	20.59%	23.92%
Operating Expense (include Research and Development)	million baht	13,447	11,435	8,762
Operating Expenses (include Research and Development) to sales	(%)	11.34%	13.56%	13.86%
Operating Profit Margin	(%)	12.22%	7.02%	10.06%
Other Income to Total Revenues	(%)	1.11%	1.70%	1.42%
Net Profit	million baht	15,345	6,699	7,102
change of Net Profit %	(%)	129.06%	(5.67%)	139.92%
Net Profit Margin	(%)	12.94%	7.94%	11.24%
Net Profit to Total Revenues	(%)	12.80%	7.81%	11.08%
Return on Equity	(%)	31.94%	16.96%	19.80%
Efficiency Ratios				
Return on Assets	(%)	19.14%	10.59%	13.77%
Return on Fixed Assets	(%)	89.29%	57.92%	76.06%
Asset Turnover	times	1.50	1.36	1.24
Financial Policy Ratios				
Debt to Equity	times	0.66	0.67	0.52
Interest Coverage	times	870	336	4,918
Dividend Payout	(%)	32.52%*	31.66%	57.99%

* Pending for approval from the 2023 annual shareholders' meeting

Operating results for the year 2022, 2021, and 2020

Unit : Baht million

Item	2022	%	2021	%	Increased (Decrease)	%	2020	%	Increased (Decrease)	%
Revenue and Services Income	118,558.0	100.00	84,318.4	100.00	34,239.6	40.61	63,208.0	100.00	55,350.0	87.57
Cost of Sales and Services	90,617.6	76.43	66,959.9	79.41	23,657.6	35.33	48,089.1	76.08	42,528.4	88.44
Gross Profit	27,940.4	23.57	17,358.5	20.59	10,582.0	60.96	15,118.9	23.92	12,821.5	84.80
Operating Expenses	13,447.3	11.34	11,435.3	13.56	2,012.1	17.60	8,762.4	13.86	4,684.9	53.47
Operating Profit	14,493.1	12.22	5,923.2	7.02	8,569.9	144.68	6,356.4	10.06	8,136.6	128.01
Other Income	1,327.2	1.12	1,459.9	1.73	(132.7)	(9.09)	895.4	1.42	431.8	48.22
Other Expenses	74.7	0.06	636.2	0.75	(561.6)	(88.27)	164.7	0.26	(90.0)	(54.67)
Finance Income	65.8	0.06	54.1	0.06	11.7	21.61	111.4	0.18	(45.6)	(40.92)

Item	2022	%	2021	%	Increased (Decrease)	%	2020	%	Increased (Decrease)	%
Investment Gain	0.0	-	0.0	-	0.0		60.8	0.10	(60.8)	(100.00)
Profit before Income Tax	15,811.5	13.34	6,801.0	8.07	9,010.4	132.49	7,259.4	11.48	8,552.1	117.81
Income Tax Expenses	466.9	0.39	97.7	0.12	369.2	377.83	207.6	0.33	259.3	124.91
Net Profit for the Period	15,344.5	12.94	6,703.3	7.95	8,641.2	128.91	7,051.8	11.16	8,292.7	117.60
Non-Controlling Interest of the Subsidiary	0.0	-	(4.3)	(0.01)	4.3	(100.00)	0.4	0.00	(0.4)	(100.00)
Shareholders of Subsidiary before Combination	0.0	-	0.0	-	0.0		49.4	0.08	(49.4)	(100.00)
Net profit for Equity Holders of the Company	15,344.5	12.94	6,699.0	7.94	8,645.5	129.06	7,101.6	11.24	8,242.9	116.07

Breakdown of Sales Revenues by Business Group

Product Group	2022		2021		2020	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	91,252	77.0%	61,369	72.8%	45,020	71.2%
Infrastructure Group	24,185	20.4%	20,685	24.5%	16,252	25.7%
Automation Group	3,009	2.5%	2,098	2.5%	1,811	2.9%
Others	112	0.1%	166	0.2%	125	0.2%
Total Sales Revenues	118,558	100.0%	84,318	100.0%	63,208	100.0%

Note

- **Power Electronics segment** is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances, electric vehicle. The main products are DC-DC Converter, Power supply for Computer & Server, Custom Design product, powertrain and electronics components for EV, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.
- **Infrastructure segment** is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.
- **Automation segment** is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.



In 2022, consolidated sales revenues amount 118,558 million baht were increased 40.6% and 87.6% from 2021 and 2020 respectively, this was mainly contribute from the strong customer demand in cloud storage and data center-related products along with the remarkable growth of Electric Vehicle Solutions and the related Automotive Thermal Solution

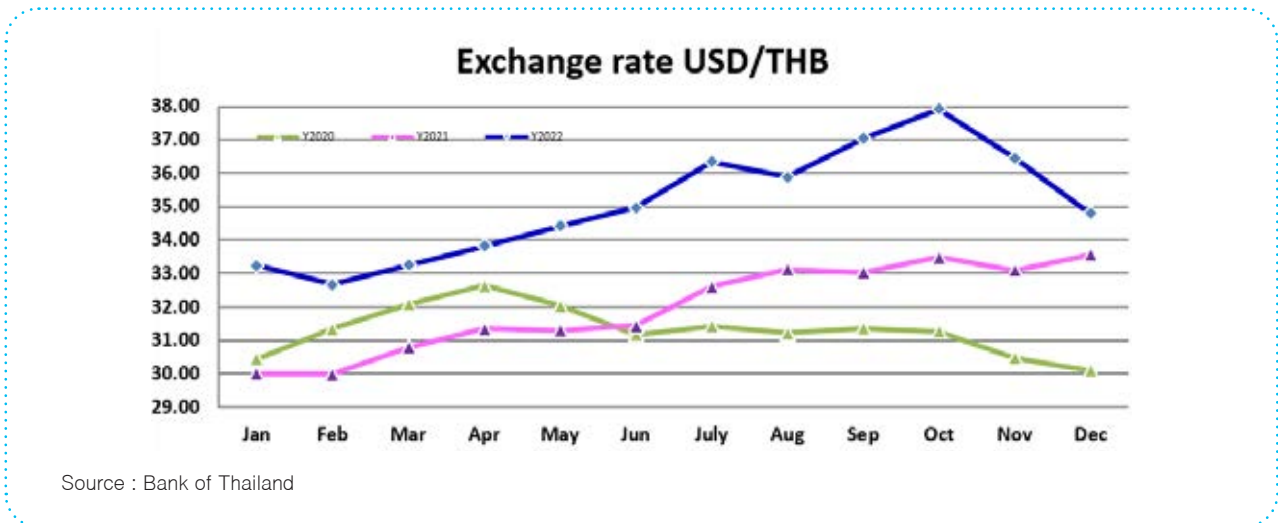
Sales Revenues Breakdown by Geographic Location



In 2022, sales revenues proportion in Asia markets was decreased from 38% to be 34%, on the other hand, the North America and Europe sales revenues proportion were increased from 35% and 26% to be 37% and 28% respectively.

Other Income

- Other income worth 331 million baht came from an Insurance compensation income, in Q1'2022 the Company have received a letter from the insurer confirming the amount of the flooding claims that will be paid for losses of assets amounting to USD 9.9 million or approximately THB 331 million which was incurred in Q3 2021. Subsequently, the company have received insurance compensation due to flooding and recorded this amount as Insurance compensation income due to flooding in the second quarter of the current year
- Foreign exchange gain of 450 million baht, decrease of 568 million baht from 2021 due to USD against other major currency was significantly strengthen after FED have raised up interest rate 7 times from 0.25% to 4.50% during 2022. It caused higher cost when hedging position of the company. However, the company still follows a prudent policy to hedge the net position of each currency to minimize potential impact from exchange rate fluctuation.



Cost of Sales and Expenses

Cost of Sales

In 2022, cost of sales accounted for 76.4% of total sales, compare to 79.4% and 76.1% for 2021 and 2020 respectively, the significant increase in 2021 was impacted from the raising of material price especially for those of semiconductor and metal part which was keep in uptrend during 2020 - 2021 before turning to be downtrend in the second half of 2022.

Selling and Administrative Expenses

Selling and administrative expenses (including research and development) in 2022, an increase of 17.6% and 53.5% from 2021 and 2020 respectively due to the increasing of transportation which is in the same direction with the increase in Sales Revenue, up 40.6% and 87.6% from 2021 and 2020 respectively, coupled with a significant increase in research and development activities in Europe, In response to those of EV customers between 2021 and 2022

Net Profit

The company's Operating Profit in 2022 was 12.2%, compare to 7.0% and 10.0% in 2021 and 2020 respectively, the major increase from 2021 contribute from the remarkable sale revenue growth along with the weaken in the purchasing price of above mentioned component. Consequently, net profit in 2022 was 12.9% or 15,345 million baht compare to 7.9% and 11.2% in 2021 and 2020. Earnings per share was 12.30 baht in 2022 compare to 5.37 baht in 2021 and 5.69 baht in 2020.

Assets and Liabilities

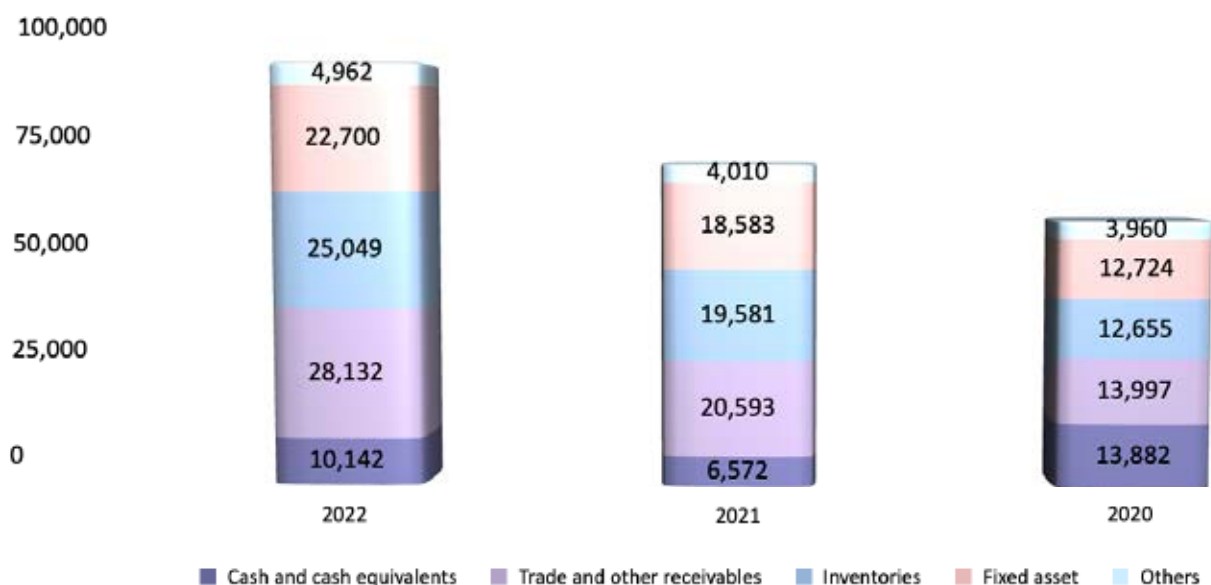
Assets

As at 31 December 2022, the company had total assets worth 90,984 million baht, increase of 31.2% from 2021 and 59.0% from 2020. Return on asset was 19.1% in 2022 compare to 10.6% and 13.8% in 2021 and 2020 respectively. Some of the changes in key assets are summarized below.

Major assets and the changes in the assets are summarized as follows;

Item	31 December 2022	31 December 2021	31 December 2020	2022 VS 2021	2022 VS 2020
				Increase (Decrease)	Increase (Decrease)
Cash and Cash Equivalents	10,142	6,572	13,882	54.3%	(26.9%)
Trade and Other Receivables	28,132	20,593	13,997	36.6%	101.0%
Inventories	25,049	19,581	12,655	27.9%	97.9%
Other Current Assets	2,702	1,663	1,917	62.4%	40.9%
Right-of-use Assets	482	530	377	(8.9%)	28.0%
Consolidation Goodwill	437	443	437	(1.5%)	(0.1%)
Property, Plant and Equipment	22,700	18,583	12,724	22.2%	78.4%
Other Assets	1,341	1,374	1,229	(2.4%)	9.1%
Total Assets	90,984	69,338	57,219	31.2%	59.0%

Breakdown of Assets in 2022, 2021 and 2020



- **Cash and Bank Deposits** as at 31 December 2022 amounted to 10,142 million baht, increase 54.3% from 2021 and decrease 26.9% from 2020 respectively due to the increasing of Net cash flows from operating activities in 2022
- **Net Trade Receivables** as at 31 December 2022 of 28,132 million baht an increase of 36.6% and 101.0% from 2021 and 2020 respectively. Resulting from the remarkable increase in Sales Revenue in North America and Europe as mentioned earlier
- **Inventories** as at 31 December 2022 of 25,049 million baht, an increase of 27.9% and 97.9% from 2021 and 2020 respectively. Reflecting the strong customer demand in cloud storage and data center-related products along with Electric Vehicle Solutions
- **Property, Plant and Equipment** as at 31 December 2022 amounted to 22,700 million baht, an increase of 22.2% and 78.4% from 2021 and 2020 respectively due to the investment in the research & development centers and new factories in India and Thailand along with the capacity expansion in the current factories in Thailand.





Liabilities and Liquidity

- As at 31 December 2022, the company had total liabilities of 36,305 million baht, an increase of 30.0% and 85.1% from 2021 and 2020 respectively due to an increase in raw material purchasing and capital expenditure spending in Thailand, India and Slovakia respectively

Breakdown of Major Liabilities

Item	31 December 2022	31 December 2021	31 December 2020	2022 VS 2021	2022 VS 2020
				Increase (Decrease)	Increase (Decrease)
Bank Overdrafts and Short-Term Loans from Financial Institutions	945	1,594	0	N/A	N/A
Trade and Other Payables	30,202	22,049	16,181	37.0%	86.6%
Liabilities&Provision from Tax Assessment	258	258	258	0.0%	0.0%
Other Current Liabilities	1,265	835	731	51.5%	72.9%
Provision for Long-Term Employee Benefit	1,329	1,596	1,542	(16.7%)	(13.8%)
Other Non-Current Liabilities	2,306	1,603	899	43.9%	156.5%
Total Liabilities	36,305	27,934	19,611	30.0%	85.1%

Return on Equity

As at 31 December 2022, shareholders' equity amounted to 54,680 million baht, go up 32.1% and 45.4% from 2021 and 2020 respectively contribute from current year Net Profit. At the same time, return on equity in 2022 rose up to 31.9%, compare to 17.0% in 2021 and 20.1% in 2020 resulting from above mentioned issues



5. General Information and Other Important Information



5.1. Other Important Information

References person information : Details as specified under “Company General Information”

5.2. Legal Disputes

The company and its subsidiaries have no legal disputes that may affect more than 5% of the shareholders' equity at the end of the latest fiscal year.

2

CORPORATE GOVERNANCE

6. Corporate Governance Policy

7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others

8. Corporate Governance Report

9. Internal Control and Connected Transaction

A large blue container, likely for lithium-ion batteries, is shown from a low angle. The container has several horizontal vents. On the left side, the text 'LI-ION BATTERY' is printed above the word 'ENERGY' in large, bold, blue letters. On the right side, the word 'STORAGE' is printed in large, blue, sans-serif letters. At the bottom right, there is a yellow warning label that reads 'CAUTION 9' 6.5" HIGH 8' 6" WIDE CONTAINER'. The background is a bright, hazy sky.

GREENER

um ion batteries
008058816

CAUTION

**9' 6.5" HIGH
8' 6" WIDE**

CONTAINER



6. Corporate Governance Policy

The Board of Directors realizes the importance of operating our company business under good corporate governance. The company corporate governance policy has been prepared and implemented since 2007 and review the content at least once a year to be appropriate to the current situation and in accordance with the Corporate Governance Code for listed companies 2017 (CG Code). This Policy has been reviewed by Corporate Governance Committee in detail for the directors, management and all employees to take as a guideline for working. Further details of the company's Corporate Government Policy can be found on the company website and intranet.

6.1. Overview on CG Policy and Guidelines

Policy and Guidelines for the Board

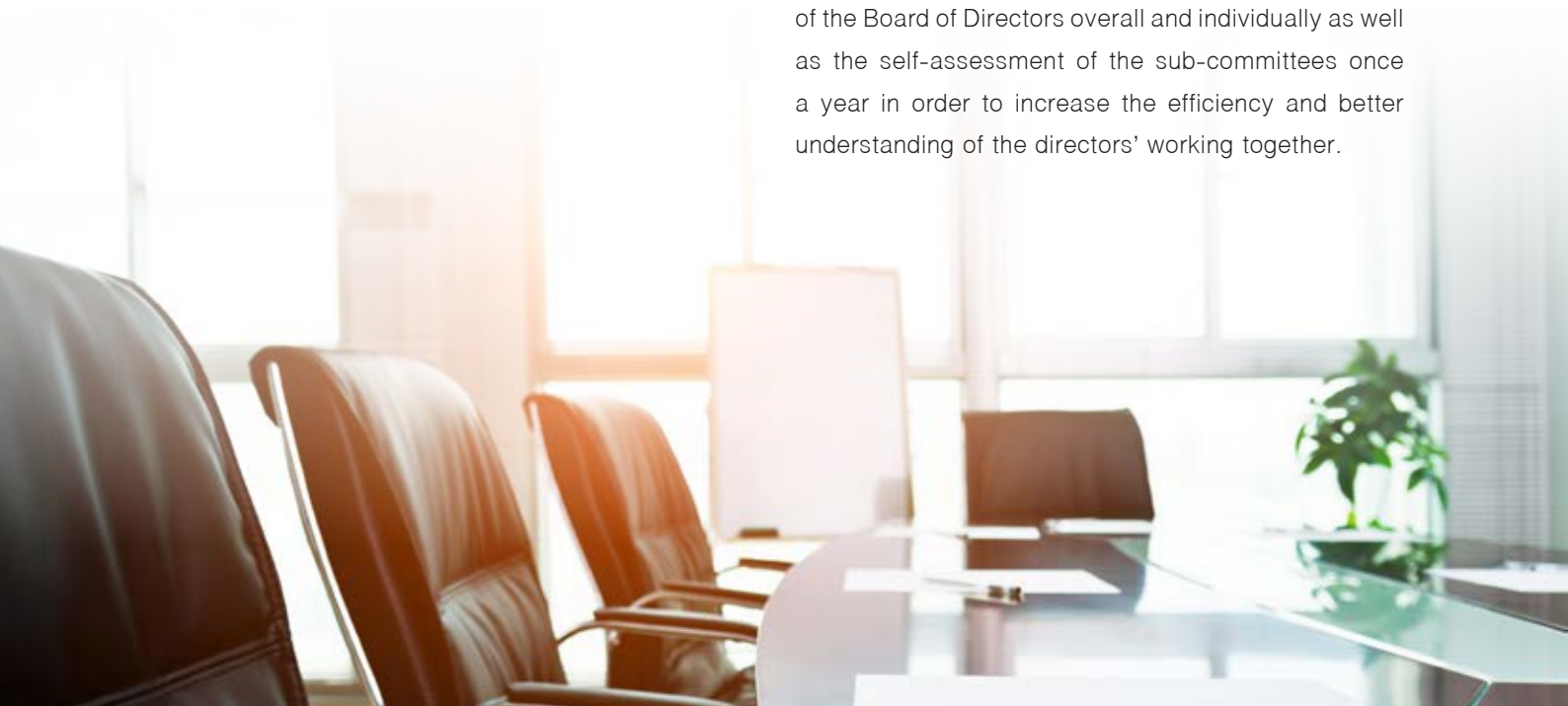
The Board of Directors has a duty to supervise the directors and management to perform their duties the best interests of the shareholders (fiduciary duty) and

to supervise the company's business practices to be on target according to the principles of good corporate governance.

The Board of Directors consists of people with knowledge, ability and experience. in the performance of duties in accordance with the responsibilities. The Board of Directors will review the structure, proportion of independent directors as well as Board diversity and director qualifications to align with the company business operations that proposed by the Nomination and Compensation Committee on a yearly basis.

Currently, the Chairman of the Board and the President positions are held by two individuals with clearly separated responsibilities. The roles and responsibilities of the Board and management are also clearly defined so as to ensure transparency and independence management.

The Board will arrange an assessment of the performance of the Board of Directors overall and individually as well as the self-assessment of the sub-committees once a year in order to increase the efficiency and better understanding of the directors' working together.



Policy and Guidelines Related to Shareholders and Stakeholders

1) Rights of Shareholders

The company acknowledges and emphasizes our shareholders' rights with a policy to support, promote and facilitate every shareholder, including institutional investors. This policy is to ensure that shareholders are entitled to all basic legal rights and obtain adequate business information, including updated important information, via the SET and the company's website. In addition, all shareholders, including institutional shareholders, are encouraged to participate and vote in the shareholders meeting regarding matters that may affect their rights and interests. The company shall not obstruct or cause obstacles to communication opportunities among shareholders. When a shareholders agreement is to be executed by any shareholder, the company shall endeavor to ensure that such shareholders agreement will not materially affect the company or other shareholders.

The company generally holds an Annual General Meeting of Shareholders (AGM) once a year, within four months from the end of each fiscal year. In 2022, the AGM was held on April 1, 2022 through electronic media (E-AGM) with live broadcasting from the company head office located at Bangpoo Industrial Estate, Samutprakarn province. The meeting was conducted in accordance with good governance principles.

In addition to the above mentioned fundamental rights, the company supports and facilitates the shareholders' rights as follows :

- **Prior to the Meeting**

A Record Date was used to determine the shareholders who were entitled to attend the meeting. The company entrusted Thailand Securities Depository Co., Ltd. (TSD), who acted as registrar, to send out invitations for the meeting in both Thai and English together with other supporting information and documents to all shareholders on March 17, 2022, prior to the AGM date. At the same time, it announced the AGM meeting on a Thai daily newspaper for three consecutive days

and at least three days before the meeting date. All meeting related documents were also made available to the shareholders on the company website for 30 days in advance (from March 2, 2022). All information was made available and easily accessible to provide shareholders adequate time to review the agenda. The meeting invitation clearly indicated the matters to be tabled at the meeting, for acknowledgment, approval or consideration. In addition, it enclosed the Board's opinions and supporting documents to ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the company provided a list of necessary documents that attendees were required to present to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate shareholders who could not attend the meeting and thus wished to appoint as proxy an Independent director or another representative.

In addition, the company facilitated institutional investors by arranging proxy and related document collection in the case of nonparticipation.

- **On the Meeting Date**

On the meeting day, attendance registration commenced not less than one hour before the meeting began. Shareholders who arrived late were allowed to vote for the remaining agenda and constituted part of the quorum, starting from the agenda item for which they were in attendance, unless stated otherwise. A barcode system was used to facilitate pre-registration and duty stamps were made available to shareholders without charge.

In the meeting, all nine directors of the Board were in attendance, or 100% of Board of Directors were in attendance including six directors in the meeting room and three directors on abroad join through electronic media due to the covid situation, the Chairman of the Board, Chairman of Audit Committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were present to listen to the shareholders' opinions or suggestions and also answer any questions. The

company implemented DAP e-Shareholder Meeting System for registration and vote count systems which could display results immediately. Before the meeting started, the company announced the number of shareholders who attended the meeting in person and by proxy and clarified the voting procedures and vote count method. With regard to the voting criteria, each share is eligible for one vote and an ordinary resolution requires the majority of votes (except when voting on a special resolution, the meeting must comply with the company's Articles of Association and/or relevant laws). Votes are not allowed for shareholders who have interests related to any particular agenda item. For the election of directors, individual votes are required. With regards to the agenda on compensation to directors, the company notified shareholders the amount that each director received in the form of compensation and meeting allowances.

There was no any objection or request for re-inspection from shareholders on such arrangements. The meeting proceeded according to the agenda with no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A Legal Adviser and Representative from, the Hunton Andrews Kurth (Thailand) who monitored the counting of votes in the Meeting joined the meeting through electronic media, no shareholder objected or asked to check the vote results. During the meeting, shareholders were allowed to voice their opinions and raise questions during appropriate times. In fact, shareholders were permitted to submit their questions by e-mail to info@deltathailand.com, mail or fax before the meeting date.

The company disseminated an invitation to shareholders to send their questions or opinions on the company website from 16 November - 31 December 2021. Generally, the company secretary will review and gather the questions before submission to the Board of Directors for their consideration. However, in the meeting, the Board principally attends to the questions that relate to the company's operations or are considered to cause material impact on the operating results. There were no questions proposed in the 2022 Annual General Meeting of Shareholders.

- **After the Meeting Date**

Meeting minutes recorded every resolution and showed the number of approval, objection abstention and voided ballot votes for each agenda point. Questions, responses and opinions which arose during the meeting were documented for future examination. A report of the meeting was disclosed on the SET and the company's website within 14 days after the meeting date (Please find further details in the 2022 Minutes of Annual General Meeting of Shareholders posted on the company website)

2) Equitable Treatment of Shareholders

With consideration for all shareholders to equally enjoy basic rights, the company encourages the equitable treatment of shareholders as follows :

- **Appoint a Proxy to Attend and Vote at the Meeting**

If the shareholder is unable to attend the meeting, the shareholder may give a proxy to a person or to the company's nominated independent directors to attend the meeting and vote on his/her behalf. This is done by completing and sending to the company a proxy form enclosed with the invitation for the meeting or by downloading the proxy form from the company website.

- **Proposing Additional Agenda and Nominating Directors**

In addition, the company opened the floor for shareholders to propose additional agenda items and to nominate candidates to be directors of the company in advance. Procedures and details were disclosed on the company website www.deltathailand.com/en/shareholder-meeting during 16 November - 31 December 2021. Generally, the company secretary will review and gather the additional agenda items and director nominations before submission to the Board of Directors for consideration. In 2022, no shareholders exercised their right to propose agenda items or nominate directors. The company provided the opportunity to shareholders to submit proposals for the upcoming 2023 Annual General Meeting of Shareholders during the period of 17 November - 31 December 2022.

3) Responsibility to Stakeholders

Delta has contributed extensively to the rights of all stakeholder groups such as shareholders, customers, employees, business partners, competitors, creditors and society in accordance with laws or agreements with the company. The company has opened various channels to accept suggestions or complaints from all stakeholders. The company also has policy and guidelines on how to treat each specific stakeholder group as follows;

Shareholders

The company aims to bring long-term sustainable growth to its business, thereby enhancing the company's value and ultimately providing favorable returns to its shareholders and consistent paid dividends at a satisfactory rate. In fact, from 2010 to 2022, dividend payout ratio averaged over 30% of net profits per annum.

Customers

The company is committed to its mission of providing products, services and solutions under short to long-term contracts that fulfill customer's requirements. In addition, the company has a policy to produce quality products in accordance with international standards, fairly, considering impact on health and safety. In order to gain customer's confidence and satisfaction.

The company has established a Customer Satisfaction Procedure Survey and Customer Feedback Process. The results are improved development and satisfaction for our customers in the long term, including keeping customer information confidential.

Employees

The company treats employees fairly, respects human rights, and allows competitive compensation both short term and long term in line with the labor market's mechanisms, the company's operating results and the employee evaluation results such as annual bonus and contribution of provident funds based on year of experience. In addition, the company has set up the Employee Relations (ER) unit to take care of the welfare of employees as both required by law and other than what is required by law for

example providing a shuttle bus for staff, uniforms, savings cooperatives, providing occupational health and safety in workplace. Besides, the company also provides opportunity for employees to join the labor union and have equal career opportunity on the basis of each employee's aptitude and capability. Domestic and international trainings are organized regularly to enhance employees' skills. The relevant employee welfare policies have been determined as follows :

- Work Safety, Health, Hygiene & Environment Policy
- Compensation and Welfare Policy
- Labor Relations Policy
- Human Resources Management Policy
- Misconduct, Harassment and Unfair Treatment Policy
- Antitrust Law and Competition Law Policy
- Human Rights Policy
- Employment Policy

(For details of the above policies, please see the company's website : www.deltathailand.com/en/corporate_governance_policy.php, www.deltathailand.com/en/about_human.php and www.deltathailand.com/en/related-documents

Business Partners

The company will respect the rights of its business partners and treat them equally and fairly while performing its duties of fair procurement according to agreement or agreed conditions. We commit to provide business partners training, develop their potential, enhance production and service standards in line with applicable law and standards and supervise business partners to respect human rights, social and environmental responsibilities including treat their employees, staff, and workers fairly. Finally, we monitor and evaluate our partners to develop a sustainable business with related guidelines as follows :

- Supplier Management Procedure
- Supplier Social Responsibility Management Measure
- Supplier's RBA Code of Conduct Agreement
- Responsible Minerals Initiatives (RMI) Agreement

(For details of the above policies, please see the company's website : www.deltathailand.com/en/related-documents)

The company has held the Delta Annual Partner Meeting to recognize our vendors for improving quality and maintaining their standard of services and products. The company has a policy to arrange this partner meeting every year.

Competitors

The company has a policy of promoting free competition under fair rules which are also respected on a professional basis under the rules of sound competition defined in the company's Code of Conduct and Antitrust Law and Fair Competition Policy published on www.deltathailand.com/en/about-anti-antitrust. According to the implementation of such measures, the company not had any disputes or complaints from competitors in the past year.

Creditors

The company will strictly comply with agreements and agreed on conditions. In the case of non-compliance with any conditions, it shall inform creditors promptly in order to jointly solve problems in a reasonable manner. The company will conduct business with efficiency and effectiveness to maintain sustainable growth and financial stability and ensure creditor confidence. During the past year, the company and its subsidiaries have had a good relationship with financial institutions in full compliance with borrowing obligations, both in terms of debt repayment and other agreed conditions.

Society and Environment

The company is committed to conducting business according to our Corporate Social Responsibility Policy cover to governance, regulator and environment. The policy shall provide guidelines for the directors, management and employees to operate business

ethically with transparency, compliance with regulations, accountability and respect for human rights and the fair treatment to all stakeholders. The company shall support promotion and education activities and promote employee participation. This includes building a good relationship with the surrounding communities to promote sustainable quality social and environment.

As a global corporate citizen, we support international standards such as the Responsible Business Alliance (RBA), the Universal Declaration of Human Rights (UDHR), the International Labor Office Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and Global Reporting Initiative (GRI).

Please find further information regarding activities with stakeholders in the Sustainability Development Report published on www.deltathailand.com/en/download-sd-report

4) Disclosure and Transparency

The company has a policy to disclose data and information accurately, adequately and in a timely manner to allow stakeholders the opportunity to know about our operating performance, financial position, key developments and important information such as financial statements, annual report and disclosure Form 56-1, in both Thai and English language. Such information is available on the websites of relevant authorities such as the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) as well as on the company's website www.deltathailand.com. Interested persons may telephone or email the company to request for more information at info@deltathailand.com. The company also has an investor relations unit to provide information to shareholders, investors, securities analysts and other parties, which can be reached at investing@deltathailand.com.

The company has organized a quarterly press conference to announce and explain each quarter's consolidated financial data, business performance and future plans to securities analysts, reporters and general investors. The meeting is also a chance for stakeholders to meet with our top management and build confidence in the company. Analyst meetings are arranged every quarter. In addition, private meetings upon investor's requests are also arranged by our Investor Relations unit to establish a better understanding of the company's operation and its business strategies.

The IR manager represents our management in regional conferences several times a year to provide updated information on the company's operation and business outlook. In 2021, the company organized various activities as followed;

Meeting with Foreign Investors 21 Times	Meeting with Local Investors 10 Times
Meeting with Analyst 19 Times	Opportunity Day organized by SET 4 Times
International Conference 5 Times	Domestic Conference 3 Times

5) Insider Information Policy

top levels. All employees are prohibited from taking the company's documents or information for personal use, or to bring them outside the company. Use of inside information without permission or that leads to any damage is deemed serious wrongful conduct with regards to the equitable treatment and protection of shareholders. The policy and prohibition of usage of inside information for securities trading are formally written in the company's Code of Conduct Guideline which has been published on the Company's Intranet and the E-Learning system to ensure the directors, executives and employee's awareness. This also includes the prohibition of trading activity by directors, senior management and employees who have access to inside information within one month prior to the public announcement of the company's operating results through the SET.

Moreover, The company has a policy that its directors and executives must disclose information on the securities held by themselves (including their spouses and minor children) to the Office of the Securities and Exchange Commission (the Office of the SEC) within 3 days after the change of ownership of securities has taken place and inform the company's secretary 1 day in advance before trading to report the Board of Directors accordingly.

6) Prevention of Conflict of Interest Policy

In general practice, decision making by the directors and executives must ultimately be done in a way that benefits the company. In the case of a conflict of interest, the directors or executives shall submit the issue to the Board or the shareholders' meeting to consider the necessity of executing such a transaction and the potential impact on the company if the matter approved. At the time of voting on the issue, a person with a conflict of interest is not allowed to vote. The directors and executives of the company have filed both their personal and their related persons' report on personal interests regarding the company, with an extra copy for the Chairman and Audit Committee Chairperson of the company, through the company's secretary. Such reports are required to be updated annually and submitted to the company. In addition, employees who may have conflicts of interest with the Company (Conflict of Interest Declaration) are required to disclose relationships that may cause conflicts of interest to the Company. The company also deals with related party transactions as regulated by the Capital Market Supervisory Board and also disclosed inter-transactions with its affiliates in the company's financial statements and in the annual information disclosure Form 56-1 One Report.

7) Personal Data Protection Policy

The company respects the right of privacy in data collection, processing and usage guidelines in all forms of all employees, customers, partners and shareholders. There are 2 privacy policies, which are 1) Privacy Policy for employees and 2) Privacy Policy for Customers, Partners, and Shareholders. All relevant operations and processes must strictly comply with these policies. Policy compliance is regularly monitored and disciplinary action will be taken in case of policy violations.

For more information, please refer to our Privacy Policy at <https://deltathailand.com/en/privacy-policy>

8) Anti-Corruption Policy

The company has established a written Anti-Corruption Policy which has been approved by the Board of Directors to prevent our directors, management and employees from acting or consenting, directly or indirectly, in any form of corruption including not doing business with persons or juristic persons related to corruption. The company was certified in the Collective Action against Corruption on February, 7 2020.

The company has open channels for all stakeholders' suggestions and complaints via whistleblow@deltathailand.com. More details on policy and practice guidelines can be found on the company website : www.deltathailand.com/en/about_anti-corruption

9) Measures for Non-Compliance with Policies and Guidelines

The company shall conduct investigations as to the specifics in the event of discovering or receiving reports about any allegation of employees' dishonest behaviors or non-compliance. In the event that it is proved and confirmed that any employees has violated the regulations, the company may impose penalties based on the severity of the disciplinary violation.

6.2. Code of Conduct

The Board of Director has approved the Code of Conduct for all Delta employees to comply with and help uphold the company assets, interests and image and contribute to the sustainable operation and development of the company. Delta employees must comply with the law and the company's policy as well as adhere to the company's mission and honesty are essential. The complete Code of Conduct Manual can be found at https://deltathailand.com/en/Code_of_Conduct.

6.3. Milestone development on the CG Policy, Guidelines and System during the year

In 2022, The Corporate Governance Committee has revised the Anti-Corruption Policy and Anti-Corruption Procedure on September 5, 2022 according to the resolution of the Corporate Governance Committee Meeting No. 2/2022 by has more information about the hiring of government employees with government and private sectors. Including add the guidelines for follow up and whistle blowing channels.

Matters that have not yet complied with the principles of good corporate governance in accordance with the CG Code

1. The Chairman of the board is not an independent director.
2. The Board of Director consists of less than half of the independent directors.
3. The Chairman of the Nomination and Remuneration Committee is not an independent director due to additional duties that are adjusted for appropriateness.

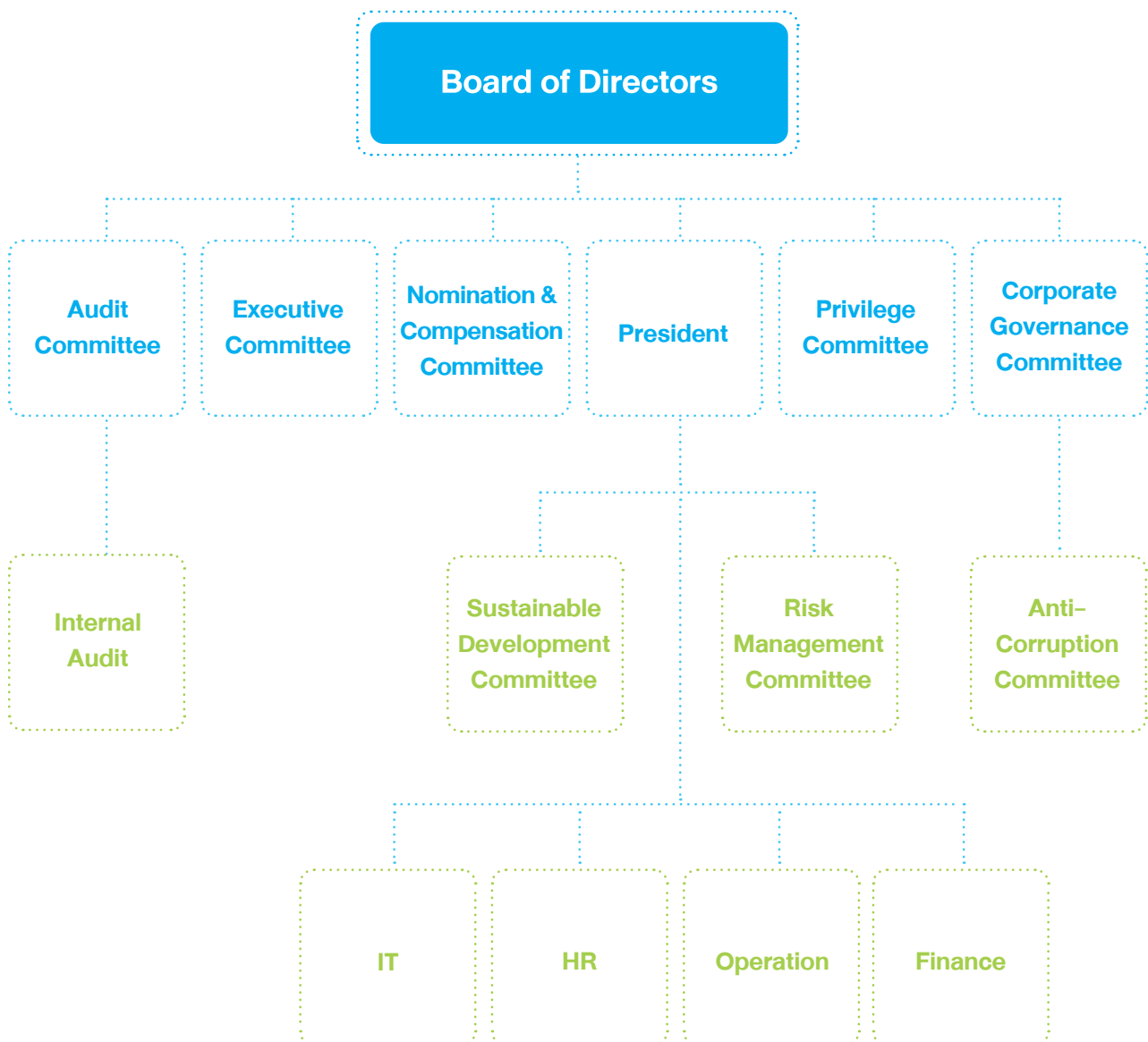




7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others Managerial Structure

7.1 Governance Structure

The Company's Managerial Structure as of 31 December 2022



7.2 Board of Directors

7.2.1 Composition of the Board

The company's Board of Directors is now composed of 9 members consisting of

- 4 independent directors, representing 44.44%, which is more than one-third of all directors.
- 6 non-executive directors, representing 66.67% of the total directors.
- 3 executive directors
- 1 female director, representing 11.11% of all directors.

7.2.2 The Current Board of Directors

As reported in the Ministry of Commerce's certification dated 18 January 2023, list of the members of the Board of Director is shown below.

Name	Position	Appointment Date	Attendance Meeting
1. Mr. Ng Kong Meng	Chairman of the Board	3 May. 1990	6/6
2. Mr. Cheng Ping*	Director	24 Jun. 2019	5/6
3. Mr. Ko Tzu-shing*	Director	24 Jun. 2019	6/6
4. Mr. Chang Tsai-hsing*	Director	24 Jun. 2019	6/6
5. Mr. Anusorn Muttaraid	Director	22 Aug. 1994	6/6
6. Mr. Chu Chih-yuan	Independent Director	30 Apr. 1988	6/6
7. Mr. Boonsak Chiempricha	Independent Director	5 Apr. 2016	6/6
8. Dr. Witoon Simachokedee	Independent Director	30 Mar. 2015	6/6
9. Mrs. Tipawan Chayutimand	Independent Director	2 Apr. 2018	6/6

Ms. Wilailak Funghanakun is Company Secretary and Secretary to the Board of Directors

* Executive director

Authorized Directors

The following 5 directors are authorized to act on behalf of the company under following conditions, "Mr. Ng Kong Meng or Mr. Chang Tsai-hsing or Mr. Anusorn Muttaraid or Mr. Cheng Ping or Mr. Ko Tzu-shing, any two of these five directors jointly sign and affixes the Company seal."

7.2.3 Scope of Responsibilities of the Board of Directors

- To supervise the directors and executives to perform their duties in the best interests of the shareholders (fiduciary duty)
- To determine the vision, mission, objectives and target of the company and review them every year.
- To supervise and support the innovation of social and environmental responsibility.
- To consider and approve the main plan for setting the policy, strategies & annual business plan, the budget of the Company.
- To monitor and supervise the management to implement the company's strategy and follow up on operation results performed.

- To consider and approve the policy on corporate governance, Code of Conduct, the anti-corruption policy has been written in a way.
- To supervise and monitoring IT management.
- To supervise having good internal control system.
- To specifying risk management policies, process, report and overseeing to ensure effective risk management systems together with reviewing and assessing the systems periodically.
- To supervise the company complies with the Securities and Exchange Act and other securities and exchange laws. This includes any law governing the company's business.
- To arrange for the preparation and submission of the audited balance sheet and profit/loss statement to the shareholders' meeting for its consideration and approval.
- To monitor the adequacy and timeliness of the company's disclosure of information.
- To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.
- To have a casting vote in case the Board of Directors' meeting has a tie vote
- To promote a constructive relations between the Board and management.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by law, the company's Articles of Association and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan. Added to this, is the defining of target operating results, following up and assessing operating results and overseeing capital expenditure, merger and acquisition, corporate spin-off and joint venture deals.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

Responsibilities of the Chairman of the Board

- To be the leader to oversee, monitor, and ensure that the operations are performed by the Board of Directors, executive committee and sub-committee to ensure the objective and plan achievement.
- To ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- To consider the agenda of the Board of Directors and supervise the important matters to be included in the agenda.

7.3 Sub-Committee

The Board of Directors appointed sub-committees to help study, scrutinize, and to give opinions on various matters. At present, there are seven sub-committees under the Board of Directors totally five committees including Executive Committee, Audit Committee, Nomination and Compensation Committee Corporate Governance Committee and Privilege Committee, under the President two committees including Risk Management Committee and Sustainable Development Committee with details as described below.

(1) Executive Committee

The Executive Committee of the company consists of six members as follows;

Name	Position
1. Mr. Chang Tsai-hsing	Executive Committee Chairman
2. Mr. Vichai Saksuriya	Executive Committee Member
3. Ms. Nipaporn Jiarajareevong	Executive Committee Member
4. Mr. See Kai Mun*	Executive Committee Member
5. Ms. Xue Li*	Executive Committee Member
6. Mr. Lu Chun-chin*	Executive Committee Member

Remark : * Appointed by the Board of Directors Meeting No. 3/2022 on April 1, 2022

Scope of Responsibilities of Executive Committee

- To operate and manage the business of the company in compliance with the company's objectives, Memorandum of Association, policies, regulations, notifications, orders as well as the resolution of the Board of Directors and/or shareholders' meeting.
- To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the company.
- To be eligible to do the following bank transactions.
- To be eligible to approve investment in subsidiary companies for amounts not exceeding USD 5 million per company, per project but will not exceed USD 20 million or equivalent within a calendar year.
- To be eligible to appoint, promote, transfer or discharge directors and/or executives of subsidiary.
- To authorize any one or more persons to perform any action under the supervision of the Executive Committee.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(2) Audit Committee

The Audit Committee of the company consists of three members and all members are independent directors. Term of office shall follow the annual director election and qualifications and responsibilities of the Committee are prescribed by the SET. The list of Audit Committee members is shown below.

Name	Position
1. Mr. Boonsak Chiempricha	Audit Committee Chairman
2. Mr. Chu Chih-yuan	Audit Committee member
3. Mrs. Tipawan Chayutimand	Audit Committee member

Remark : All Audit Committee member are director who knowledgeable and experienced in reviewing the company's financial statements

Qualifications of the Audit Committee

1. All members must be independent directors.
2. Not a director who is authorized by the Board of Directors to make decisions relating to the operations of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company or a person with a potential conflict of interest.
3. Not a director of a parent company, subsidiary or parallel subsidiary company which is a listed company.
4. Have duties and responsibilities according to the SET's rules.
5. Have sufficient knowledge and experience to perform his/her duties as a member of the Audit Committee. At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements.
6. Be appointed by the Board or shareholders meeting.

Scope of Responsibilities of Audit Committee

- To review the company's financial reporting to ensure that it is accurate and disclosure is adequate.
- To review that the company employs appropriate and an efficient internal control system and approve the appointment, transfer and dismissal of the chief of the internal audit unit.
- To review that the company complies to the law related to the company business.
- To consider the capability and independence of an external auditor and propose an external auditor to be appointed as the company's auditor with an included audit fee.
- To review any related transactions or transactions that may lead to conflicts of interests.
- To report the governance activities of the Audit Committee in the company annual report.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(3) Nomination and Compensation Committee

The Nomination and Compensation Committee consists of three members, two independent directors and one executive director. Term of office shall follow the annual director election. The member list is shown below.

Name	Position
1. Mr. Anusorn Muttaraid	Nomination and Compensation Committee Chairman
2. Dr. Witoon Simachokedee	Nomination and Compensation Committee Member (independent director)
3. Mr. Chu Chih-yuan	Nomination and Compensation Committee Member (independent director)

Scope of Responsibilities of Nomination and Compensation Committee

- Appraise the performances of the President and Executives in Level 11 and up annually.
- Determine the compensation of the Directors and Sub-committee members.
- Determine the compensation policy of the President and Executives in Level 11 and up. This includes short-term and long-term compensation.
- Review the compensation policy of Directors, Committee, President and Executives in Level 11 and up.
- Define the qualifications and aid in identifying and attracting qualified candidates.
- Assess the structure, size and composition of the Board of Directors/Sub-committee.
- Conduct an annual evaluation of the performance of the Board of Directors, Sub-committee and individual members.
- Assist in the establishment of a succession plan for medium to top key management positions.
- Review the roles and responsibilities of the President and the Executives in Level 11 and up as well as review their Key Performance Indicator (KPI)

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(4) Corporate Governance Committee

The Corporate Governance Committee consists of three members. Term of office shall follow the annual director election. The member list is shown below.

Name	Position
1. Mr. Chang Tsai-hsing	Corporate Governance Committee Chairman
2. Mr. Anusorn Muttaraid	Corporate Governance Committee Member
3. Mr. Vichai Saksuriya	Corporate Governance Committee Member

Scope of Responsibilities of the Corporate Governance Committee

- To consider and review whether the company's Corporate Governance policy, Code of Conduct and Anti-corruption policy are appropriate and adequate and to regularly update.
 - To promote and supervise Corporate Governance policy, Code of Conduct and Anti-corruption policy to all executives and employees for clear understanding and actual implementation.
 - Promotes and provides advice for the company on participating in the Corporate Governance related assessment or rating to continuously develop and enhance the company's Corporate Governance standard.
- Reviews the Corporate Governance Committee Charter regularly.
 - Responsible for other tasks assigned by the Board of Directors.
- The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(5) Privilege Committee

The Privilege Committee consists of four members. Term of office shall follow the annual director election. The member list is shown below.

Name	Position
1. Mr. Anusorn Muttaraid	Privilege Committee Chairman
2. Mr. Boonsak Chiempricha	Privilege Committee Member
3. Dr. Witoon Simachokedee	Privilege Committee Member
4. Mrs. Tipawan Chayutimand	Privilege Committee Member

Scope of Responsibilities of the Privilege Committee

To consider, review, promote and supervise the measures for requesting a tax or non-tax privilege from Thai Government, state enterprise or other connected entity.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(6) Risk Management Committee

The Risk Management Committee consists of twelve members as follows;

Name	Position
1. Mr. Chang Tsai-hsing	Risk Management Committee Chairman
2. Mr. Vichai Saksuriya	Risk Management Committee Member
3. Mr. Yu Chi-ming	Risk Management Committee Member
4. Ms. Nipaporn Jiarajareevong	Risk Management Committee Member
5. Mr. Chen Chin-ming	Risk Management Committee Member
6. Mr. Youngyut Pakdounjan	Risk Management Committee Member
7. Mr. See Kai Mun	Risk Management Committee Member
8. Mr. Ku Kuo-hung	Risk Management Committee Member
9. Ms. Xue Li	Risk Management Committee Member
10. Mr. Peter Ide	Risk Management Committee Member
11. Mr. Lin Cheng-ping	Risk Management Committee Member
12. Mr. Lai Min-chou	Risk Management Committee Member

Scope of Responsibilities of the Risk Management Committee

- Establish risk management procedures.
- Implement risk management and delegate risk management to respective managers.
- Develop and review strategic risk management plans.

- Report the implement risk management to the Board or the Audit Committee.
- Monitor and continuously improve risk management.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

(7) Sustainable Development Committee

The Sustainable Development Committee consists of five members as follows

Name	Position
1. Mr. Chang Tsai-hsing	Sustainable Development Committee Chairman
2. Mr. Vichai Saksuriya	Sustainable Development Committee Member
3. Ms. Nipaporn Jiarajareevong	Sustainable Development Committee Member
4. Mr. Chen Chin-ming	Sustainable Development Committee Member
5. Mr. Huang Chih-hao	Sustainable Development Committee Member

Scope of Responsibilities of the Sustainable Development Committee

- Review the Sustainable Development Policy and associated frameworks, processes and practices.
- To ensure that the company is taking the appropriate measures and monitor the policy from time to time.
- Coordinate with the company for implementing programs and executing initiatives as per Sustainable Development policy.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

7.4 Management Team

7.4.1 Management Team Members

The management team of the company consists of four members as follows;

Name	Position
1. Mr. Chang Tsai-hsing	President
2. Mr. Vichai Saksuriya	Operation Vice President
3. Ms. Nipaporn Jiarajareevong	Chief Financial Officer
4. Mr. Chen Chin-ming	Chief Information Officer

Scope of Responsibilities of the President

- To manage, control and responsible for the operation of the company.
- To propose policies, strategy of the company to the Board of Directors for acknowledgement and approval and to be responsible for applying such strategy with its operation.
- To be jointly responsible with the executive committee for preparation of the annual budget and the operational plan of the company.
- To report the operational result to the Board of Directors quarterly.
- To have the authorization to approve the payment in accordance with the Approval Authorization Instruction of the company.
- Undertakes its duties and responsibilities to ensure that systems are established, supports are provided and supervision of good corporate governance and anti-corruption.
- To be eligible in appointing and managing any working groups or any persons.

The full roles and responsibilities can be find from <https://deltathailand.com/en/committee-charter>

7.4.2 Management's Compensation Policy

Policy and Guidelines for top executive's compensation as follows;

- 1 The Nomination & Compensation Committee is assigned to determine that the compensation principle and structure for the President and the executive level (11 and up) is in accordance with policies made by the Board of Directors and in line with the company's operating result and individual performance.
- 2 Compensation packages must be reasonable in order to attract, retain and motivate executives to do their best at work.
- 3 The Nomination & Compensation Committee must define and propose Key Performance Indicators (KPI), to assess performance of the executives, to the Board for approval before the end of each fiscal year.

- 4 Compensation including annual salary increment, bonus and other compensation (if any) of the management is to be considered by the President based on each individual KPI achievement.
- 5 Consideration to adjust compensation or annual salary will depend upon KPI achievement and other accomplishments. Determination of compensation should take into account the current market rate. Company sponsored market

survey or consultancy from human resource professionals may be used for the committee's consideration.

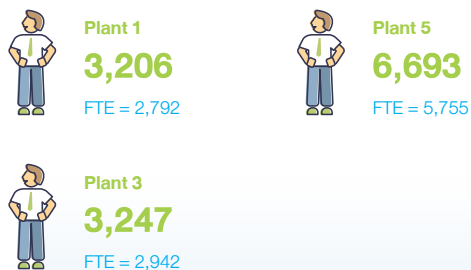
7.4.3 Management's Compensation

Compensation of the 4 members of the management team including salary and bonus in 2022 amounted to 37,548,762 baht as compared to that of last year (2021) of 41,721,661 baht to 4 members.

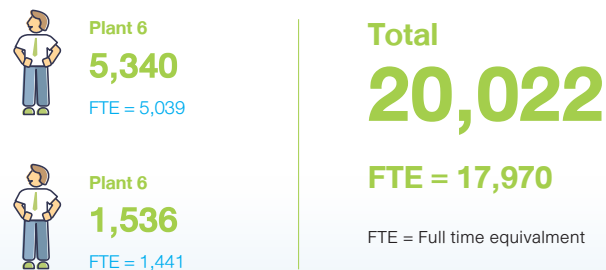
7.5 Human Resource

In 2022, the company and its subsidiaries had a total number of employees of 26,366 and the total compensation including salary, bonus and provident fund paid to employees was Baht 13,296 million. In Thailand, there were 20,022 employees with Baht 8,923 million paid for compensation including salary, bonus and provident fund. The proportion of employees participating in the provident fund is about 86 percent and ratio of compensation for female employees to male employees is approximately 82:18 and the employees in Thailand are divided by plant as follows

Bangpoo Plant



Wellgrow Plant





The Company and its Subsidiaries

Year	2018	2019	2020	2021	2022
No. of Employee (person)	15,630	15,247	17,968	21,437	26,366
Compensation (million baht)	7,984	8,447	9,343	11,168	13,296

The company only

Year	2018	2019	2020	2021	2022
No. of Employee (person)	11,314	11,297	13,852	16,951	20,022
Compensation (million baht)	4,869	5,375	5,983	7,230	8,923

With great awareness of the importance of human resources, the company employs sufficient people to support our business growth. At the same time, the company commit to continually develop skills and abilities of our people to support future business

opportunities. The company recruit and develop employees based on their abilities and treat them equally regardless of ethnic origin, creed, race, age, gender, sexual orientation, marital status, political viewpoint or physical disability.

7.6 Other Information

Company Secretary

The Board of Directors appointed Ms. Wilailak Fungthanakun the Company Secretary. The main responsibilities are : to prepare meetings, inform and advise on relevant law and regulations, take care of the Board's activities, and coordinate to ensure that the Board's resolutions are put into practice. All are to facilitate efficiency of the Board's administration in order to comply with good corporate governance principle and other responsibilities as required by law.

In the year 2022, the Company Secretary attended the Company Secretary Forum 2022 in "Challenges of Company Secretary in Building Trust" by Thai Listed Companies Association (TLCA) and Thai Institute of Directors Association (IOD)

More profile details appear in Attachment 1.

The Person Supervising Accounting

The company has appointed Mr. Somsak Kajornritdecha, a Financial Report Manager to be directly responsible for the company's accounting. He is a qualified as an accountant under the criteria set by the Department of Business Development. More profile details appear in Attachment 1.

Internal Audit Manager

The company set up its Internal Audit Department under the supervision of the Audit Committee to handle internal audit matters and review its own performance. The Internal Audit has been supporting by and reporting to Audit Committee. Presently, the internal audit function leads by Ms. Neythiya Peethong. More profile details appear in Attachment 3.

Investor Relations

The company has appointed Ms. Anchalee Jieratham to be the company's Investor Relations. Responsible for taking care of the company's information to shareholders, investors, analysts and other relevant agencies and can be contacted at investing@deltathailand.com

Audit Fee Fee for Audit

The audit fee paid in the year 2022 to the company auditor was Baht 4,910,000 and review of group reporting package amount Baht 500,000, excluding all actual out of pocket expenses (the Audit fee in 2021 was Baht 4,910,000, review of group reporting package amount Baht 500,000 and actual out of pocket amount Baht 96,987). In addition, audit fees for 3 subsidiaries a total amount of Baht 1,335,000

The company and some of its subsidiaries hire the same international audit firm and the rest of our subsidiaries employ alternative audit firms. Selection criteria of Delta auditors are principally based on the auditor's service quality and charge rate.

Other Fee

- None -



8. Corporate Governance Report

8.1 Performance of the Board of Directors for 2022

8.1.1 Nomination, Development and Performance Assessment of the Board

(1) Selection of Directors and Independent Directors

The Board of Directors assigned the Nomination and Compensation Committee to search, select and nominate qualified candidates to be a director or member of any committee. Board Matrix has been prepared to consider selection persons with knowledge and experience in various fields that are lacking. The committee selections are considered on the basis of whether that person is knowledgeable and experienced in areas such as accounting, finance, management, strategy and possess individual skill and expertise in line with the company's business and strategies without restrictions on gender, race or nationality. This is in order to have board diversity and a solid company structure to achieve business objectives under management according to the principles of good corporate governance standards.

Currently, the company has provided the opportunity to the shareholders to nominate candidates to be company directors with basic qualifications set forth on the company website. The Board will consider and approve the selected candidate by majority votes of the board meeting. After selection, the Board shall nominate such candidate to the shareholders' meeting for approval.

Qualifications of a Director

1. A director shall have qualifications and shall not have characteristics prohibited in the law on public limited companies, or characteristics indicating a lack of appropriateness in respect to trust in managing a business with public shares as specified in the notification of the SEC.



2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics; telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participate in all Board meetings and shareholders' meetings (except in the case of an emergency) .
5. Other qualifications that the Board may later consider appropriate or are required by law.

Qualifications of Independent Director

Independent directors must be independent from the management and major shareholders. Qualifications of the company's independent directors (ID) have been consistent and stricter than the requirements set by the Office of Securities and Exchange Commission as follows :

1. Not holding shares exceeding 0.5% of the total voting right shares of the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest with any shares held by Related Persons taken into account.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company. A person with a potential conflict of interest with the company. An exception would be if he/she has no such status for at least two years before becoming an independent director.
3. Not a person related by blood or by registration under the law as father, mother, spouse, sibling or child. This includes the spouse of a child of an executive, major shareholder, controlling person, or person who will be nominated to be an executive or controlling person of the company or its subsidiary.
4. Not having nor having had any business relationship with the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest that may interfere with his/her use of independent discretion. This includes not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business

relationship with the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest. An exception would be if he/she has no such status for at least two years before becoming an independent director. Details of business relations are summarized as follows :

4.1 Professional advisor

- 4.1.1 An auditor for any related case.
- 4.1.2 Advisor (such as legal advisor, financial advisor, appraiser) for transactions with a value of over 2 million Baht per year.

4.2 Other business relationship

- 4.2.1 Scope of business covers normal business transactions, rental or lease of immovable property transactions, asset or service transactions, and financial assistance transactions.
- 4.2.2. Having business relationships with either the transaction value of 20 million Baht or more, or 3% or more of its net tangible assets, whichever is lower (including transactions with the same person within 6 months) .
- 4.2.3. The Board of Directors may exempt any transaction by an independent director with a unanimous resolution which exceeds the above value if the case is deemed to be necessary, appropriate and irregular. In such a case, the business transaction is required to be disclosed in the registration statement (Form 56-1) and the annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.

5. Not a director who is not appointed as a representative to safeguard the interests of the company's directors, majority shareholders or shareholders who are related to the company's major shareholders.
6. Having any other characteristics which make it impossible to express an independent opinion with regards to the company's operations.

7. An independent director who satisfies the qualifications specified in 1 to 6 above may be empowered by the Board to make decisions in normal business operations, provided that the decision process is collective.

Appointment of Directors

After the Nomination and Compensation Committee considers and selects a qualified director, they will propose the candidate to the Board of Directors. After that, the Board of Directors will nominate the candidate to the shareholders' meeting for approval based on the Article of Association of the company. An appointment of a director is made through a majority of the votes of the shareholders attending the meeting and casting their votes. One share shall count for one vote and each shareholder shall exercise all the votes he has to appoint the nominated person or nominated persons to be a director on a person-by-person basis or en-bloc basis. Shareholders cannot divide votes for any person. The person obtaining the most votes in descending order shall be elected as directors equal to the number of directors required. In the event that persons receiving votes in respective order receive equal votes and the number of position exceed the positions required, the Chairman of the meeting shall have a casting vote.

Dismissal of Directors

The meeting of shareholders may pass a resolution to remove any director, prior to retirement by rotation, by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting with voting rights and who hold shares in aggregation of over half of total shares held by attending shareholders with voting rights.

Director's Term of Office

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate their office. A director who vacates their office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation with a vote by no less than

three-fourths (3/4) of the number of shareholders attending the meeting who have the right to vote and hold shares in aggregate of no less than half of the total voting shares held by attending shareholders. The limit of terms which an individual may serve as an independent director to a maximum of three consecutive terms or 9 years

Directorship in other Companies

To ensure the director's efficient performance and compliance with Corporate Governance Principles, the Board of Directors requires that

1. Apart from the company, each director may retain the office of director in a maximum of three other listed companies.
2. The President is not permitted to be the director of other listed companies except the director of subsidiaries. Moreover, before participating as a board director of any other company the President must first seek approval from the Board of Directors.

The company's executive directors and top management are encouraged to be the directors of subsidiaries to ensure the group's work efficiency and policy consistency.

(2) Director development Training for the Board and Management

The company has a policy to encourage directors, executives and the company secretary to continuously train on good corporate governance. Training is both organized internally or externally by relevant institutions such as the SET, the SEC and the Thai Institute of Directors Association (IOD).

At present, there are 7 directors from 9 directors attended the training courses related to the duty of directors of the Thai Institute of Directors (IOD), representing 78%. In addition, the Company Secretary regularly informs the Board of Directors of useful information, seminars and training.



In 2022, Mr. Chang Tsai-hsing participated in Director's Briefing : Building 21st Century Companies in Asia, organized by the Thai Institute of Directors Association together with McKinsey & Company.

The Orientation for New Director

The company set up an orientation for new directors which includes a briefing on the company business, on top of its operations, and plant visits conducted by Management. Subsequently, the summary of the Board of Directors' roles and responsibilities, the listed company director's handbook and the company's information will be presented in detail by the Corporate Secretary.

Succession plan/ Talent Pool Management

The company adopts Talent Pool Management for succession planning as it not only offers flexibility in recruiting suitable personnel but also supports a dynamic business strategy rather than a traditional plan that tends to be more biased towards specific individuals. With talent pool management, candidates can be selected from both internal and external sources. This project has continued to show progress in obtaining sufficient qualified candidates.

(3) Assessment of the Board of Director and Sub-Committee

The Board generally arranges assessment forms once a year, namely; Assessment of the Board, Assessment of Individual Directors (self-assessment), Executive Committee's self-assessment, Audit Committee's self-assessment, Nomination and Compensation Committee's self-assessment, Corporate Governance Committee's self-assessment

and Privilege Committee's self-assessment. Upon completion of the mentioned assessments, the Evaluation Forms will be submitted to the Company Secretary team for tabulation and the results will be presented to the Nomination and Compensation Committee together with agreed action plans to address the gaps to be used to improve work efficiency for deliberation and onward submission to the Board.

The assessments forms stipulate the percentages that correspond to the level of performance achieved as detailed below.

Board of Director Self-Assessment

- **Overall Board Self-Assessment**

consists of 6 items as below;

- 1) Board structure and qualifications
- 2) Roles, duties and responsibilities of the board
- 3) Board meetings
- 4) Duties of directors
- 5) Relationship with management
- 6) Director's self-improvement and management training

The results indicated excellent/ most suitable overall performance, with an average score of 98.6%.

- **Individual Board Self-Assessment**

consists of 3 items as below;

- 1) Board structure and qualifications
- 2) Board meetings
- 3) Roles, duties and responsibilities of the board

The results indicated excellent/ most suitable overall performance, with an average score of 98.3%.

Sub-Committee Self-Assessment

- **Executive Committee**

consists of 2 items as below;

- 1) Committee structure and qualifications
- 2) The committee meeting

The results indicated excellent/ most suitable overall performance, with an average score of 94.4%.

- **Audit Committee Assessment**

consists of 5 items as below;

- 1) Understanding
- 2) Work Performance
- 3) Meeting
- 4) Self-development
- 5) Performance evaluation

The results indicated excellent/ most suitable overall performance, with an average score of 100%.

- **Other Sub-Committee Self-Assessment**

consists of 4 items as below;

- 1) Committee structure and qualifications
- 2) The committee meeting
- 3) Assumption of responsibility for content of the published report
- 4) Gives priority and devotes sufficient time

In summary, the assessment results of the other sub-committees were excellent as follows :

- **Nomination and Compensation Committee** : assessment average score of 100%.
- **Corporate Governance Committee** : assessment average score of 91.7%.
- **Privilege Committee** : assessment average score of 100%.

Performance Assessment of the President

The Board assigns the Nomination and Compensation Committee to determine and propose Key Performance Indicators (KPI) of the President. The evaluation criteria is divided into 4 parts : 1. Corporate Governance Indicators (CG) 2. Social Indicators 3. Environment Indicators and 4. Manufacturing Indicators. The KPIs must be approved by the Board and be reviewed annually.

In 2022, the results of the performance appraisal of the President were 90.78 percent, which is above the requirement.

8.1.2 Meeting Attendance and Individual Directors' Compensation

(1) The Board's Meeting

The company schedules the Board meeting at least four times a year or on a quarterly basis (middle of February and the end of April, July and October) . The meeting dates are set in advance throughout the year and informed the Board of Directors of the meeting schedule since the end of last year. Each director must attend at least 75% of the meetings throughout the year. An extraordinary meeting may be arranged when there is an issue to consider. Regular meeting dates will be set in advance for the entire year at least seven days prior to the meeting date (not less than five days) . The company will send out invitation letters with the agenda to all directors. In case of emergency, the invitation letters may be sent less than seven days prior to the meeting. Each director is free to propose items for the agenda. The company secretary has the duty to arrange the meeting, take care and give suggestions to ensure that the meeting is in compliance with all relevant laws and regulations. Minutes of the meeting will be put in writing and those endorsed by the Board will be kept as evidence at the company's office.

Meeting Attendance of Directors in 2022 was as follows;

(Unit : Times)

Name	Board of Directors 6 Times			Audit Committee 4 Times	Nomination & Compensation Committee 6 Times	Corporate Governance Committee 2 Times	Privilege Committee 9 Times	AGM 1 Time
	Self	E-meeting	Attendance ratio %					
Mr. Ng Kong Meng	5/6	1/6	100%					1/1
Mr. Cheng Ping	-	5/6	83%					1/1
Mr. Ko Tzu-shing	-	6/6	100%					1/1
Mr. Chang Tsai-hsing	6/6	-	100%			2/2		1/1
Mr. Anusorn Muttaraid	5/6	1/6	100%		6/6	2/2	9/9	1/1
Mr. Boonsak Chiempricha	5/6	1/6	100%	4/4			9/9	1/1
Mr. Chu Chih-yuan	-	6/6	100%	4/4	5/6			1/1
Dr. Witoon Simachokedee	5/6	1/6	100%		6/6		9/9	1/1
Mrs. Tipawan Chayutimand	5/6	1/6	100%	4/4			8/9	1/1

The Quorum for Voting

The Board of Directors considered additional policy concerning the quorum for voting at the Board of Director's meeting by requiring the quorum be not less than two-thirds of the total number of directors. However, the meeting quorum is still required to comply with the company's Articles of Association that state that at the meeting of the Board of Directors there shall be not less than one half of the total number of directors attending in order to constitute a quorum.

The Meeting without Attendance of Management

The independent directors may hold a meeting without the attendance of management as it sees appropriate. Normally, meetings of the Audit Committee is held without executive participation. The company's auditor generally attends the Audit Committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the Audit Committee may request an executive to clarify an issue as it sees fit.

In 2022, the non-executive directors held 9 meetings to consider the suitability of land acquisition and follow up on the progress of obtaining benefits for new land investments. And the result has been reported to the Board of Directors for acknowledgement.

(2) Directors' Compensation

The Board of Directors has assigned the Nomination and Compensation committee to determine and propose the compensation of directors and sub-committee members to ensure that the compensation is transparent, in line with the strategic plan and long-term goals of the company. The compensation for directors and sub-committee, requires approval from the shareholders' meeting. The following are some key guidelines :

1. Compensation package must be reasonable in order to attract and retain competent directors. Major factors to determine director compensation include :
 - Scope of work and responsibilities
 - Current market rate
 - The company's overall performance



- Others factors specified by the Compensation Committee or the Board
2. Chairman of the Board and Chairman of sub-committees would receive higher remuneration in accordance with their responsibilities
 3. Non-executive directors would receive a competitive compensation which would be higher than that of executive director. This is to attract knowledgeable and capable persons to be non-executive director or independent director
 4. Compensation may be entirely fixed or partially fixed with some variable amount such as meeting allowance or other incentives

Remunerations of Directors in 2022 are listed as follows;

1. Compensation

The Annual General Meeting of Shareholders approved the compensation of the directors for the year 2022 with details shown below;

1. The Compensation of the Directors

Position	Year 2022	Year 2021
Chairman of the Board	2,475,000	2,475,000
Independent director/ Non-Executive Director	1,495,000	1,495,000
Executive Director	650,000	650,000

Independent director/ Chairman of the Audit Committee	1,750,000	1,750,000
Director/ Chairman of the Nomination & Compensation Committee	1,750,000	1,750,000

2. The Meeting Fee

Position	Meeting fee/Meeting	
	Year 2022	Year 2021
Board of Director		
Chairman of the Board	25,000	25,000
Independent director/ Non-Executive Director	20,000	20,000
Executive Director	-	-
Sub-Committee		
Chairman	22,000	10,000
Member	20,000	10,000

3. Annual Bonus

The bonus for the year 2022 is proposed to pay 25% of the 2022 compensation to directors.

Remarks

1. Meeting attendance fee are for Chairman of the Board, Non-Executive Director and Independent Director for their participation in every committee meeting and Shareholders' meeting
2. Others compensation of directors : None of other remuneration and benefit

The Compensation of the Directors for the year 2022 as follow;

Name of Director	Compensation		Meeting fee		Bonus		Other		Total Amount	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Unit : Baht										
Mr. Ng Kong Meng	2,475,000	2,475,000	175,000	135,000	618,750	618,750	-	-	3,268,750	3,228,750
Mr. Cheng Ping	650,000	650,000	-	-	162,500	162,500	-	-	812,500	812,500
Mr. Ko Tzu-shing	650,000	650,000	-	-	162,500	162,500	-	-	812,500	812,500
Mr. Chang Tsai-hsing	650,000	650,000	-	-	162,500	162,500	-	-	812,500	812,500
Mr. Anusorn Muttaraid	1,750,000	1,750,000	510,000	434,000	437,500	437,500	-	-	2,697,500	2,621,500
Mr. Chu Chih-yuan	1,495,000	1,495,000	320,000	260,000	373,750	373,750	-	-	2,188,750	2,128,750
Mr. Boonsak Chiempricha	1,750,000	1,750,000	408,000	366,000	437,500	437,500	-	-	2,595,500	2,553,500
Dr. Witoon Simachokedee	1,495,000	1,495,000	440,000	370,000	373,750	373,750	-	-	2,308,750	2,238,750
Mrs. Tipawan Chayutimand	1,495,000	1,495,000	380,000	360,000	373,750	373,750	-	-	2,248,750	2,228,750
Total	12,410,000	12,410,000	2,233,000	1,925,000	3,102,500	3,102,500	-	-	17,745,500	17,437,500

2. Other Compensation

- None -

Share/Warrant holdings of Directors and Management

Name of Director	Holding DELTA (Shares)							
	Self				Spouse & Minor child			
	31 Dec. 22	% holding	31 Dec. 21	Inc (Dec.)	31 Dec. 22	% holding	31 Dec 21	Inc (Dec.)
Mr. Ng Kong Meng	-	-	-	-	-	-	-	-
Mr. Cheng Ping	-	-	-	-	-	-	-	-
Mr. Ko Tzu-shing	-	-	-	-	-	-	-	-
Mr. Chang Tsai-hsing	-	-	-	-	-	-	-	-
Mr. Anusorn Muttaraid	-	-	-	-	-	-	-	-
Mr. Chu Chih-yuan	-	-	-	-	-	-	-	-
Mr. Boonsak Chiempricha	-	-	-	-	-	-	-	-
Dr. Witoon Simachokedee	-	-	-	-	-	-	-	-
Mrs. Tipawan Chayutimand	-	-	-	-	-	-	-	-
Mr. Vichai Saksuriya	-	-	-	-	-	-	-	-
Ms. Nipaporn Jiarajareevong	-	-	-	-	-	-	-	-
Mr. Chen Chin-ming	-	-	-	-	-	-	-	-

8.1.3 Supervision of Subsidiary and Associated Companies

The Board of Directors has assigned the Executive Committee to supervise the operations of subsidiary and associated companies. The Executive Committee has a certain authority to make investments in subsidiaries and associates and may assign some directors or top executives of the companies and/or appoint some local personnel to participate in the Board of Directors or management of its subsidiaries or associates to support management and determine business policies and direction. After appointment, the Executive Committee will report such appointment to the Board of Directors for their acknowledgment. However, if the investment amount exceeds the granted authority, the Executive Committee is required to seek for Board's approval.

Further supervision and monitoring are done through the implementation of Enterprise Resource Planning (ERP) solutions, which effectively gathers and provides important information including finance, accounting and other data, to support the management, controlling and monitoring of subsidiaries and associates operations. Furthermore, the Treasury and Investment Section of the company also actively participates in monitoring and supporting the sourcing of funds, capital increase and reduction. It seeks approval from the Executive Committee or Board of Directors for these transactions. Almost all of the companies in the Delta Group are wholly-owned subsidiaries so there would be no connected transactions occurring. In the case that there might be some transactions with other related companies in Delta Group, the subsidiaries have been instructed that prior approval from the company's Executive Committee or Board of Directors is required and relevant SET or SEC's requirements must also be complied with.

8.1.4 Corporate Governance Policy and Guideline Compliance Control

(1) Reviewing the Mission and Strategy of the Company

The Board of Directors regularly reviews the Company's mission and monitors the implementation of the

strategy. Along with monitoring the performance of the management on an annual basis. In 2022, strategic plans were considered and the results of each business group were acknowledged in the Board of Directors Meeting No. 5/2022 on 26 July 2022.

(2) Prevention of Conflict of Interest

In order to avoid conflicts of interests in accordance with the Code of Conduct, the employees are required to make a self-declaration in your conflicts of interest with the company to ensure that they will perform their duties fairly and impartially in accordance with the company's Code of Conduct in the self-declaration form as follows :

- Avoidance of family conflict of interest
- Avoidance of conflict of interest in personal business/investment activities
- Avoidance of conflict of interest by having relatives involved in company business transactions

In 2022, there were no actions or complaints regarding actions that violated the policy to prevent conflicts of interest.

(3) Internal Data Protection

In order to comply with using of internal data policy. In 2022, the Company Secretary Department has in advance notified directors, executives and employees who are able to access to internal data via e-mail about Blackout Period which is 1-month prior period before announcing the company's operating results. From the monitoring, there were no actions or complaints about the misconduct of the directors, senior management and related employees regarding the use of internal data in any way.

Additionally, The Company has a policy that its directors and executives must disclose information on their personal securities holdings (including that of their spouses and minor children) to the Office of the Securities and Exchange Commission (the Office of the SEC) within 3 days after a change in ownership of Securities has taken place. They must then inform the Company's secretary to report to the Board of Directors accordingly.

(4) Personal Data Protection

According to the Personal Data Protection Act B.E. 2562, effective from June 1, 2022. The company has established a Personal Data Protection Policy and disseminated it on the company's intranet and website [https : //deltathailand.com/en/privacy-policy](https://deltathailand.com/en/privacy-policy). Besides, as this policy is newly launched, the company has arranged an e-learning lesson to educate employees about the practice of Personal Data Protection of customers, partners and employees themselves.



(5) Anti-Corruption

- **Announcement Policy :** The Board of Directors has approved the adoption of an Anti-Corruption Policy in order to establish principles, set practice guidelines, arrange communication and provide training in the area of anti-corruption and signed on declaration of intent in establishing Thailand's Private Sector Collective Action against Corruption (CAC) on 16 July 2018 and was certified in the Collective Action against Corruption on February, 7 2020.
- **Operations :** The company established an Anti-Corruption Procedure to guidelines to work against corruption, which consists of implementation, risk assessment, auditing, monitoring, whistleblowing, investigation and punishment process, and announced it on the Company's internal website. Our Anti-Corruption commitment program ensures employees are aware of their duties and responsibilities and perform their jobs with honesty and integrity.

- **Supervision :**
 - The Anti-Corruption Committee is in charge of offering guidance, following up and evaluating our performance to be in accordance with established policies. Meetings will be held at least twice a year for these tasks.
 - The Audit Committee is responsible for supervising internal control. The committee ensures Anti-corruption measures are adequate and effective, reviews risk assessment and makes recommendations to the Board.
 - Management is responsible for setting guidelines and for assessing risks in the operating process that may cause corruption, reviewing the appropriateness of processes and measures and communicating to employees and all stakeholders.
- **Other Operations :**
 - The company initiated an agreement between the purchasing department and suppliers named The Procurement and Supplier Covenants in 2001 and later changed it to Integrity Undertaking to build a healthy procurement system and avoid the negative influence of human factors and reduce the risk on normal business. The agreement is an acknowledgment by both parties to do business with integrity and without bribery or any unwarranted returns.
 - The company has issued a letter to its suppliers and partners requesting their cooperation in complying with the Company's anti-corruption guidelines. in the following aspects
 1. Avoid conflicts of interest by submitting a self-report to the Company if relatives are involved in a business transaction with Delta.
 2. Whistleblowing through complaint channels
 3. No gift policy
 - The company seeks cooperation from suppliers not to send any gift/gratuity to company management, employees or their family member during New Year and other festival occasions.

- Organized a “Supplier Day” to communicate the Company’s commitment and conduct business with integrity, ethics, without corruption to suppliers and business partners by online meeting. There were more than 350 participants and has persuaded partners come together as a coalition against corruption.
- We regularly organize training and campaigns for employees to realize the importance of our efforts. In the year 2022, we organized an online training on “Anti-Corruption”. that requires all director, management and employees to attend the training and passing score at least 85 points.

(6) Whistleblowing and Complaints

The company has a Whistle Blowing Policy to support and encourage employees and stakeholders to make complaints about misconduct. With the policy, complainants can provide information concerning wrongful acts including any unlawful activity or any behavior against the company rules and/or Code of Conduct to the management or Board of Directors. This is to ensure the company’s transparent and efficient operations. The company has established the following communication channels to allow all employees and stakeholders to provide feedback or file complaints concerning this issue.

- **Communication Channel for Delta Employees**

- (1) Head of the unit where the employee belongs to
- (2) Suggestion box
- (3) E-mail : HR.GRIEVANCE.SEA@deltaww.com

- **Communication Channel for Other Stakeholders**

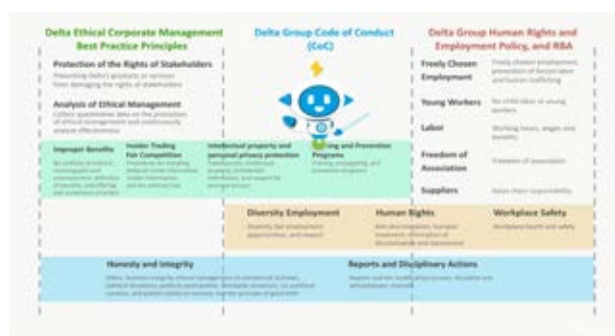
Email : whistleblowing@deltathailand.com

Depending on the relevance of the complaints, the Board’s Secretary will gather and submit the complaints to the Executive Committee, the Audit Committee or the Board. The Company has established a policy to protect the complainant, the details of the complaint will be kept confidential and get appropriate protection in order to avoid an infringement of privacy.

At the Board of Directors Meeting No. 4/2022, the Secretary of the Board of Directors informed the attendees to consider and acknowledge that in the past year of 2022, the Company received complaints that led to investigation. The company found 7 cases of the Code of Conduct violation. There were 16 employees who receive punishment in relation to these cases. Most of cases were ethical violations of integrity issues and accepting bribes or corruption. The Company has put corrective actions in place, such as changes to the procurement system, improved approval authority instructions, assigned job rotations in critical departments and increased awareness among employees to refrain from committing any wrongdoing. In addition, the Company also initiated a whistleblower reward system. We aim to eradicate corruption from the company by 2024 and will report our progress to the Board of Directors. No anti-trust and fair competition complaint have been received.

(7) Training

We regularly organize training and campaigns for employees to realize the importance of good corporate governance. In the year 2022, we organized 2022 Retraining Reminder on “8-min Delta’s Essential Code of Conduct (Integrity/RBA/CoC)” covers three main areas : Integrity, Responsible Business Alliance (RBA) , and Code of Conduct that requires all employees to attend the training and passing score at least 90 points.



8.2 Report of the Audit Committee for 2022

Details can be found in the Audit Committee Report in Attachment 6.

8.3 Report of the other Sub-Committee for 2022

8.3.1 Nomination and Compensation Committee

Details can be found in the Nomination and Compensation Report in Attachment 6

8.3.2 Corporate Governance Committee

Details can be found in the Corporate Governance Committee Report in Attachment 6

8.3.3 Privilege Committee

Details can be found in the Privilege Committee Report in Attachment 6

8.3.4 Risk Management Committee

Details can be found in the Risk Management Committee Report in Attachment 6

8.3.5 Sustainable Development Committee

Details can be found in the Sustainable Development Committee Report in Attachment 6





9. Internal Control and Connected Transaction

9.1 Internal Control

The Company set up its Internal Audit Department under the supervision of the Audit Committee since 1999 to handle internal audit matters and review its own performance. The Internal Audit has been supporting by and reporting to Audit Committee whom was assigned by the Board of directors to take account of internal audit in order to evaluate company's sufficiency and efficiency of its internal control systems including managing any possible risk which may affect the firm. The effectiveness of the company's internal control system, using guidelines from the Office of the Securities and Exchange Commission of Thailand (SEC) and COSO - Internal Control Integrated Framework. The Audit Committee also reviewed the results of internal audits conducted on various key business processes every quarter, along with the issues and recommendations to management. Presently, the internal audit function leads by Ms. Neythiya Peethong. For the time being, the Company's internal control system is up to a satisfactory level.

The Company realizes the importance of the risk management which may influence to the business operations, from the organization's both internal and external factors. Since 2010 the Company has

organized the Risk Management Committee (RMC) to monitor the organization's risk management to achieve goals according to the organization's acceptance level. RMC then sets a policy on risk management in order the Company can operate well in the long term for the benefit of all stakeholders.

For better Corporate Governance, the Audit Committee proposed "Whistle - Blow Misconduct Claim Process" to the Board of Director in 2012 and proposed to set up Anti - Corruption policy and include specified terms / procedures in the Company's Code of Conduct in 2013. The policy and regulation has been implemented continuously. The follow-up system is implemented to control the corrections in order to operate properly according including the subsidiaries. It is to prevent the assets of the company and the subsidiaries from being misused. The policy and regulation has updated to in line with the regulation of the Securities and Exchange Commission of Thailand (SEC).

According to the Board of Director Meeting No.1/2023 held on 15 February 2023, the Audit committee reported the audit result and evaluation that current company's internal control system is sufficient and efficient.

9.2 Connected Transactions

Policy for the Related Party Transactions

The company and its subsidiaries still need to do the business with the related parties in the future as it is considered normal course of business. Moreover, supports from the group's network help strengthen the company's business and improve its competitiveness in the world market and will utmost benefit the company. However, the company has stipulated that any significant related party transactions must be considered and approved by the Board of Directors to considering that the connected transactions are fair and have a reasonable pricing policy which can be compared with transactions with third parties for the maximum benefit of the company. The company shall comply with rules, regulations and notifications of the Capital Market Supervisory Board and other relevant authorities re Connected Transactions and also adequately disclose the transaction in the company's quarterly and annual financial statements.

Procedures for Related Party Transactions

Procedures for related party transactions are principally based on the notification of the Capital Market Supervisory Board re Connected Transactions. According to the said notification, business transactions are generally classified into 6 major categories :

1. Normal business transactions
2. Supporting normal business transactions
3. Rent or lease of immovable property (< 3 years)
4. Sale/purchase of asset or service
5. Offer or receipt of financial assistance
6. Transactions other than 1-5

Procedures for each business category are established and summarized as follows;

1. In case of normal business and supporting normal business transactions, the Board of Directors has approved in principle that such transactions can be done under normal/general business terms and conditions which the company and/or its subsidiaries performs with other general parties without any control or influences from the related parties.

2. In case of other business categories, the related party transactions shall be classified by its transaction size and are required to follow below procedures.

- Small sized transaction, being the transaction with the size of not more than THB 1 million or 0.03% of net tangible assets (NTA), whichever is higher, requires the management's approval.
- Medium sized transaction, being the transaction with the size of greater than THB 1 million but less than THB 20 million, or greater than 0.03% but less than 3% of NTA, whichever is higher (except Item 5: Financial assistance that its size is less than THB 100 million or 3% of NTA, whichever is lower), requires board of directors' approval and information disclosure.
- Large sized transaction, being the transaction with the size of THB 20 million and higher or 3% of NTA and higher, whichever is higher (except Item 5 : Financial assistance that its size is equal to THB 100 million and higher or 3% of NTA or higher, whichever is lower), requires board of directors' approval, shareholders' approval and information disclosure.

For other details and definitions, the company will perform according to the relevant notification as mentioned above.

Related Party Transaction Control

For regular transaction which most of transactions are among the company's group, the company's management will set pricing policy to ensure buying and selling price based on market price or normal trading conditions. In case, of any irregular transaction, the company's Chief Financial Officer (CFO), for the company's management, will conduct the transactions with the company secretary's collaboration to ensure the implementation of transaction in line with related policies and regulations.

However, the connected transaction which is not based on the general trade conditions may lead to conflict of interest and must be reviewed and considered by the Audit Committee prior to being proposed to the Board or shareholders for approval.

In addition, the Audit Committee generally reviews and discusses about the related party transactions with the company's external auditor in order to help protect conflicts of interest and see if the related party transactions are adequately and properly disclosed.

The Need for Related Transactions

The company and its subsidiaries have engaged into business transactions with their related companies in Delta group. The major transactions and reasons for having such related party transactions can be summarized as follows.

1. Sales of Goods/Raw Materials

In order to manage trade constraints in certain countries for either the company or its customers e.g. local content requirements, Delta group has established its trade network in local area for better service to customers as well as to enhance its business opportunities in those countries. The transactions are made based on certain trade agreement or with reference to market price.

Sales of raw material are normally due to the urgent need of some raw materials from the related companies and the selling prices are based on the market price or cost of the materials sold.

2. Purchase of Goods/Raw Materials

Currently Delta Thailand has also expanded its trade network through its subsidiaries which are located in major regions. To offer a full range of products, those subsidiaries may have to purchase some products from related companies to serve their clients. However, the transactions are made based on certain trade agreement which may also include their operating costs, or with reference to market price.

Delta group has set up material network in order to create bargaining power for better price and availability for the group members. Purchase price of raw material is generally charged based on cost plus other actual out of pocket expenses such as insurance, freight and others. Handling fee is charged based on value of purchase/sale transaction and considered general business condition.

3. Commissions

Since various services are generally required to serve the global clients, the company needs to offer such

services to customers in the area where they are located in. This makes Delta group to establish business network which enables the company to have customer relations offices worldwide to provide effective marketing and after sales services to its clients at the competitive costs. Commissions are normally charged based on transaction size (e.g. sales or purchase amount) and considered general business condition.

4. Service Fee

Currently the operations of the company's subsidiaries have covered in several regions, especially Europe. Some related companies, therefore, occasionally request for supports to provide some services such as reworking, tooling service and others. Service fees are generally based on the estimated man hour used for each service.

5. Design and Engineering Cost/Royalty Paid

To support its expanding operations, Delta entered into research and development service agreements with subsidiaries and associated companies that provide design and engineering services for some of the company's products and technical support for customers. These companies have specific expertise in designing Delta products and charge service fees equal to the local operational costs incurred on product research and development plus margin on the arm's length basis.

In addition, the company has entered into an agreement to apply for intellectual property and technology License Agreement with related companies by allowing the company to produce and sell patented products and technologies including related improvements in which the exercise of such rights The Company agrees to pay royalties at a percentage of revenue from sales of products under this agreement. The percentage rate is based on the market price (Arm's length basis) and the parties will review the percentage on an annual basis prior to the contract expiration date.

During the years, the Group has significant business transactions with related parties. Such business transactions are in accordance with commercial terms and criteria as agreed between the companies and those related parties which is in the normal business transactions which can be summarized as follows



Details of Important Related Transactions with Associated Companies and Related parties

No	Type of Transaction	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2022	2021	
1.	Sales of Goods and Raw Materials	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	With reference to market price	198.6	177.4	98.0
		2. Delta Electronics (Japan), Inc.	Trading of electronic products			312.1	233.6	238.1
		3. Delta Electronics (Korea), Inc.	Trading of electronic products			70.3	44.5	38.6
		4. Delta Electronics (Shanghai) Co., Ltd.	Manufacture and trading of electronic products			17.8	20.1	14.9
		5. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			4,090.6	3,800.9	2,784.9
		6. Delta Electronics (Brasil) LTDA	Trading of electronic products			40.3	25.8	17.9
		7. Delta Electronics (Americas) Ltd.	Trading of electronic products			1,957.6	1,912.2	2,584.4
		8. Delta Electronics (Netherlands) B.V.	Trading of electronic products			1,552.5	657.3	451.4
		9. Delta Electronics (Switzerland) AG Group	Trading of electronic products			76.9	57.3	58.9
		10. Eltek Group	Manufacture and trading of electronic products			2,773.4	2,506.9	2,191.7
		11. Others				8.3	7.0	9.2
Total						11,098.4	9,443.0	8,488.0
2.	Purchase of Goods and Raw Materials	1. Delta Electronics, Inc	Manufacture and trading of electronic products	Delta Group	With reference to market price	584.7	427.9	358.0
		2. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			6,771.9	5,433.6	2,568.3
		3. Delta Electronics (Netherlands) B.V.	Trading of electronic products			55.8	27.6	4.7
		4. Eltek Group	Manufacture and trading of electronic products			740.6	727.6	725.6
		5. Delta Electronics (Switzerland) AG Group	Trading of electronic products			2.8	1.4	2.3
		6. Delta Electronics (Japan), Inc.	Trading of electronic products			31.5	43.6	26.3
		7. Delta Electronics (Americas) Ltd.	Trading of electronic products			132.7	165.8	82.0
		8. Delta Electronics (Jiangsu) Ltd.	Manufacture and trading of electronic products			16.0	-	-
		9. Power Forest Technology Inc.	Trading of electronic products			90.3	31.4	-
		10. Loy Tec Electronics GmbH	Trading of electronic products			9.1	3.1	2.1
		11. Digital Projection Ltd	Trading of electronic products			3.7	3.4	0.0
		12. Delta Controls Inc.	Trading of electronic products			5.3	3.0	0.2
		13. Others				5.3	2.2	6.9
Total						8,449.7	6,870.6	3,776.5

No	Type of Transaction	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2022	2021	2020
3.	Service Income	1. Delta Electronics (Netherlands) B.V. 2. Delta Electronics Int'l (Singapore) Pte. Ltd. 3. Eltek Group 4. Delta Electronics (Japan), Inc. 5. Delta Electronics (Switzerland) AG Group 6. Others	Trading of electronic products Manufacture and trading of electronic products Manufacture and trading of electronic products Trading of electronic products Trading of electronic products	Delta Group	Contract price	36.8	21.6	13.6
Total						95.8	197.6	208.1
4.	Service Paid	1. Delta Electronics Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	19.9	133.1	122.0
Total						19.9	133.1	122.0
5.	Commission Received	1. Delta Electronics (Netherlands) B.V. 2. Delta Electronics Int'l (Singapore) Pte. Ltd. 3. Eltek Group 4. Others	Trading of electronic products Manufacture and trading of electronic products Manufacture and trading of electronic products	Delta Group	Contract price	95.7	72.7	70.7
Total						249.9	107.5	107.1
6.	Commission Paid	1. Delta Electronics (Japan), Inc. 2. Delta Electronics Europe Ltd. 3. Delta Electronics (Americas) Ltd. 4. Delta Electronics (Korea), Inc 5. Delta Electronics (Switzerland) AG Group 6. Delta Electronics (Netherlands) B.V. 7. Eltek Group 8. Others	Trading of electronic products Manufacture and trading of electronic products Trading of electronic products Trading of electronic products Trading of electronic products Manufacture and trading of electronic products	Delta Group	Contract price	80.3	68.2	36.9
Total						842.46	566.4	798.9
7.	Royalty Paid	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	3,677.7	2,888.0	1,698.0
Total						3,677.7	2,888.0	1,698.0

No	Type of Transaction	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2022	2021	2020
8.	Administrative Expenses	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	37.1	1.4	0.1
		2. Delta Electronics (Japan), Inc.	Trading of electronic products			2.2	-	-
		3. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			3.5	3.6	-
		4. Elitek Group	Manufacture and trading of electronic products			3.0	1.6	-
		5. Delta Electronics (Americas) Ltd.	Trading of electronic products			30.7	8.5	8.4
		6. DEI Logistics (USA) Corporation	Trading of electronic products			9.1	7.6	4.6
		7. Delta Electronics (Switzerland) AG Group	Trading of electronic products			15.2	6.0	3.3
		8. Delta Electronics (Netherlands) B.V.	Trading of electronic products			-	7.8	0.6
		9. Others				1.2	0.9	0.6
		Total			102.0	37.5	17.6	
9.	Design and engineering Fee Paid	1. Delta Electronics (Japan), Inc.	Trading of electronic products	Delta Group	Contract price	7.0	-	-
		2. Delta Electronics (Americas) Ltd.	Manufacture and trading of electronic products			78.6	2.3	-
		3. Delta Electronics (Shanghai) Co., Ltd.	Manufacture and trading of electronic products			179.5	-	-
		4. Delta Electronics (Netherlands) B.V.	Trading of electronic products			0.8	3.0	-
		5. Delta Electronics (Switzerland) AG Group	Trading of electronic products			36.6	36.2	-
		6. Elitek Group	Manufacture and trading of electronic products			6.6	-	-
		7. Delta Electronics Europe Ltd.	Trading of electronic products			0.8	8.7	-
		8. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			0.3	3.8	-
		9. Others				0.1	0.0	-
		Total			310.2	54.0	-	



3

FINANCIAL STATEMENTS





TOGETHER





Responsibility of the Board of Directors to the Financial Statements

The Board of Directors of Delta Electronics Public Company Limited is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with Thailand's generally accepted accounting standards. The appropriate accounting policies are applied consistently with adequate disclosure of material information in the notes to the financial statements.

The Board of Directors has assigned the Audit Committee which is composed of all independent directors to review the quality of financial statements and the effectiveness of the internal control system to ensure that accounting records are booked properly and accurately in order to safeguard the Company's assets. The opinions of the Audit Committee have been reported in the annual report. Furthermore, the Company's external auditor has also provided their opinions on the financial statements of the Company and its subsidiaries in the auditor's report which has also been disclosed in the annual report.

Ng Kong Meng (James)

Chairman of the Board

On behalf of Board of Directors



Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition from sales of goods

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

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

Provision for diminution in value of inventory

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

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

Impairment of goodwill

As at 31 December 2022, the Group had goodwill amounting to Baht 437 million. I have focused on the consideration of the impairment of the goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risks with respect to the amounts of goodwill.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 15 February 2023

Statement of financial position

As at 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	10,142,199,773	6,571,565,489	5,835,260,335	1,535,902,864
Trade and other receivables	8	28,132,399,814	20,593,484,448	29,111,707,654	21,200,264,903
Short-term loans to related parties	6	-	-	100,000,000	-
Inventories	9	25,048,620,957	19,580,654,831	16,635,019,726	13,639,515,139
Derivative assets	33.1	581,522,918	32,388,017	578,353,530	32,308,160
Other current assets	10	2,120,365,566	1,631,042,186	341,661,398	286,008,298
Total current assets		66,025,109,028	48,409,134,971	52,602,002,643	36,693,999,364
Non-current assets					
Deposits at bank with restrictions		33,639,918	37,344,378	-	-
Investments in subsidiary companies	11	-	-	14,078,895,987	13,909,472,987
Investment properties	12	213,913,950	230,593,048	-	-
Property, plant and equipment	13	22,699,590,390	18,583,129,233	13,947,640,098	10,836,225,623
Advances to contractors and for acquisitions of assets		406,337,480	355,317,821	406,337,480	355,317,821
Right-of-use assets	19	482,204,033	529,524,076	939,035	4,592,131
Goodwill	14	436,618,051	443,050,522	-	-
Other intangible assets	15	192,082,820	249,799,250	57,499,462	58,292,129
Deferred tax assets	25	320,195,967	347,609,776	-	-
Other non-current assets		174,785,686	152,871,180	10,868,994	10,239,416
Total non-current assets		24,959,368,295	20,929,239,284	28,502,181,056	25,174,140,107
Total assets		90,984,477,323	69,338,374,255	81,104,183,699	61,868,139,471

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

Statement of financial position (continued)

As at 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	945,278,458	1,593,668,577	-	1,497,407,000
Trade and other payables	17	30,201,548,730	22,049,338,415	24,827,540,998	18,626,852,047
Current portion of lease liabilities	19	66,056,681	74,957,587	967,779	3,677,604
Income tax payable		423,452,809	124,668,457	318,383,895	37,072,112
Short-term provisions	21	44,732,954	98,421,661	-	-
Liabilities and provision from tax assessments	31.4.1	258,172,754	258,172,754	258,172,754	258,172,754
Derivative liabilities	33.1	171,180	18,481,011	-	15,533,142
Other current liabilities	18	730,143,415	518,024,714	299,204,384	162,855,766
Total current liabilities		32,669,556,981	24,735,733,176	25,704,269,810	20,601,570,425
Non-current liabilities					
Long-term loans from related party	6	794,571,258	367,570,073	-	-
Lease liabilities, net of current portion	19	135,843,102	144,124,542	-	967,779
Deferred tax liabilities	25	139,024,703	130,696,198	-	-
Provision for long-term employee benefits	20	1,329,353,728	1,595,747,372	512,316,625	528,556,818
Long-term provisions	21	856,042,761	545,004,367	638,262,352	428,743,548
Other non-current liabilities		380,322,495	415,195,830	3,885,398	1,450,093
Total non-current liabilities		3,635,158,047	3,198,338,382	1,154,464,375	959,718,238
Total liabilities		36,304,715,028	27,934,071,558	26,858,734,185	21,561,288,663

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

Statement of financial position (continued)

As at 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
1,259,000,000 ordinary shares of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid					
1,247,381,614 ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Difference from business combination under common control					
		(1,339,694,088)	(1,339,694,088)	-	-
Retained earnings					
Appropriated - Statutory reserve	22	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		55,264,964,435	41,776,387,503	51,380,255,400	37,441,656,694
Other components of shareholders' equity		(2,110,702,166)	(1,897,584,832)	-	-
Total shareholders' equity		54,679,762,295	41,404,302,697	54,245,449,514	40,306,850,808
Total liabilities and shareholders' equity		90,984,477,323	69,338,374,255	81,104,183,699	61,868,139,471

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

Statement of comprehensive income

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales		117,211,365,609	82,994,057,065	103,379,372,088	70,909,543,246
Service income		1,346,601,076	1,324,303,410	171,878,668	72,594,708
Other income					
Gain on exchange		449,870,986	1,017,817,765	889,724,991	1,025,174,653
Insurance compensation income due to flooding	27	330,678,795	-	330,678,795	-
Others		546,677,659	442,123,356	411,256,373	361,476,931
Total revenues		119,885,194,125	85,778,301,596	105,182,910,915	72,368,789,538
Expenses					
Cost of sales		89,640,857,897	66,039,930,968	77,061,232,597	55,155,928,142
Cost of services		976,698,149	919,975,586	115,524,824	43,246,713
Selling and distribution expenses	31.2.1	7,164,092,328	6,280,790,115	5,987,384,529	5,343,945,848
Administrative expenses		2,541,397,159	1,989,107,082	1,723,475,334	1,316,377,257
Research and development expenses	31.2.2	3,741,842,861	3,165,382,766	3,968,352,022	3,185,830,153
Losses due to flooding	27	-	393,386,986	-	393,386,986
Loss from impairment of investments in subsidiary company		-	-	-	179,133,057
Other expenses		55,135,833	238,795,385	31,482,376	21,100,525
Total expenses		104,120,024,227	79,027,368,888	88,887,451,682	65,638,948,681
Operating profit		15,765,169,898	6,750,932,708	16,295,459,233	6,729,840,857
Finance income		65,839,993	54,139,848	24,118,899	13,788,705
Finance cost		(19,516,480)	(4,027,724)	(1,012,980)	(332,869)
Profit before tax income (expenses)		15,811,493,411	6,801,044,832	16,318,565,152	6,743,296,693
Tax income (expenses)	25	(466,946,829)	(97,723,239)	(332,166,827)	12,102,187
Profit for the year		15,344,546,582	6,703,321,593	15,986,398,325	6,755,398,880

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

Statement of comprehensive income (continued)

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
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		(213,117,334)	1,232,503,466	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(213,117,334)	1,232,503,466	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		264,579,094	(22,591,687)	72,749,125	(33,604,307)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		264,579,094	(22,591,687)	72,749,125	(33,604,307)
Other comprehensive income for the year		51,461,760	1,209,911,779	72,749,125	(33,604,307)
Total comprehensive income for the year		15,396,008,342	7,913,233,372	16,059,147,450	6,721,794,573
Profit attributable to:					
Equity holders of the Company		15,344,546,582	6,699,008,329	15,986,398,325	6,755,398,880
Non-controlling interests of the subsidiary		-	4,313,264		
		<u>15,344,546,582</u>	<u>6,703,321,593</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		15,396,008,342	7,908,922,123	16,059,147,450	6,721,794,573
Non-controlling interests of the subsidiary		-	4,311,249		
		<u>15,396,008,342</u>	<u>7,913,233,372</u>		
Earnings per share					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company		12.30	5.37	12.82	5.42

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

Statement of changes in shareholders' equity

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the Company									
	Issued and fully paid share capital	Share premium	Difference from business combination under common control	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
Appropriated				Unappropriated						
Balance as at 1 January 2021	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	39,216,330,187	(3,130,090,313)	(3,130,090,313)	37,611,739,900	(4,311,249)	37,607,428,651
Profit for the year	-	-	-	-	6,699,008,329	-	-	6,699,008,329	4,313,264	6,703,321,593
Other comprehensive income for the year	-	-	-	-	(22,591,687)	1,232,505,481	1,232,505,481	1,209,913,794	(2,015)	1,209,911,779
Total comprehensive income for the year	-	-	-	-	6,676,416,642	1,232,505,481	1,232,505,481	7,908,922,123	4,311,249	7,913,233,372
Dividend paid (Note 23)	-	-	-	-	(4,116,359,326)	-	-	(4,116,359,326)	-	(4,116,359,326)
Balance as at 31 December 2021	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	41,776,387,503	(1,897,584,832)	(1,897,584,832)	41,404,302,697	-	41,404,302,697
Balance as at 1 January 2022	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	41,776,387,503	(1,897,584,832)	(1,897,584,832)	41,404,302,697	-	41,404,302,697
Profit for the year	-	-	-	-	15,344,546,582	-	-	15,344,546,582	-	15,344,546,582
Other comprehensive income for the year	-	-	-	-	264,579,094	(213,117,334)	(213,117,334)	51,461,760	-	51,461,760
Total comprehensive income for the year	-	-	-	-	15,609,125,676	(213,117,334)	(213,117,334)	15,396,008,342	-	15,396,008,342
Dividend paid (Note 23)	-	-	-	-	(2,120,548,744)	-	-	(2,120,548,744)	-	(2,120,548,744)
Balance as at 31 December 2022	1,247,381,614	1,491,912,500	(1,339,694,088)	125,900,000	55,264,964,435	(2,110,702,166)	(2,110,702,166)	54,679,762,295	-	54,679,762,295

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid share capital	Share premium	Appropriated	Retained earnings	Unappropriated	
Balance as at 1 January 2021	1,247,381,614	1,491,912,500	125,900,000	34,836,221,447		37,701,415,561
Profit for the year	-	-	-	6,755,398,880		6,755,398,880
Other comprehensive income for the year	-	-	-	(33,604,307)		(33,604,307)
Total comprehensive income for the year	-	-	-	6,721,794,573		6,721,794,573
Dividend paid (Note 23)	-	-	-	(4,116,359,326)		(4,116,359,326)
Balance as at 31 December 2021	1,247,381,614	1,491,912,500	125,900,000	37,441,656,694		40,306,850,808
Balance as at 1 January 2022	1,247,381,614	1,491,912,500	125,900,000	37,441,656,694		40,306,850,808
Profit for the year	-	-	-	15,986,398,325		15,986,398,325
Other comprehensive income for the year	-	-	-	72,749,125		72,749,125
Total comprehensive income for the year	-	-	-	16,059,147,450		16,059,147,450
Dividend paid (Note 23)	-	-	-	(2,120,548,744)		(2,120,548,744)
Balance as at 31 December 2022	1,247,381,614	1,491,912,500	125,900,000	51,380,255,400		54,245,449,514
						-

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

Cash flow statement

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities:				
Profit before tax	15,811,493,411	6,801,044,832	16,318,565,152	6,743,296,693
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	3,086,654,125	2,368,453,335	2,472,552,288	1,828,271,533
Amortisation	102,882,671	139,398,206	8,805,867	6,405,747
Recording of allowance for expected credit losses	37,982,294	20,233,707	46,004,797	6,302,570
Reduction of inventory to net realisable value	1,611,082,627	961,491,370	876,693,384	730,896,286
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(772,656,775)	(247,036,392)	(642,399,056)	(142,054,149)
Increase in provision for long-term employee benefits	126,065,922	97,548,502	92,966,703	67,284,483
Recording of the increase in provisions	313,202,459	138,443,006	249,581,670	125,407,221
(Gain) loss from disposal/written-off of property, plant and equipment	10,646,177	15,782,638	(1,765,559)	2,787,913
Reversal of the allowance for impairment loss on assets	(18,565,370)	-	(18,565,370)	-
Loss from write-off of other intangible assets	-	184,068,694	-	2
Unrealised (gain) loss on exchange	782,239,464	(141,467,169)	851,946,997	(156,260,032)
(Gain) loss on fair value valuation of derivative instruments	(567,444,732)	134,382,960	(561,578,512)	132,189,909
Insurance compensation income due to flooding	(330,678,795)	-	(330,678,795)	-
Losses due to flooding	-	393,386,986	-	393,386,986
Loss from impairment of investments in subsidiary company	-	-	-	179,133,057
Interest income	(65,839,993)	(54,139,848)	(24,118,899)	(13,788,705)
Interest expenses	19,516,480	4,027,724	1,012,980	332,869
Profit from operating activities before changes in operating assets and liabilities	20,146,579,965	10,815,618,551	19,339,023,648	9,903,592,383
Decrease (increase) in operating assets:				
Trade and other receivables	(9,178,729,824)	(6,145,192,291)	(9,565,720,257)	(6,592,776,980)
Inventories	(6,240,609,976)	(8,027,682,402)	(3,229,798,915)	(6,023,365,072)
Other current assets	(474,514,925)	(447,218,026)	(29,396,040)	(252,679,364)
Other non-current assets	(50,633,862)	11,119,922	(629,578)	(6,959,574)
Increase (decrease) in operating liabilities:				
Trade and other payables	7,696,320,815	4,110,177,615	5,847,143,580	3,150,193,329
Other current liabilities	212,463,264	124,492,673	138,587,999	(5,780,652)
Provision for long-term employee benefits	(87,329,631)	(97,284,688)	(36,457,771)	(37,576,294)
Provisions	(70,375,088)	(44,052,584)	(49,044,533)	(37,900,534)
Other non-current liabilities	(34,873,335)	158,785,028	2,435,305	93,890
Cash flows from operating activities	11,918,297,403	458,763,798	12,416,143,437	96,841,132
Cash received from interest income	64,035,516	71,738,056	23,678,351	13,788,705
Cash received from insurance compensation due to flooding	330,678,795	-	330,678,795	-
Cash received from corporate income tax refund	26,358,556	-	-	-
Cash paid for interest expenses	(14,159,921)	(5,891,911)	(998,384)	(332,869)
Cash paid for corporate income tax	(132,119,828)	(189,460,761)	(49,381,511)	(1,187,143)
Net cash flows from operating activities	12,193,090,521	335,149,182	12,720,120,688	109,109,825

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

Cash flow statement (continued)

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities:				
Decrease in deposits at bank with restrictions	3,704,460	13,707,592	-	-
Decrease in fixed deposits with maturity over 3 months	-	205,249,560	-	-
Increase in investments in subsidiary company	-	-	(169,423,000)	(459,822)
Decrease in advances to contractors and for acquisitions of assets	(51,019,659)	-	(51,019,659)	-
Acquisition of property, plant and equipment	(6,478,702,420)	(6,333,363,225)	(4,624,094,689)	(4,380,682,782)
Proceeds from disposal of property, plant and equipment	32,030,661	28,950,205	27,704,312	24,583,544
Increase in right-of-use assets	(5,867,908)	(110,131,963)	(252,240)	-
Increase in investment properties	(22,014)	(451,367)	-	-
Increase in other intangible assets	(49,732,252)	(48,440,554)	(8,013,200)	(2,986,399)
Net cash flows used in investing activities	(6,549,609,132)	(6,244,479,752)	(4,825,098,476)	(4,359,545,459)
Cash flows from financing activities:				
Cash receipt from short-term loans from financial institutions	4,190,306,735	2,109,615,036	700,000,000	2,013,241,000
Repayment of short-term loans from financial institutions	(4,848,799,988)	(500,000,000)	(2,213,241,000)	(500,000,000)
Increase in short-term loans from related parties	-	-	(100,000,000)	-
Cash receipt from long-term loans from related party	439,124,400	362,635,955	-	-
Payment of lease liabilities	(79,105,661)	(88,635,380)	(3,692,200)	(1,482,748)
Dividend paid	(2,120,548,744)	(4,116,359,326)	(2,120,548,744)	(4,116,359,326)
Net cash flows used in financing activities	(2,419,023,258)	(2,232,743,715)	(3,737,481,944)	(2,604,601,074)
Increase in translation adjustments	125,451,186	865,525,756	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	3,349,909,317	(7,276,548,529)	4,157,540,268	(6,855,036,708)
Effect from currency translation of cash and cash equivalents	220,724,967	(33,734,286)	141,817,203	(14,791,305)
Net increase (decrease) in cash and cash equivalents	3,570,634,284	(7,310,282,815)	4,299,357,471	(6,869,828,013)
Cash and cash equivalents at beginning of year	6,571,565,489	13,881,848,304	1,535,902,864	8,405,730,877
Cash and cash equivalents at end of year	10,142,199,773	6,571,565,489	5,835,260,335	1,535,902,864
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Right-of-use assets increase under lease agreements	70,597,098	110,631,928	-	6,128,131
Increase in accounts payable from purchase of plant and equipment	1,055,168,432	1,447,060,317	963,340,121	1,432,458,728

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

Notes to consolidated financial statements

For the year ended 31 December 2022

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

1. General information

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

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			Percent	Percent
DET International Holding Limited*	Holding business	The Netherlands	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100
Delta Electronics (Vietnam) Company Limited	Trading of electronic products	Vietnam	100	100
Delta Electronics India Manufacturing Private Limited	Manufacture and trading of electronic products	India	100	100

* Relocated its registration from the Cayman Islands to Malta on 8 August 2022, and subsequently to the Netherlands on 23 December 2022.

The subsidiaries which the Company owns through DET International Holding Limited are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2022	2021
			Percent	Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic	Romania	100	100



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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2022	2021
			Percent	Percent
Delta Electronics (Australia) Pty. Ltd.	Trading of electronic products	Australia	100	100
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta Energy Systems LLC (owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	Russia	100	100
Eltek s.r.o. (owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Slovakia	100	100
Delta Electronics (Automotive) Americas Inc. (owned by Delta Greentech (Netherlands) B.V.)	Research and development of electronic products	USA	100	100
Delta Electronics India Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	100
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	100
Delta Energy Systems (UK) Limited	Research and development of electronic products	Scotland	100	100

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

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

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

2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

2.2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Rendering of services

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Investments in subsidiaries

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

4.5 Investment properties

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

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

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

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

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

Depreciation is included in determining income.

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

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

4.7 Intangible assets

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

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

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

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

4.8 Goodwill

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

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

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

4.9 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

4.10 Related party transactions

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

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

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

An impairment loss is recognised in profit or loss.

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

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

4.14 Provisions

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

4.15 Research and development expenses

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

Offsetting of financial instruments

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

4.18 Derivatives

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

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

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

4.19 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

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

Reduction of inventory cost to net realisable value

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Allowance for impairment of non-financial assets

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

Post-employment benefits under defined benefit plans

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

Tax assessments

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

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with the parent company</u>					
Sales of goods and raw materials	199	177	194	153	With reference to market price
Purchase of goods and raw materials	585	428	61	136	With reference to market price
Royalty paid (Note 31.2.1)	3,678	2,888	3,678	2,888	Contract price
Services paid	20	133	20	133	Contract price
Administrative expenses	37	1	-	-	Contract price

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2022	2021	2022	2021	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	33,803	25,825	With reference to market price
Purchase of goods and raw materials	-	-	1,396	1,458	With reference to market price
Commission paid	-	-	270	233	Contract price
Design and engineering fee paid (Note 31.2.2)	-	-	2,413	2,112	Contract price
Distribution fee paid	-	-	-	20	Contract price
Administrative expenses	-	-	111	116	Contract price
Transactions with related companies					
Sales of goods and raw materials	10,900	9,266	4,091	3,814	With reference to market price
Purchase of goods and raw materials	7,865	6,443	3,025	2,461	With reference to market price
Commission paid	842	586	835	572	Contract price
Commission received	250	107	-	-	Contract price
Services income	96	198	-	-	Contract price
Design and engineering fee paid	310	54	299	39	Contract price
Administrative expenses	65	36	13	18	Contract price

The balances of the accounts as at 31 December 2022 and 2021 between the Group and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables, related parties (Note 8)				
Parent company	74	40	62	36
Subsidiary companies	-	-	13,020	10,030
Other related companies (under common control)	2,721	2,196	1,064	951
Total trade receivables, related parties	2,795	2,236	14,146	11,017
Other receivables, related parties (Note 8)				
Parent company	3	-	3	-
Subsidiary companies	-	-	12	7
Other related companies (under common control)	3	16	2	2
Total other receivables, related parties	6	16	17	9
Amounts due from related parties (Note 8)				
Subsidiary companies	-	-	1	4
Total amounts due from related parties	-	-	1	4
Trade payables, related parties (Note 17)				
Parent company	345	48	12	5
Subsidiary companies	-	-	329	296
Other related companies (under common control)	2,122	1,736	617	506
Total trade payables, related parties	2,467	1,784	958	807
Other payables, related parties (Note 17)				
Parent company	557	588	532	586
Subsidiary companies	-	-	514	159
Other related companies (under common control)	510	619	471	397
Total other payables, related parties	1,067	1,207	1,517	1,142

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Accrued expenses, related parties (Note 17)</u>				
Parent company	318	264	318	264
Other related companies (under common control)	174	170	174	170
Total accrued expenses, related parties	<u>492</u>	<u>434</u>	<u>492</u>	<u>434</u>
<u>Advance received, related parties (Note 17)</u>				
Parent company	-	-	155	55
Total advance received, related parties	<u>-</u>	<u>-</u>	<u>155</u>	<u>55</u>

Short-term loans to related party

As at 31 December 2022 and 2021, the balances of short-term loans to related party and the movement in short-term loans are as follows:

(Unit: Million Baht)

Short-term loans	Related by	Separate financial statements		
		Balance as at	Increase	Balance as at
		31 December 2021	during the year	31 December 2022
Delta Green Industrial (Thailand) Company Limited	Subsidiary	-	100	100
Total short-term loans to related party		<u>-</u>	<u>100</u>	<u>100</u>

Long-term loans from related party

As at 31 December 2022 and 2021, the balances of long-term loans from related party and the movement in long-term loans are as follows:

(Unit: Million Baht)

Long-term loans	Related by	Consolidated financial statements			
		Balance as at	Increase	Translation	Balance as at
		31 December 2021	during the year	adjustment	31 December 2022
Eltek AS	Other related company (under common control)	368	439	(12)	795
Total long-term loans from related party		<u>368</u>	<u>439</u>	<u>(12)</u>	<u>795</u>

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	126	114	62	58
Post-employment benefits	15	14	14	11
Total	<u>141</u>	<u>128</u>	<u>76</u>	<u>69</u>

7. Cash and cash equivalents

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Bank deposits in current accounts	1,584	2,320	2	2
Bank deposits in saving accounts	8,140	3,588	5,833	1,534
Fixed deposits with maturity not over 3 months	418	664	-	-
Total	10,142	6,572	5,835	1,536

As at 31 December 2022, the above bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 8.00 percent per annum (2021: between 0.00 and 8.00 percent per annum) (The Company only: between 0.00 and 1.75 percent per annum, 2021: between 0.00 and 0.45 percent per annum).

8. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables, related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	2,771	2,181	12,964	9,268
Past due				
Up to 3 months	22	54	1,179	1,746
3 - 6 months	-	1	3	3
6 - 12 months	2	-	-	-
Total	2,795	2,236	14,146	11,017
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	21,510	15,209	12,222	8,174
Past due				
Up to 3 months	2,887	2,281	1,861	1,277
3 - 6 months	171	132	128	39
6 - 12 months	46	24	11	3
Over 12 months	72	61	24	9
Total	24,686	17,707	14,246	9,502
Total trade receivables	27,481	19,943	28,392	20,519
Less: Allowance for expected credit losses	(189)	(156)	(84)	(38)
Total trade receivables - net	27,292	19,787	28,308	20,481
<u>Other receivables</u>				
Amounts due from related parties (Note 6)	-	-	1	4
Other receivables - related parties (Note 6)	6	16	17	9
Other receivables - unrelated parties	834	790	786	706
Total other receivables	840	806	804	719
Trade and other receivables - net	28,132	20,593	29,112	21,200

The normal credit term is 30 to 150 days.

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	(156)	(129)	(38)	(32)
Provision for expected credit losses	(53)	(30)	(46)	(17)
Amount written off	-	-	-	11
Reversal	15	10	-	-
Translation adjustment	5	(7)	-	-
Ending balance	(189)	(156)	(84)	(38)

9. Inventories

(Unit: Million Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Finished goods	9,970	7,409	(960)	(729)	9,010
Work in process	3,436	2,665	-	-	3,436	2,665
Raw materials	13,584	10,590	(2,163)	(1,621)	11,421	8,969
Goods in transit	1,182	1,267	-	-	1,182	1,267
Total	28,172	21,931	(3,123)	(2,350)	25,049	19,581

(Unit: Million Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Finished goods	4,314	3,972	(145)	(238)	4,169
Work in process	2,931	2,167	-	-	2,931	2,167
Raw materials	10,289	8,031	(1,493)	(1,165)	8,796	6,866
Goods in transit	739	873	-	-	739	873
Total	18,273	15,043	(1,638)	(1,403)	16,635	13,640

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	(2,350)	(1,247)	(1,403)	(483)
Increase during the year	(1,611)	(988)	(877)	(731)
Increase during the year due to flooding (Note 27)	-	(331)	-	(331)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the year	773	247	642	142
Reversal during the year	-	27	-	-
Translation adjustment	65	(58)	-	-
Balance at end of year	(3,123)	(2,350)	(1,638)	(1,403)

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

10. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Input tax refundable	451	474	292	241
Advance payments	1,335	854	7	5
Prepaid expenses	271	222	34	25
Prepaid tax	34	23	-	-
Others	29	58	9	15
Total other current assets	2,120	1,631	342	286

11. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Paid-up capital				Cost	
	Foreign currency	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
		(Million)	(Million)			
DET International Holding Limited	USD	264	264	9,450	9,450	
Delta Green Industrial (Thailand) Company Limited	THB	206	206	206	206	
Delta Energy Systems (Singapore) Pte. Ltd.	USD	173	173	5,573	5,573	
Delta Electronics (Vietnam) Company Limited	USD	0.1	0.1	3	3	
Delta Electronics India Manufacturing Private Limited	INR	381	1	171	1	
Subtotal				15,403	15,233	
Less: Allowance for impairment loss of investments in subsidiary companies				(1,324)	(1,324)	
Investments in subsidiary companies - net				14,079	13,909	

No dividend was received from the above subsidiary companies during the year ended 31 December 2022 and 2021.

11.2 Significant events during the year

11.2.1 Subsidiaries directly owned by the Company

Additional investment in subsidiary company

On 25 April 2022, a meeting of the executive committee'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 169 million, in order to purchase machines and line set up for production. The Company already made the additional investment in the second quarter of the current year.

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

11.2.2 Subsidiaries indirectly owned by the Company

Dissolution of a subsidiary

On 31 March 2020, a meeting of the Company's Board of Directors passed a resolution to dissolve Delta Greentech (Netherlands) Cooperaties UA, which is a subsidiary of Delta Energy Systems (Singapore) Pte. Ltd. During the first quarter of the current year, this subsidiary already registered its dissolution and liquidated.

Due to the liquidation, in accordance with the relevant laws of the Netherlands, all ordinary shares of the subsidiary of Delta Greentech (Netherlands) Cooperaties UA, Delta Greentech (Netherlands) B.V., were transferred to Delta Energy Systems (Singapore) Pte. Ltd. As a result, Delta Greentech (Netherlands) B.V. became a 100 percent-owned subsidiary of Delta Energy Systems (Singapore) Pte. Ltd.

The dissolution of this subsidiary and above transfer of ordinary shares do not have any significant impact on the operations and the investment structure of the Group.

12. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2022:			
Cost	44	323	367
Less: Accumulated depreciation	-	(89)	(89)
Translation adjustment	(10)	(54)	(64)
Net book value	<u>34</u>	<u>180</u>	<u>214</u>
31 December 2021:			
Cost	44	323	367
Less: Accumulated depreciation	-	(79)	(79)
Translation adjustment	(10)	(47)	(57)
Net book value	<u>34</u>	<u>197</u>	<u>231</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	231	233
Acquisition of assets	-	1
Depreciation charged	(10)	(10)
Translation adjustment	(7)	7
Net book value at end of year	<u>214</u>	<u>231</u>

The additional information of the investment properties as at 31 December 2022 and 2021 stated below:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
The fair value	233	241

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

13. Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements							Total	
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer		Others
Cost:									
1 January 2021	1,020	3,992	10,217	1,432	2,331	3,822	585	492	23,891
Purchase/transfer in	670	687	3,434	167	773	4,050	157	29	9,967
Disposal/write-off/transfer out	-	-	(483)	(12)	(34)	(2,196)	(56)	(76)	(2,857)
Translation adjustment	53	96	82	-	11	239	13	22	516
31 December 2021	1,743	4,775	13,250	1,587	3,081	5,915	699	467	31,517
Purchase/transfer in	85	203	4,949	243	295	4,180	112	54	10,121
Disposal/write-off/transfer out	-	(5)	(708)	(25)	(73)	(2,573)	(28)	(53)	(3,465)
Translation adjustment	(39)	72	(31)	10	(14)	(517)	(11)	(12)	(542)
31 December 2022	1,789	5,045	17,460	1,815	3,289	7,005	772	456	37,631
Accumulated depreciation:									
1 January 2021	-	1,056	6,642	1,253	1,369	-	445	383	11,148
Depreciation for the year	-	108	1,558	182	270	-	110	34	2,262
Depreciation - disposal/write-off	-	-	(459)	(14)	(34)	-	(55)	(63)	(625)
Translation adjustment	-	24	50	-	5	-	12	20	111
31 December 2021	-	1,188	7,791	1,421	1,610	-	512	374	12,896
Depreciation for the year	-	122	2,236	169	311	-	110	33	2,981
Depreciation - disposal/write-off	-	(1)	(674)	(20)	(72)	-	(28)	(40)	(835)
Translation adjustment	-	(23)	(63)	-	(10)	-	(17)	(17)	(130)
31 December 2022	-	1,286	9,290	1,570	1,839	-	577	350	14,912

13. Property, plant and equipment (continued)

(Unit: Million Baht)

	Consolidated financial statements							Total	
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer		Others
Allowance for impairment loss:									
1 January 2021	-	17	-	-	2	-	-	-	19
Increase during the year	-	-	5	-	-	14	-	-	19
31 December 2021	-	17	5	-	2	14	-	-	38
Decrease during the year	-	-	(5)	-	-	(14)	-	-	(19)
31 December 2022	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2021	1,743	3,570	5,454	166	1,469	5,901	187	93	18,583
As at 31 December 2022	1,789	3,742	8,170	245	1,448	7,005	195	106	22,700
Depreciation for the year									
Year 2021 (Baht 1,819 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,262
Year 2022 (Baht 2,438 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,981

13. Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements							Total	
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer		Others
Cost:									
1 January 2021	414	1,824	8,033	1,423	1,929	1,389	352	109	15,473
Purchase/transfer in	670	664	3,036	166	769	2,518	134	18	7,975
Disposal/write-off/transfer out	-	-	(330)	(12)	(34)	(2,171)	(36)	(5)	(2,588)
31 December 2021	1,084	2,488	10,739	1,577	2,664	1,736	450	122	20,860
Purchase/transfer in	-	128	4,236	241	287	3,169	84	30	8,175
Disposal/write-off/transfer out	-	-	(615)	(24)	(62)	(2,573)	(18)	(20)	(3,312)
31 December 2022	1,084	2,616	14,360	1,794	2,889	2,332	516	132	25,723
Accumulated depreciation:									
1 January 2021	-	578	5,220	1,245	1,171	-	260	84	8,558
Depreciation for the year	-	48	1,284	181	231	-	75	8	1,827
Depreciation - disposal/write-off	-	-	(310)	(13)	(34)	-	(37)	(5)	(399)
31 December 2021	-	626	6,194	1,413	1,368	-	298	87	9,986
Depreciation for the year	-	60	1,875	166	257	-	83	10	2,469
Depreciation - disposal/write-off	-	-	(593)	(20)	(61)	-	(18)	(7)	(699)
31 December 2022	-	686	7,476	1,559	1,582	-	363	90	11,756

13. Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements							Total	
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer		Others
Allowance for impairment loss:									
1 January 2021	-	17	-	-	2	-	-	-	19
Increase during the year	-	-	5	-	-	14	-	-	19
31 December 2021	-	17	5	-	2	14	-	-	38
Decrease during the year	-	-	(5)	-	-	(14)	-	-	(19)
31 December 2022	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2021	1,084	1,845	4,540	164	1,294	1,722	152	35	10,836
As at 31 December 2022	1,084	1,913	6,884	235	1,305	2,332	153	42	13,948
Depreciation for the year									
Year 2021 (Baht 1,596 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,827
Year 2022 (Baht 2,162 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									2,469

As at 31 December 2022, certain items of building, machinery and equipment of the Group were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately of Baht 8,155 million (2021: Baht 7,407 million) (The Company only: Baht 6,415 million, 2021: Baht 5,664 million).

14. Goodwill

The net book value of goodwill as at 31 December 2022 and 2021 is presented below.

	(Unit: Million Baht)
	Consolidated financial statements
Net book value as at 1 January 2021	437
Translation adjustment	6
Net book value as at 31 December 2021	443
Translation adjustment	(6)
Net book value as at 31 December 2022	437

As at 31 December 2022, the net book value of the goodwill as above included the goodwill of approximately Baht 215 million from Power electronics segment related to DES products and the goodwill of approximately Baht 222 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. ("Eltek SK") in 2017.

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

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

	(Unit: Percent per annum)	
	Power electronics segment related to DES	
	products	Eltek s.r.o.
Growth rate	2%	2%
Pre-tax discount rates	13.2%	13.4%

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

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

15. Other intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

	(Unit: Million Baht)				
	Consolidated financial statements				
	Patent rights	Computer software	Customer relationship	Others	Total
Cost:					
1 January 2021	1,049	499	130	2	1,680
Purchase	-	48	-	-	48

(Unit: Million Baht)

	Consolidated financial statements				Total
	Patent rights	Computer software	Customer relationship	Others	
Disposal/write-off	(1,097)	(15)	-	-	(1,112)
Translation adjustment	111	14	4	1	130
31 December 2021	63	546	134	3	746
Purchase	-	50	-	-	50
Translation adjustment	-	(16)	(4)	-	(20)
31 December 2022	63	580	130	3	776
Accumulated amortisation:					
1 January 2021	793	341	48	2	1,184
Amortisation for the year	37	89	13	-	139
Disposal/write-off	(913)	(15)	-	-	(928)
Translation adjustment	90	8	2	1	101
31 December 2021	7	423	63	3	496
Amortisation for the year	7	83	13	-	103
Translation adjustment	-	(13)	(2)	-	(15)
31 December 2022	14	493	74	3	584
Net book value:					
31 December 2021	56	123	71	-	250
31 December 2022	49	87	56	-	192

(Unit: Million Baht)

	Separate financial statements		
	Patent rights	Computer software	Total
Cost:			
1 January 2021	63	84	147
Purchase	-	3	3
Disposal/write-off	-	(1)	(1)
31 December 2021	63	86	149
Purchase	-	8	8
31 December 2022	63	94	157
Accumulated amortisation:			
1 January 2021	1	84	85
Amortisation for the year	7	-	7
Disposal/write-off	-	(1)	(1)
31 December 2021	8	83	91
Amortisation for the year	6	3	9
31 December 2022	14	86	100
Net book value:			
31 December 2021	55	3	58
31 December 2022	49	8	57

In 2021, DET International Holding Limited, a subsidiary of the Company, wrote off patents of approximately USD 5.5 million, or approximately Baht 187 million, and this was presented under the caption of “Other expenses” in the consolidated statements of comprehensive income.

16. Short-term loans from financial institutions

(Unit: Million Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term loans from financial institutions	7.91 - 8.62	945	1,594	-	1,497
Total		<u>945</u>	<u>1,594</u>	<u>-</u>	<u>1,497</u>

17. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	2,476	1,784	958	807
Trade payables - unrelated parties	17,675	12,227	15,930	11,042
Other payables - related parties (Note 6)	1,067	1,207	1,517	1,142
Other payables - unrelated parties	2,440	2,062	2,172	1,965
Accrued expenses - related parties (Note 6)	492	434	492	434
Accrued expenses - unrelated parties	3,469	3,386	2,873	2,644
Advance received - related parties (Note 6)	-	-	155	55
Advance received - unrelated parties	2,592	949	731	538
Total trade and other payables	<u>30,202</u>	<u>22,049</u>	<u>24,828</u>	<u>18,627</u>

18. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Withholding tax payable	288	165	248	131
Value added tax payable	234	140	14	10
Others	208	213	37	22
Total other current liabilities	<u>730</u>	<u>518</u>	<u>299</u>	<u>163</u>

19. Leases

The Group as a lessee

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

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements					Separate financial statements
	Land	Buildings	Machinery and equipment	Motor Vehicles	Total	Buildings
1 January 2021	190	164	9	14	377	-
Additions	110	97	-	14	221	6
Depreciation for the year	(3)	(79)	(3)	(11)	(96)	(1)
Translation adjustment	18	8	1	1	28	-
31 December 2021	315	190	7	18	530	5
Additions	-	65	3	8	76	-
Depreciation for the year	(4)	(78)	(3)	(11)	(96)	(4)
Translation adjustment	(23)	(5)	-	-	(28)	-
31 December 2022	288	172	7	15	482	1

b) Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	205	222	1	5
Less: Deferred interest expenses	(3)	(3)	-	-
Total	202	219	1	5
Less: Portion due within one year	(66)	(75)	(1)	(4)
Lease liabilities - net of current portion	136	144	-	1

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	219	181	5	-
Additions	70	111	-	6
Accretion of interest	2	2	-	-
Repayments	(79)	(88)	(4)	(1)
Translation adjustment	(10)	13	-	-
Balance at end of year	202	219	1	5

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

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	96	96	4	1
Interest expense on lease liabilities	2	2	-	-
Expense relating to short-term leases and leases of low-value assets	49	49	9	8

d) **Other**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 128 million (2021: Baht 137 million) (the Company only: Baht 13 million, 2021: Baht 9 million), including the cash outflow related to short-term lease and leases of low-value assets.

20. Provision for long-term employee benefits

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Defined benefit obligation	(1,406)	(1,675)	(512)	(529)
Fair value of plan assets	77	79	-	-
Provisions for long-term employee benefits as at 31 December	(1,329)	(1,596)	(512)	(529)

The change in the defined benefit obligation is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Defined benefit obligation at beginning of year	(1,675)	(1,602)	(529)	(465)
Included in profit or loss:				
Current service cost	(110)	(76)	(86)	(53)
Interest cost	(21)	(26)	(6)	(14)
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	31	(24)	30	(25)
Financial assumptions changes	262	11	75	11
Experience adjustments	(28)	(10)	(32)	(20)
Benefits paid during the year	85	85	36	37
Translation adjustments	50	(33)	-	-
Defined benefit obligation at end of year	(1,406)	(1,675)	(512)	(529)

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Fair value of plan assets at beginning of year	79	60	-	-
Included in profit or loss:				
Interest income on plan assets	5	4	-	-
Contributions by employer	6	15	-	-
Benefits paid during the year	(4)	(3)	-	-
Translation adjustments	(9)	3	-	-
Fair value of plan assets at end of year	77	79	-	-

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Government bonds	45	47	-	-
Debentures	26	27	-	-
Others	6	5	-	-

The Group expects to pay Baht 76 million of long-term employee benefits during the next year (The Company only: Baht 11 million) (2021: Baht 75 million, the Company only: Baht 10 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit of the Group is 8 - 22 years (The Company only: 13 years) (2021: 9 - 22 years, the Company only: 14 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	3.2 - 7.4	0.7 - 6.5	3.46	2.2
Future salary increase rates (depending on age)	2.5 - 8.5	2.0 - 8.5	2.5 - 7.0	2.0 - 8.0
Pension increase rate	2.3	1.5	-	-
Turnover rate	0.8 - 16.0	0.8 - 14.0	3.9 - 16.0	3.5 - 14.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

As at 31 December 2022

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

(Unit: Million Baht)

As at 31 December 2021

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 1%-10%	Decrease 1%-10%
Discount rate	Decrease 123	Increase 139	Decrease 49	Increase 57
Future salary increase rates (depending on age)	Increase 60	Decrease 54	Increase 54	Decrease 48
Pension increase rate	Increase 64	Decrease 59	-	-
Turnover rate	Decrease 22	Increase 25	Decrease 19	Increase 20

21. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Warranty	Other provisions	Total	Warranty	Total
Balance as at 1 January 2021	475	22	497	302	302
Recognition during year	259	56	315	155	155
Decrease during year	(39)	(5)	(44)	(38)	(38)
Reversal during year	(137)	(40)	(177)	(30)	(30)
Translation adjustment/unrealised loss on exchange rate	51	1	52	40	40
Balance as at 31 December 2021	609	34	643	429	429
Recognition during year	520	61	581	313	313
Decrease during year	(65)	(5)	(70)	(49)	(49)
Reversal during year	(224)	(44)	(268)	(63)	(63)
Translation adjustment/unrealised loss on exchange rate	16	(1)	15	8	8
Balance as at 31 December 2022	856	45	901	638	638
Short-term provisions	67	31	98	-	-
Long-term provisions	542	3	545	429	429
Balance as at 31 December 2021	609	34	643	429	429
Short-term provisions	-	45	45	-	-
Long-term provisions	856	-	856	638	638
Balance as at 31 December 2022	856	45	901	638	638

Warranty

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

22. Statutory reserve

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

23. Dividends

Dividends declared in 2022 and 2021 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 2021	Annual General Meeting of the shareholders on 1 April 2022	2,121	1.70
Final dividend for year 2020	Annual General Meeting of the shareholders on 31 March 2021	4,116	3.30

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries, wages and other employee benefits	13,296	11,168	8,923	7,230
Raw materials used and purchase of finished goods	78,534	56,277	65,527	46,055
Changes in finished goods and work in progress	(3,332)	(2,659)	(1,107)	(1,966)
Depreciation	3,087	2,368	2,473	1,828
Amortisation	103	139	9	6
Commission expenses	887	614	1,157	861
Marketing fee	32	139	121	255
Design and engineering fee	310	131	2,712	2,168
Services paid	20	133	20	133
Royalty paid	3,678	2,888	3,678	2,888

25. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	(461)	(158)	(338)	(17)
Adjustment in respect of income tax of previous year	15	36	6	29
Deferred tax:				
Relating to origination and reversal of temporary differences	(36)	42	-	-
Translation adjustment	15	(18)	-	-
Tax income (expenses) reported in profit or loss	(467)	(98)	(332)	12

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Accounting profit before tax	15,811	6,801	16,319
Income tax at Thai corporate income tax rate of 20%	(3,162)	(1,360)	(3,264)	(1,349)
Adjust in respect of income tax of previous years	15	36	6	29
Effect of elimination entries on the consolidated financial statements	(231)	(159)	-	-
Tax effect of:				
Difference in tax rates of overseas subsidiaries	(45)	(56)	-	-
Tax savings from the tax privileges granted by the government	2,853	1,488	2,852	1,480
Loss for the current year	(15)	(3)	-	-
Non-deductible expenses	-	(4)	-	-
Unrecognised deferred tax assets on temporary differences	(4)	(113)	(4)	(118)
Utilisation of previously unrecognised deferred tax asset on tax losses	66	36	-	-
Exemption of income	71	-	71	-
Write-down of previous deferred tax asset	(65)	-	-	-
Others	50	37	7	(30)
Total	2,911	1,385	2,926	1,332
Tax income (expenses) reported in profit or loss	(467)	(98)	(332)	12

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are 16.00% to 34.94%.

As at 31 December 2022 and 2021, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for expected credit losses	28	26	-	-
Allowance for diminution in value of inventories	231	230	-	-
Provision for warranty	8	7	-	-
Tax loss brought forward	-	6	-	-
Others	53	79	-	-
Total	320	348	-	-
Deferred tax liabilities				
Difference depreciation for tax purpose	139	131	-	-
Total	139	131	-	-

As at 31 December 2022 the Group has deductible temporary differences and unused tax losses totaling Baht 6,974 million, INR 69 million or approximately Baht 29 million and EUR 31 million or approximately Baht 1,124 million (2021: 5,183 million, INR 194 million or approximately Baht 87 million and EUR 41 million or approximately Baht 1,544 million). No deferred tax assets have been recognised on these amounts as the Company has been granted tax privileges by the Board of Investment and the subsidiaries have determined that they may not be able to utilise the deductible temporary difference and unused tax losses because they do not yet have any taxable profits and they are unable to estimate the benefit they would generate from utilisation of such deductible temporary difference and unused tax losses.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The five-year limitation period				
31 December 2022	-	12	-	-
31 December 2023	12	2	-	-
31 December 2024	2	156	-	-
31 December 2027	1	-	-	-
The eight-year limitation period				
31 March 2022	-	23	-	-
31 March 2023	13	14	-	-
31 March 2024	15	16	-	-
No expiry date	1,124	1,422	-	-
Total	1,167	1,645	-	-

As at 31 December 2022, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 140 million (2021: Baht 370 million).

26. Promotional privileges

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

Details		The Company							
1. Certificate No.		2061(1)/2553	1732(2)/2557	1158(2)/2558	1688(2)/2558	61-1505-1-00-1-0	63-0114-1-00-1-0	63-0340-1-00-1-0	64-1295-1-20-1-0
2. Promotional privileges for		Manufacturing of telecommunication equipment and electronics products for vehicle	Manufacturing of electro - magnetic products	Manufacturing of electro - magnetic products	Manufacturing of DC FAN	Manufacturing of electro - magnetic products	Manufacturing of telecommunication equipment	Manufacturing of electric vehicle equipment	Manufacturing of Ventilation Fan.
3. The significant privileges are		8 years	8 years (Maximum amount Baht 124,000,000)	7 years (Maximum amount Baht 155,000,000)	7 years (Maximum amount Baht 538,898,005)	4 years (Maximum amount Baht 1,572,170,000)	6 years (Maximum amount Baht 632,252,669)	13 years (Maximum amount Baht 1,547,250,000)	3 years (Maximum amount Baht 3,222,000)
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.		Granted	Granted	Granted	Granted	Granted	Granted	Granted	-
3.2 Exemption from import duty on machinery as approved by the board.		-	Granted	Granted	Granted	-	Granted	Granted	Granted
3.3 Exemption from import duty on raw materials and significant supplies used in export production.		Granted	-	-	-	-	-	-	-
3.4 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.		Granted	-	-	-	-	-	-	-
3.5 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income.		Granted	-	-	-	-	-	-	-
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.		Granted	-	-	-	-	-	-	-
4. Date of first earning operating income		10 January 2015	5 January 2018	5 January 2017	1 December 2017	24 February 2022	8 January 2020	Not yet commenced operation	27 July 2019
5. Additional right and benefit		-	Granted the additional tax incentive under the Skill, Technology and Innovation	Granted the additional tax incentive under the Skill, Technology and Innovation	-	-	-	-	-

The Company's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	1,085	425	506	440	1,591	865
Export sales	96,127	67,973	5,661	2,072	101,788	70,045
Service income	-	-	172	73	172	73
Total Sales and service income	<u>97,212</u>	<u>68,398</u>	<u>6,339</u>	<u>2,585</u>	<u>103,551</u>	<u>70,983</u>

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

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

27. Losses due to flooding

In August 2021, some of the Company's warehouses located in Bangpoo Industrial Estate in Samutprakarn province were affected by flooding, which resulted in property damage. The Company surveyed the damage and recorded losses due to flooding of Baht 393 million in the statement of comprehensive income for the third quarter of year 2021. This consisted of the damages to inventories amounting to approximately Baht 331 million, damages to fixed assets amounting to approximately Baht 19 million and other damages amounting to approximately Baht 43 million. The amount includes the full book value of the fixed assets that were damaged and need to be replaced.

On 31 March 2022, the Company received a letter from the insurer confirming the amount of the claims that will be paid for losses of assets amounting to USD 9.9 million or approximately THB 331 million. During the first quarter of the current year, the Company therefore recorded this amount as "Insurance claim receivable due to flooding" in the statement of financial position and as "Insurance compensation income due to flooding" in the statement of comprehensive income. However, the Company already received insurance compensation due to flooding in the second quarter of the current year.

28. Earnings per share

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

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

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit attributable to equity holders of the Company (Million Baht)	15,345	6,699	15,986	6,755
Weighted average number of ordinary shares (Million shares)	1,247	1,247	1,247	1,247
Basic earnings per share (Baht)	12.30	5.37	12.82	5.42

29. Segment information

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

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

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

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others		(Unit: Million Baht) Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Revenue									
Sales from external customers	91,106	61,350	23,194	19,727	2,872	1,868	39	49	117,211	82,994
Service income from external customers	146	19	991	958	137	230	73	117	1,347	1,324
Total revenue	91,252	61,369	24,185	20,685	3,009	2,098	112	166	118,558	84,318
Segment profit (loss)	14,380	5,339	1,911	1,537	128	(81)	(1,926)	(872)	14,493	5,923
Unallocated income (expenses):										
Gain on exchange rate									450	1,018
Insurance compensation income due to flooding									331	-
Other income									547	442
Losses due to flooding									-	(393)
Other expenses									(55)	(239)
Finance income									66	54
Finance cost									(20)	(4)
Profit before income tax expenses									15,812	6,801
Income tax expenses for the year									(467)	(98)
Profit for the year									15,345	6,703

- 1) The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances and automotive electronic products. The main products are DC-DC Converter, Power supply for Computer & Server, DES product, Automotive electronic product, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.
- 2) Infrastructure segment is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.
- 3) Automation segment is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

Geographic information:

Revenue from external customers is based on locations of the customers

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
United States	38,597	29,044
China	15,818	12,869
Germany	9,658	6,873
India	8,741	7,257
Netherlands	6,043	1,938
Singapore	5,094	5,336
Mexico	4,608	339
Taiwan	3,501	2,475
Ireland	3,093	5,391
Others	23,405	12,796
Total	<u>118,558</u>	<u>84,318</u>

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

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Thailand	14,434	11,258
India	6,485	5,816
Slovakia	2,011	1,735
Germany	927	983
Others	137	156
Total	<u>23,994</u>	<u>19,948</u>

Major customer

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly, at rates of 5 - 10 percent of basic salary (2021: 5 - 10 percent of basic salary). The fund, which is managed by TMBThanachart Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 162 million (2021: Baht 132 million) were recognised as expenses.

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

31. Commitments and contingent liabilities

31.1 Significant capital commitments

As at 31 December 2022, the Group had significant capital commitments amounting to Baht 3,233 million, EUR 8 million or approximately Baht 309 million and INR 2,484 million or approximately Baht 1,039 million in respect of the building construction, purchase of machinery and equipment (2021: Baht 314 million, EUR 5 million or approximately Baht 190 million and INR 3,890 million or approximately Baht 1,738 million) (The Company only: Baht 3,233 million, 2021: Baht 313 million).

31.2 Significant long-term service commitments

31.2.1 Intellectual Property & Technology License commitments

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

31.2.2 Research and development service commitments

The Company entered into a research and development service agreement with the subsidiary companies. Under this agreement, the subsidiary companies provide research and development services (design and engineering) to the Company and charges fees equal to the local operational costs incurred on product research and development plus a margin, on an arm’s length basis. This agreement matures annually.

The Company has recorded the design and engineering fees as “Research and development expenses” in the statements of comprehensive income.

31.3 Guarantee obligations

As at 31 December 2022, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 31.3.1 Outstanding letters of guarantee totaling approximately Baht 389 million (2021: Baht 380 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million (2021: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 31.4.1 to the financial statements).
- 31.3.2 Outstanding letters of guarantee for totals of approximately INR 1,341 million or approximately Baht 561 million, EUR 0.5 million or approximately Baht 20 million, AUD 1 million or approximately Baht 31 million have been issued by banks to meet requirements of the subsidiaries (2021: INR 1,410 million or approximately Baht 630 million, EUR 0.3 million or approximately Baht 13 million, AUD 1 million or approximately Baht 24 million).

31.4 Tax assessment

- 31.4.1 a. In 2015, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee. In addition, the Company received tax assessment notices for the year 2006 from the Revenue Department in 2016, assessing corporate income tax amounting to approximately Baht 168 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- b. On 23 August 2017, the Company received tax assessment notices for the year 2007 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 79 million

(including penalties and surcharges) and specific business tax amounting to approximately Baht 3 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

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

The Company has recorded provisions totaling approximately Baht 258 million (including penalties and surcharges) for the tax assessments under the caption of “Liabilities and provision from tax assessments” in the statement of financial position.

- 31.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 333 million or approximately Baht 139 million, covering the years 2012 - 2020, and sales tax and excise duties of approximately INR 116 million or approximately Baht 49 million, covering the years 2014 - 2017, against the subsidiaries in India. The subsidiaries have appealed the assessments. The management of the subsidiaries believe that the outcome of the cases will be favorable to the companies and therefore no provision for these contingent liabilities have been made in the accounts.

32. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had certain assets and liabilities that were measured at fair value or for which fair value were disclosed using different levels of inputs (as mentioned in Note 4.19 to the financial statements) as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	582	-	582
Assets for which fair value are disclosed				
Investment properties (Note 12)	-	-	233	233
				(Unit: Million Baht)
	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	32	-	32
Liabilities measured at fair value				
Foreign currency forward contracts	-	18	-	18
Assets for which fair value are disclosed				
Investment properties (Note 12)	-	-	241	241

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	32	-	32
Liabilities measured at fair value				
Foreign currency forward contracts	-	16	-	16

33. Financial instruments

33.1 Derivatives

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Derivative assets			
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	582	32	578	32
Total derivative assets	<u>582</u>	<u>32</u>	<u>578</u>	<u>32</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	-	18	-	16
Total derivative liabilities	<u>-</u>	<u>18</u>	<u>-</u>	<u>16</u>

Derivatives not designated as hedging instruments

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

33.2 Financial risk management objectives and policies

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

Credit Risk

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

Trade receivables

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

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

Financial instruments and cash deposits

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

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

Market risk

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

Foreign currency risk

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

As at 31 December 2022 and 2021, the balances of the financial assets and financial liabilities denominated in foreign currencies are summarised below:

(Unit: Million foreign currency unit)

Foreign currency	As at 31 December							
	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	2022	2021	2022	2021	2022	2021	2022	2021
US dollar	441	339	506	432	843	628	509	426
Euro	12	9	7	6	12	9	17	8
Japanese yen	162	206	520	448	106	206	530	437

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 December	
	2022	2021
US dollar	34.5624	33.4199
Euro	36.8274	37.8948
Japanese yen	0.2609	0.2906

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar, Euro and Japanese yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in FX rate (%)	Effect on profit before tax (Million Baht)	Change in FX rate (%)	Effect on profit before tax (Million Baht)
US dollar	+6	137	+6	187
	-6	(137)	- 6	(187)
Euro	+9	18	+5	6
	-9	(18)	-5	(6)
Japanese yen	+8	7	+2	1
	-8	(7)	-2	(1)

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

As at 31 December 2022 and 2021, the outstanding forward contracts are summarised below.

Consolidated financial statements						
As at 31 December 2022						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	358 million	34.2150 - 38.0600		THB/USD	January - April 2023
Forward contracts to "Buy"						
USD/INR	USD	23 million	81.7100 - 83.3800		INR/USD	January - March 2023
JPY/THB	JPY	290 million	0.2570 - 0.2632		THB/JPY	January - March 2023
Consolidated financial statements						
As at 31 December 2021						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	174 million	32.7230 - 33.9830		THB/USD	January - April 2022
Forward contracts to "Buy"						
USD/INR	USD	10 million	74.5350 - 76.2950		INR/USD	January - February 2022
JPY/THB	JPY	90 million	0.2883 - 0.2975		THB/JPY	January - February 2022
Separate financial statements						
As at 31 December 2022						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	358 million	34.2150 - 38.0600		THB/USD	January - April 2023
Forward contracts to "Buy"						
JPY/THB	JPY	290 million	0.2570 - 0.2632		THB/JPY	January - March 2023
Separate financial statements						
As at 31 December 2021						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	174 million	32.7230 - 33.9830		THB/USD	January - April 2022
Forward contracts to "Buy"						
JPY/THB	JPY	90 million	0.2883 - 0.2975		THB/JPY	January - February 2022

Interest rate risk

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

As at 31 December 2022 and 2021, significant financial assets and financial liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	418	-	-	8,082	1,642	10,142	0.00 - 5.75
Trade and other receivables	-	-	-	-	28,132	28,132	-
Derivative assets	-	-	-	-	582	582	-
Deposits at bank with restrictions	32	-	-	-	2	34	0.00 - 6.50
Total	450	-	-	8,082	30,358	38,890	
Financial liabilities							
Short-term loans from financial institutions	945	-	-	-	-	945	7.91 - 8.62
Trade and other payables	-	-	-	-	30,202	30,202	-
Long-term loans from related party	-	795	-	-	-	795	0.20
Total	945	795	-	-	30,202	31,942	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2021							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	664	-	-	3,587	2,321	6,572	0.00 - 8.00
Trade and other receivables	-	-	-	-	20,593	20,593	-
Derivative assets	-	-	-	-	32	32	-
Deposits at bank with restrictions	-	35	-	1	1	37	0.00 - 6.50
Total	664	35	-	3,588	22,947	27,234	
Financial liabilities							
Short-term loans from financial institutions	1,594	-	-	-	-	1,594	0.88 - 5.45
Trade and other payables	-	-	-	-	22,049	22,049	-
Derivative liabilities	-	-	-	-	18	18	-
Long-term loans from related party	-	368	-	-	-	368	0.20
Total	1,594	368	-	-	22,067	24,029	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

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

(Unit: Million Baht)

Separate financial statements

As at 31 December 2021

	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	1 - 5 years	Over	interest rate	Non-interest bearing		
	1 year		5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,534	2	1,536	0.00 - 0.45
Trade and other receivables	-	-	-	-	21,200	21,200	-
Derivative assets	-	-	-	-	32	32	-
Total	-	-	-	1,534	21,234	22,768	
Financial liabilities							
Short-term loans from financial institutions	1,497	-	-	-	-	1,497	0.88 - 0.96
Trade and other payables	-	-	-	-	18,627	18,627	-
Derivative liabilities	-	-	-	-	16	16	-
Total	1,497	-	-	-	18,643	20,140	

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

Liquidity risk

Approximately 90% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 89%) (the Company only: 96%, 2021: 96%) The Group has assessed the liquidity risk and concluded it to be low. The Group believes that it has ability to pay its debts and accessibility to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:



(Unit: Million Baht)

Consolidated financial statements

	As at 31 December 2022			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	945	-	-	945
Trade and other payables	-	30,202	-	30,202
Lease liabilities	-	66	136	202
Long-term loans from related party	-	-	795	795
Total non-derivatives	945	30,268	931	32,144

(Unit: Million Baht)

Consolidated financial statements

	As at 31 December 2021			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,497	97	-	1,594
Trade and other payables	-	22,049	-	22,049
Lease liabilities	-	75	144	219
Long-term loans from related party	-	-	368	368
Total non-derivatives	1,497	22,221	512	24,230
Derivatives				
Derivative liabilities: net settled	-	18	-	18
Total derivatives	-	18	-	18

(Unit: Million Baht)

Separate financial statements

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

(Unit: Million Baht)

Separate financial statements

	As at 31 December 2021			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,497	-	-	1,497
Trade and other payables	-	18,627	-	18,627
Lease liabilities	-	4	1	5
Total non-derivatives	1,497	18,631	1	20,129
Derivatives				
Derivative liabilities: net settled	-	16	-	16
Total derivatives	-	16	-	16

33.3 Fair values 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 values are not expected to be materially different from the amounts presented in the statements of financial position.

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

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

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 0.66:1 (2021: 0.67:1) and the Company's was 0.50:1 (2021: 0.53:1).

35. Events after the reporting period

On 15 February 2023, the Company's Board of Directors' meeting passed a resolution to propose the following matters to the Annual General Meeting of shareholders:

- 1) Approve a dividend payment of Baht 4.00 per share, a total of Baht 4,990 million. The dividend will be paid from the Company's operating results for the year 2022.
- 2) Approve a change in the par value of the Company's shares from Baht 1 per share to Baht 0.10 per share, thus increasing the number of ordinary shares comprising the registered share capital and the issued and paid-up share capital from 1,259,000,000 and 1,247,381,614 ordinary shares, to 12,590,000,000 and 12,473,816,140 ordinary shares, respectively.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2023.

4

ATTACHMENT



Attachment 1 Information of the Board of Directors, Executives, Controlling Person, Company Secretary, Head of Accounting & Finance and Supervising Accounting

Attachment 2 Profile of Directors in Subsidiaries

Attachment 3 Profile of Internal Audit Manager

Attachment 4 Business Assets and Details on Asset Valuation

Attachment 5 Corporate Governance Policy & Code of Conduct Handbook

Attachment 6 The Audit Committee Report

BETTER



Attachment 1

Information of the Board of Directors, Executives, Controlling Person, Company Secretary, Head of Accounting & Finance and Supervising Accounting

Profiles of the Board of Directors



Mr. Ng Kong Meng (James)

Chairman of the Board

(Authorized Director) (Director since : 3 May 1990)

Age : 75

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Master of Science in Electronic Engineering, University of Southampton, UK
- Bachelor of Electrical Engineering, National Taiwan University, Taiwan

Training

- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2007
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2009
- Financial Statements Demystified for Directors (FDD), Thai Institute of Directors Association, Year 2009
- Credit Suisse 2019 Market Outlook Seminar, Hong Kong
- Thailand Labor Law Introduction and Case Analysis, International Legal Counsellors Thailand Ltd.

Work Experience in 5 years

Listed Company

1990 - Present Chairman of the Board,
Delta Electronics (Thailand) Pcl.

Non - Listed Company

2007 - Sep 2018 Director,
Delta Greentech SGP Pte. Ltd.

2012 - Dec 2016 Director,
Delta Electronics International (Singapore)
Pte. Ltd.



Mr. Cheng Ping

Director of the Board

(Authorized Director) (Director since : 24 Jun 2019)

Age : 61

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Bachelor of Business Administration, California State University, East Bay, United States

Training

- The impact of tax reform on Delta group (2018)
- Introduction of (EU) GDPR and Personal Data Protection Rules in China (2018)
- Corporate Strategy (2019)
- Balance between Technology and Humanities - Which Side AI Stand On (2019)
- Corporate Strategy (2020)
- Opportunities and Challenges of 5G in the aspect of Development of Telecommunications (2020)
- Directors' duties and responsibilities (2021)
- From the fragmentation and reconstruction of the American dream - The future of Taiwan - US - China trilateral relations (2021)
- The latest developments and revision trends of international taxation and domestic taxation (2022)
- Net - zero emissions, carbon neutrality and corporate compliance (2022)

Work Experience in 5 years

Listed Company

2019 - Present	Director of the Board, Delta Electronics (Thailand) Pcl.
2012 - Present	Chief Executive Officer, Delta Electronics, Inc.
2001 - Present	Director, Delta Electronics, Inc.

Oct 2021 - Present Vice - Chairman of Strategic Steering Committee, Delta Electronics, Inc.

Non - Listed Company

2022 - Present	Chairman, Delta Energy Technology Puhuan (Shanghai) Co., Ltd.
2021 - Present	Chairman, Delta Electronics (Chongqing) Ltd.
2019 - Present	<ul style="list-style-type: none"> • Director, Delta Greentech SGP Pte. Ltd. • Director (corporate shareholder's representative), Cyntec Co., Ltd. • Director, Drake Investment (HK) Limited • Director, Boom Treasure Limited • Chairman, Guangzhou Amerlux Lighting Co., Ltd.
2017 - Present	<ul style="list-style-type: none"> • Director, Delta America Ltd. • Director, Delta Electronics Int'l (Singapore) Pte. Ltd.
2016 - Present	<ul style="list-style-type: none"> • Chairman, Delta Electronics (Xi'an) Co., Ltd. • Chairman, Delta Electronics (Beijing) Co., Ltd.
2015 - Present	Director, Delta Networks Holding Ltd.
2014 - Present	Chairman, Delta Electronics (Pingtan) Co., Ltd.
2012 - Present	<ul style="list-style-type: none"> • Chairman, Delta Greentech (China) Co., Ltd. • Director and General Manger, Delta Green (Tianjin) Industries Co., Ltd.
2010 - Present	Director and General Manger,

2007 - Present	Chenzhou Delta Technology Co., Ltd. Director and General Manger, Delta Electronics (Chenzhou) Co., Ltd.		Unicom (Nanjing) System Eng. Corp. • Chairman, Unicom System Eng. Corp.
2006 - Present	Director, Delta Electronics (Wuhu) Co., Ltd.	2016 - 2020	• Director, Castle Horizon Limited
2001 - Present	• Director, Delta Electronics (H.K.) Limited • Director and General Manger, Delta Electronics (Dongguan) Co., Ltd	2015 - July 2022	• Director, Energy Dragon Global Limited Executive Director, Delta Energy Technology Puhuan (Shanghai) Co., Ltd.
1999 - Present	Director, Delta Electronics (Jiangsu) Ltd.	1999 - July 2022	General Manager, Delta Electronics (Jiangsu) Ltd.
1998 - 2021	Director and General Manger, Delta Electronics Power (Dongguan) Co., Ltd.	2012 - July 2020	Chairman, Delta Energy Technology (Shanghai) Co., Ltd.
2015 - Jan 2021	Chairman, Delta Electronics Components (Wujiang) Ltd.		
2001 - Jan 2021	Director and General Manger, Delta Video Display System (Wujiang) Ltd.		
2017 - 2020	• Chairman,		





Mr. Ko Tzu - shing (Mark)

Director of the Board

(Authorized Director) (Director since : 24 Jun 2019)

Age : 75

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Bachelor of Electrical and Control Engineering, National Chiao Tung University, Taiwan

Training

- The impact of tax reform on Delta group (2018)
- Introduction of (EU) GDPR and Personal Data Protection Rules in China (2018)
- Corporate Strategy (2019)
- Balance between Technology and Humanities - Which Side AI Stand On (2019)
- Corporate Strategy (2020)
- Opportunities and Challenges of 5G in the aspect of Development of Telecommunications (2020)
- Directors' duties and responsibilities (2021)
- From the fragmentation and reconstruction of the American dream - The future of Taiwan - US - China trilateral relations (2021)
- The latest developments and revision trends of international taxation and domestic taxation (2022)
- Net - zero emissions, carbon neutrality and corporate compliance (2022)

Work Experience in 5 years

Listed Company

- | | |
|--------------------|--|
| 2019 - Present | Director of the Board,
Delta Electronics (Thailand) Pcl. |
| Oct 2021 - Present | • Chairman of Strategic Steering Committee,
Delta Electronics, Inc. |

- | | |
|-----------------|---|
| 2001 - Present | • Vice - Chairman,
Delta Electronics, Inc. |
| 2012 - Oct 2021 | • Vice - Chairman of Strategic Steering Committee,
Delta Electronics, Inc. |

Non - Listed Company

- | | |
|----------------|--|
| 2022 - Present | Director (corporate shareholder's representative),
Ancora Semiconductors Inc. |
| 2016 - Present | Director,
Delta Controls Inc. |
| 2012 - Present | • Chairman,
Delta Green (Tainjin) Industries Co., Ltd.
• Director,
Delta Greentech (China) Co., Ltd. |
| 2010 - Present | • Chairman,
Chenzhou Delta Technology Co., Ltd.
• Director
(corporate shareholder's representative),
Delta Electronics Capital Company |
| 2007 - Present | Chairman,
Delta Electronics (Chenzhou) Co., Ltd |
| 2010 - Present | Chairman,
Delta Electronics (Wuhu) Co., Ltd. |
| 2004 - Present | Chairman,
Delta Electronics (Dongguan) Co., Ltd. |
| 2000 - Present | Director,
Delta Electronics (Jiangsu) Ltd. |
| 1991 - Present | Director,
Delta Electronics (Japan), Inc. |
| 2004 - 2021 | Chairman,
Delta Electronics Power (Dongguan) Co., Ltd. |



Mr. Chang Tsai - hsing (Jackie)

- **Director of the Board**
(Authorized Director) (Director since : 24 Jun 2019)
- **President**
- **Executive Committee Chairman**
- **Corporate Governance Committee Chairman**
- **Risk Management Committee Chairman**
- **Sustainable Development Committee Chairman**

Age : 55

Shareholding in the Company As of 31 Dec 22

- **None** - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Bachelor of English Literature of National Central University, Taiwan

Training

- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2021
- Simplified Strategic Planning, Kexxel Group.
- Director's Briefing 10 # Driving Organizational Culture from the Boardroom, Thai Institute of Directors Association
- Thailand Labor Law Introduction and Case Analysis, International Legal Counsellors Thailand Ltd.

Work Experience in 5 years

Listed Company

- | | |
|----------------|--|
| 2020 - Present | <ul style="list-style-type: none"> • President • Executive Committee Chairman • Corporate Governance Committee Chairman • Risk Management Committee Chairman • Sustainable Development Committee Chairman |
| | Delta Electronics (Thailand) Pcl. |

- | | |
|----------------|---|
| 2019 - Present | <ul style="list-style-type: none"> Director of the Board, Delta Electronics (Thailand) Pcl. |
| 2019 - 2020 | <ul style="list-style-type: none"> • Vice President of South East Asia and India Region • Executive Committee Member • Corporate Governance Committee Member |
| | Delta Electronics (Thailand) Pcl. |

Non - Listed Company

- | | |
|----------------|--|
| 2022 - Present | <ul style="list-style-type: none"> • Director, Eltek Power (Malasia) Sdn. Bhd. • Director, Embun Elektron Sdn. Bhd. |
| 2021 - Present | <ul style="list-style-type: none"> Director, Eltek Power Incorporated |
| 2016 - 2022 | <ul style="list-style-type: none"> • Vice President, Asia Pacific Region • Member of Strategic Steering Committee |
| | Delta Electronics Int'l (Singapore) Pte. Ltd. |
| 2010 - 2018 | <ul style="list-style-type: none"> President & General Manager EMEA (Europe, Middle East & Africa) Region, Delta Group. |



Mr. Chu Chih - yuan (Roger)

- **Independent Director**
(Director since : 30 Apr 1988 and appointment be Independent director on 27 Oct 2015)
- **Audit Committee Member**
- **Nomination & Compensation Committee Member Chairman**

Age : 75

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Bachelor of Accounting in Economics, Chinese Culture University (Taipei), Taiwan
- Executive Program of Graduate School of Business Administration, Chung Yuan Christian University, Taiwan

Training

- Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2007

Work Experience in 5 years

Listed Company

1988 - Present Director of the Board,
Delta Electronics (Thailand) Pcl.
(appointment to Independent director on October 2015)

Oct 2015 - Present • Audit Committee Member,
Delta Electronics (Thailand) Pcl.
• Nomination & Compensation
Committee Member,
Delta Electronics (Thailand) Pcl.

Jun 2016 - Present Independent director,
C Sun Manufacturing Ltd.

Non - Listed Company

2011 - 2021 Director,
Digital Projection International Holding Ltd.
2010 - Aug 2016 Supervisor,
Delta Electronics Capital Company
2009 - Jun 2015 Supervisor,
NeoEnergy Microelectronics



Mr. Anusorn Muttaraid

- **Director of the Board**
(Authorized Director) (Director since : 22 Aug 1994)
- **Nomination & Compensation Committee Chairman**
- **Corporate Governance Committee Member**
- **Privilege Committee Chairman**

Age : 68

Shareholding in the Company As of 31 Dec 22
- **None** - (0% of the voting rights)

Family Relationship among Directors and Executives :
- None -

Education

- Bachelor of Science, Kasetsart University

Training

- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2004
- Capital Market Academy Leader Program # 27, Capital Markey Academy

Work Experience in 5 years

Listed Company

Mar'2021 - Present	Privilege Committee Chairman, Delta Electronics (Thailand) Pcl
Oct'2020 - Present	Nomination & Compensation Committee Chairman, Delta Electronics (Thailand) Pcl
1994 - Present	Director of the Board, Delta Electronics (Thailand) Pcl.
2018 - Present	Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl.
2015 - Oct'2020	Nomination & Compensation Committee Member, Delta Electronics (Thailand) Pcl.

2015 - 2019	Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl
2009 - 2019	Risk Management Committee Member, Delta Electronics (Thailand) Pcl.
1999 - 2019	Executive Committee Member, Delta Electronics (Thailand) Pcl.
1993 - 2019	Human Resources & Administration/ Public Relations Director, Delta Electronics (Thailand) Pcl.
2007 - Oct 2015	Compensation Committee Member, Delta Electronics (Thailand) Pcl.

Non - Listed Company

2011 - Present	Member of sub - committee of Comprehensive Economic Partnership in East Asia (ASEAN+6), Board of Trade of Thailand
2010 - Present	Managing Partner, Anupong Globalize Limited Partnership
2009 - Present	Chairman of Committee on Indian Affairs, The Thai Chamber of Commerce and Board of Trade of Thailand
2007 - Present	<ul style="list-style-type: none"> • Chairman of Thailand - India Business Council, The Thai Chamber of Commerce and Board of Trade of Thailand • Managing Partner, Anusorn Globalize Limited Partnership





Mr. Boonsak Chiempricha

- **Independent Director**
(Director since : 5 Apr 2016)
 - **Audit Committee Chairman**
 - **Privilege Committee Member**
- Age : 74**

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Master of Business Administration the University of Santa Clara, San Jose, CA., U.S.A.
- Bachelor of Accounting, Chulalongkorn University
- Diploma, National Defence College, (NDC 4111), The Joint State - Private Sector

Training

- Director Certification Program (DCP), Thai Institute of Directors year 2003
- Director Accreditation Program (DAP), Thai Institute of Directors Association Year 2004
- Role of the Chairman Program (RCP), Thai Institute of Directors Association Year 2007
- Corporate Governance for Capital Market Intermediaries (CGI), Thai Institute of Directors Association Year 2014

Work Experience in 5 years

Listed Company

- | | |
|--------------------|--|
| Mar'2021 - Present | Privilege Committee Member,
Delta Electronics (Thailand) Pcl |
| 2016 - Present | Independent Director/
Audit Committee Chairman
Delta Electronics (Thailand) Pcl. |

- | | |
|----------------|--|
| 2010 - Present | <ul style="list-style-type: none"> • Chairman of the board,
G Capital Pcl. • Chairman of the board/Executive Chairman,
Indara Insurance Pcl. |
| 2010 - 2020 | Independent Director,
President Bakery Pcl. |
| 2010 - 2019 | Audit Committee Member/
Risk Management Committee Chairman,
President Bakery Pcl. |

Non - Listed Company

- | | |
|----------------|---|
| 2021 - Present | Director,
C.P.Merchandising Co., Ltd. |
| 2019 - Present | Audit Committee Chairman of Court of Justice,
Office of Internal Audit |
| 2012 - Present | <ul style="list-style-type: none"> • Director/Audit Committee Member,
Principal Asset Management Co., Ltd • Honorary Council Member and
Audit Committee Chairman,
Mahasarakham University Council Committee |
| 2018 - 2020 | <ul style="list-style-type: none"> • Director of Audit & Evaluation
Sub - Committee of special government • Consultant of Financial
Management program,
The Comptroller General's Department |
| 2013 - 2019 | Financial Director,
The Thai Bar Under the Royal Patronage
Government Sector |



Dr. Witoon Simachokedee

- **Independent Director**
(Director since : 30 Mar 2015)
- **Nomination & Compensation Committee Member**
- **Privilege Committee Member**

Age : 68

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Honorary Doctorate of Engineering, Safety Engineering, Kasetsart University
- Honorary Doctorate of Science. Safety Technology Occupational Health, Rajabhat Suan Sunanta University
- Doctor of Philosophy Public Administration (Management of public and private sector), Ramkhamhaeng University
- Master of Business Administration, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Laws degree, Thammasat University
- Bachelor of Engineering (The Electrical Engineering), Kasetsart University

Training

- Director Certification Program (DCP), Thai Institute of Directors year 2009
- Financial Statements for Directors (FSD), Thai Institute of Directors year 2009

Work Experience in 5 years

Listed Company

Mar'2021 - Present	Privilege Committee Member, Delta Electronics (Thailand) Pcl
2015 - Present	Independent Director/Nomination & Compensation Committee Member, Delta Electronics (Thailand) Pcl.
2017 - Present	Independent Director/Audit Committee Member, Sakol Energy Pcl.
2015 - Oct'2020	Nomination & Compensation Committee Chairman, Delta Electronics (Thailand) Pcl.

Non - Listed Company

2020 - Present	Chairman of Resources Management for Sustainability (3R) Foundation
2013 - 2021	Chairman of Institute for Business and Industrial Development
2019 - 2020	Consultant team of Minister of Industry



Mrs. Tipawan Chayutimand

- **Independent Director**
(Director since : 2 Apr 2018)
- **Audit Committee Member**
- **Privilege Committee Member**

Age : 65

Shareholding in the Company As of 31 Dec 22

- None - (0% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant No. 6870
- Tax Auditor No. 000111

Training

- Senior Executive Program by London Business School
- Anti - Money Laundering Program by US International Revenue Service
- Development of Management Skills and Leaderships Program by National Graduate Institute for Policy Studies (Japan)
- International Taxation Course by The Japanese National Tax Agency (Japan)
- Transfer Pricing And Tax Audit for Multinational Companies Program by Australian Taxation Office
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2019
- IT Governance and Cyber Resilience Program), Thai Institute of Directors Association, Year 2020

Work Experience in 5 years

Listed Company

- | | |
|--------------------|---|
| Mar'2021 - Present | Privilege Committee Member,
Delta Electronics (Thailand) Pcl |
| 2018 - Present | Independent Director/
Audit Committee Member,
Delta Electronics (Thailand) Pcl. |

Non - Listed Company

- | | |
|----------------|---|
| 2019 - Present | Independent Director,
SREIT Management Co., Ltd. |
| 2014 - Sep 17 | Director of Large Business
Tax Administration Division,
The Thai Revenue Department |

Profiles of Management Team

Mr. Chang Tsai-hsing

President

(For further details, please refer to his profile in the Board of Director)

Mr. Vichai Saksuriya

Vice President of Administration and HR

Age : 60

Shareholding in the Company As of 31 Dec 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- EMBA, National Taiwan University of Technology, Taiwan
- B.E. Electrical Engineering, National Taipei Institute of Technology, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2014

Work Experience in 5 years

Listed Company

2021 - Present	Vice President of Administration and HR, Delta Electronics (Thailand) Pcl
2020 - Present	Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl
2019 - Present	Anti Corruption Committee Member, Delta Electronics (Thailand) Pcl.
2015 - Present	Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl.
2009 - Present	Risk Management Committee Member, Delta Electronics (Thailand) Pcl.
2020	Human Resources Director, Delta Electronics (Thailand) Pcl
2011 - Dec 2020	Operations Vice President, Delta Electronics (Thailand) Pcl.

Ms. Nipaporn Jiarajareevong

Chief Financial Officer (CFO)

Age : 53

Shareholding in the Company As of 31 Dec 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Thammasat University
- Bachelor of Engineering, Chulalongkorn University
- TLCA CFO CPD No. 2/2022 "Economic Update for CFO"
- TLCA CFO CPD No. 3/2022 "PDPA for Accounting and Finance"
- TLCA CFO CPD No. 4/2022 "Understanding digital assets and the role of a CFO"
- TLCA CFO CPD No. 5/2022 "Restructuring Business for Growth"
- TLCA CFO CPD No. 6/2022 "The role of the CFO in corporate sustainability"

Work Experience in 5 years

Listed Company

2021 - Present	<ul style="list-style-type: none">• Chief Financial Officer (CFO)• Executive Committee Member• Risk Management Committee Member• Sustainability Development Committee Member Delta Electronics (Thailand) Pcl.
2013 - 2021	Finance Head & Business Finance Management Director, Delta Electronics (Thailand) Pcl.

Mr. Chen, Chin – Ming

Chief Information Officer (CIO)

Age : 53

Shareholding in the Company As of 31 Dec 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- EMBA, National Taipei University of Technology, Taiwan
- EMBA of Information Management, National Taiwan University of Science and Technology
- Industrial Management, National United University

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2018 - Present | Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl. |
| 2011 - Present | <ul style="list-style-type: none">• Chief Information Officer (CIO), Delta Electronics (Thailand) Pcl• Risk Management Committee Member, Delta Electronics (Thailand) Pcl. |

Profile of Company Secretary

Ms. Wilailak Funghanakun

Company Secretary

(Appointment date : 8 Aug. 2008)

Age : 54

Shareholding in the Company As of 31 Dec 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- Bachelor of Humanities, majoring in English, Chiang Mai University
- Company Secretary Program (CSP), Thai Institute of Directors Association
- Fundamentals of law and regulations related to listed companies, Thai Listed Companies Association
- Advances for Corporate Secretaries, Thai Listed Companies Association
- Risk Management Workshop, Thai Listed Companies Association
- Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors Association
- ASEAN CG Scorecard Coaching

Training in 2022

- Company Secretary Forum 2022 “Challenges of Company Secretary in Building Trust” by Thai Listed Companies Association and Thai Institute of Directors Association

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2008 - Present | Company Secretary
Delta Electronics (Thailand) Pcl. |
| 1997 - Present | Management Secretary
Delta Electronics (Thailand) Pcl. |

Duties and Responsibilities of Company Secretary Please see the section for more details in “Governance Structure item 7.6”

Profile of Head of Accounting and Finance

Ms. Nipaporn Jiarajareevong

Chief Financial Officer (CFO)

Age : 53

Shareholding in the Company As of 31 Dec. 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Training in 2022

Continuing development course in accounting knowledge
10 hours;

- TLCA CFO CPD No. 2/2022 “Economic Update for CFO”
- TLCA CFO CPD No. 3/2022
“PDPA for Accounting and Finance”
- TLCA CFO CPD No. 4/2022
“Understanding digital assets and the role of a CFO”
- TLCA CFO CPD No. 5/2022
“Restructuring Business for Growth”
- TLCA CFO CPD No. 6/2022
“The role of the CFO in corporate sustainability”

Work Experience in 5 years

Listed Company

2021 - Present	Chief Financial Officer (CFO), Delta Electronics (Thailand) Pcl.
2013 - 2021	Finance Head & Business Finance Management Director, Delta Electronics (Thailand) Pcl.

Profile of Supervising Accounting

Mr. Somsak Khajornritdacha

Financial Report Manager

Age : 57

Shareholding in the Company As of 31 Dec. 22

- None - (0.0% of paid up capital)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Kasetsart University
- Bachelor of Accounting, Chulalongkorn University

Training in 2022

Official CDP* hours :

- Accounting 29.3 hours
- Others 10 hours

* CDP : Continuing Professional Development

Work Experience in 5 years

Listed Company

2015 - Present	Financial Report Manager, Delta Electronics (Thailand) Pcl.
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Attachment 2

Profile of Directors in Subsidiaries

	Delta Electronics (Thailand) Pcl. ("DET")	Delta Green Industrial (Thailand) Co., Ltd.	Delta Electronics (Vietnam) Co., Ltd.	Delta Electronics India Manufacturing Pvt. Ltd.	DET International Holding B.V. "DETH"	DETH's subsidiaries (as of 31 December 2022)			DESS's subsidiaries (as of 31 December 2022)							
						DET Logistics (USA) Corporation	Delta Energy Systems (Romania) SRL	Delta Energy Systems (India) Pvt. Ltd.	Delta Energy Systems (Singapore) Pte. Ltd. "DESS"	Delta Electronics India Pvt. Ltd.	Delta Electronics (Myanmar) Co., Ltd.	Delta Electronics (Holdings) Australia Pty. Ltd.	Delta Electronics (Australia) Pty. Ltd.	Delta Greentech (Netherlands) B.V.	Delta Electronics (Automotive) Americas Inc	Delta Energy Systems (UK) Ltd.
1. Mr. Ng Kong Meng	X	/	/	/	/	/	/	/	/	/	X	X	X	/	/	/
2. Mr. Chang Tsai-hsing	/, //	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
3. Mr. Anusorn Muttaraid	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
4. Mr. Vichai Saksuriya	//	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
5. Ms. Nipaporn Jirajareevong	//	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
6. Mr. Hsieh Shen-yan	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
7. Mr. Meng Chao-bin	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
8. Mr. Lai Min-chou	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
9. Mr. Niranjan Nayak	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
10. Mr. Hsu, Chai-jung	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
11. Mr. Huang, Chein-ta	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
12. Mr. Chung-Hsiu Yao	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
13. Ms. Judy Lee	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
14. Mr. Om Prakash	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
15. Mr. Peter Ide	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
16. Ms. Ku Fu-hua	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
17. Mr. Dalip Sharma	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
18. Mr. Lin Cheng Pin	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
19. Mr. Kelvin Huang	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

X Chairman / Director // Management

Remark : Delta Energy Systems (Germany) GmbH, Delta Energy Systems Property (Germany) GmbH, Delta Electronics (Slovakia), s.r.o., Eltek, s.r.o. and Delta Energy Systems LLC no formal Board

Attachment 3

Profile of Internal Audit Manager

Miss Neythiya Peethong

Internal Auditor Manager

Education :

• Master of Information Technology, The University of Sydney	2006 - 2008	Customer Service, Delta Electronics (Thailand) Pcl.
• Bachelor of Industrial Technology (Electrical Engineering), King Mongkut Institute of Technology North Bangkok	2000 - 2004	New Model Engineer, NMB-Minebea Thai Ltd. (Lopburi Plant).
	1998 - 2000	R&D Engineer, Delta Electronics (Thailand) Pcl.

Work Experience in 5 years :

2016 - Present	Internal Auditor Manager, Delta Electronics (Thailand) Pcl.
2013 - 2016	Internal Auditor, Delta Electronics (Thailand) Pcl.
2008 - 2013	Project Manager, Delta Electronics (Thailand) Pcl.

Training in Internal Audit :

Creative Problem Solving for Auditors, IIA

Attachment 4

Business Asset and Details on Asset Valuation

- Please find in “Business Assets”

Attachment 5

Corporate Governance Policy & Code of Conduct Handbook

- Corporate Governance Policy :
<http://deltathailand.com/en/corporate-governance-policy>
- Code of Conduct Handbook :
http://deltathailand.com/en/Code_of_conduct

Attachment 6

The Audit Committee Report

The Audit Committee Report

The Audit Committee consists of three independent directors in 2022 : Mr. Boonsak Chiempricha as a chairman, Mr. Chu Chih-yuan and Mrs. Tipawan Chayutimand as Committee member with the Internal Audit Manager as its secretary.

During the year 2022, the Audit Committee held 4 meetings and Mr. Boonsak Chiempricha, Mr. Chu Chih-yuan and Mrs. Tipawan Chayutimand attended all 4 meetings.

The Audit committee performed its work during the year according to the Audit Committee Charter, which complies with the guidelines of the Stock Exchange of Thailand. The Audit Committee also fulfilled the matters assigned by the Board of Directors which can be summarized as follows :

1. Reviewed the quarterly and year-end financial statements independently with the external auditors to ensure that the financial statements and the disclosures were accurate, appropriate, and reliable, and then submitted them to the Board of Directors. The Audit Committee also received reports from the external auditor that there was no any irregularity that should be investigated.
2. Reviewed and evaluated the company internal control whether it is adequate and appropriate. Including the effectiveness of the company's internal control system using guidelines from the Office of the Securities and Exchange Commission and COSO-Internal Control Integrated Framework. The committee has not been reported that the company internal control has any significant deficiency.
3. Reviewed the risks and the risks management of the company so that all the risks were properly managed.
4. Reviewed and approved the annual internal audit plan, acknowledged the internal audit reports conducted on various key business processes every quarter, along with the issues and provided recommendations to the management, also evaluated the performance of the Internal Audit Manager as well.
5. Acknowledged with some suggestions the semi-annual compliance report and the progress of tax assessments.
6. Reviewed the related party transactions or the conflict of interest transactions together with the external auditors that these transactions were reasonable, proper and fully disclosed, including reviewing the internal control of these transactions

7. The Committee conducted a self-assessment to review and evaluate its performance by benchmarking it against the Audit Committee Charter and best practice guidelines. The review concluded that the Committee had been effective in carrying out its duties and had followed the terms of reference in the charter.
8. Considered the proficiency and the independence of the external auditor and propose to the Board of Directors including the audit fee in order to propose for approval in the Annual General Shareholder Meeting. The Audit Committee proposed to reappoint EY Office Limited as the Company's auditor for the accounting period ended December 31st, 2022 by Mr. Preecha Arunnara C.P.A. Registration No. 5800 or Miss Supanee Triyanantakul C.P.A. Registration No. 4498 or

Mr. Supachai Phanyawattano C.P.A. Registration No. 3930, from EY Office Limited with the audit fee for DET group of Baht 6,395,000 (The audit fee for separated of financial statement of the company amount Baht 4,910,000) plus the review of group reporting package fee amount Baht 500,000.

In summary, the Audit Committee performed its duties as specified in the charter with high caliber, prudence and adequate independence. In the opinion of the committee, Delta's financial reports were accurately prepared in all material aspects under generally accepted accounting principles. Delta commanded adequate risk management practices, appropriate internal control and internal audit systems, compliance with good corporate governance, legislation, requirements, and obligations relevant to its businesses.



(Mr. Boonsak Chiemprecha)
Audit Committee Chairman



The Nomination and Compensation Committee Report

The Nomination and Compensation Committee (NCC) has performed duties pursuant to the good corporate governance principles and the Nomination and Compensation Committee Charter specified by the Company. Such duties included recruitment, selection, and recommendation of the knowledgeable, competent, and qualified candidates suitable for the position of director and top management. This Committee is also responsible for proposing fair and transparent compensation policy and payment guidelines including other benefits to the Board of Directors and the sub-committee by taking into consideration the best interests of all parties which match the performance of the company and the economic environment.

The Nomination and Compensation Committee consists of 3 members, which are Mr. Anusorn Muttaraid (Non-executive Director) as Chairman, Dr. Witoon Simachokedee (Independent Director) and Mr. Chu, Chih-yuan (Independent Director) as Committee Members.

During 2022, the Committee convened 6 meetings for important matters and reported the meeting results including comments and suggestions to the Board of Directors for consideration regarding important issues as follows:

1. The Committee has reviewed and considered the persons who have the qualification, knowledge, capability and experience in the business related to the company's operation, and proposed to Board of Director Meetings and Annual General Meeting of Shareholders to appoint 3 directors which are (1) Mr. Cheng Ping (2) Mr. Ko Tzu Shing, and (3) Mr. Chang Tsai Hsing. The Directors who will retire will retire by rotation and may return to resume Director roles for another term in the future.
2. The Committee has reviewed and considered compensation for Directors in which criteria for the compensation of Directors is deemed appropriate for and in line with the scope of duties and responsibilities of each Director. Compensation is at a budget which is considered reasonable compared to the responsibilities and to other companies in a same or similar industry to attract and retain knowledgeable and qualified Directors to perform duties for the Company. This is proposed to the Board of Director Meetings and Annual General Meeting of Shareholders for consideration and approval.
3. The Committee had monitoring and review of the KPIs of the President during the year 2022.
4. Follow up and monitoring of the policy on fair compensation to employees to enhance competitiveness in the market and maintain quality and potential employees.
5. Organize a performance evaluation of the Nomination and Compensation Committee 2022 and submit an evaluation report to the Board of Directors in order to improve performance and efficiency. The evaluation's results are released in the Annual Report.

The Nomination and Compensation Committee has performed duties with care, transparency and fairness in accordance with the corporate governance, and above of all, to the benefit of the Company and the stakeholders.



(Mr. Anusorn Muttaraid)

Nomination and Compensation Committee Chairman

Corporate Governance Committee Report

The Corporate Governance Committee consists of four directors in 2022 as follows;

- Mr. Chang Tsai-hsing
Chairman
(from Apr 2020 - present)
- Mr. Anusorn Muttaraid
Member
(from Oct 2018 - present)
- Mr. Vichai Saksuriya
Member
(from Oct 2020 - present)

The Company Secretary serves as secretary to the committee.

The Board of Directors commits to conducting transparent business operations with integrity and accountability. It considers this as a key to the company's sustainable business growth and corporate best practice acceptable to stakeholders. The Corporate Governance Committee has the duty to set Delta's Corporate Governance (CG) policies that cover the entire organization and to ensure that CG procedures or systems support the company's long-term success.

The Corporate Governance Committee held two meetings in 2022 for the following major tasks:

1. Following up and advising on Code of Conduct violation cases.
2. Reviewing independent directors who reach maximum 3 consecutive terms.
3. Approving revised Anti-corruption Policy/ Procedure.
4. Acknowledging the 2022 CG assessment works and result.
5. Launching whistleblower system and reward.
6. Raising awareness of the Code of Conduct and Anti-Corruption Policy among employees by conducting online training "Anti-corruption".
7. Reviewing the 2022 CGR Checklist result and improvement plan.
8. Following up on the 2nd recertify of "Thai Private Sector Collective Action Against Corruption" to be submitted on time.

The Corporate Governance Committee commits to improving its efficiency in steering the company's CG, social responsibility and sustainable development practices and to serving the best interest of all stakeholders.



Mr. Chang Tsai-hsing

Corporate Governance Committee Chairman

Privilege Committee Report

The Privilege Committee consists of four Directors in 2022 as follows;

1. Mr. Anusorn Muttaraid
Chairman
2. Mr. Witoon Simachokedee
Member
3. Mr. Boonsak Chiempricha
Member
4. Ms. Tipawan Chayutimanta
Member

Mr. Yongyuth Pakdougjan serves as secretary to the committee.

The Privilege Committee is committed to corporate governance and supporting procedures for receiving privileges from the Thai government, state-owned enterprises, and other related entities. This is to ensure that the Company's privilege procedures or systems contribute to the company's long-term success.

The Privilege Committee held nine meetings in 2022 for the following major tasks:

1. To promote and support research and development projects to qualify for privileges in accordance with the regulations of the Thailand Board of Investment.
2. Discussions and participation in activities by various state agencies that assist the Company's production base expansion.
3. To promote a positive corporate image and build positive working relationships with government and commercial sector organizations.
 - DET wins Prime Minister's Industry Award 2022 in the Potential Industrial category.
 - Invited the Deputy Prime Minister and the Energy Minister to the 2022 Delta Summit's opening remarks.

The Privilege Committee commits to developing procedures and support measures to receiving privileges in order to serve the best interests of all stakeholders.



Mr. Anusorn Muttaraid

Privilege Committee Chairman

Risk Management Committee Report

The Risk Management Committee has been appointed by the Board of Directors, whereas the Director/President is the Chairman of the Risk Management Committee and 12 top management are the committee members. Duties and responsible for monitoring and controlling important risks such as financial risks, Operational Risk, Information technology system risk etc.

In 2022, there were 2 meetings to consider important matters as follows:

1. Oversight that significant risks were managed and assessed and that a risk management plan was formulated, in order to enable the Company to systematically curb risks to an acceptable level or to mitigate future risk opportunities.
2. Follow up and review the implementation of the risk management plan to ensure that the Company There is systematic and efficient risk management.
3. Report the results of operations to the Board of Directors to ensure that the company's risk management was efficient and consistent with internal control system and good corporate governance guidelines.
4. Improve the charter of the Risk Management Committee to be in line with the current situation.

The Risk Management Committee is confident that the company has effective risk management complies with the internal control system and guidelines for good corporate governance for the benefit of the company and stakeholders.



(Mr. Chang Tsai-hsing)

Chairman of Risk Management Committee



The Sustainable Development Committee Report

The Sustainable Development Committee has been appointed by the Board of Directors, chaired by Mr. Chang Tsai-hsing. The committee consists of key members and top management.

The Sustainable Development Committee commits to mitigate risk and provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.

The Sustainable Development Committee held two meetings in 2022 for the following major tasks:

1. Monitor global and national ESG risks which should be potential to create impact to Delta ESG performance or disrupt the company short-term, medium term and long-term targets.
2. Facilitate risk assessment, risk tolerance management and mitigation strategies to ensure corporate risks are managed to an appropriate level.
3. Pursue risk culture among Delta's value chain by collaborating with related contact windows.
4. Review stakeholder substantial and new expectations received from Delta various communication.
5. Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.

6. Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.
7. Support, monitor and follow up on the Company's compliance with the laws, rules and regulations of relevant government agencies and regulators as well as good corporate governance practices in accordance with both Thai and international standards.

The Sustainable Development Committee ethically and responsibly performed its duties as specified in The Sustainable Development Committee Charter. The Committee has reviewed that ESG risks, effectiveness of control measure, risk appetite, risk tolerance and mitigation plan accordingly to business recognized standard guidelines. Impact of focused risk, result of company's SWOT analysis and stakeholder expectation gathered and analyzed to material issues for Delta's non-financial reports were accurately prepared in accordance with the Global Reporting Initiatives Standard principles. Result of ESG risk management and sustainability development has communicated and reviewed by the Board of Director accordingly to the committee's charter.



(Mr. Chang Tsai-hsing)

The Sustainable Development Committee Chairman