



ANNUAL REPORT 2023

(FORM 56-1 ONE REPORT)



Delta Electronics (Thailand) Public Company Limited



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Company General Information

Name	Delta Electronics (Thailand) Public Company Limited
Company Registration Number	0107537002559
Headquater 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) 781-9695
Nature of Business	Manufacturing and exporting of power supplies and other electronic equipment and components
Home Page	www.deltathailand.com
Registered Share Capital	12,590,000,000 ordinary shares at par value of Baht 0.1
Paid up Capital	12,473,816,140 ordinary shares at par value of Baht 0.1 (As of 8 January 2024)
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 33rd Floor, Lake Rajada Office Complex, 193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 264-0777 Fax : (662) 264-0789 Share Registrar Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel. : (662) 009-9999 Fax : (662) 009-9991



Mission

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

“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.



Brand Promise

Get Closer
to Customers

Understand
People Better

Serve
People Better



Achieving our own success by empowering others to realize their own goals, encouraging active and enthusiastic growth to fulfill everyone's potential.

Empowerment



Integrity



Honestly dedicated to achieving quality with our work, upholding the highest level of professional standards and matching our words with action.

Corporate Culture



Innovation

Looking forward to discover future possibilities, embracing continuous learning to innovate on creative solutions and breaking through the status quo.



Inclusion

Open to diverse perspectives, respecting of differing opinions and inclusive of various backgrounds that offer unique contributions.

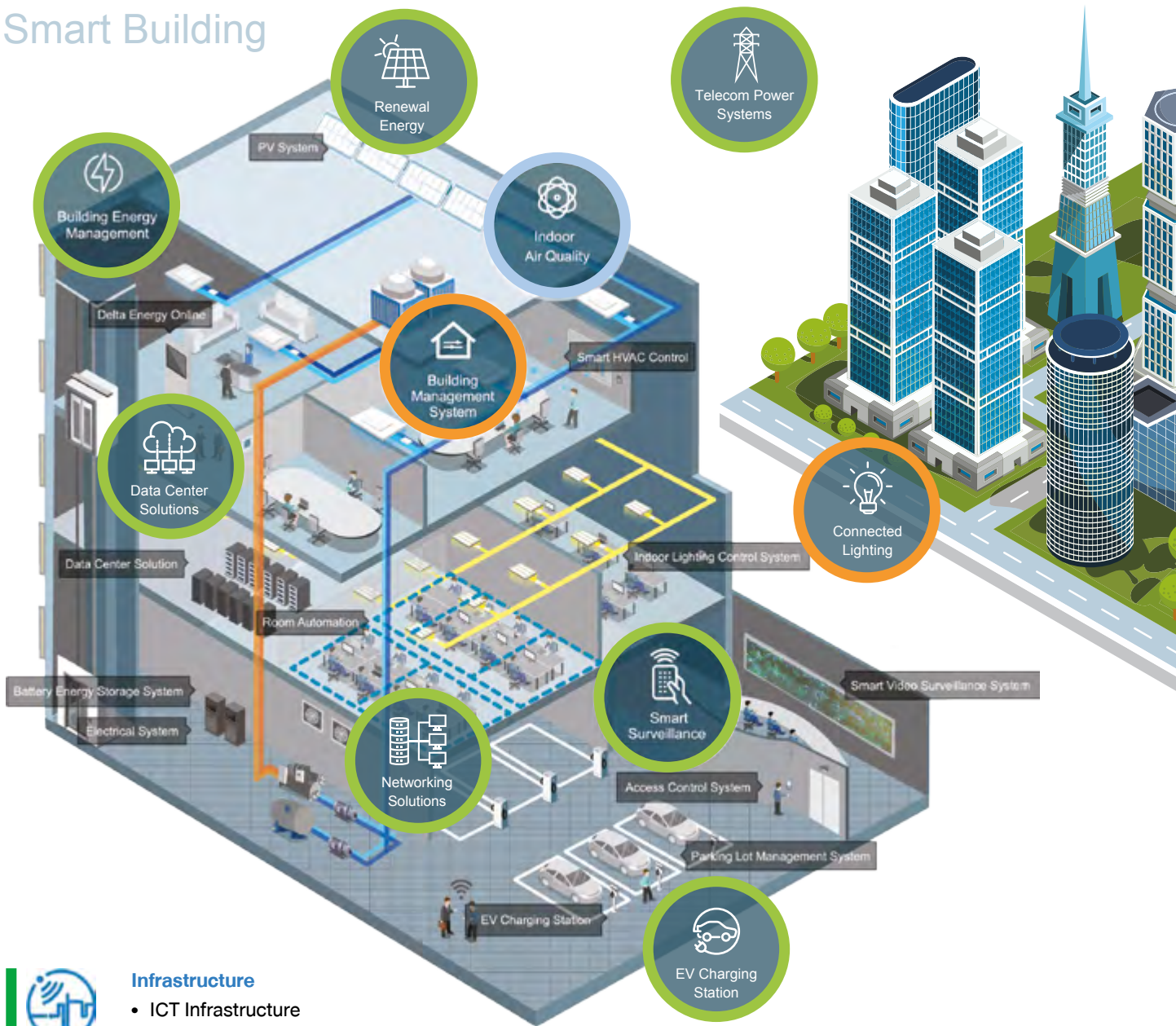


Collaboration

Creating synergetic partnerships that achieve shared goals with agility and precision, putting partners, clients and users at the center of our collaborative efforts.



Smart Building



Infrastructure

- ICT Infrastructure
- Energy Infrastructure



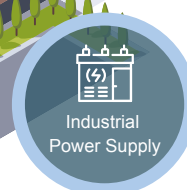
Smart City



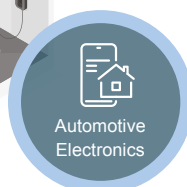
Automation

- Industrial Automation
- Building Automation

Smart Factory



Smart Home



Power Electronics

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



Financial Highlights 2021-2023

	Consolidated			The Company Only		
Unit : Million Baht	2023	2022	2021	2023	2022	2021
Total Assets	108,145	90,984	69,338	98,709	81,104	61,868
Total Liabilities	40,606	36,305	27,934	31,853	26,859	21,561
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	67,539	54,680	41,404	66,856	54,245	40,307
Sales Revenues	146,371	118,558	84,318	124,996	103,551	70,982
Total Revenues	148,167	119,885	85,778	126,678	105,183	72,369
Cost of Sales	112,881	90,618	66,960	94,607	77,177	55,199
Gross Profit	33,490	27,940	17,358	30,389	26,374	15,783
Selling & Admin Expense	15,483	13,447	11,435	13,545	11,679	9,846
Operating Profit	18,008	14,493	5,923	16,844	14,695	5,937
Net Profit (Equity Holders of the Company)	18,423	15,345	6,699	17,792	15,986	6,755

Unit : (%)						
Gross Profit Margin	22.88%	23.57%	20.59%	24.31%	25.47%	22.24%
Operating Profit Margin	12.30%	12.22%	7.02%	13.48%	14.19%	8.36%
Net Profit Per Total Revenues	12.43%	12.80%	7.81%	14.04%	15.20%	9.33%
Return On Equity	36.58%	34.56%	18.14%	35.66%	36.47%	18.78%
Return On Assets	23.86%	21.92%	11.61%	25.20%	25.64%	13.16%

Unit : Baht						
Earning Per Share	1.48	1.23	0.54	1.43	1.28	0.54
Dividend Per Share	0.45*	0.40	0.17	0.45*	0.40	0.17
Book Value Per Share	54.14	43.84	33.20	53.60	43.49	32.32

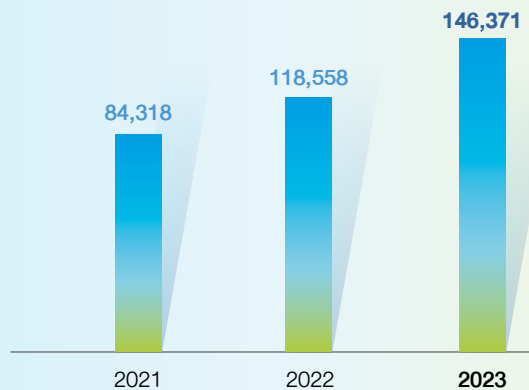
* Pending approval from shareholders' meeting





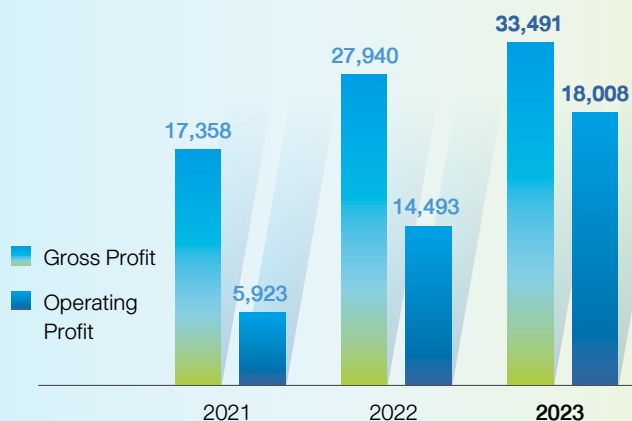
Sales Revenues

Unit : Million Baht



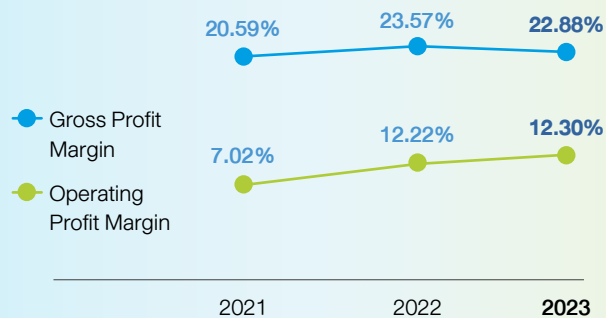
Gross Profit vs Operating Profit

Unit : Million Baht



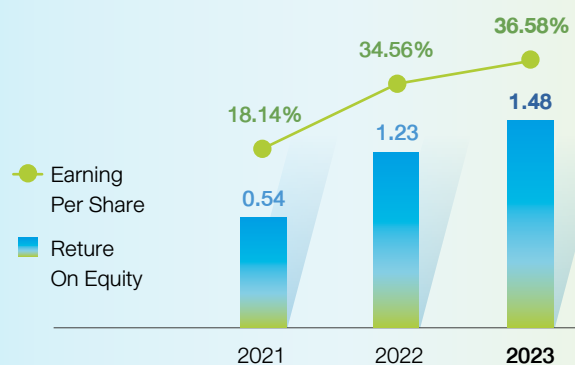
Gross Profit Margin vs Operating Profit Margin

Unit : %



EPS vs ROE

Unit : Baht





Our Pride Award



The Prime Minister's Best
Industry Award 2023





The Prime Minister's Best Industry Award 2023





Achievements in 2023



Environment



Delta Thailand received the Thailand Energy Awards 2023 in the Innovation in Alternative Energy category from Dr. Prasert Sinsukprasert, the Permanent Secretary of Energy, Ministry of Energy in recognition of its outstanding Smart Farm with renewable energy project.



Delta Thailand received the Thailand Energy Award 2022 by the Department of Alternative Energy Development and Efficiency in the Energy Management Team at Designated Factory (Delta Plant 6) from H.E. Mr. Pirapan Sallirathavibhaga, Deputy Prime Minister and Minister of Energy.



Social



Ministry of Industry and Delta Thailand Host Delta Angel Fund Awards and Industry Fair for Sustainable Development aim to reinforce the MOI's "MIND" strategy in all 4 dimensions



Delta Thailand participated in the project "CHOICEISYOURS 2023" to encourage students to express their creativity based on the "Circular Economy" concept (REduce, REuse, REthink, and Recycle) which helps make a constructive contribution to society and the environment.



Governance



Delta wins top ranking at Alpha Southeast Asia's 13th Institutional Investor Corporate Awards and won the award for 'Best Annual Report In Thailand' and was recognized as 'Most Organised Investor Relations', 'Most Consistent Dividend Policy' and second most votes in 'Best Senior Management Investor Relations Support' category.



Delta Thailand was voted first for the "Most Outstanding Company in Thailand - Technology Hardware & Equipment Sector" category in the 2023 Asiamoney Asia's Outstanding Companies Poll.





ESG Award



Delta Thailand qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2023 in the third year of recognition for excellent environmental, social & governance (ESG) performance. Delta Thailand remains the only Thailand company in the "ITC Electronic Equipment, Instruments & Components" industry segment in the 2023 DJSI index and is in the DJSI World lists.



Delta Thailand was rated "Excellent" for the seventh consecutive year with a score of 104 percent in the 2023 Corporate Governance Report of Listed Companies (CGR 2023) from the Thai Institute of Directors (IOD).



Delta Thailand was awarded the CMMU ESG Award 2023 for Best Discloser in recognition of the company's transparent and comprehensive ESG disclosures in recognition of the company's commitment to sustainability and social responsibility.

FTSE4Good 2023

Delta Thailand announced it is a constituent of the FTSE4Good Index Series following the FTSE4Good Index Series June 2023 review by global index provider FTSE Russell.



Delta Thailand joins 100 of Thailand's best-performing public listed companies for Environmental, Social and Governance (ESG) aspects for the nine consecutive year in the 2023 Thaipat Institute ESG100 Universe.



Delta Thailand announced it was awarded the highest "A" grade as a "Supplier Engagement Leader" in the 2022 Supplier Engagement Rating (SER), by the CDP in recognition of action to measure and reduce climate risk within the company's supply chain.





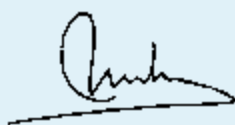
Message from the Board



2023 was a year full of unprecedented domestic and global challenges that hampered growth for businesses and economies. The year saw the decline in severity of the Covid-19 along with inflation instability, multiple historic union strikes and the start of the Israel-Hamas conflict. Geopolitics continued in the spotlight after Russia and Ukraine war, and tensions remained high between the US- China while various conflicts sprung up in other regions. Earth last year also shattered global annual heat records as the climate crisis unfolds. All these revealed key challenges and shifting priorities for 2024 with expectations for greater volatility given the recession risk on the horizon.

By navigating these uncertainties, Delta Electronics Thailand established a prudent business strategy, taking a cautiously optimistic approach to seizing opportunities, harnessing both strategic and operational capabilities to continue our robust growth journey. Amid the cautious technology spending in an uncertain global economy, we posted a record high revenue and profit in 2023 with headline revenue at USD 4.1 billion and net profit at USD 524 million, a rise of 23% and 21% YoY respectively. Our strongest metric was attributed to sales of EV power electronics with doubling revenue growth from 2022, driven by scaled-up capacity and easing material status to support order fulfillment. In the context of global tech re-focus and looming recessions, growth of datacenter-related products had moderated but stayed strong, partly due to base year effects. An uptick in artificial intelligence, IoT and high-performance computing solutions remains intact with foreseeable healthy demand and outsized prospects in coming years.

This year marked several milestones of corporate achievements with strengthened operating structure to meet future challenges. Delta Thailand successfully bolstered manufacturing capacity with the completion of new Plant 8 and R&D facilities in Bangpoo alongside the commencement of additional two plants construction in Wellgrow. We have sharpened focus on manufacturing resilience with next phase expansions of key production clusters in India and Europe well on track to support customer long-term business growth and demand requirement. Smart manufacturing implementation was accelerated to drive productivity improvement, enhancing our cost and operating efficiencies. Further investments in R&D at the main center in Germany are underway to reinforcing our competitiveness in the technological frontier and capitalizing on the megatrends with our fast-growing business in electro-mobility, networking and datacenter, ICT and energy infrastructure, automated technology for industrial and smart cities.



Ng Kong Meng
Chairman of the Board

The Company continued to implement new technologies as well as diversifying and increasing the sophistication of our solutions and services. These efforts are pivotal in keeping us competitive globally. For Southeast Asia, we have made significant inroads towards an integrated solution provider with growing footprints to support customers. The Company has gone an extra mile and contributed to uplifting Thailand's manufacturing landscape for value-added production and next generation S-Curve industries. Through targeted initiatives, we have broadened market access, boosting sales, forging partnerships and fostering ecosystems to the advancement of Thailand's Electronics and Automotive sectors. We nurture SEA talent development with academic institutions and various private entities. Among the strategic priorities, we ramped up localization of supply chain by engaging overseas partners to expand their investments in Thailand and encouraging Thai suppliers to meet global technology and compliance requirements.

Overall Delta Thailand is poised to continue leadership with our strategic orientation and innovative strength in power management technology. We strive to provide best-in-class solutions to usher a new era of decarbonization for businesses and society. In pursuit of sustainability, we embarked on the decarbonized roadmap with continuous benchmarking of best practices and global standards to contribute to our climate commitments and achieve RE100 by 2030. To expedite the carbon emission reduction, among multiple initiatives, we implemented internal carbon fee mechanism, adopted more energy-saving solutions, and funded innovative low-carbon technologies. Internationally accredited certification affirms Delta Thailand's position among the world's top performing sustainable companies.

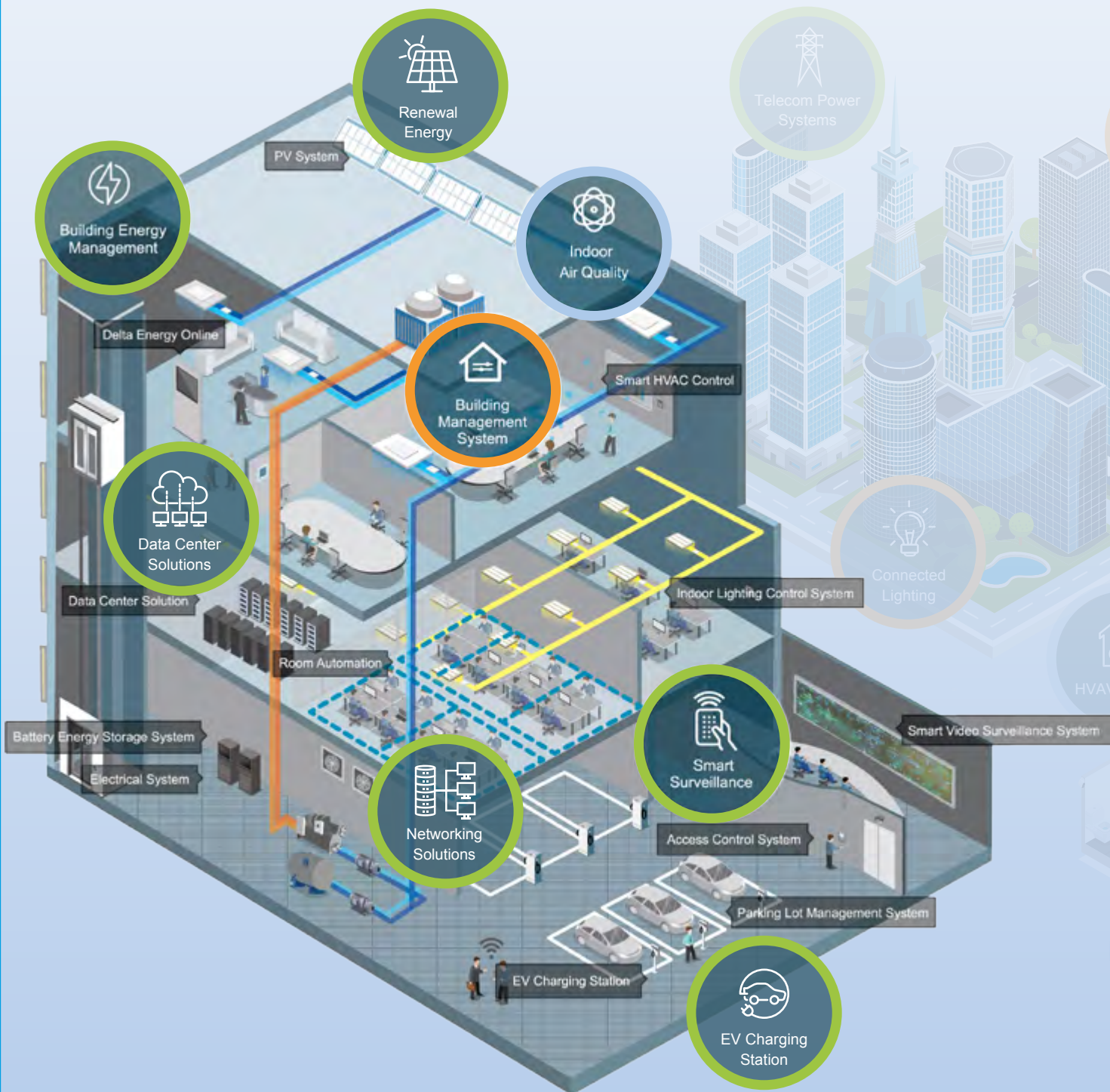
The year ahead is likely to offer challenges and opportunities. While global economy outlook subdued from weakening demand conditions across major economies, we have developed robust and rapid-response planning capabilities to adapt and thrive for long-term value creation to our stakeholders. On behalf of the Board of Directors, we would like to express thankfulness to our shareholders, businesses partners, financial institutions, and relevant authorities for continued trust and unwavering support. Finally we would also like to thank the management teams and our motivated employees for their dedication and outstanding deliverables throughout the year 2023.



Chang Tsai-hsing (Jackie)
President



SMART BUILDING





Power Electronics

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



Automation

- Industrial Automatio
- Building Automatio



Infrastructure

- ICT Infrastructure
- Energy Infrastructure



Green Building
Consulting
Services



Automation
system



Computer &
Networking



/ Control



Power Tools



Automotive
Electronics



1

Business Operations and Performance

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 0.1 par value per share. (approval to change the par value of the company’s common shares from the shareholders meeting on April 7, 2023.)

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”

- SET50 Index
- ESG 100 for the 9th consecutive year (2015 - 2023)



- “Excellent” grade on the Corporate Governance Report (CGR) for the 8th consecutive year (2016 - 2023)



- FTSE4Good Index Series following the FTSE4Good Index Series June 2023 review by global index provider FTSE Russell



FTSE4Good

- The Prime Minister’s Best Industry Award 2023 by Ministry of Industry



- Qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2023 in the “ITC Electronic Equipment, Instruments & Components” industry segment in the 2023 DJSI index and is in the DJSI World lists

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



Corporate Objectives & Strategy

1. Strive for sustainable revenue and profit growth based on the core principles of sustainable development
2. Develop environment-friendly, energy-efficient products and solutions to reduce the company’s carbon footprint
3. Increase regional market share and enhance brand recognition for the company
4. Achieve total customer satisfaction through comprehensive service and excellent product quality
5. Operate with integrity and accountability, maintaining transparency in business
6. Boost employee morale by uplifting their quality of life and providing training



Automation

- Industrial Automation
- Building Automation



Product Electronics

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

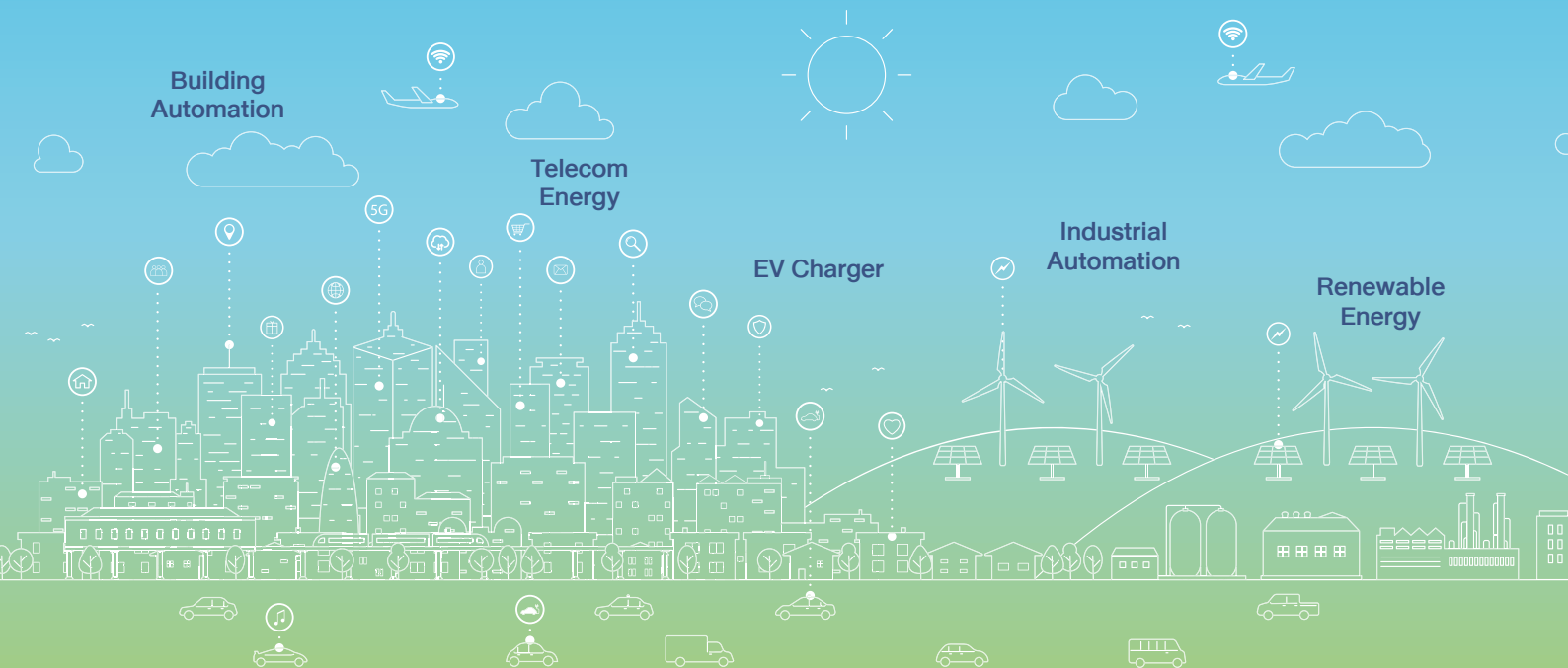


Infrastructure

- ICT Infrastructure
- Energy Infrastructure



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



Green Solutions



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 Vahom 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.
- Appliances Power includes power supplies for industrial and consumer electronics tools.

- Industrial & Medical Power includes power supplies for industrial and medical.

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, 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 company's website: www.deltathailand.com)

1.2.1. Revenue Structure of Delta and Subsidiaries

Unit: Million Baht

Product Group	2023		2022		2021	
	Revenue	%	Revenue	%	Revenue	%
Power Electronics Group	120,290	82.2%	91,252	77.0%	61,369	72.8%
Infrastructure Group	22,105	15.1%	24,185	20.4%	20,685	24.5%
Automation Group	3,830	2.6%	3,009	2.5%	2,098	2.5%
Others	146	0.1%	112	0.1%	166	0.2%
Total Sales Revenues	146,371	100.0%	118,558	100.0%	84,318	100.0%

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.

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

List	Unit	2019	2020	2021	2022	2023
Total R&D investment	Millions Baht	2,745	2,621	3,165	3,742	3,876

Promoting Innovation in the Organization

Recognized as Top 100 Global Innovator 2023

Delta Group has been honored as one of the Top 100 Global Innovators™ (2023) by Clarivate for its superior innovation and patent intellectual property portfolio. As of the end of 2022, the total number of patents approved for Delta exceeded 15,000 mainly in the United States, mainland China, Taiwan, Europe, of which 1,070 patents were approved in 2022 alone.



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

Social and Environmental Innovation

Delta Foundation and NMMST Set Up Asia's First Zero-Carbon Coral Conservation Center

Delta Electronics Foundation and the National Marine Science & Technology (NMMST) have jointly announced the opening of the Chaojing Coral Conservation Center by Delta's industrial and building automation solutions, and also integrating intelligent environmental management, the Center intends to create a suitable and energy-efficient greenhouse for coral growth. It is expected that over 10,000 corals will be restored within three years. In addition, Delta will contribute renewable electricity to help the Chaojing Coral Conservation Center eventually become the first of its kind in Asia to reach zero carbon emissions.



Partner to Implement the AirPlus2 Indoor Air Quality Innovation

Delta Thailand and Land & Houses PCL announced a partnership to implement the Land & Houses AirPlus2 (AirPlus Square) indoor air quality innovation, powered by Delta's DC fan solution, for home PM2.5 control and fresh air supply. The AirPlus2 innovation is specifically designed to improve the health and wellness of Land and Houses' homeowners in Thailand and is powered by Delta's leading DC motor fan technology for energy-saving, high-efficiency and quiet home ventilation. The innovation features Delta's Fresh Air Supply System with a high-efficiency air supply fan and exhaust fans that offer excellent airflow



performance and up to 99.6% PM2.5 purification by a High Efficiency Particulate Air (HEPA) filter.

Research Cooperation with Leading Thai Universities

Delta Thailand hosted professors from Thailand's leading universities at the first Delta Power Electronics Committee Meeting held in the company head office. The committee's aim is to facilitate collaboration between Delta and its partner universities in the development of local power electronics training and R&D to support the Thailand 4.0 goal to make the nation an EV hub.



Delta Thailand opened its second Delta Power Electronics Lab located at the King Mongkut's Institute of Technology Ladkrabang (KMITL), Faculty of Engineering, Electronics Department. The new Delta Power Electronics Lab is added to the first Delta lab at King Mongkut's University of Technology North Bangkok (KMUTNB) and is part of the Thailand Board of Investment's (BOI) merit-based incentives measures.

The Delta Power Electronics Lab aims to provide young Thai engineering talents with world-class testing facilities to develop advanced skills and foster local research of power electronics with Delta's leading power electronics technology and equipment.

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.**



2023/2024 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 October 2023 report, World Economic Outlook: Navigating Global Divergences, the International Monetary Fund forecasts global growth is to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. The global recovery

from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven.

For advanced economies, the expected slowdown is from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the Euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1% in 2022 to 4.0% in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China.



According to the IMF, Monetary policy actions and frameworks are key at the current juncture to keep inflation expectations anchored. Global inflation is forecast to decline steadily, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, due to tighter monetary policy aided by lower international commodity prices. However, core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

Source: International Monetary Fund. 2023. World Economic Outlook: Navigating Global Divergences. Washington, DC. October. Accessed November 2023.

In the November 2023 OECD Economic Outlook, the Organization for Economic Cooperation and Development (OECD) reports that the global economy continues to confront the challenges of inflation and low growth prospects. GDP growth has been stronger than expected so far in 2023 but is now moderating on the back of tighter financial conditions, weak trade growth and lower business and consumer confidence. The Outlook projects Global GDP growth to ease from 2.9% this year to 2.7% in 2024 before edging up to 3% in 2025. Global growth remains highly dependent on fast-growing Asian economies.

Real GDP growth in the US is projected to slow from 2.4% in 2023 to 1.5% in 2024 before recovering to 1.7% in 2025. Major European economies, hit by the energy price shock in 2022 and the war in Ukraine, are expected to remain weak in the near term but improve gradually as inflation wanes, monetary policy easing gets underway and real incomes recover. Annual GDP growth in the Euro area is projected to pick up from 0.6% in 2023 to 0.9% in 2024 and 1.5% in 2025.

In China, GDP growth is expected to slow from 5.2% in 2023 to 4.7% in 2024 and 4.2% in 2025. Consumption growth remains subdued and activity in the real estate sector continues to weaken, but monetary policy easing, and additional infrastructure investment will help underpin domestic demand. In India, real GDP growth is projected

to be 6.3% in FY2023-24 and 6.1% in FY2024-25. Surging services exports and public investment will continue to drive the economy.

The unusually fast and large-scale tightening of monetary policy in most major economies during 2022-23 creates considerable uncertainty about the full range of effects, and could continue to expose vulnerabilities among households, firms, financial market participants and countries. Rising geopolitical tensions could also slow growth and add to inflation. Continued structural stresses in China create another downside risk to the global growth projections given China's overall importance in the global economy. In addition, ongoing climate change yields an ever-higher risk of extreme weather events, some of which have the potential to result in negative supply shocks with global effects.

Source: OECD Economic Outlook, Volume 2023 Issue 2: Preliminary version, OECD Publishing, Paris, <https://www.oecd.org/economic-outlook/november-2023/>

In its January 2024 Global Economic Prospects, the World Bank reports global growth is expected to slow from 2.6% in 2023 to 2.4% in 2024. This is the third consecutive year of deceleration and reflects the lagged and ongoing effects of tight monetary policies to rein in decades-high inflation, restrictive credit conditions, and anemic global trade and investment. Near-term prospects are diverging, with subdued growth in major economies alongside improving conditions in emerging markets and developing economies (EMDEs) with solid fundamentals.

Growth in advanced economies is set to bottom out at 1.2% in 2024 as growth in the US slows, while euro area growth, which was feeble last year, picks up slightly as lower inflation boosts real wages. In 2024 expected growth for the US is 1.6%, Euro area 0.7% and Japan 0.9%. Growth in China is forecast to slow to 4.5% in 2024 which is the slowest expansion in over three decades outside the pandemic-affected years of 2020 and 2022.

Excluding China, emerging and developing economies, growth is expected to firm from 3.2% in 2023 to 3.5% in 2024 and 3.8% in 2025. In Indonesia, GDP is projected to drop from 5.0% in 2023 to 4.9% in 2024. Growth in Malaysia, the Philippines, and Vietnam is expected to be moderate at 4.3%, 5.8%, and 5.5% respectively. Thailand is projected to grow from 2.5% in 2023 to 3.2% in 2024.

Source: World Bank. 2023. *Global Economic Prospects, January 2023*. Washington, DC: World Bank. doi:10.1586/978-1-4648-1906-3.

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Despite stronger than expected GDP growth in 2023, the general consensus among leading global economists and organizations is that the global economy continues to confront the challenges of inflation and low growth prospects. Advanced economies and China, face weak growth prospects especially compared with some more fast-growing Asian economies.

The recent conflict in the Middle East and Russia's invasion of Ukraine, has heightened geopolitical risks.

Conflict escalation could lead to surging energy prices, with broader implications for global activity and inflation. Other risks include financial stress related to elevated real interest rates, persistent inflation, weaker-than-expected growth in China, further trade fragmentation and climate change-related disasters. At the global level, cooperation needs to be strengthened to provide debt relief, facilitate trade integration, tackle climate change, and alleviate food insecurity.

Power Supply Market

Global Power Supply Market

In 2023, the global pandemic recovery brought a renewed focus on low-carbon electrification systems, e-mobility and green infrastructure for data centers and buildings. Delta Electronics Thailand continued to see strong demand in the global power supply industry especially in e-mobility and also industrial and medical power applications. 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).



Climate change is driving demand for low-carbon footprint in products, transport, buildings and digital infrastructure. With low-carbon society a priority for governments and businesses around the world, Delta expects solutions to support EV charging and green data centers to continue to boost demand for the power supply industry. Meanwhile, the rapid acceleration in EV adoption will help reduce carbon emissions and continue to drive strong growth for e-mobility power electronics including on-board chargers and inverters.

According to the Industry 2023 report, by Micro-Tech Consultants (MTC), global consumption of merchant switching power supplies was worth approximately USD 30.68 billion in 2022. Delta Electronics Group remains the largest merchant power supply company in the world with the highest 2022 worldwide sales of all types of power supplies including: OEM/Embedded Power, Telecom Power, UPSs, Renewable Energy Inverters and Other Power Supplies.

Source: <http://mtcpower.com/>. Accessed December 2023.

Emerging Markets

Table 1. Worldwide IT Spending Forecast

(Millions of U.S. Dollars)

	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	227,021	19.7	237,703	4.7	260,221	9.5
Devices	766,279	-6.3	689,288	-10.0	722,472	4.8
Software	811,314	10.7	916,240	12.9	1,042,386	13.8
IT Services	1,305,699	7.5	1,401,038	7.3	1,547,349	10.4
Communications Services	1,423,128	-1.9	1,449,286	1.8	1,497,345	3.3
Overall IT	4,533,441	2.9	4,693,556	3.5	5,069,773	8.0

Source: Gartner (October 2023)

Data Center Market

In October 2023, Gartner, Inc. projected worldwide IT spending to total USD 5.1 trillion in 2024, an increase of 8% from 2023. While generative AI (GenAI) has not yet had a material impact on IT spending, investment in AI more broadly is supporting overall IT spending growth.

According to Gartner, organizations are continuing to invest in AI and automation to increase operational efficiency and bridge IT talent gaps. The hype around GenAI is supporting this trend, as CIOs recognize that today's AI projects will be instrumental in developing an AI strategy and story before GenAI becomes part of their IT budgets starting in 2025.

The software and IT services segments will both see double-digit growth in 2024, largely driven by cloud spending. Global spending on public cloud services is forecast to increase 20.4% in 2024, and similarly to 2023, the source of growth will be combination of cloud vendor price increases and increased utilization.

While inflation's effect on both consumers and businesses plagued the devices market throughout 2022 and 2023, devices spending will begin to rebound modestly in 2024, growing 4.8%. Meanwhile, CIOs are experiencing change fatigue, which is often manifesting as a hesitation to invest in new projects and initiatives. This is pushing a portion



of 2023's IT spending into 2024, a trend that is expected to continue into 2025.

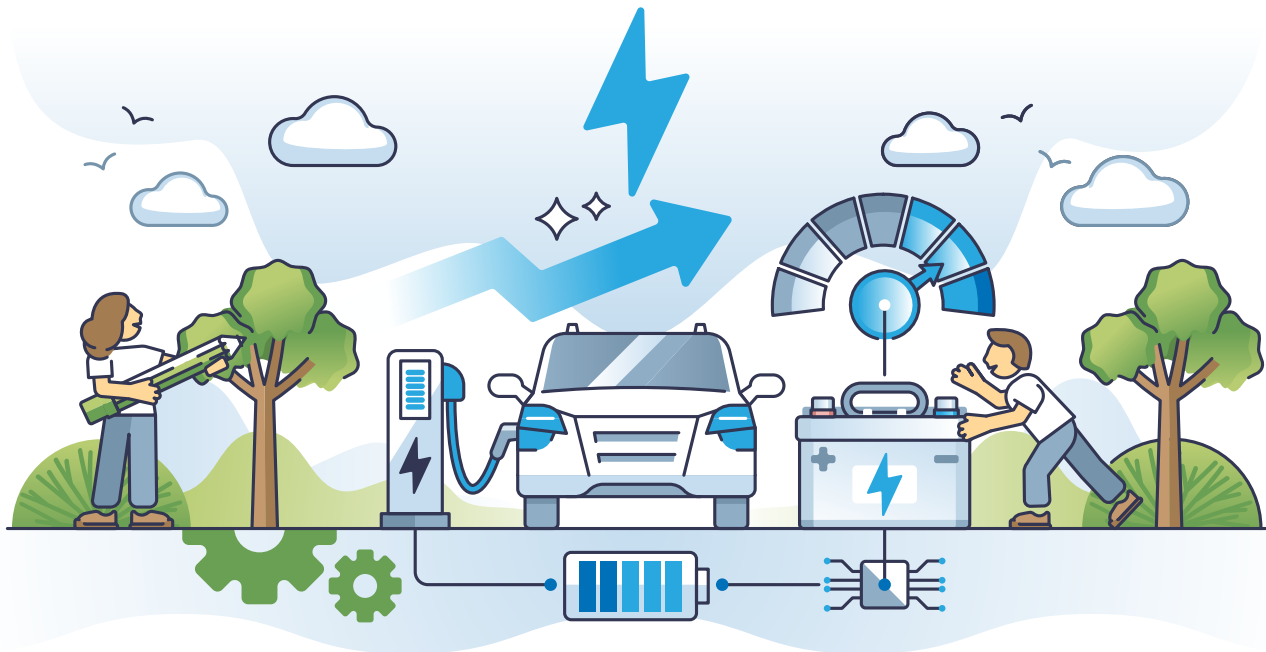
Source: Gartner (2023). Gartner Forecasts Worldwide IT Spending to Grow 8% in 2024. Gartner, October 18, 2023

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 to stakeholders.

In addition, Delta has had great success developing and implementing the Power Train Unit (PTU) solution to meet the need for rapid deployment of power systems for data

centers in the region. Delta's PTU solution utilizes the company's own modular UPS with Lithium-Ion batteries, water-cooled DX cooling, fire detection (VESDA) and gas fire suppression (NOVEC), along with a fully customizable monitoring and management system using Delta's Energy Management System (EMS) software platform.

In 2023, Delta overcame diverse logistical challenges to rapidly deploy 12 PTUs for a customer's hyperscale datacenter in Australia. Delta deployed PTUs in 16 weeks in comparison to the 30-40 weeks typically required for a traditional power solution of the same scale. Moreover, providing a factory-tested solution saved considerable time and costs during the on-site testing and commissioning phase. As a world-leading data center solutions provider, Delta has extensive experience implementing power and cooling solutions for MW data center applications in Australia and Asia.





Electric Vehicle Market

In January 2024, Bloomberg New Energy Finance (BNEF) released a report expecting passenger EV sales to increase 21% from 13.8 million in 2023 to 16.7 million in 2024. The EV share of global vehicle sales is predicted to be around 20% (14% pure-electric), up from about 17% in 2023.

In China, the EV share is expected to reach 38% of sales. EV sales in China should come in just under 10 million, representing almost six of every ten EVs sold globally. European EV sales should be around 3.4 million for the year, up 8%. EV sales in the US should be just under 1.9 million, accounting for 13% of new-car purchases. India, Thailand and Indonesia all saw EV volumes shoot up in 2023. BNEF expects EV sales in the Rest of World category to hit 840,000, dispelling any misconception that EVs are only a rich-world phenomenon.

Meanwhile, battery prices dropped 14% due to plummeting costs of raw materials, overcapacity, and intense competition among manufacturers. There are now around 4 million public charging points installed around the world. All of these trends will continue this year, paving the way for further growth in 2025 and 2026, when a slew of cheaper models is set to hit Western markets.

Delta Thailand is the main production hub for efficient EV/HEV powertrain solutions and power electronics components, including on-board chargers and DC/DC converters, for global automakers and EV charger operators. In addition, Delta implements EV chargers in the region with 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 global R&D network and expanding manufacturing capabilities in Thailand will enable strong growth in the Delta's new Mobility business category with is now the key driver of revenue growth as the world and Southeast Asia transform to low-carbon society.

In 2023, Delta Indonesia successfully supported e-mobility at the 43rd ASEAN Summit with 80 EV chargers and engineering services. Delta's EV charging team and local distributor implemented and serviced EV chargers that provided charging for 600 EVs during the event. This latest milestone further cements Delta's status as EV charger market leader in Indonesia with a solid reputation for excellent service.

Source: BloombergNEF (2023), Electric Vehicle Market Looks Headed for 22% Growth This Year, BNEF, January 9, 2024



2023/2024 Business Directions

Delta Thailand Operations 1 Review

In strategizing to enhance production, our focus lies on implementing the OP1 Strategy, emphasizing Delta SMART Manufacturing (DSM) and development support for critical businesses such as Data Centers, Infrastructure, and graphics processing units (GPU) products. Meanwhile, we addressed production challenges in the previous year tackling issues ranging from semiconductor support and delays in automation machine deployment due to design flaws. The delay prompted corporate intervention for resolution.

Amidst both achievements and setbacks in 2023, we achieved impressive sales revenue and manufacturing profit of nearly 100% against our budget. This is attributed to the successful implementation of improvement initiatives such as LEAN and DSM machine integration. Looking ahead to 2024, our major investment centers on the development of a new generation of DSM machines for streamlined automation. We forecast a double-digit percentage growth in overall revenue for 2024, driven by initiatives targeting new component products like semiconductor chokes. Alongside sustained focus on the Data Center, Infrastructure, and GPU businesses, we will increase attention on SMART logistics projects for optimizing production site operations.

Delta Thailand Operations 2 Review

The company has implemented a comprehensive strategy aimed at boosting production efficiency and output. This initiative encompasses various measures, including the introduction of automation lines as part of Delta Smart Manufacturing deployment. These automation lines significantly enhance productivity and product quality, while also upgrading operator skills to effectively manage automated processes. Additionally, the implementation of the Engineering Change Request System (ECRS) streamlines processes and reduces cycle times. The deployment of Digital Quality stations like Smart AOI further strengthens quality control measures. Moreover, capacity enhancement through continuous engineer training aims to minimize losses and reduce changeover times, ultimately optimizing resource utilization.

We also took proactive measures in response to the production challenges faced in the past year. These include refining sales strategies to better align with customer demand and improve profitability. Additionally, the implementation of Dynamic Lot Holding Capacity (DL HC) in manufacturing operations has commenced to enhance inventory management and efficiency.

Despite encountering setbacks, such as semiconductor shortages and stiff competition from low-cost competitors,

notable achievements were attained in 2023. These achievements include the completion of the new factory DET8, which doubled overall production capacity, and the expansion to a new Automotive-certified production site.

In addition, we implemented strategic measures to address setbacks and ensure sustainable growth. This includes ongoing efforts to establish strategic alliances with key semiconductor manufacturers aiming to ensure a stable supply chain. We also implement a flexible manufacturing system that enables swift response to market changes and disruptions. Additionally, the development of a robust local supply chain aims to diversify sourcing and mitigate supply chain risks. Other short-term and long-term plans are also in place to ensure sustainable growth.

Significant investments and projects undertaken in 2023 include the construction of an automation production line for a Tier-1 European automaker customer in DET8, establishment of a choke production line for MSBU in DET8, and transfer of TIBU and APA from DET1 to DET2, along with the setup of three automation production lines.

Looking ahead to 2024, based on our executed strategies and investments, the company anticipates double-digit percentage revenue growth and the achievement of key operational targets. We will also expect enhanced operational efficiency through continuous training and extension of Delta Smart Manufacturing initiatives, along with the optimization of production processes with the introduction of over 500 units of automated machinery and upgrading of related staff skills.

Electric Vehicle Business (EV)

Delta Thailand's automotive business revenue increased by 90% in 2023 compared to the previous year. Many new product launches in 2023 and usage of existing products in additional customer vehicle platforms boosted demand and resulted in this significant revenue growth.

Although some European countries will reduce their incentive packages in the coming year, the global EV demand will still increase steadily in 2024. Plug-in hybrid

vehicle demand is staying at a healthy level while full electrical vehicles are becoming more and more attractive as more options are being launched.

Component limitations are well under control as not only optional material has been designed in but also sub-component production capacity has increased to serve the continuously growing demand. Delta's own production capacity is increasing permanently as new production lines are being added in new production halls and productivity is enlarged to maximize each line output.

New business awards in 2023 with substantial lifetime value secure Delta's EV business growth pace and establishing Delta in the coming years as one of the leading power electronics suppliers to the major OEMs in Europe.

Custom Design Power Business (CD)

After years of very strong and extraordinary growth, the recession in the US during the first quarter of CY2023 has triggered a major drop in demand as stock clearing is taking place and less aggressive planning is considered to save CAPEX on general computer products throughout the entire year.

On the flipside, with the development of ChatGPT and AI applications, CDBU has experienced a boost in production quantity and revenue in AI application from our key customers in the AI segment. AI power products from CDBU that serve AI platforms have become dominant in-demand products in the 2nd half of CY2023 and are the primary focus of our hyperscale customers.

Another success for CDBU was the official launch of the Open Compute ORV3 platform with the Power Shelf, 3kW PSUs and a Rack Controller (SCM) with PoE function. Delta has co-developed the specification and concept with the major hyperscale companies heading the ORV3 Platform and Delta was the first approved source. This allowed CDBU to enable further business with other customers on top that do utilize the ORV3 platform as well.



A new area of focus is the domestic Chinese customer base for Data Center and Networking. CDBU has entered the Chinese data center market with key projects for next-gen Data Center infrastructure for major domestic players by centralized-as well as distributed-power solutions.

However, our telecommunication business continued to struggle throughout most of the year, due to the ongoing slow pace of actual 5G deployment. There is no clear visibility to change in the near future and it will be monitored further. The worldwide material supply situation has improved but power-related semiconductors are still critical and drive our product lead time.

Overall, we do see a continuous high focus in expanding AI-driven business throughout our major customers including networking products. At the same time, the demand for data and data processing (General Computing) are on a slower growth path while AI applications have comparatively a higher growth rate. While overall growth might not be as exponential as last year's, on average we still see a healthy growth by the forecasted numbers we have received also for CY2024.

The worldwide material supply situation is showing the first signs of improvements but remains a challenge that

we must overcome to support the demand in our data center and networking business for the domestic China market as well as our other regions outside of China. Our R&D focus for the year remains to bring in additional suppliers to counter worldwide material constraints. Our data center business, with respect to AI applications, is our major focus for investment and the fastest growing business for CDBU followed by the domestic China market that is expected to be a fast-growing market in the coming years. In addition, CDBU has a new R&D Center in Wuhan, China to support the needs of the domestic China market.

Delta CDBU will continuously strive to dominate the data center power solution business as well as AI applications and we have been selected as a major supplier for next-generation power solutions for Tier-1 data center providers in both the US and China markets. Furthermore, Delta CDBU is expanding our business scope to adjacent segments to support the goal of sustainable data center that meet net zero carbon targets with future-ready power infrastructure.

Industrial & Medical Business (IM)

In 2023, IMBU first quarter results were still affected by the semiconductor shortage and its consequences.



From April onwards we expended enormous effort for qualification of second source components and increase in production capacity. This enabled IMBU to reduce our order backlog to normal level by the end of 2023. Additionally, our industrial market showed a slowdown in Q4, as a reflection of the global economic situation.

This resulted in a revenue of US\$179.8M (+28.8%YoY) and NOP US\$21.0M (+55.5% YoY) which is a very good growth rate and a confirmation of our strategy. Based on the economic slowdown we see, IM and IEV LOB will be affected in the months to come before we can return to a overall strong growth trend in the industry. We expect to return to our overall growth trend between Q2 and Q3 of 2024.

After the successful market launch of our 1kW wireless charging system and the 30kW wireless charging system (100V) this year, we will start promoting the upcoming completion of our product portfolio. With our 3.3kW and 10kW series coming up in 2024, we will have a complete product line available. The response from the market remains very positive in regard to product performance, order intake and expected volumes meeting our expectations.

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

With the slowdown of the economy, we were able to recover all backlog back to normal levels and will fill buffer stock to normal levels again as well. In 2024 the revenue for IEV LOB will show the first effects after the market launch of our full portfolio of wireless charging products and this will continue to drive growth in our existing product lines. The potential for this business is still high and will lead to continued growth.

Overall, we enjoy strong teamwork and dedication on all levels, between R&D, sales and the various

production sites. This is the basis to the IMBUs success in 2023.

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.

The global economy's recovery post-2022 pandemic fell short of expectations, resulting in market instability across consumer, industrial, communication, information technology, and automotive sectors. However, the Delta Fans and Thermal Management team adeptly navigated these challenges, demonstrating agility in supply chain management and maintaining robust performance.

Looking forward, we see global economic uncertainties persisting to impact product market growth. Therefore, the Delta Fans and Thermal Management team prioritizes swift responses to market dynamics and customer demands, ensuring adaptability in production and inventory. Proactive adjustments to production bases and comprehensive solutions anticipate international shifts, aiming to enhance competitiveness and long-term strategic partnerships.

The team's commitment to delivering innovative, high-quality products and collaborative development with clients remains central. Through a win-win strategy, the team aims to bolster competitiveness, seize opportunities, and overcome challenges for continued success.



Industrial Automation (IA)

Delta's IA business overall performance increased compared to last year. We have noticed demand from factory automation and industrial automation is increased, owing to supply chain diversification and increased energy cost. We also see that the high interest rate and inflation also influenced the investment from end-users in some SEA countries. Nevertheless, Delta IA not only focuses on providing high quality products but also providing equipment and solutions in various verticals to meet rapidly changing market demands.

By catching up to the demands from factory automation, Delta provides products and integrated solutions in pick-and-place and tightening applications with the integration of SCARA robots, articulated robots, vision systems, area sensors and smart screwdriver among others. In this way, Delta has gained noticeable success and provides solution to world-leading EMS companies in Thailand, Vietnam, Malaysia and Philippines.

Delta Thailand factories are a model demonstration of integrating Delta IA product products, equipment and solution. The above-mentioned FA solutions have been widely adopted in various production lines, which improves product quality and production line productivity. Moreover, in order to reduce energy consumption in high energy usage applications like pumping and ventilation, Delta factories implement high-efficiency motors and variable frequency drives which demonstrate remarkable results in energy saving. All data is connected to and monitored with Delta's cloud-based EMS and SCADA systems.

The three major product lines of Delta IA are: Motor drive solutions, motion drive solutions and industrial control solutions which contribute to the majority of our revenue as a foundation for the IA team to expand our market share in SEA. Some new products were introduced in SEA market this year to meet local market demand and market trends.

Among motor drive solutions, the next generation HVAC drive "VP3000" was first introduced in the SEA region

with the feature of the low harmonics and high EMC level; high efficiency motor "MSI" and motor mounted drive "MPD" that provides an energy-saving solution for fan and pump applications. The new products have provided our customers with complete solutions in HVAC and energy-saving segment.

The Motion drive solutions segment has introduced the smart screw driver for factory automation and servo drive with built-in PROFIBET protocol to satisfy market requirements. This has strengthened our competitiveness and product coverage in the FA segment.

The industrial control solution segment released the "AX-C" EtherCAT-based entry-level motion controller and advanced logic controller "AS100". Both products provide the best cost performance ratio for packaging, winding machines. These two new products will strengthen our competitiveness in OEM segment.

Delta IA continues to invest for our customers and future business. Delta IA invests in R&D, technical support, sales and customer support team, in order to provide high quality before and after sales service to our customers, and to support future IA business growth. This not only allows us to provide support across the whole product life cycle, but also strength the service coverage in SEA and Oceania region.

Forecasting 2024 and onward, Delta IA is confident and positive in our ability to provide the best service to our customers. Our foundation of strong research and development capability, wide portfolio of product/solution and wide coverage of global operation position us well for growth.

Critical Infrastructure Solution (CIS)

Thailand's emergence from the pandemic's grip coincides with its enthusiastic embrace of the digital future. Delta Electronics, a global leader in power and thermal management solutions, stands as a crucial partner in this exciting journey. In 2023, Delta's focus revolved around empowering Thailand's digital transformation





through cutting-edge datacenter solutions with unwavering commitment to sustainability and support for critical infrastructure projects.

The year 2023 witnessed a surge in demand for reliable and efficient data centers, fueled by the ever-growing need for internet connectivity, e-commerce and data-driven businesses. Southeast Asia is now one of the most high-speed developing regions for digital economy. In 2023, demand for Data Center new installations dramatically jumped to the level 1GW in multiple countries in our region.

In 2024, this trend will continue to grow even further and expansion from Singapore will reach Malaysia and Thailand. Delta responded to this trend with innovative solutions like the prefabricated Megawatt Powertrain, which reduces deployment time and cost for large-scale datacenters. Additionally, containerized data centers addressed the need for low-latency data processing in edge computing applications like 5G networks and smart cities.

Sustainability remains a core tenet of Delta's philosophy. In 2023, the company saw telecom operators increasingly adopting hybrid solar power solutions, significantly reducing operational costs and boosting their environmental efforts. Furthermore, Delta's Eltek products facilitated the transition to lithium-ion batteries, offering higher efficiency and a reduced environmental footprint.

Delta's impact extended beyond datacenters, playing a vital role in various infrastructure projects. Our power solutions supported the expansion of Thailand's railway network, facilitating better accessibility and fostering economic growth. Additionally, Delta UPS systems ensured reliable power for critical applications many hospitals, further underlining their dedication to the well-being and healthy of Thai citizens.

Looking ahead to 2024, Delta's CISBU remains committed to supporting Thailand's digital journey. We plan to introduce next-generation power and cooling technologies for datacenters, deepen our sustainability efforts through collaboration with partners and continue



empowering critical infrastructure across various sectors. By combining Delta's innovative technologies, strong commitment to sustainability and dedication to customer success, CISBU is confidently navigating the digital age. Delta is charting a course, alongside Thailand and the region, for a brighter and more sustainable future.

Delta Network Infrastructure

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

Worldwide IT spending is expected to total USD 5 trillion in 2024, an increase of 6.8% from 2023, according to the latest forecast by Gartner, Inc. This is down from the previous quarter's forecast of 8% growth. While generative AI (GenAI) had significant hype in 2023, it will not significantly change the growth of IT spending in the near-term. The overall worldwide IT spending to total almost USD 4.6 trillion in 2023, IT spending growth rate for 2023 was 3.3%, only a 0.3% increase from 2022. This was largely due to change fatigue among CIOs. Momentum will regain in 2024, with overall IT spending increasing 6.8%.

According to Gartner, Data Center systems will hit USD 261 billion which grow 7.5% in 2024. The trend fits to the recent market trend in the IT industry. The AI driven data center segment has significant peak demands to the power supplier industry as well networking solutions. 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. The software and IT services segments are projected to grow 12.7% and 8.7% in 2024, respectively. The devices segment is forecast to sharp growth at 4.6% as both consumers and enterprises lengthen device refresh cycles delayed to 2024.

In 2023, Delta Network Infrastructure (DNI) was successful in developing and coordinating new product such as Wi-Fi 6E/7, SD-WAN and data center switches into production. Sales revenue was reduced when compared with 2022, because the retail segment of networking business demand significantly dropped from the 2nd half of 2023. Although the segment of data center switches gradually increased from July 2023, the incremental amount could not balance the loss from the retailer market segment. As a result of the unsteady retail markets and as not yet recovered pro-AV market, DNI re-aligned our resources and facilitated our production output to increase in the data center switch business for the near term.

This will help us to achieve our annual target in terms of revenue and profit for 2024. In 2024, DNI will continue to invest more resources in technical talents as well as high-end precision test instruments and production automation to introduce the 100G/400G data center switch products into production. This significant investment will help to enhance DNI's capacity and ability to produce upcoming new products and support the growth momentum. The global economic trends continuously move toward more diversification and in 2024 we're working closely with our customers to enhance their product ability for rapid and successful production at Delta Thailand.

Although, the external environment is one of economic risks and geopolitical conflicts which still bring lots of uncertainty to business, 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 to meet customer's demands.

Delta India Operations Review

Telecom Power Solutions Business (TPS)

The Indian telecom business sector in 2023 has been quite interesting and full of activities which brought a lot of new opportunities for Delta India. 5G deployment by private telcos Reliance Jio and Airtel have gained good traction and helped us decent revenue. In addition, a government owned telecom operator also started two big projects, which added to Delta India's 2023 revenue.

Delta India also initiated a new product introduction (NPI) of Li-Ion batteries at the Krishnagiri factory and have started supplying as well. This is a major milestone achieved, which we have been eyeing for years. In addition, we also won a major project of 10K Li-Ion batteries from a large tower company. Development of the Li-Ion business has helped us in revenue contribution and brings us an optimistic outlook for 2024 onwards.

With rising data consumption demand for data centre connectivity and edge datacentres, we picked 5-6 turnkey projects including power conversion, storage and cooling that will continue to add growth momentum in 2024.

ESG initiatives of telcos focused on GHG emissions and one of the major drives the industry took is to deploy solar solutions. This brought us opportunities to deploy solar MPPT systems and we supplied such solutions to for approximately 15K sites which included both greenfield and brownfield deployments.



1.2.3. Procurement of Products and Services

Production Capacity in 2023

1. Thailand Plant

1.1 Plant 1: Bangpoo Industrial Estate, Samutprakarn

Production area	: 33,588 sq.m
No. of operators	: 2,798
Production line	: 59 lines
Actual production	: 78% of production capacity

1.2 Plant 3: Bangpoo Industrial Estate, Samutprakarn

Production area	: 19,159 sq.m
No. of operators	: 3,514
Production line	: 109 lines
Actual production	: 84% of production capacity

1.3 Plant 5: Bangpoo Industrial Estate, Samutprakarn

Production area	: 30,331 sq.m
No. of operators	: 2,687
Production line	: 33 lines
Actual production	: 100% of production capacity

1.4 Plant 6: Wellgrow Industrial Estate, Chachoengsao

Production area	: 14,126 sq.m
No. of operators	: 2,623
Production line	: 107 lines
Actual production	: 58% of production capacity

1.5 Plant 7: Wellgrow Industrial Estate, Chachoengsao

Production area	: 30,000 sq.m
No. of operators	: 1,175
Production line	: 24 lines
Actual production	: 88% of production capacity

2. Slovakia Plant

2.1 Dubnica nad Vahom Plant

Production area	: 10,800 sq.m
No. of operators	: 273
Production line	: 15 lines
Actual production	: 75% of production capacity

2.2 Liptovsky Plant (Eltek)

Production area	: 3,600 sq.m
No. of operators	: 431
Production line	: 16 lines
Actual production	: 75% of production capacity

2.3 Liptovsky Plant (Eltek Precision)

Production area	: 9,600 sq.m
No. of operators	: 92
Production line	: 10 lines
Actual production	: 100% of production capacity

3. India Plant

3.1 Rudrapur Plant

Production area	: 9,268 sq.m
No. of operators	: 261
Production line	: 12 line
Actual production	: 99% of production capacity

3.2 Gurgaon Plant

Production area	: 1,488 sq.m
No. of operators	: 45
Production line	: 3 line
Actual production	: 88% 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 82:18. The company presently procures our direct raw materials from approximately 1,280 vendors (due to the consolidation of our vendor base) with purchase value per vendor not exceeding 8.2% 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 done in order to reduce the risk of part shortages caused by extreme climate conditions or possible major disasters in the future.

Three years after the COVID-19 pandemic, all countries have re-opened from lockdown and resumed normal operations. However, we still foresee there may be some bottlenecks in the supply chain for certain raw materials that could interrupt the supply chain. These materials include Microcontroller Unit (MCU), Insulated-gate bipolar transistor (IGBT), SiC/GAN Mosfet, IC Power management etc.



On the other hand, major adjustments to reflect the market demand from EVs and data server customers also create high inventory with the imbalance in the supply chain. In addition, factors including the increasing inflation rate that impact the US economy may create significant impact to labor cost in the industry and worldwide market demand. Other risks stem from the Ukraine-Russia and Israel-Hamas war that have an impact on oil cost and geopolitical stability. These are all new challenges to our global supply chain.

Nevertheless, Delta materials sourcing and procurement teams commit to continuous monitor and take necessary actions which includes the review of potential supply risks, analysis of market demand and increased efforts to mitigate negative impact throughout the year 2024.

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.

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 2023, 100% of the company's suppliers have already signed the "Statement of Non-use of Conflict Metals".

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



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 were 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 2023, 100% of Delta Thailand's suppliers have signed the "Declaration of Compliance with RBA Code of Conduct". Besides obtaining a high number of signees, the company also held an "RBA On-Site Audit" focusing on local suppliers. The audit found that all 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 2023, the company had a 100% 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 2024, 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, 2023 are as follows:

1) Land, Buildings and Equipment

(Unit : million baht)

Type of Assets	Ownership	Amount	Obligation
Land	Owner	1,805	None
Building and Factory	Owner	6,587	None
Machinery / Equipment	Owner	11,833	None
Mold	Owner	380	None
Installation	Owner	1,534	None
Assets Under Installation and Under Construction	Owner	7,118	None
Computer	Owner	243	None
Other	Owner	181	None
Total		29,681	

Depreciation for the year 2023 total amount THB 4,398 million (2022: THB 2,981 million). Depreciation amount THB 3,697 million (2022: THB 2,438 million) include in manufacturing cost, and the balance amount THB 701 million (2022: THB 543 million) in selling, administrative and research and development expenses

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

2) Other Intangible Assets

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

(Unit : million baht)

	Consolidated Financial Statements				Separate Financial Statements		
	Patent Rights	Computer Software	Customer Relationship	Total	Patent Rights	Computer Software	Total
Net Book Value:	43	60	44	147	43	9	52

3) Goodwill

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

(Unit : million baht)

	Consolidated Financial Statements
Net Book Value as at 31 December 2022	437
Translation Adjustment	7
Net Book Value as at 31 December 2023	444

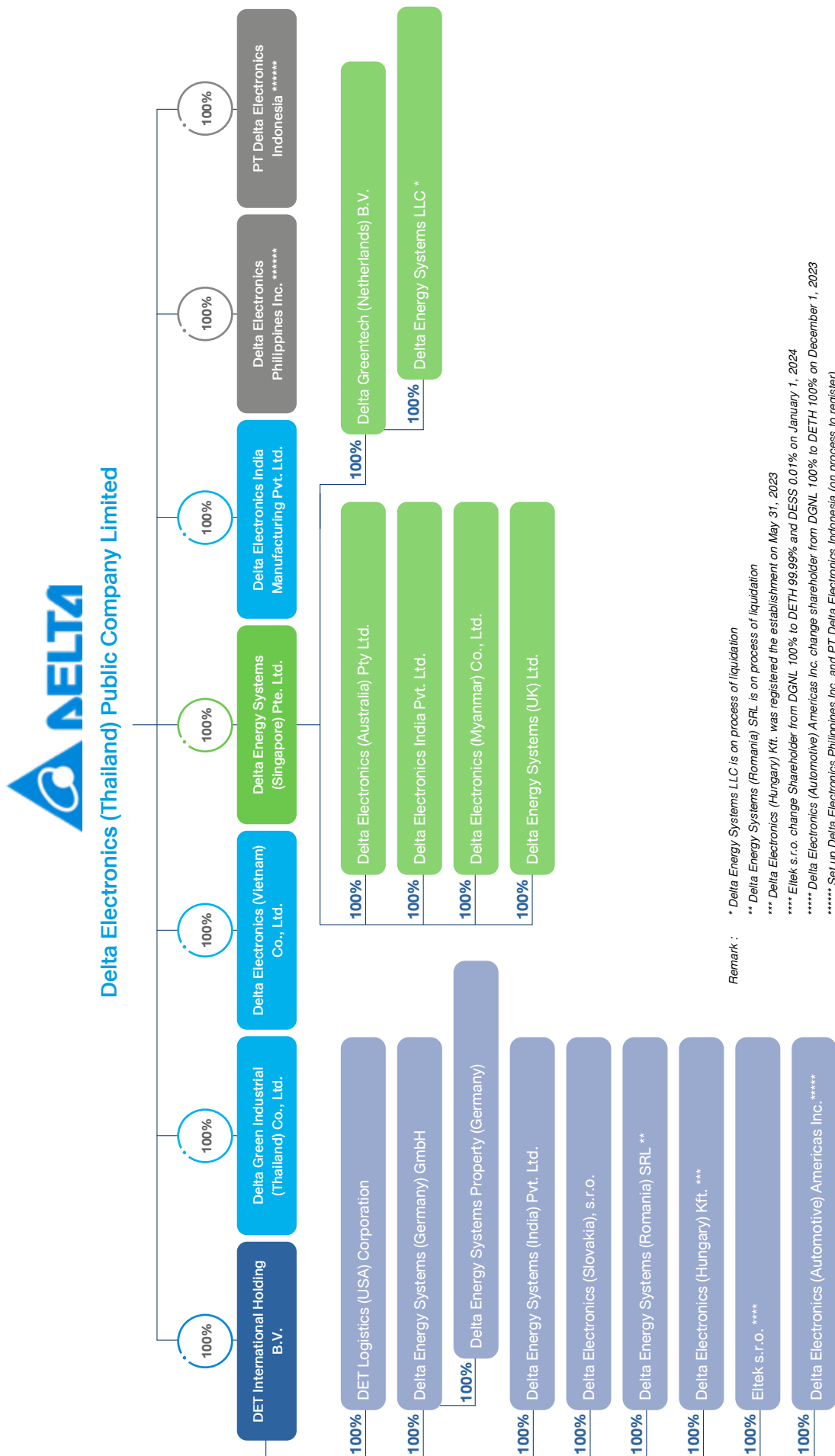
As at 31 December 2023, the net book value of the goodwill as above included the goodwill of approximately THB 215 million from Power electronics segment related to DES products and the goodwill of approximately THB 229 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. ("Eltek 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 January 31, 2024)



Company	Location	Type of Business	Type of Stock	Registered Capital	Paid up Capital	%
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	Trading of electronic products	Common Stock	USD 1,000,000	USD 500,000	100
1.2 Delta Energy Systems (Germany) GmbH	Germany	• Marketing & Trading of electronic products • 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 of electronics products	Common Stock	INR 494,500,000	INR 490,476,020	100
1.4 Delta Electronics (Slovakia), s.r.o	Slovakia	Manufacturing & Sales of electronics products	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
1.6 Delta Electronics (Hungary) Kft.	Hungary	Manufacturing of electric vehicle and electronics products	Common Stock	EUR 8,000,000	EUR 100,000	100
1.7 Eltek s.r.o.	Slovakia	Manufacturing electronics products	Common Stock	EUR 7,391,180	EUR 7,391,180	100
1.8 Delta Electronics (Automotive) Americas Inc.	United State of America	R&D	Common Stock	USD 10,000,000	USD 2,500,000	100
2. Delta Energy Systems (Singapore) Pte. Ltd.	Singapore	• Business investment • Management and Consultancy Service • Trading of electronics products	Common Stock	USD 278,899,220	USD 278,899,220	100
2.1 Delta Electronics (Australia) Pty Ltd.	Australia	Local sales & Trading of electronic products	Common Stock	AUD 1,799,982	AUD 1,799,982	100
2.2 Delta Electronics India Pvt. Ltd.	India	Manufacturing, Marketing & Sales of electronics products	Common Stock	INR 36,498,000,000	INR 13,126,721,11	100
2.3 Delta Electronics (Myanmar) Co., Ltd.	Myanmar	Manufacturing of electronics products	Common Stock	USD 2,350,000	USD 2,350,000	100
2.4 Delta Energy Systems (UK) Ltd.	United Kingdom	R&D	Common Stock	GBP 700,000	GBP 700,000	100
2.5 Delta Greentech (Netherlands) B.V.	Netherlands	Business Investment	Common Stock	EUR 26,937,182	EUR 26,937,182	100
2.5.1 Delta Energy Systems LL	Russia	Marketing & Sales of electronic products	Common Stock	RUB 30,000	RUB 30,000	100

Company	Location	Type of Business	Type of Stock	Registered Capital	Paid up Capital	%
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 of electronics products	Common Stock	INR 5,000,000,000	INR 2,526,110,000	100
6. Delta Electronics Philippines Inc.	Philippines	Local sales & Trading of electronic products	Common Stock	USD 200,000	-	100
7. PT Delta Electronics Indonesia	Indonesia	Trading and bid local projects	Common Stock	IDR 10,000,000,000	-	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 **Thailand** 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 2023)

Type of Equity	No. of Shares	Par value (Baht)	Total Value (Baht)
1. Registered Share Capital (Common share)	12,590,000,000	0.1*	1,259,000,000
2. Paid up Capital (Common share)	12,473,816,140	0.1*	1,247,381,614

* Approval to change the par value from Baht 1 to Baht 0.1 on April 7, 2023.

The Voting Rights : 1 share 1 vote

Top 10 Shareholders (as of 8 March 2024)

No.	Name	Holding	%
1	Delta Electronics Int'l (Singapore) Pte. Ltd	5,344,793,060	42.85%
2	Delta International Holding Limited B.V.	1,830,611,700	14.68%
3	CITI (Nominees) Limited-CBHK-PBGSG-Restricted Shares	1,728,454,200	13.86%
4	Delta Electronics Inc.	691,281,400	5.54%
5	The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong Branch	601,790,000	4.82%
6	Raffles Nominees (Pte) Limited	573,870,600	4.60%
7	UBS AG Hong Kong Branch	547,600,000	4.39%
8	Thai NVDR Co., Ltd.	320,132,271	2.57%
9	South East Asia UK (Type C) Nominees Limited	106,444,359	0.85%
10	State Street Europe Limited	84,806,422	0.68%
11	Others	644,032,128	5.16%
Total		12,473,816,140	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 8 March 2024, total number of Minor Shareholders (Free float) is 26,339, equivalent to 23.08%

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. 2/2024 held on 15 February 2024 resolved to pay dividend for the year 2023 at or THB 0.45 per share, representing a payout ratio of 30.4%. This is subject to the 2024 Annual General Meeting of Shareholders' approval. (The dividend

paid in 2023 was THB 0.40 per share, representing a payout ratio of 32.5%).

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
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%
2023**	1.48	0.45*	30.4%

* Pending for approval from the 2024 Annual General Meeting of Shareholders' on April 11, 2024 to approve the dividend distribution for the year 2023.

** Approval to change the par value from Baht 1 to Baht 0.1 on April 7, 2023.





2. Risk Management

2.1 Risk Management Policy and Plans

Amidst global uncertainty, Delta Electronics (Thailand) PCL. use COSO Enterprise Risk Management, ISO 31000 and GRC framework as guidance to ensure our sustainable growth. The purpose of the Delta Group Risk Management Policy (“Policy”) is to reduce various risks to a tolerable and controllable range through identification, assessment, control, monitoring and communication of potential risks from the perspective of Delta Group.

In October 2023, the IMF World Economic Outlook forecast global growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. Risks include the real estate crisis in China reflect, the volatile commodity prices due to geopolitical tensions and climate change disruptions and inflation risks.

Despite the uncertainties in the global economy and Thailand’s ambiguous policies on Net Zero and social issues, Delta still sees healthy growth potential in its products for global customers that support global trends like e-mobility and digitalization including energy-efficient datacenters, telecom power and EV charging infrastructure.

By qualitative or quantitative management methods, our Enterprise Risk Management Policy (https://deltathailand.com/en/pdf/about/committee_charter/enterprise-risk-management-policy.pdf) provide a reference for developing operational strategies. An effective risk management process will allow Delta Group to achieve long-term strategic goals and deliver mutual benefit to our stakeholders. The policy has been formulated in order to achieve the Group’s strategic goals in a reasonable manner.

The Board of Directors oversight the company risk management effectiveness and appointed a Risk Management Committee (RMC) to establish a risk management policy to ensure that risk management procedures or systems are in place to mitigate negative impact appropriately within the organization. Delta organizes its Risk Management Committee accordingly to the Three Line Models for managing risks. The RMC organization drafts clear risk management responsibilities and accountabilities to ensure that our risk related objectives are achieved. Meanwhile, the Board of Directors also assigns sub-committees including Corporate Governance Committee, Nomination and Compensation Committee and Audit Committee to support oversee the RMC performance and effectiveness. On 15 Feb 2024, the Board of Directors approved the purpose and target of risk management as well as result of risk factors prioritization and review the risk response proposal.

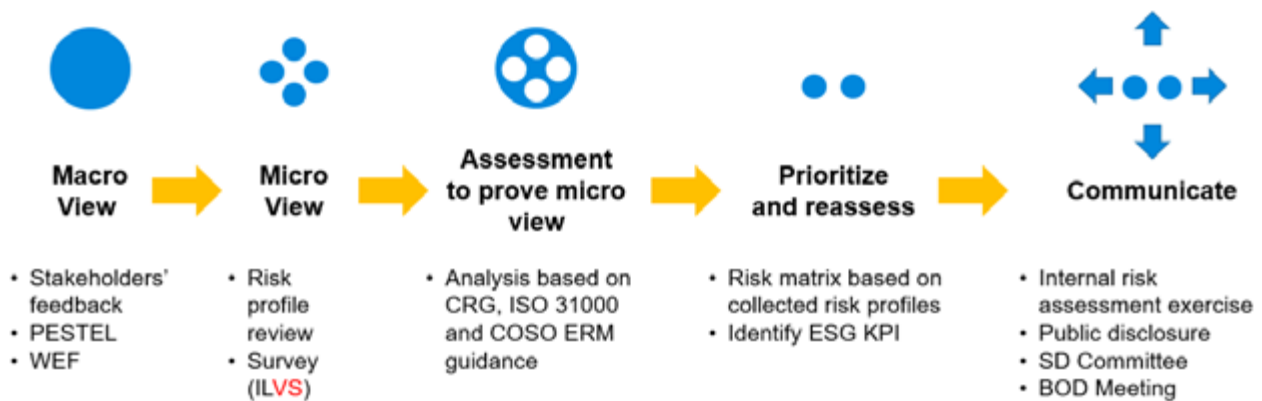
Delta’s management and experts from key functions directly involved in delivery products/ services for our customers and related stakeholders interest play their roles as the first line of control. These teams are responsible for owning and managing risks in our daily operations. When necessary the Committee 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. Clear roles of each function has identified in our Enterprise Risk Management Policy https://deltathailand.com/en/pdf/about/committee_charter/enterprise-risk-management-policy.pdf.



At the second line, the CEO, both Chairman of the Risk Management Committee and a member of the Board of Directors, leads the c-suit members of major functions and/or persons assigned by the Board of Directors or Chairman of the Committee. The Sustainable Development Office department as the secretary to the RMC to ensure related compliance, effective risk control, governing body's leadership, develop the committee's expertise, monitoring risk-related matters and transparently communicate with its stakeholders through various communication approaches. On 15 Feb 2024, the Board of Directors approved the specific key performance indicators for each responsible

function to drive effective risk control. Since these KPIs are directly linked to GRI standards, the Board of Directors should be able to review the team's verified performance and benchmark with other company in the same industry or same market capitalization without bias.

For the third line of control, Internal auditor team reporting to the Audit Committee independently work to ensure policies are followed and processes are executed in line with management selected performance goals, risk management objective met and advise all the matters related to the achievement of objectives.

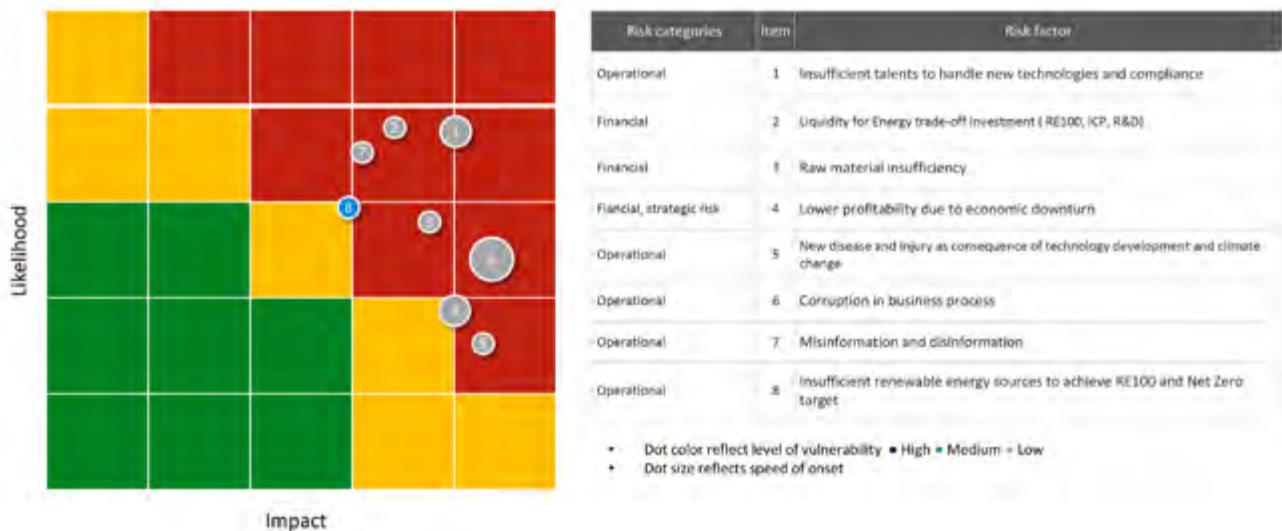


Based on the World Economic Forum's Global Risk Report, the Committee considers the relevance, impact, influence, opportunity of risks to Delta's sustainable goals. Result of our PESTEL Analysis is utilized to compare and screen the relevance of WEF's risk. The Risk Management Committee advises management 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 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. 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 Key Risk Factors and Management Strategies

Key Risks Matrix



1. Liquidity for Energy Trade-off Investment (RE100, ICP, R&D for product innovation)

In addition to volatility of energy price, crude oil export limit as the consequence of the Israel-Gaza or Russia-Ukraine conflicts, more frequent severe weather events, increasing interest rate, and global failure to limit climate change poses a significant threat to the planet, and reducing greenhouse gas emissions is crucial to mitigating its effects. In recent COP 28, representatives of different countries including Thailand and Slovakia where our manufacturing sites located have committed to the Global Renewables and Energy Efficiency Pledge to fasten their achievement to carbon neutral targets. Our huge investment in our infrastructure and technologies, cost of renewable certificate purchase, higher cost of compliance to higher standards, insufficient blue and green pillar talents and instability of many countries national policies. The stated reason brought our stakeholders concern on the Delta's liquidity against huge and long-term investment in renewable energy transformation that could potentially impact our shareholders dividend, employee compensation and benefits and ability to pay debt.

To minimize potential impact of liquidity risk, we regards DE ratio as key indicator of control activities effectiveness.

To control healthy DE ratio below 1.5:1, Finance and Accounting department led our operational functions' investment while CFO and the Privilege Committee provide sufficient information and financial position for the BOD to make decision on significant investment. We also conduct a multiple-factor stress test to ensure its liquidity. The factors we consider our ability to pay debt, accessibility of sufficient variety of source of funding, planned capital expenditure to achieve carbon neutral and smart manufacturing target and forecasted revenue.

We monitor global currency on daily basis to prevent loss from exchange rate. As a multi-national enterprise, Delta Thailand Group's exposure to the foreign currency risk relates primarily to its trading transactions. According to our recent risk management of geoeconomic confrontation, global stagflation, economic downturn, the Central bank policy rate to fight inflation and unstable political policy deteriorate our stakeholders concern of their interest in Delta profitability.

Our recent monitoring on 10-year financial performance projected that the co-efficiency of changing exchange rate to both our cost and total revenue at the level of -0.89 to 0.96. Nonetheless, our effective control maintained 0 loss from exchange rate in 10 consecutive years.

In addition to utilization of various financial tools, Delta introduce internal carbon pricing mechanism (ICP) to fund our carbon-neutral projects that finally reduce impact on our bottom line.

According to the mentioned control activities our consolidate DE ratio since 2014 has been varied between 0.39 to 0.67 : 1 showing strength in appropriate capital structure in order to support its business and maximize our stakeholder values. During the same interval, none of loss on exchange rate occurred. We communicate our progress in ESG investment and communicate to the public quarterly. However, due to uncertain external factors, Delta will keep monitoring its liquidity risk in long-term.

2. Lower Profitability Due to Demand Fluctuation and Purchasing Power Slowdown

Delta Thailand posted a softer growth momentum towards the last quarter of 2023 due to cautious demand situation and looming concern over the economic recession globally. In January, the World Bank forecast global growth to slow from 2.6% in 2023 to 2.4% in 2024. After global huge investment in process digitization and emergency response during the pandemic periods, businesses and countries re-allocated their investments to recover the financial performance and well-being of its citizens last year.

To maintain sustainable growth, Delta, as B2B business, limits the potential impact of such momentum that could lead project cancellation, Lower margin, longer Account payable and finally could impact our stakeholder benefits.

To limit Credit Risk Delta utilized its CRM platform to realize customers' portfolio and establish a regular cadence and prioritize top accounts for focused attention. Legal department is responsible for reviewing clear agreement in purchasing order to make common understanding on cancellation charge and notice period between Delta and its customers. Central Purchasing

Committee engages its suppliers for sufficient and flexible material inventory. Finance department tracking and control account receivable to be under 90 days. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. These functions report their performance to CEO and its business unit global networks through monthly EMP meetings.

In long-term, Delta target to increase its existing customer satisfaction rate as well as create healthy proportion of new customers. We have specific functions to ensure compliance with newly introduced and leading standards and regulations that help uplift our customers' ESG performance. The company assessed its ESG performance and rewarded or included in leading indices to attract new customers, investors and new talents. We aggressively participate in customers' initiatives, social and public activities to promote the importance of eco-friendly and renewable technology solutions that should create new and healthy demand for our end customers. Our steady growth and health customer portfolio is the evidence of the effectiveness of our control activities. Nevertheless, global economics sentiments, geoeconomics confrontation, possibility of new infection diseases and new regulations to relief climate failure reminded us to keep watching up this issue.

3. Raw Material Insufficiency

Change to Earth system slightly reveal the possibility of natural resources shortage. China's limited manufacturing hours to fasten carbon neutral, energy transformation impacting decrement of monomer as the byproduct of oil refinery, mining and metal refinery industry stigmatization, more frequent and more severe natural disaster that obstruct the logistics process, consumer demand for more environmentally friendly products, US chip export control and other export restrictions on industrial raw material as



reported by OECD; for instance, are major drivers to the raw material price volatility but also bring higher likelihood on raw material sufficiency in the coming future.

In short to medium term, Delta's Central Purchasing Committee target to reduce our dependency to China and US supply chain and supply chain localization. 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. Future material contract is another effective tools to avoid material shortages. For imported critical materials, we engaged our suppliers to provide their emergency preparedness plan to learn how they react to events with high possibility of re-occurrence such as terrorism, flood, sea level change. Risk of disaster and logistic process delay has transferred to each suppliers insurance companies.

In long term, Delta utilize ERM software to collect supplier information to see their potential ESG risk that may impact both Delta's and their operation in the future. On 27 October 2023, these critical suppliers have invited to participate an on-line session "Accelerate your Pathway to a Carbon—neutral Economy". Key content of the session included, ESG risk that may impact supplier business, Delta's practice to reduce GHG and promote circular economy, and our expectation on data collection. With target to have 30% of recycled input material to total weight of purchased material by 2030, we engaged steel, aluminum, copper, plastic and packaging suppliers to provide their percentage of recycled content used in their production process to ensure sustainable supply ability. Simultaneously, Delta participated in public innovation activities to seek for addition opportunities to develop substitute materials such as plant-based, biodegradable and bioabsorbable plastic. However, longer research and development process is required to make these materials meet our industry's specification as well as our customer expectation on the cost.

4. Corruption Risk Again Resources Stress and Higher Standard Regulation

There is high possibility that natural resource stress, geoeconomic confrontation including higher environmental standard and regulation create fertile ground for corruption by increasing the incentives and opportunities for illicit activities, weakening governance structures, and fostering a culture of impunity to gain unethical competitive advantages.

To Delta corruption in business process is not only create high impact to our cost, it also impact our customer code of conduct and social responsibility performance. Corruption events also create widespread and longer vulnerabilities to environment and people well-being.

With zero tolerance target to eliminate corruption from business process, Delta has Anti-Corruption Policy in place to lead our directors, directors of sub-committees, management, employee and the related business partners. Anti-corruption agreement is part of our employment contract, procurement contract. In addition to the Authorization Approval instruction that limit each function's absolute approval power, we strengthen our e-systems to implement cashless transaction. We identified critical function that exposure to risk of corruption resulting by contacting with external stakeholders and governmental officials. Head and key person of these function are required to be rotated every 5 years. We also comply with the Responsible Business Alliance to fulfill our customer and stakeholders' requirements. In addition to new employee orientation, we conduct the on-line training and commitment to the company's code and anti-corruption for our worker on annual basis. Yearly, our suppliers are require to implement self-declaration questionnaire of RBA code of conduct. The company provide various communication channels for our stakeholders and public sector to raise their concern and complaints.



In 2023, to ensure that the whistleblowing mechanism will remain secure, confidential and independent for anonymous disclosure, Delta has contracted with an independent third-party whistleblowing provider, Integrity (Thailand) Limited. Delta established Management Procedures of the Whistle-blowing System to reward Delta and its subsidiaries' employees who report a confirmed case. The amount of monetary rewards depends on the amount of financial stability prevented by each whistleblowing cases. Due to the uncertainty of external factors and fast expansion of Delta's business, corruption risk will be in our focus over the coming years.

5. Insufficient Talents to Handle New Technologies and Compliances.

Despite of lower birth rate; Global carbon neutral ambitious, Technology and energy transformation and shift in public values in spite of lower birth rate, shape the high demand of specialists and engineers. Electrotechnology engineers, AI and machine learning specialist, sustainability specialist, robotics engineers and digital transformation specialist; for example, have been being the challenging position we expected to increase to mitigate technology and energy transformation delay, high attrition rate in critical function, slow growth in green revenue, decline in reputation and depreciation of stakeholders satisfaction. The company adopted various approaches to cope with this risk such as

To pursue new talents

- Increase HR functions/ personnel.
- CSR program to meet new talents.
- Co-with government / regulator to establish specific curriculum.
- Participate public jobs fairs.
- Collaborate with universities to arrange specific talents interview at the universities.
- Participate leading HR and ESG assessment.

For our existing specialists, to reduce their burn-out and higher attrition rate:

- Offer leading compensation and benefit
 - Benchmark with market

- Consider local inflation rate
- Initiate Talent Leader Development program and Cohesion camp
- Cross-border same function visit
- Initiate Delta Club to fund employee's interest
- Free Psychiatrist service.
- Leading budget for external training
- Utilize and incentivize these specialists as internal trainers.

- Offer faster promotion period

To smoothen these function limitation on collaboration with other traditional functions, the company pursue reskill and upskill programs. Common understanding of the market new requirements, new set of knowledges and job functions help strength partnership between functions and Business Units. To measure the effectiveness of risk control, we regards critical functions' attrition rate, new hire rate and employee engagement rate as the corporate's KPI.

6. Technology Risk: Misinformation and Disinformation

Misinformation and disinformation present multifaceted risks to Delta, encompassing reputation damage, regulatory scrutiny, user safety, erosion of democratic values, impact on advertiser confidence, ethical responsibility, and cybersecurity risks. Loss from information bribery. In spite of our practical IT security and social media communications control, Delta received numbers of adverse media notification and fraudulent parties impersonating Delta for investment solicitations. To prevent stakeholders and public sector loss, Delta focus to :

- Establish stakeholder engagement and Corporate Communication policy.
- Implement ISO27001 standards to ensure information security.
- 100% of our employees are required to pass Annual information security training with score 100%





- Employee is not allowed to use Open AI at work. Utilize licensed office 365 and Microsoft Edge AI in stead.
- Private cloud services or USB is not allowed at work.
- To prevent the re-occurrence of investment solicitations, the company
 - Immediate action: when fake account harming stakeholders' interest like soliciting businesses is discovered, Corporate Communication team will private message the account to take down the account or face legal action.
 - Within 24hours: If no action is taken, Corporate Communication team will publish on our social media channel to warn the public.
 - After 48hours: If still no action from the account, Corporate Communication team will consult Legal team for necessary legal action.
 - Depending on the severity and potential harm of the account, Corporate Communication team will make official announcement on SET and public news media.
- In case of monetary loss and reputation loss, Legal department will be responsible for legal process.
- Investor relations team will be responsible for answering investor queries.
- Employee relations and IT team will be responsible for informing employees to aware of fake news and investment phishing through Delta Thailand Official Line.

With the target of THB 0 loss from information leakage and data bribery, there was THB 0 loss of personal data, trade confidentiality, intellectual proper; misinformation and disinformation, improper social media sharing and fake news caused by our employees or business partners in 2023. However, we are inform that a numbers of retail investors had experienced loss from fraudulent parties ads. The case had properly managed and informed through public sector through the Stock Exchange of Thailand (SET). During the same period, certain numbers of listed companies also experience the same issue and provide their declarations to SET. In spite of strong collaboration among public sector and listed companies declare its measurement to combat with investment phishing, Delta sees that this threat will occur more frequently with higher severity.

7. Operational Risk: New Disease/ Injury due to Technology Development

The changing climate pattern and ecology, new chemicals and machines used in industrial zone, possibility of bio weapon development In the past COVID-19 pandemic situation; for example, show significant sign of new communicable diseases and injuries. 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.

In addition to health and safety risk transferred to health insurance companies, we target for Zero lost-day rate from communicating disease pandemic

1. Maintain cash on hand as financial preparedness to response to potential health and safety emergency.
2. Establish emergency preparedness plan that clearly identify each functional roles and responsibilities, reporting line and level of hazards with proper action plan.
3. Digitalize and automate business and manufacturing processes with international information security standards including shorten communication flow to limit loss and frustration.
4. Include new practice and training to respond to new safety risks such as Nitrogen and radiation leakage training, earthquake and tsunami evacuation practice, CPR training and sandbox practice rehearsal to limit the distribution of communicating disease .
5. Additional on-site PPE and medical instruments such as face mask, sand box area, disinfection machine and Automated external defibrillator (AED).
6. Engage machine and technological instruments suppliers to directly provide training to their users not only buyers.
7. Encourage critical machines, instrument, and chemical suppliers to participate in bi-annually work environment inspections.

8. Decentralize health and safety offices to each factory for emergency respond in timely manners.
9. Monitor laws, standards, requirements that our organization is involved, which includes customer requirements, to maintain our health and safety standards and communicate with our employees, businesses partners and related stakeholders.
10. Promote and incentivize employee and stakeholders participation in health and safety risk identification, preventive action and procedure improvement.

8. Insufficient Renewable Energy Sources to Achieve RE100 and Net Zero Target.

Rising energy price due to Russia-Ukraine conflict, global urgencies to reverse climate action failure and strengthen biodiversity conservation and technology transformation; for instances, are the major drivers to fasten renewable energy utilization in our business process.

Delta target to achieve RE100 by 2030, We created a RE100 Management Board to oversee progress towards our goals. This Management Board has a board of Delta Group executives who review our overall targets and regional progress. In addition to our ambitious to achieve RE100 and Science-base targets, we realize our key customers requirement on 100% renewable energy consumption at the production manufacturing their product too.

Delta utilize own-generate solar power and retrofiting facilities, Delta invest in purchasing unbundled REC to increase renewable energy mix. However, the cost of REC is significantly higher than traditional electricity. Hence, keep investing in REC could affected our stakeholders benefits.

Thus, to achieve environmental ambitious targets without impact to our stakeholders benefits, Delta initiate internal carbon pricing mechanism to fund the energy saving



projects. The company also partner with other RE energy and regulators to lower the private electricity generators barrier and attract new player to the market. Delta is on-process to seek for proper service provider and condition to purchaser Utility Green Tariff (UGT) that create lower impact to our cost while help us to achieve RE committed target. However, the UGT mechanism in Thailand will be effective in 2025. Up to 2023, approximate 20% of the total electricity consumption at Delta Thailand are renewable energy (both self-generated and unbundled).

Risk Culture Promotion

Delta provide regular risk management education for its executive and non-executive directors, managements, employees and stakeholders in our value chain.

25 July 2023, Delta invited Ms. Kirida Bhaoppichitr, Phd., the Director of TDRI Economic Intelligence Service, of the Thailand Development Research Institute (TDRI), to provide a 2-hour training to the committee members

and heads of our business units in South-east Asia. 131 managements and executives learned the latest megatrends including global economic trends, new geopolitical order, low-carbon world, AI and digital technologies and aging society that should significantly impact Delta's performance, operation and opportunity as well as our stakeholders' interest.

27 October 2023, Delta organized an on-line webinar "Accelerate your Pathway to a Carbon—neutral Economy" to highlight the importance of energy transformation and greenhouse gas reduction in supply chain

On annual basis, Delta participates in local and international assessments to ensure its effectiveness of risk management. For example, Delta has rated "Low Risk" from recent participation in Sustainalytics assessment. Key risk factors, result of risk prioritization and effectiveness of Risk management is reported to the Board of Directors twice a year.





3. Sustainable Development Report

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 2023.



Material Topics



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 disproportionally 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 2023.

Adverse Outcomes of AI Technology

Artificial intelligence (AI) technology becomes new tools to ease business and manufacturing process. However, in Delta's view, it is essential this emerging trend remind us to fulfill our ethical obligations, protect our reputation and trust, comply with legal and regulatory requirements, sustain our business, mitigate risks, and meet stakeholder expectations. By proactively addressing these challenges, Delta should be able to harness the transformative potential of AI technology for the benefit of business and society while minimizing harm.

In addition, Delta Electronics (Thailand) PCL. qualified as a constituent of the world-renowned Dow Jones Sustainability Indices (DJSI) 2022 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 2023 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.'** Delta Thailand recognizes the vital importance of effective environmental management practices and continuously promotes, follows up, and reviews efficient use of energy and natural resources to reduce waste, prevent pollution, and improve environmental performance.

All main production plants in Thailand have passed third-party certification of the ISO14001 Environmental Management System and promote environmentally friendly performance management. Delta also discloses and minimizes Greenhouse Gas emissions in accordance with ISO 14064-1 standards. Additionally, Delta Thailand also has been certified by ISO50001 Energy Management Systems Standard in providing high energy efficiency operations and energy resource management according to various environmental related international standards.

Delta Thailand's environmental and energy management policy serves as the cornerstone of our commitment to responsible environmental management. Under the guidance of management, environmental and energy committees, we ensure that our operations align with

local and international environmental regulations and standards. Our leadership remains actively engaged in setting environmental objectives, reviewing performance, and driving continuous improvement across all facets of our business.

Throughout the year 2023, Delta Thailand continued to prioritize sustainability initiatives, minimize our environmental footprint, and contribute positively to the ecosystems in which we operate.



Environmental Targets

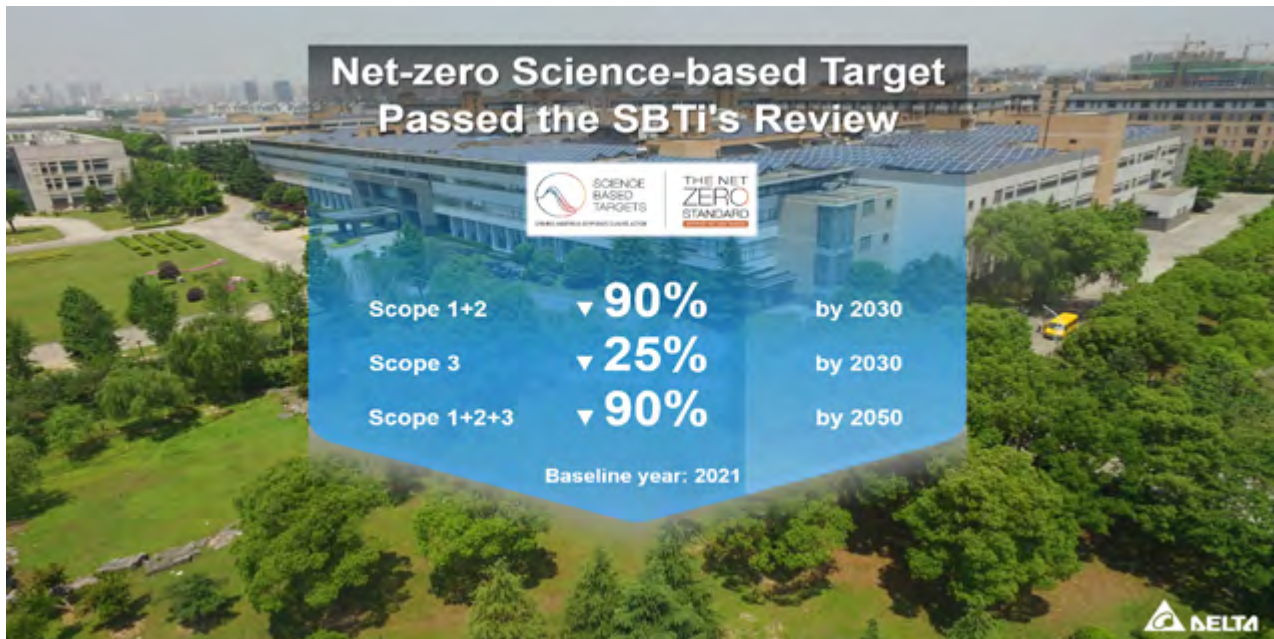
Delta passed the net-zero target compliance evaluation of the Science Based Targets Initiative (SBTi) in 2023 and also pledged to attain the 2030 renewable electricity targets in the RE100. Moreover, Delta has continuously implemented energy, water and waste conservation solutions for internal energy conservation targets since 2009.

Name	Metrics and Targets
SBTi: Net-Zero SBT	<p>Short-term: 90% reduction in GHG emission in Scope 1 and 2 by 2030 compared to 2021 and 25% reduction in Scope 3 compared to 2021.</p> <p>Long-term: 90% reduction in net-zero science-based target in Scope 1, 2, and 3 by 2050 compared to 2021.</p>
EV100	Provide charging facilities at Delta Thailand's operations and main production plants within the scope of our energy management and convert company vehicles to zero-emission vehicles such as EVs, PHEVs and FCEVs by 2030.
RE100	100% use of renewable electricity at Delta Thailand all operation sites by 2030.
Electricity consumption Intensity (EI) of overall Delta Thailand's production plants	2023 target: 12% reduction (2020 as baseline year)
Water Productivity Intensity (WPI) of overall Delta Thailand's production plants	2023 target: 6% reduction (2020 as baseline year)
Waste diversion rate	2023 Target: 96%

GHG Operation

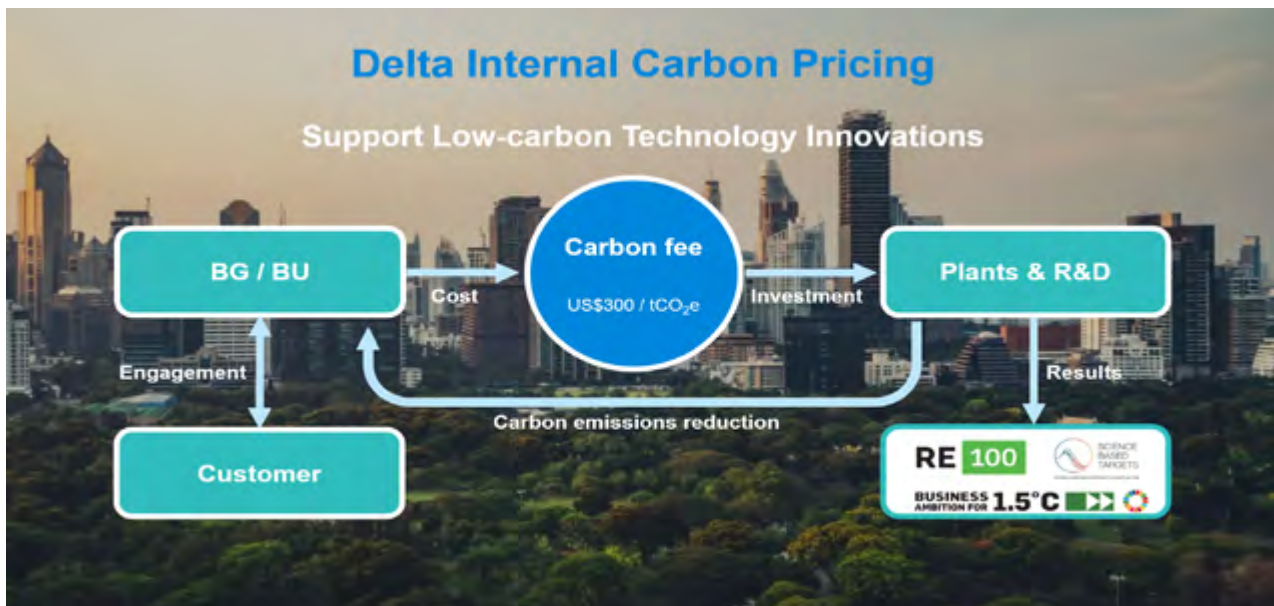
Reducing greenhouse gas emissions is a key focus area of Delta's environmental management efforts. In line with our commitment to combat climate change, Delta implemented emission reduction programs aimed at lowering our carbon footprint. Through the use of cleaner energy sources, set up internal carbon price (ICP) to levy carbon fees, and enhanced energy and operational efficiencies through implement energy conservation projects.

Delta Thailand proposed SBT with 2021 as the baseline year for reducing absolute Scope 1 and Scope 2 emissions by 90%, reducing absolute Scope 3 emissions by 25% by 2030 and attaining net-zero emissions by 2050. We also continue to implement emission reduction measures for limiting global warming to 1.5 C to reduce carbon emissions in internal operations, empower the internal low-carbon transition, and develop innovative products and services.



Delta Net-zero Science-based Target

To enhance incentives for reducing carbon emissions and performance management, Delta introduced a carbon price mechanism in 2021 and set an internal carbon price (ICP) of 300 USD per metric ton CO₂ equivalent to support energy conservation and carbon reduction projects and renewable electricity and encourage investment in negative-carbon technologies and low-carbon innovations.



Delta Internal Carbon Price Mechanism

In 2023, Delta Thailand made substantial progress in reducing our overall emissions intensity by implementing energy conservation projects, self-generation and the use of renewable electricity, and purchasing Unbundled Energy Attribute Certificates. subsidized from the internal carbon price fund. Our latest statistics show that GHG intensity for Scope 1 and 2 (location-based) was 19.87 tons of CO₂e/MUSD, and for Scope 1 and 2 (market-based) it was 16.80 tons of CO₂e/MUSD, representing a decrease of 11% for location-based and 25% for market-based emissions from last year.

This progress complements the completion of the ISO 14064-1:2018 GHG inventory certification, with data verified by a third party, SGS (Thailand) Company Limited, covering Scope 1, Scope 2, and Scope 3 emission disclosures in the 2023 GHG Inventory Report.

<div>Scope 1 (ton CO2e):</div> <div>2,030</div>	<div>Scope 2 Location-based (ton CO2e):</div> <div>70,991</div>	<div>Scope 2 Market-based (ton CO2e):</div> <div>59,688</div>	<div>Scope 3 (ton CO2e):</div> <div>144,302.58</div>
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RE100 Renewable Electricity

Delta Thailand recognizes the critical importance of transitioning to renewable energy sources to mitigate environmental impact and contribute to a sustainable future. Through our commitment to the RE100 initiative as a Gold Member, and pledge to achieve the goal of 100% renewable electricity and carbon neutrality by 2023, we continue to prioritize the adoption of renewable energy sources across our facilities and operations. Our comprehensive approach involves investing in solar rooftops at all Delta Thailand’s buildings, power purchase agreements (PPA) for the direct purchase of renewable electricity, and purchasing Unbundled Energy Attribute Certificates to power our facilities sustainably.

Aligned with our mission “To provide innovative, clean, and energy-efficient solutions for a better tomorrow,” Delta Thailand continuously to initiation of new solar rooftop projects across our facilities. With a total capacity of 3,377 kWp, these projects encompass installations at three key sites: 1,427 kWp at DET7, 1,480 kWp at DET8, and 570 kWp at DET9. We anticipate generation of approximately 4,930 MWh/year of renewable electricity, resulting in a substantial reduction of 2,465 metric tons of CO2 equivalent in greenhouse gas emissions annually. These projects exemplify our commitment to operational efficiency, environmental responsibility, and the ongoing pursuit of a greener future.

Overall Progress in 2023

Delta Thailand promotes the target of attaining 100% renewable electricity at all operation sites by 2030. In 2023, the use of renewable electricity at Delta Thailand operation sites reached 21%, surpassing our initial targets. Total electricity consumption was 152,460 MWh, including 32,254 MWh of renewable electricity. The sources of renewable electricity included 9,144 MWh (6%) from self-generated and consumed solar power and 23,110 MWh (15%) from unbundled EACs.



DET Solar Rooftop Projects (from 7.1 to 10.6 MWp)



Moreover, Delta Thailand also recognizes that meaningful progress in renewable energy adoption requires collaboration across industries and sectors. Therefore, we have actively engaged with stakeholders, including renewable energy providers, industry associations, and policymakers, to advocate for renewable energy policies and accelerate the transition to a low-carbon economy. These partnerships have been instrumental in driving innovation and overcoming barriers to renewable energy adoption.



Delta Thailand and SCG Cleanergy Sign MOU for Cooperation in Renewable Energy Services for RE100 and Net Zero Goals

This accomplishment underscores our unwavering commitment to sustainability and positions us as a leader in the transition to clean energy.

Energy Management

Delta Thailand has passed third-party certification of the ISO 50001 Energy Management System to increase industrial production capacity, expand production output reduce energy consumption in production and improve economic efficiency. We continue to improve energy conservative projects within our organization.

In addition, Delta has set an Electricity consumption Intensity (EI) target, which is the ratio of energy consumption to production value, as our factory energy usage measurement. Since 2009, Delta continuously implements energy saving projects and improves energy efficiency. We have appointed 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.

The implementation of energy conservation projects subsidized through our internal carbon pricing fund has yielded tangible results. Delta Thailand put 18 energy conservation projects into practice in 2023 and saved approximately 1,092,382 kWh/year of electricity, equivalent to approximately 546 tons CO₂e/year, resulting in Electricity consumption Intensity (EI) performance achieved 27% EI reduction from target 16% compared to the baseline year of 2020. These achievements underscore our commitment to sustainable business practices and demonstrate the effectiveness of internal carbon pricing mechanisms in incentivizing energy efficiency initiatives.

Energy Savings Practice for Overall Production Plants of Delta Thailand in 2023

No.	Energy Saving Subject	Statistical Item	2023
1	Renewable Energy Projects (Solar Rooftop, Solar Street Lights Installation)	Case(s)	4
		Electricity Savings (kWh)	272,640
		Carbon Reduction (tCO ₂ e)	136
2	Air Conditioning Ventilation Systems (High Efficiency Motors IE4, Magnetic Chillers)	Case(s)	7
		Electricity Savings (kWh)	372,519
		Carbon Reduction (tCO ₂ e)	186
3	Air Compressors (Smart Air Compressor Management)	Case(s)	2
		Electricity Savings (kWh)	144,291
		Carbon Reduction (tCO ₂ e)	72
4	Heat Reduction Improvement in Production Line (Heat Insulation)	Case(s)	5
		Electricity Savings (kWh)	302,932
		Carbon Reduction (tCO ₂ e)	151
Total		Case(s)	18
		Electricity Savings (kWh)	1,092,382
		Carbon Reduction (tCO ₂ e)	546
Investment		ICP Budget (THB)	8,062,476
		Total (THB)	9,856,426

Additionally, Delta Thailand believes that our employees are central to the success of Delta's energy management efforts. The active engagement of our employees in driving continuous improvement in our energy performance have been instrumental. Through comprehensive training programs and awareness campaigns, including new-staff training, ISO 50001 training, and energy week events, we have empowered our workforce to identify energy-saving opportunities and adopt behaviors that contribute to our sustainability objectives.

*Delta Energy Week 2023**Delta Energy Management Training*

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 meet high standards. These actions help our company achieve the water productivity indicator (WPI) with a 22% reduction from our target of 6% 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

As per Delta's Management Standard for Environment-related Substances, Delta does counter 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.

Delta's waste reduction starts with its own improvement, and it collaborates with the value chain to facilitate effective use of resources and reduce waste. Delta Thailand's overall production plants have quantified value chain collaboration and overall effectiveness. The total amount of wasted generated was 7,694 metric tons in 2023, and the amount of all waste diverted was 7,431 metric tons, with a diversion rate of 96.6% achieved from target 96%.

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 "Food Cycle" 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 of 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)

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.

At Delta Thailand, our initiative for Diversity, Equity and Inclusion (DEI) has had a major impact not only in our region but for colleagues around the world. This year our new corporate culture has “Inclusion” as we strive to be open to diverse perspectives, respect differing opinions and be inclusive of various backgrounds that offer unique contributions.

For the third year, Delta Thailand continues to lead in celebrating Pride Month and giving our LGBT (LGBTQIAN+) colleagues the chance to speak out via DET Voices in Delta’s 360 online magazine about what Pride means to them and why it’s important to feel safe, equally treated and respected as a fellow human being at work.

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 2023 are as follows:

1. Human Development

• DET Training Committee Mission

In pursuit of our commitment to excellence, the 2023 DET Training Committee embarks on a mission to align and integrate the Global Manufacturing and Production Training Structure. Our objective is to redefine the training roadmap for DET, ensuring a harmonized and effective approach that reflects the evolving landscape of our industry. Through collaborative efforts, we aim to elevate our training programs, empowering individuals within the organization to thrive in an ever-changing environment.

MFG Training Plan		
Duration		
Department	Course	Participants
SMT	9	1,494
QA	32	1,971
AE	67	2,868
IE	50	960
TE	48	1,939
ME	22	550
MPL	36	3,332
Production	11	2,152
Total	275	13,834

• 2023 Languages Courses

In our ongoing commitment to cultivating a diverse and inclusive work environment, DET has introduced the 2023 Languages Courses initiative. This program aims to empower our employees with language skills that not only boost their professional growth but also contribute to our global collaboration efforts.

Employees can indicate their interest in the program, with classes in Chinese, Thai, and English conducted by language specialists.



- 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 skills. 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 2023



- One-Day Engagement Camp

“Determination” refers to the spirit to strive to complete the difficult goals and rebound in times of adversity by completing the mission. Determination is very important because it enables us to persist in fighting the challenges and drives us to march fearlessly ahead with faith until the goal has been achieved.

SEA Learning and Development team has organized the 8 special team building event for employees. Attendees have learned the spirit of Determination with a growth mindset to help them to think and act when they feel stuck in any problems. With this positive mindset, when everyone can be dedicated and determined, the success is just one-step away.



- Delta Talent Development

- **Leader Development Process**

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



- **ERA - Expatriation Rotation Acceleration in Talent Succession**

Having a foreign country working experiences is definitely one of the key development milestones that a talent should equip. Inside SEA region, we also actively support employees and the potential talent to rotate other countries, such as India, Slovakia and Singapore. No matter it is for support purpose or development purpose, employees will be given a clear objective and the key development direction to focus on.

With the aid of Delta's Expatriation Rotation Acceleration program, we are able to organize the development of key talents in a structured approach and use the regional LDC / TDC meeting to regularly track and follow up the development progress of the identified talent. Furthermore,

TDC in Pipeline



such mechanism also bundled with the promotion criteria that we are able to engage and encourage employees to step out of the comfort zone to purpose greater career advancement.

- Human Resource Management Project and Awards

- HR Service Desk

DET HR has launch the HR Service Desk Project, where the employees can get faster assistance when they need support for HR-related services, answers to their inquiries, solutions to their problems, and any feedback from the employees to improve the working environment to be more effective and efficient.

HR Service Desk will be able to offer a concise workflow where you can track your ticket status and give a rating after the request is closed to improve service providing and help you through the needs as a partner. The available service covers: General topics, Employee data, Compensation & benefits, Recruitment, Learning & Development, Organization update and Queries for expats.

We look forward to supporting the employees to have an impressive experience at Delta Thailand because we are all your HR partners!



- Delta Thailand Wins the Thailand Best Employer Award 2024

Delta Electronics (Thailand) PCL has been honored with the prestigious Thailand Best Employer Brand Awards 2024. Amongst a competitive pool of multinational companies in Thailand, Delta's commitment to excellence in Talent Management and Corporate Strategy in Line with Business has been recognized.

The award serves as validation and acknowledgment of Delta Thailand that prioritizes strategic talent management, thereby enhancing the overall effectiveness, growth, and alignment with business objectives.



- **Award for Talent Management: Reignite Organization Effectiveness Success**

This project prioritizes the ongoing talent management strategy in talent learning and skill enhancement, the talent selection process focuses on identifying individuals, particularly those engaged in talent development programs. The journey begins with specialized training conducted by experienced professionals to acquire additional knowledge, align perspectives, and formulate an action plan to improve organization management and processes. In essence, this initiative isn't just about talent management; it's about sculpting a future where skills meet strategy, potential meets performance, and aspirations translate into achievements.

- **Award for Corporate Strategy in Line with Business: Mindset Changing Journey**

As we move towards emphasizing our business solution and encourage teamwork across different groups and regions, we've launched the mindset changing activities. This initiative focuses on instilling Delta core values through targeted training and mentorship program to support company's long-term strategy plan to integrate core values: Integrity, Innovation, Collaboration, Inclusion, and Empowerment by daily practicing to maintain company's success.

We look forward to continuing our journey of excellence, driving innovation, and creating the positive working environment that empowers our employees to achieve their full potential to go smarter, greener, together.

Internal Training Hour Average (hours/person/year)

Year	2019	2020	2021	2022	2023*
Overall	14.6	17.2	25.4	41.7	42.3
Staff	22.2	37.6	33.7	35.0	39.8
Operator	12.3	11.1	26.3	42.7	47.1

Remark : * 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. The employee satisfaction survey for 2022 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.

- "360" bi-monthly magazine
- The "DET Kiosk" project is to install smart screens in the canteen to help employees update 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 President.
- "DET Idea Pool" to invite every employee to share ideas and innovations for improvement via DET MOA applications.



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

- DET Voices.
- Project “Delta Thailand Long Service Award 2023” 10 | 20 | 25 | 30 years.
- Most Remarkable Employee Awards 2023.

Employee Care

- Free Wi-fi for employee.
- Improve Shuttle Buses.
- Delta Privilege for Delta employees to receive special discounts from our partners e.g., hospitals and sports clubs.

Learning and Development

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

From the engagement survey result, the company collected valuable feedback from all participants and raised and implemented action plans that have been cascaded using different approaches from strengthening companywide communication channels and building up cross-organization infrastructure and system utilization to improving employee care. Below are our plans for further action.

- Raise employee well-being by having clean food and various choices of nutrition and organizing clubs for physical and mental improvement. (e.g. Sport clubs promotion)
- Promote communication channels to strengthen understanding and update information between the company and employees.
- Deliver the company strategy and core values by top managers, supervisors and leaders, which will provide the employees with a company's direction and its link to their efforts. (e.g. Plants Coffee Talk)
- Develop leadership enhancement programs to facilitate managers in demonstrating more positive and supportive behaviors. (e.g. MFG process improvement program)

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 2023 at the website <https://deltathailand.com/en/download-sd-report>

ขอเชิญพนักงานทุกท่าน เข้าร่วมงาน Safety & Energy Week 2023
"สัปดาห์แห่งความปลอดภัย การอนุรักษ์พลังงานและสิ่งแวดล้อม"
BP PLANT วันศุกร์ที่ 22 ธันวาคม เวลา 10.00-14.00 ณ ลานหน้าโรงงาน DET1

Contest!

พลังงาน
 แบ่งออกเป็น 2 ทีมตามแผนก/สายงาน/พื้นที่ปฏิบัติงาน ในหัวข้อ
 "วิธีลด ละ เลิก ประสิทธิภาพการทำงานเพื่อความปลอดภัย"
 เข้าร่วม Facebook และ Instagram โดยติดแฮชแท็ก #DeltaSafetyWeek
 & #DeltaEnergyWeek & #DeltaEco & #DeltaSafetyWeek & #DeltaEnergyWeek & #DeltaEco

แบ่งออกเป็น 2 ทีมตามแผนก/สายงาน/พื้นที่ปฏิบัติงาน ในหัวข้อ
 "Delta Energy Week สัปดาห์แห่งการอนุรักษ์พลังงาน" เข้าร่วม Facebook และ TikTok โดยติดแฮชแท็ก #DeltaEnergyWeek & #DeltaSafetyWeek & #DeltaEco & #DeltaSafetyWeek & #DeltaEnergyWeek & #DeltaSafetyWeek & #DeltaEco

ความปลอดภัยและสิ่งแวดล้อม
 แบ่งออกเป็น 2 ทีมตามแผนก/สายงาน/พื้นที่ปฏิบัติงาน ในหัวข้อ
 "วิธีลด ละ เลิก ประสิทธิภาพการทำงานเพื่อความปลอดภัย"
 เข้าร่วม Facebook และ TikTok โดยติดแฮชแท็ก #DeltaSafetyWeek & #DeltaEnergyWeek & #DeltaEco & #DeltaSafetyWeek & #DeltaEnergyWeek & #DeltaEco

การประกวดภาพถ่ายทางอากาศ 16 คม ในหัวข้อ **การอนุรักษ์สิ่งแวดล้อม**
 สามารถส่งภาพมาผ่าน Google Form ตาม QR Code

เข้าร่วมกิจกรรมและแข่งขันชิงรางวัลในงาน Safety & Energy Week 2023
 โทรติดต่อสอบถาม 02-709-2900 ต่อ 7228

ส่งผลงานประกวดทั้งหมดได้ตั้งแต่วันที่ 15 ธันวาคม 2023

รางวัลชนะเลิศ	เงินรางวัล 1,000 บาท
รางวัลรองชนะเลิศอันดับ 1	เงินรางวัล 800 บาท
รางวัลรองชนะเลิศอันดับ 2	เงินรางวัล 500 บาท

รางวัลชนะเลิศ	เงินรางวัล 2,000 บาท
รางวัลรองชนะเลิศอันดับ 1	เงินรางวัล 1,500 บาท
รางวัลรองชนะเลิศอันดับ 2	เงินรางวัล 1,000 บาท

รางวัลชนะเลิศ	เงินรางวัล 1,000 บาท
รางวัลรองชนะเลิศอันดับ 1	เงินรางวัล 800 บาท
รางวัลรองชนะเลิศอันดับ 2	เงินรางวัล 500 บาท

รางวัลชนะเลิศ	เงินรางวัล 500 บาท
รางวัลรองชนะเลิศอันดับ 1	เงินรางวัล 300 บาท
รางวัลรองชนะเลิศอันดับ 2	เงินรางวัล 200 บาท

รางวัลชนะเลิศ	เงินรางวัล 500 บาท
รางวัลรองชนะเลิศอันดับ 1	เงินรางวัล 300 บาท
รางวัลรองชนะเลิศอันดับ 2	เงินรางวัล 200 บาท

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 the quality of life of employees. In the year 2023, the company has conducted the following example activities.

Delta My Club

The company has organized the “Delta My Club” activity to allow employees to come together and engage in activities they enjoy throughout the year. These include various clubs such as football, basketball, badminton, volleyball, yoga and aerobics, travel, music, community service (CSR), cooking and gardening, as well as a club for religious artifacts, etc.



DELTA SINGING CONTEST 2023

The company organized the DELTA SINGING CONTEST 2023 as a singing competition activity to open opportunities for employees to showcase their talents through an internal singing contest. Additionally, the contest aims to foster positive relationships among employees, enhance a joyful and relaxed organizational atmosphere, and contribute to overall happiness.



Social Responsibility

The company has been providing support for community service consistently, particularly in promoting and developing education for rural schools in need. Collaborating with employees who share the same spirit, Delta Thailand has been involved in these activities for over 10 years. In the year 2023, the company continued its support and promotion of education by donating computer-related equipment, improving computer classrooms, and enhancing various facilities for 11 schools across 9 provinces nationwide. The total value of these contributions exceeded THB 1,320,000.



Employee Communication Program, “Khanom Talk.”

“Khanom Talk” is an activity organized by the company to facilitate communication and foster positive relationships between managerial-level employees and operational-level employees in the production lines. The emphasis is on two-way communication, providing an opportunity for both parties to exchange useful information and allowing employees to ask questions that need to be clarified by the management or subject matter experts. The company opens the opportunity for everyone to participate in the activity, contributing to the creation of a team-oriented work culture and achieving positive outcomes.

Moreover, the “Khanom Talk” activity serves as a platform for employees to receive new information from company representatives, such as the new organizational structure, departmental future trend, the latest welfare benefits, and sports-related activities.





Sport Day

Following the Delta My Club activity, the company organized a Sport Day in collaboration with employees who participate in the football and basketball clubs, conducting in-house sports competitions. Both types of sports competitions had the honor of having management participate alongside employees and presenting awards

- **The football competition**, both male and female employees were eligible to participate, with a total of 48 teams and over 500 athletes taking part.
- **The basketball competition** involved 18 teams and more than 90 athletes.



Nurse and Emergency Response Team

The company places great importance on the safety of all employees during work, both the day and night shifts. The company ensures the availability of comprehensive First Aid services, including the hospital, doctors, nurses, emergency vehicles, and various necessary facilities, as required by law, in all Delta facilities 24 hours a day. This is designed to instill confidence in all employees regarding their safety while working.

In addition, the company has established protocols for working collaboratively with the medical teams and emergency vehicles. They have defined the



severity levels of illnesses and accidents to assess and analyze the urgency and necessity of medical care accurately. This proactive approach aims to provide correct, safe, and prompt responses to illnesses and accidents that may occur during work, both on-site and in the surrounding areas

The Prevention of Substance Abuse Issues in the Workplace (Drug Test)

The company has a serious policy in place for the prevention and resolution of substance abuse issues in the workplace. This is implemented to instill confidence in employees regarding health and safety working environment.



Pregnancy and Postpartum Employee Care

The company has a policy that includes providing a room for breastfeeding mothers within the workplace. This is designed to facilitate convenience for mothers to pump and store breast milk for their infants after returning to work. Additionally, we have arranged for a refrigerator to store expressed breast milk, ensuring its quality for a longer duration. We have designated a workspace for pregnant employees, equipped with necessary tools and amenities to provide a comfortable working environment.

For employees who are mothers after childbirth, the company provides financial assistance as a benefit for employees to purchase essential consumer goods. Additionally, there are training programs organized for pregnant employees or new mothers to ensure that they have quality knowledge in pregnancy care. This includes guidance on proper postpartum care and breastfeeding practices, aligning with health and safety standards.



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 2023, the company has employed and promoted occupations by granting concessions and organizing a place to distribution of goods 101 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, feedback 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 the International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy and 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 2023, the company has organized social projects as follows.



Do good things for our society and communities.



Delta Thailand opened its second Delta Power Electronics Lab located at the King Mongkut's Institute of Technology Labkrabang (KMITL), Faculty of Engineering, Electronics Department for Student Training and R&D



Delta Thailand awarding a total of THB 5,000,000 in corporate sponsorship funds to 10 teams for develop startups along with local SMEs



Delta Thailand renovation project at Baan Mae Loy Rai School, Chiang Rai Province. Delta volunteers and staff helped repair and paint school buildings.



Delta Thailand set up a digital library to support development at Pikulkeaw School in Nakhon Nayok





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 2023, 2022, 2021 and has been prepared on consolidated basis.

Consolidated Financial Information	Unit	2023	2022	2021
Total Assets	million baht	108,145	90,984	69,338
Total Liabilities	million baht	40,606	36,305	27,934
Total Shareholders' Equity	million baht	67,539	54,680	41,404
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	2.07	2.02	2.00
Quick Ratio	times	1.11	1.17	1.11
Cash Ratio	times	0.38	0.48	0.09
Receivable Turnover	times	4.77	4.87	4.88
Average Collection Period	days	75	74	74
Inventory Turnover	times	3.91	4.06	4.15
Average Inventory Turnover Period	days	92	89	87
Account Payable Turnover	times	4.56	4.34	4.37
Average Payment Period	days	79	83	82
Cash Conversion Cycle	days	89	80	78



Consolidated Financial Information	Unit	2023	2022	2021
Financial Data and Profitability Ratios				
Sales Revenues	million baht	146,371	118,558	84,318
% Change	(%)	23.5%	40.6%	33.4%
Gross Profit	million baht	33,491	27,940	17,358
Gross Profit Margin	(%)	22.88%	23.57%	20.59%
Operating Expenses (including Research and Development)	million baht	15,483	13,447	11,435
Operating Expenses (including Research and Development) to Sales	(%)	10.58%	11.34%	13.56%
Operating Profit Margin	(%)	12.30%	12.22%	7.02%
Other Income to Total Revenues	(%)	1.21%	1.11%	1.70%
Net Profit	million baht	18,423	15,345	6,699
% Change of Net Profit	(%)	20.06%	129.06%	(5.67%)
Net Profit Margin	(%)	12.59%	12.94%	7.94%
Net Profit to Total Revenues	(%)	12.43%	12.80%	7.81%
Return on Equity	(%)	30.15%	31.94%	16.96%
Efficiency Ratios				
Return on Assets	(%)	18.50%	19.14%	10.59%
Return on Fixed Assets	(%)	87.60%	89.29%	57.92%
Asset Turnover	times	1.49	1.50	1.36
Financial Policy Ratios				
Debt to Equity	times	0.60	0.66	0.67
Interest Coverage	times	139	969	336
Dividend Payout	(%)	30.41%*	32.52%	31.66%

* Pending for approval from the 2024 annual shareholders' meeting



Operating Results for the Year 2023, 2022, and 2021

Unit: million baht

	2023	%	2022	%	Increased (Decrease)	%	2021	%	Increased (Decrease)	%
Revenue and Services Income	146,371.3	100.00	118,558.0	100.00	27,813.4	23.46	84,318.4	100.00	62,053.0	73.59
Cost of Sales and Services	112,880.5	77.12	90,617.6	76.43	22,263.0	24.57	66,959.9	79.41	45,920.6	68.58
Gross Profit	33,490.8	22.88	27,940.4	23.57	5,550.4	19.87	17,358.5	20.59	16,132.3	92.94
Operating Expenses	15,482.7	10.58	13,447.3	11.34	2,035.4	15.14	11,435.3	13.56	4,047.5	35.39
Operating Profit	18,008.1	12.30	14,493.1	12.22	3,515.0	24.25	5,923.2	7.02	12,084.9	204.03
Other Income	1,795.6	1.23	1,327.2	1.12	468.4	35.29	1,459.9	1.73	335.7	22.99
Other Expenses	491.4	0.34	74.7	0.06	416.8	558.27	636.2	0.75	(144.8)	(22.76)
Finance Income	183.4	0.13	65.8	0.06	117.6	178.57	54.1	0.06	129.3	238.77
Profit before Income Tax	19,495.7	13.32	15,811.5	13.34	3,684.2	23.30	6,801.0	8.07	12,694.7	186.66
Income Tax Expenses	1,073.2	0.73	466.9	0.39	606.2	129.83	97.7	0.12	975.4	998.17
Net Profit for the Period	18,422.5	12.59	15,344.5	12.94	3,078.0	20.06	6,703.3	7.95	11,719.2	174.83

Sales Revenues by Business Group

Unit: million baht

Business Group	2023		2022		2021	
	Revenue	%	Revenue	%	Revenue	%
Power Electronics	120,290	82.2%	91,252	77.0%	61,369	72.8%
Infrastructure	22,105	15.1%	24,185	20.4%	20,685	24.5%
Automation	3,830	2.6%	3,009	2.5%	2,098	2.5%
Others	146	0.1%	112	0.1%	166	0.2%
Total Sales Revenues	146,371	100.0%	118,558	100.0%	84,318	100.0%

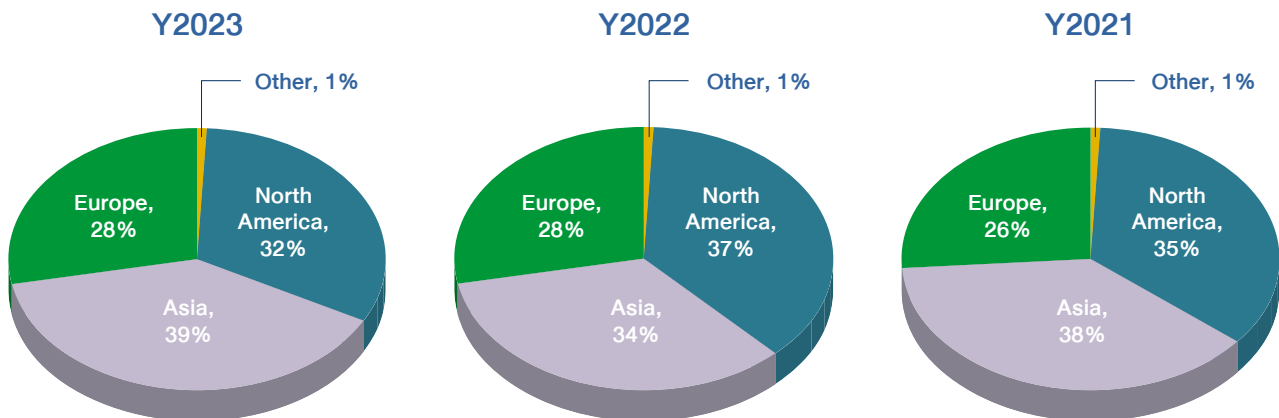
Note

- **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 Products, Powertrain and Electronics Components for EV, Fan and Thermal Products, Adaptor Products for Industrial and Consumer, Solenoid and EMI Filters etc.
- **Infrastructure segment** is a business segment which designs, manufactures, and provides installation 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 provides installation of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.



In 2023, consolidated sales revenues amounted to THB 146,371 million, an increase of 23.5% and 73.6% from 2022 and 2021, respectively, attributable to Power Electronics maintaining its strong growth momentum with Electric Vehicle Solutions doubled sales record Y-o-Y alongside DC Power remarkable growth on the back of rising demand for power systems to support faster processing capabilities, as well as the proliferation of AI technology into datacenter and high-performance computing solutions that supports state-of-the-art applications across many industries and services.

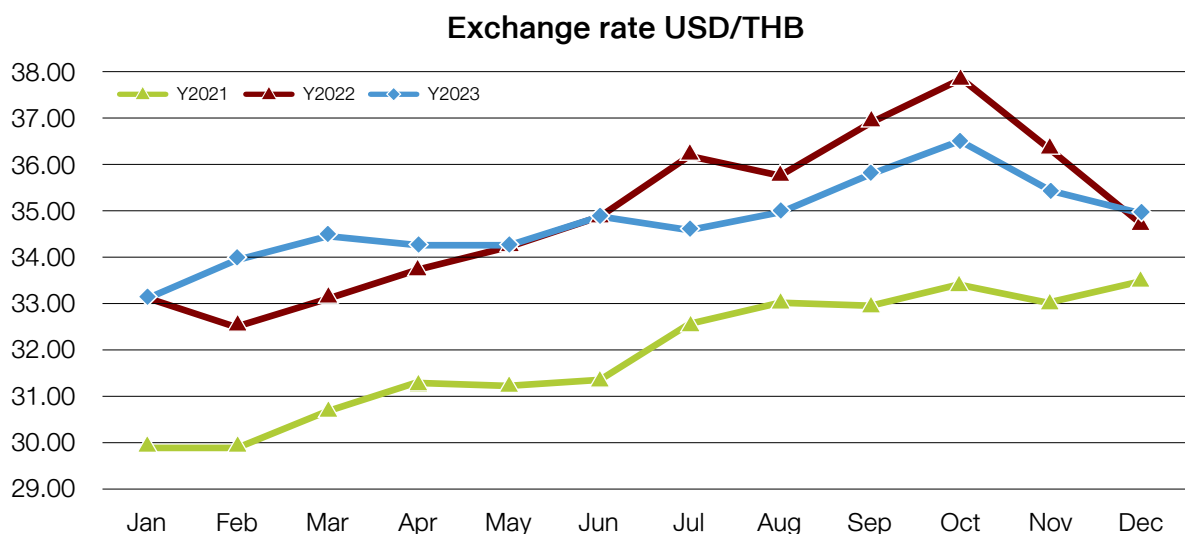
Sales Revenues by Geography



In 2023, sales revenues proportion in Asia markets rose from 34% to 39%. On the other hand, the North America sales revenues proportion dropped from 37% to 32% while Europe still maintained at 28% as previous year.

Other Income

Foreign exchange gain was THB 675 million, an increase of THB 225 million from 2022 due to USD was significantly strengthened against other major currencies following the FED maintained high interest rate throughout 2023. This led to higher costs when hedging the position of the company against currency exchange risk. However, the company continued to follow a prudent policy to hedge the net position of each currency in order to minimize potential impact from exchange rate fluctuations.



Source : Bank of Thailand

Cost of Sales and Expenses

Cost of Sales

In 2023, cost of sales accounted for 77.1% of total sales, compared with 76.4% and 79.4% for 2022 and 2021, respectively. In 2023 Gross profit margin posted a slight drop Y-o-Y due to differing product mix, while the increase in 2021 was impacted from rising material prices especially for semiconductor and metal parts.

Selling and Administrative Expenses

Selling and administrative expenses (including research and development) in 2023 increased by 15.1% and 35.4% from 2022 and 2021, respectively due to royalty fee higher by 23.5% and 73.6% from 2022 and 2021, respectively in line with sales revenue. Moreover, research and development activities in Europe were ramped up to support automotive customers with intensified competition from Asian EV players whose market shares in Europe kept growing.

Net Profit

The company's operating profit margin in 2023 was 12.3%, compared with 12.2% and 7.0% in 2022 and 2021, respectively. Profitability was maintained YoY due to a drop in selling and administrative expenses to sales had cushioned the softening gross margin. Consequently, net profit margin for 2023 stood at 12.6% or THB 18,423 million compared with 12.9% and 8.0% in 2022 and 2021, respectively. Earnings per share was THB 1.48 in 2023, a healthy rise from THB 1.23 in 2022 and THB 0.54 in 2021.

Assets and Liabilities

Assets

As at 31 December 2023, the company had total assets worth THB 108,145 million an increase of 18.9% from 2022 and 56.0% from 2021. Return on asset was robust at 18.5% for 2023, compared with 19.1% and 10.6% in 2022 and 2021, respectively. Some of the changes in key assets are summarized below.

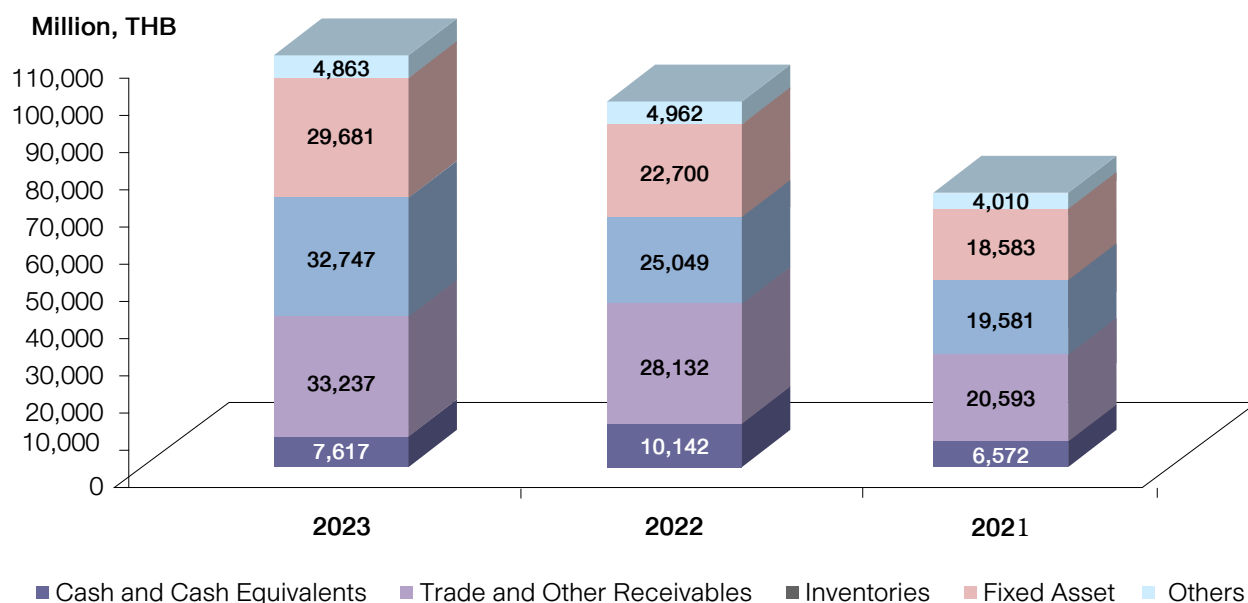
Major assets and key changes are summarized as follows;

Unit: million baht

List	31 December 2023	31 December 2022	31 December 2021	2023 VS 2022	2023 VS 2021
				Increase (Decrease)	Increase (Decrease)
Cash and Cash Equivalents	7,617	10,142	6,572	(24.9%)	15.9%
Trade and Other Receivables	33,237	28,132	20,593	18.1%	61.4%
Inventories	32,747	25,049	19,581	30.7%	67.2%
Other Current Assets	1,965	2,702	1,663	(9.9%)	46.3%
Right-of-Use Assets	525	482	530	9.0%	(0.8%)
Consolidation Goodwill	444	437	443	1.7%	0.2%
Property, Plant and Equipment	29,681	22,700	18,583	30.8%	59.7%
Other Assets	1,928	1,341	1,374	8.8%	6.3%
Tota Assets	108,145	90,984	69,338	18.9%	56.0%



Composition of Assets in 2023, 2022 and 2021



- Cash and Bank Deposits** as at 31 December 2023 amounted to THB 7,617 million lower by 24.9% from 2022 but rose 15.9% from 2021, respectively due to the net cash flow used in investing activity higher than Net cash flows from operating activities in 2023
- Net Trade Receivables** as at 31 December 2023 was THB 33,237 million an increase of 18.1% and 61.4% from 2022 and 2021, respectively, resulting from the remarkable increase in sales revenue in Asian market as mentioned earlier
- Inventories** as at 31 December 2023 was THB 32,747 million an increase of 30.7% and 67.2% from 2022 and 2021, respectively, attributable to the strong customer demand in Electric Vehicle Solutions as well as uprisng power system for AI-related applications noted earlier
- Property, plant and equipment** as at 31 December 2023 amounted to THB 29,681 million an increase of 30.8% and 59.7% from 2022 and 2021, respectively, mainly driven by the investment in research & development centers and new factories in India and Thailand, along with capacity expansion in the existing factories in Thailand.



Liabilities and Liquidity

As at 31 December 2023, the company had total liabilities of THB 40,606 million an increase of 11.8% and 45.4% from 2022 and 2021, respectively due to an increase in raw material procurement and capital expenditure across Thailand, India and Slovakia

Composition of Major Liabilities

Unit: million baht

List	31 December 2023	31 December 2022	31 December 2021	2023 VS 2022	2023 VS 2021
				Increase (Decrease)	Increase (Decrease)
Bank overdrafts and Short-Term Loans	2,497	945	1,594	164.1%	56.7%
Trade and Other Payables	32,096	30,202	22,049	6.3%	45.6%
Income Tax Payable and Liabilities	677	682	383	(0.7%)	76.8%
Other Current Liabilities	906	841	710	7.7%	27.6%
Provision for long-Term Employee Benefit	1,579	1,329	1,596	18.8%	(1.1%)
Other Non-Current Liabilities	2,852	2,306	1,603	23.7%	78.0%
Total Liabilities	40,606	36,305	27,934	11.8%	45.4%

Return on Equity

As at 31 December 2023, shareholders' equity amounted to THB 67,539 million a rise of 23.5% and 63.1% from 2022 and 2021, respectively, driven by the current year net profit, altogether leading to return on equity for 2023 at 30.2%, compared with 31.9% in 2022 and 17.0% in 2021





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.

SMART CITY



Telecom Power
Systems



Green Building
Consulting
Services



Connected
Lighting

Indoor Lighting Control System



HVAV Control

Smart Video Surveillance System



Smart



Power Electronics

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



Automation

- Industrial Automation
- Building Automation



Infrastructure

- ICT Infrastructure
- Energy Infrastructure

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

Automation system

Computer & networking



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 2023, the AGM was held on April 7, 2023 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 23, 2023, 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 7, 2023). 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), e-proxy 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 seven directors of the Board (excluding 2 directors who retired by rotation) were in attendance, or 100% of Board of Directors were in attendance including three directors in the meeting room, three directors on abroad and 1 director in Thailand join through electronic media due to the health problem 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 not 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 Tilleke & Gibbins International Ltd. who monitored the counting of votes in the Meeting, 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 15 November - 31 December 2022. 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 2023 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 2023 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 or e-proxy.

- **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 15 November - 31 December 2022. 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 2023, 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 2024 Annual General Meeting of Shareholders during the period of 15 November-31 December 2023.

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 2023, 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 did not have 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 IR@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 2023, the company organized various activities as followed;



Meeting with Foreign Investors 51 Times	Meeting with Local Investors 5 Times
Meeting with Analyst 19 Times	Opportunity Day organized by SET 4 Times
International Conference 9 Times	Domestic Conference 6 Times

5) Insider Information Policy

Under the company's policy, insider information is restricted to executives from the middle to the 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 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 (CAC) in March 2023.



The company has open channels for all stakeholders' suggestions and complaints to independent 3rd party provider via e-mail : delta@whistleblowing.link or website <https://delta.whistleblowing.link/>. or 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. All directors, management and employees must comply with the law and the company's policy as well as adhere to the company's mission and honesty is essential. The complete Code of Conduct Manual can be found at https://deltathailand.com/en/Code_of_Conduct.

The Board of Directors has assigned the Corporate Governance Committee to implement and monitor to ensure strict compliance with the Code of Conduct. Penalties are set and report performance results to the Board of Directors at least once a year and require all employees to attend the Code of Conduct training every year.

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

In 2023, The Corporate Governance Committee has revised the Antitrust Procedure on July 27, 2023, according to the resolution of the Corporate Governance Committee Meeting No. 2/2023 by has more information about compliance promotion and procedure.

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.

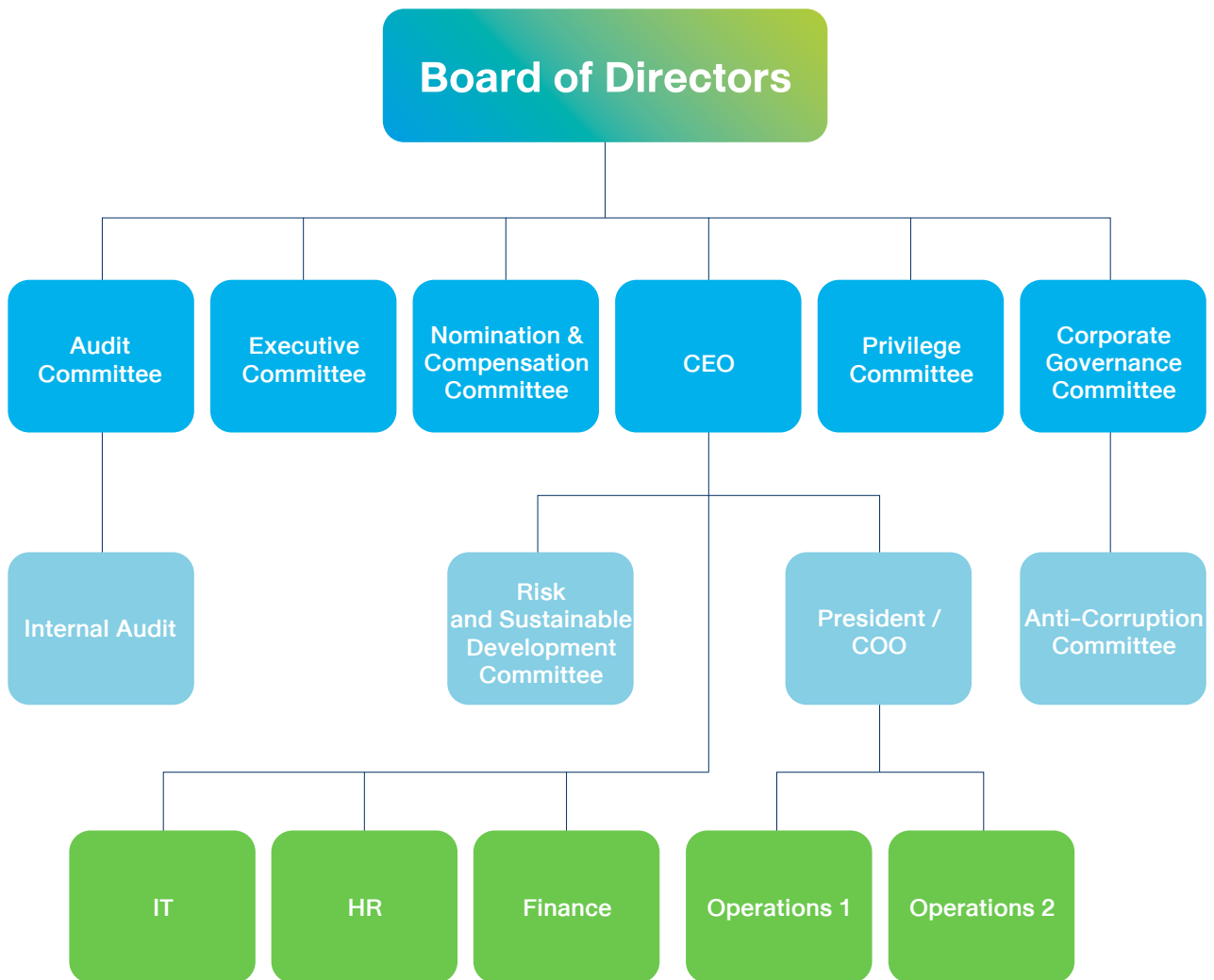




7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others Managerial Structure

7.1 Governance Structure

The Company's Managerial Structure as of 1 January 2024



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

- 3 independent directors, representing 33.33%, which is more than one-third of all directors.
- 5 non-executive directors, representing 55.56% of the all directors.
- 4 executive directors
- 2 female directors, representing 22.22% of all directors.

7.2.2 The Current Board of Directors

As reported in the Ministry of Commerce's certification dated on 8 January 2024, the list of the Board of Directors is as follows:

Name	Position	Appointment Date	Attendance Meeting
1. Mr. Ng Kong Meng	Chairman of the Board	3 May 1990	8/8
2. Mr. Cheng An*/***	Director	1 Dec 2023	0/0
3. Mr. Ko Tzu-shing*	Director	24 Jun 2019	8/8
4. Mr. Chang Tsai-hsing*	Director	24 Jun 2019	8/8
5. Mr. Anusorn Muttaraid	Director	22 Aug 1994	8/8
6. Ms. Xue Li*/**	Director	7 Apr 2023	7/7
7. Mr. Boonsak Chiempricha	Independent Director	5 Apr 2016	8/8
8. Mrs. Tipawan Chayutimand	Independent Director	2 Apr 2018	8/8
9. Dr. Somchai Harnhirun**	Independent Director	7 Apr 2023	7/7

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

** Executive director*

*** Appointment by 2023AGM held on 7 April 2023.*

**** Mr. Cheng An was appointed on December 1, 2023, he did not attend the 2023 meeting.*

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 An 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 and communication across the organization.
- To supervise and support the innovation of social and environmental responsibility including ensure that the management adheres to the company's mission in operation.
- To consider and approve the main plan for setting the policy, strategies & annual business plan, the budget of the company to ensure that it is in line with the company's objectives.



- To monitor and supervise the management to implement the company's strategy and follow up on operation results performed and report to the Board of Directors regularly.
- To consider and approve the policy on corporate governance, Code of Conduct, the anti-corruption policy has been written in a way that is appropriate to the operation of all levels of employees and promotes awareness by communication and follow-up.
- To supervise and monitoring IT management, risks and the implementation of the IT security system.
- 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.
- The Board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.
- Monitoring and managing any potential conflicts of interest and transactions with related parties according to laws and other regulations.
- 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 authorize any other person to perform any action on behalf of the Board of Directors under its supervision, or to grant the power-of-attorney to such a person to perform any action as the Board may think fit. The Board of Directors has the sole discretion to revoke or modify the power-of-attorney as they may think fit.

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.
- 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 relation between the Board and management.
- Perform the Chairman's duty as specified by law.

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.

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 CEO one committee is Risk and Sustainable Development Committee with details as described below.

(1) Executive Committee

The Executive Committee of the company consists of seven members, The list of members is as follows:

Name	Position
1. Mr. Cheng An*	Executive Committee Chairman
2. Mr. Chang Tsai-hsing	Executive Committee Member
3. Mr. Lu Chun-chin	Executive Committee Member
4. Mr. Wei Hsi-ju*	Executive Committee Member
5. Ms. Nipaporn Jiarajareevong	Executive Committee Member
6. Mr. See Kai Mun	Executive Committee Member
7. Ms. Xue Li	Executive Committee Member

Remark * Appointed by the Board of Directors Meeting No. 2/2024 on February 15, 2024.

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 transactions with banks and to report these transactions to the Board of Directors in the next Board meeting after execution.
 - Open or close bank accounts.
 - Enter into any contract which is in the Company's normal course of business and/or any other transactions with banks or other financial institutions for a total amount not exceeding USD 50 million, or its equivalent in any other currency, per bank. Approval of the Board of Directors must be obtained in cases where any

assets of the Company are used as collateral to support the banking facilities.

- Issue corporate guarantee to support banking facilities granted to subsidiaries for a total amount not exceeding USD 50 million, or its equivalent in any other currency, per company.
- Renew banking facilities without any limit.
- 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.
- To perform any other duties assigned by the Board of Directors.

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 members is as follows:

Name	Position
1. Mr. Boonsak Chiempricha	Audit Committee Chairman
2. Mrs. Tipawan Chayutimand	Audit Committee Member
3. Dr. Somchai Harnhirun*	Audit Committee Member

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

* Appointed by the Board of Directors Meeting No. 2/2023 on April 7, 2023.

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.
- 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.
 - To conduct any other agreed upon matters assigned by the Board of Directors.

Scope of Responsibilities of Audit Committee:

- To review the company's financial reporting to ensure

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 list of members is as follows:

Name	Position
1. Mr. Anusorn Muttaraid	Nomination and Compensation Committee Chairman
2. Mrs. Tipawan Chayutimand*	Nomination and Compensation Committee Member (independent director)
3. Dr. Somchai Harnhirun*	Nomination and Compensation Committee Member (independent director)

Remark : * Appointed by the Board of Directors Meeting No. 2/2023 on April 7, 2023.



Scope of Responsibilities of Nomination and Compensation Committee:

- Appraise the performances of the CEO and Executives in Level 11 and up annually.
- Determine the compensation of the Directors and Sub-committee members and submit it to the Board of Directors and shareholders for approval.
- Determine the compensation policy of the CEO and Executives in Level 11 and up. This includes short-term and long-term compensation and submit it to the Board of Directors for approval.
- Review the compensation policy of Directors, Committee, CEO 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 CEO and the Executives in Level 11 and up as well as review their Key Performance Indicator (KPI).
- Perform any other duties assigned by the Board.
- Participate in discussions if there is a case may result in cause or has caused the conflict or disputes between Management and Employee or Labour Union.

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 four members. Term of office shall follow the annual director election. The list of members is as follows:

Name	Position
1. Mr. Cheng An*	Corporate Governance Committee Chairman
2. Mr. Chang Tsai-hsing	Corporate Governance Committee Member
3. Mr. Anusorn Muttaraid	Corporate Governance Committee Member
4. Ms. Nipaporn Jiarajareevong**	Corporate Governance Committee Member

Remark : * Appointed by the Board of Directors Meeting No. 2/2024 on February 15, 2024.

** Appointed by the Board of Directors Meeting No. 5/2023 on July 27, 2023.

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 list of members is as follows:

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

Remark : * Appointed by the Board of Directors Meeting No. 2/2023 on April 7, 2023.

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.
- Responsible for other tasks assigned.

(6) Risk Management and Sustainable Development Committee

The Risk Management and Sustainable Development Committee consists of eight members. The list of members is as follows:

Name	Position
1. Mr. Cheng An*	Risk Management and Sustainable Development Committee Chairman
2. Mr. Chang Tsai-hsing	Risk Management and Sustainable Development Committee Member
3. Mr. Lu Chun-chin	Risk Management and Sustainable Development Committee Member
4. Mr. Wei Hsi-ju*	Risk Management and Sustainable Development Committee Member
5. Ms. Nipaporn Jiarajareevong	Risk Management and Sustainable Development Committee Member
6. Mr. Chen Chin-ming	Risk Management and Sustainable Development Committee Member
7. Mr. See Kai Mun	Risk Management and Sustainable Development Committee Member
8. Mr. Huang Chih-hao	Risk Management and Sustainable Development Committee Member

Remark : * Appointed by the Board of Directors Meeting No. 2/2024 on February 15, 2024.

Scope of Responsibilities of the Risk Management:

- 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.



Scope of Responsibilities of the Sustainable Development:

- 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.
- Provide counsel and support appropriate resources and persons to promote the sustainable development

strategy to the entire organization in the same direction.

- Form and delegate authority to subcommittees or working groups when appropriate.
- Review and reassess the adequacy of its responsibilities annually and recommend any proposed changes to the Board for approval.

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 as of 1 January 2024, consists of seven members as follows;

Name	Position
1. Mr. Cheng An	Chief Executive Officer (CEO)
2. Mr. Chang Tsai-hsing	President and Chief Operation Officer
3. Mr. Lu Chun-chin	Manufacturing Operation 1 General Manager
4. Mr. Wei Hsi-Ju	Manufacturing Operation 2 General Manager
5. Ms. Nipaporn Jiarajareevong	Chief Financial Officer
6. Mr. Chen Chin-ming	Chief Information Officer
7. Mr. Huang Chih-hao	Chief Human Resources Officer of SEA Region

Scope of Responsibilities of the Chief Executive Officer:

- 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 CEO 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 CEO 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 5 members of the management team including salary and bonus in 2023 amounted to THB 43,600,140 as compared to that of last year (2022) of THB 37,548,762 to 4 members.

7.5 Human Resource

In 2023, the company and its subsidiaries had a total number of employees of 27,896 and the total compensation including salary, bonus and provident fund paid to employees was THB 15,880 million. In Thailand, there were 21,025 employees, 17 disabled person with THB 10,323 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 79:21 and the employees in Thailand are divided by plant as follows.

Bangpoo Plant



Plant 1
5,784 person
FTE = 5,628



Plant 3
4,103 person
FTE = 4,127



Plant 5
4,913 person
FTE = 4,914

Wellgrow Plant



Plant 6
4,263 person
FTE = 4,594

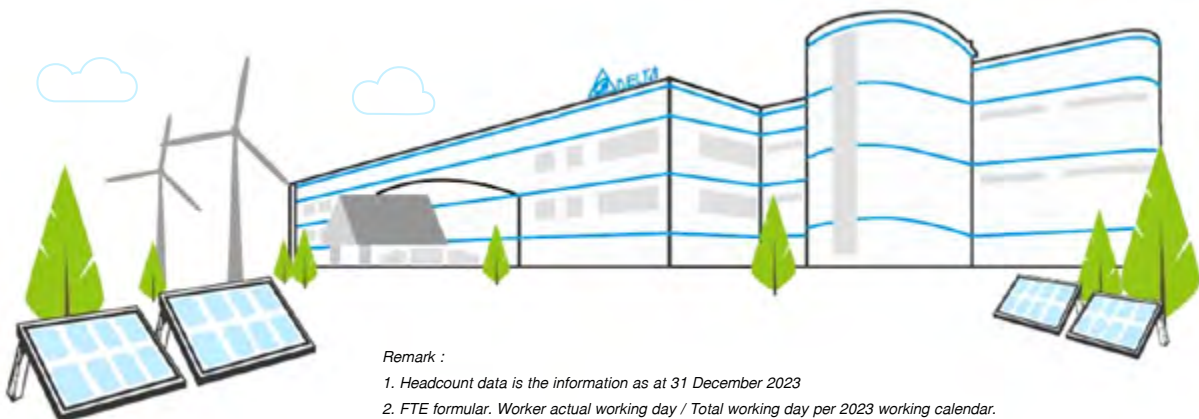


Plant 7
1,962 person
FTE = 1,982

Total
21,025
employees

FTE = 21,245

FTE = Full time equivalent



Remark :

1. Headcount data is the information as at 31 December 2023

2. FTE formular. Worker actual working day / Total working day per 2023 working calendar.

3. The FTE calculation include all type of worker and all workers who join and left the company during the 2023 calendar year.

The Company and its Subsidiaries

Year	2019	2020	2021	2022	2023
No. of Employee (person)	15,247	17,968	21,437	26,366	27,896
Compensation (million Baht)	8,447	9,343	11,168	13,296	15,880

The Company Only

Year	2019	2020	2021	2022	2023
No. of Employee (person)	11,297	13,852	16,951	20,022	21,025
Compensation (million Baht)	5,375	5,983	7,230	8,923	10,323

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 2023, the Company Secretary attended the seminar as follows.

- Webinar "Preparing a Report on Interests and Insider Information Policy" by Thai Company Secretaries Club
- ASEAN CG Scorecard Coaching 2023 by Thai Institute of Directors Association (IOD)
- Company Secretary Forum 2023 "The role of the company secretary to driving ESG" by Thai Institute of Directors Association (IOD)

More profile details appear in Attachment 1.

The Person Supervising Accounting

The company has appointed Mr. Somsak Kajornritdech, 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 IR@deltathailand.com.

Audit Fee

Fee for Audit

The audit fee paid in the year 2023 to the company auditor was THB 4,910,000 and review of group reporting package amount THB 500,000, excluding all actual out of pocket expenses (the Audit fee in 2022 was THB 4,910,000, review of group reporting package amount THB 500,000 and actual out of pocket amount THB 221,579). In addition, audit fees for 3 subsidiaries a total amount of THB 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 2023

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 a 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 THB 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 THB 20 million 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. The 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 positions 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 Chief Executive Officer (CEO) 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 CEO 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 in 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 2023, there were two directors attending the training course of the Thai Institute of Directors Association as follows:

1. Mr. Anusorn Muttaraid participated in Board Nomination and Compensation Program (BNCP 18/2023) and
2. Ms. Xue Li participated in Director Accreditation Program (DAP 203/2023)

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. In 2023, the company arrange the orientation for new directors on May 3, 2023.

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 sufficiently qualified candidates.

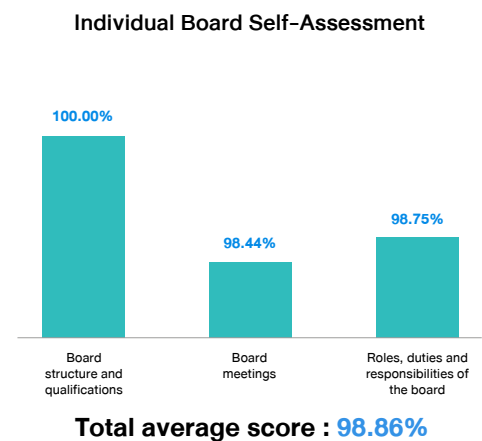
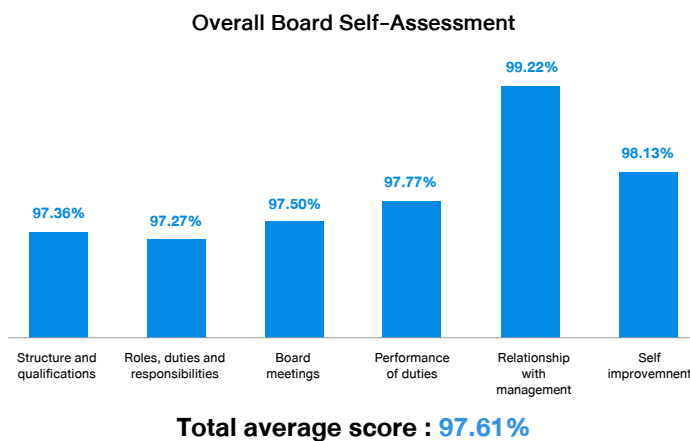
(3) Assessment of the Board of Director and Sub-Committee

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

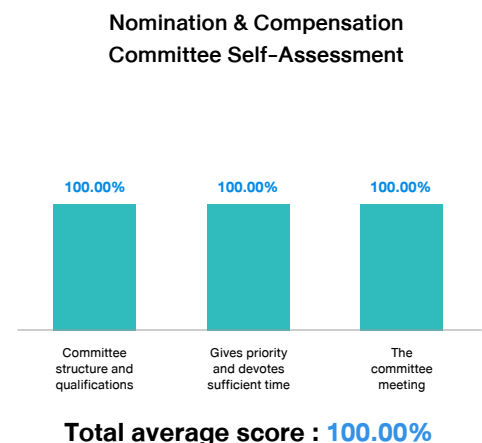
self-assessment, Nomination and Compensation Committee's self-assessment, Corporate Governance Committee's self-assessment and Privilege Committee's self-assessment. Upon completion of the mentioned assessments, the Evaluation Forms will be submitted to the Company Secretary team for tabulation and the 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.

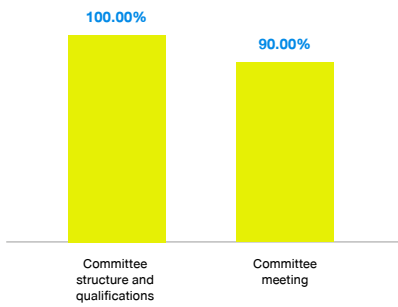
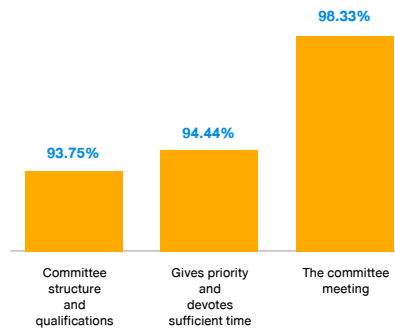
The assessments forms stipulate the percentages that correspond to the level of performance achieved as detailed below.

Board of Director Self-Assessment



Sub-Committee Self-Assessment



**Executive Committee
Self-Assessment****Total average score : 99.44%****Corporate Governance
Committee Self-Assessment****Total average score : 95.83%****Privilege Committee
Self-Assessment****Total average score : 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.

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 2023 was as follows;

Unit : Times

Name	Board of Directors 8 Times			Audit Committee 4 Times	Nomination & Compensation Committee 5 Times	Corporate Governance Committee 2 Times	Privilege Committee 6 Times	AGM 1 Time
	Self	E-meeting	attendance ratio %					
Mr. Ng Kong Meng	5/8	3/8	100%	-	-	-	-	1/1
Mr. Cheng An*	-	-	-	-	-	-	-	-
Mr. Ko Tzu-shing	-	8/8	100%	-	-	-	-	1/1
Mr. Chang Tsai-hsing	6/8	2/8	100%	-	-	2/2	-	1/1
Mr. Anusorn Muttaraid	8/8	-	100%	-	5/5	2/2	6/6	1/1
Ms. Xue Li**	2/7	5/7	100%	-	-	-	-	1/1
Mr. Boonsak Chiempricha	1/8	7/8	100%	4/4	-	-	6/6	1/1
Mrs. Tipawan Chayutimand	6/8	2/8	100%	4/4	4/4	-	6/6	1/1
Dr. Somchai Harnhirun**	3/7	4/7	100%	3/3	4/4	-	5/5	1/1
Mr. Cheng Ping***	-	7/7	-	-	-	-	-	1/1
Mr. Chu Chih-yuan****	1/1	-	-	1/1	1/1	-	-	-
Dr. Witoon Simachokedee****	1/1	-	-	-	1/1	-	1/1	-

Remark: * Mr. Cheng An was appointed on December 1, 2023, replacing Mr. Cheng Ping.

** Appointment by 2023AGM held on 7 April 2023.

*** Resigned with effect from December 1, 2023.

**** Retired by rotation in 2023AGM

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 2023, the non-executive directors held 6 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
 - Other factors specified by the Compensation Committee or the Board
2. Chairman of the Board and Chairman of sub-committees would receive higher compensation in accordance with their responsibilities.
3. Non-executive directors would receive competitive compensation which would be higher than that of the 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.

Compensations of Directors in 2023 are listed as follows;

1. Compensation

The Annual General Meeting of Shareholders approved the compensation of the directors for the year 2023 with details shown below;

1. The Compensation of the Directors

Position	Year 2023	Year 2022
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 Fees

Position	Meeting fee/ Meeting	
Board of Director	Year 2023	Year 2022
Chairman of the Board	25,000	25,000
Independent director/ Non-Executive Director	20,000	20,000
Executive Director	-	-
Sub-Committee		
Chairman	22,000	22,000
Member	20,000	20,000

3. Annual Bonus

The bonus for the year 2023 is proposed to pay 60% and 40% of the 2023 compensation to Chairman and directors respectively.

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 compensation and benefit.



The Compensation of the Directors for the year 2023 as follow;

Name of Director Unit : Baht	Compensation		Meeting fee		Bonus		Other		Total Amount	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Mr. Ng Kong Meng	2,475,000	2,475,000	225,000	175,000	1,485,000	618,750	-	-	4,185,000	3,268,750
Mr. Cheng An	-	-	-	-	-	-	-	-	-	-
Mr. Ko Tzu-shing	650,000	650,000	-	-	260,000	162,500	-	-	910,000	812,500
Mr. Chang Tsai-hsing	650,000	650,000	-	-	260,000	162,500	-	-	910,000	812,500
Mr. Anusorn Muttaraid	1,750,000	1,750,000	484,000	510,000	700,000	437,500	-	-	2,934,000	2,697,500
Ms. Xue Li	650,000	-	-	-	-	-	-	-	650,000	-
Mr. Boonsak Chiempricha	1,750,000	1,750,000	388,000	408,000	700,000	437,500	-	-	2,838,000	2,595,500
Mrs. Tipawan Chayutimand	1,495,000	1,495,000	460,000	380,000	598,000	373,750	-	-	2,553,000	2,248,750
Dr. Somchai Harnhirun	1,495,000	-	380,000	-	-	-	-	-	1,875,000	-
Mr. Cheng Ping	650,000	650,000	-	-	260,000	162,500	-	-	910,000	812,500
Mr. Chu Chih-yuan	-	1,495,000	80,000	320,000	598,000	373,750	-	-	678,000	2,188,750
Dr. Witoon Simachokedee	-	1,495,000	20,000	440,000	598,000	373,750	-	-	658,000	2,308,750
Total	11,565,000	12,410,000	2,037,000	2,233,000	5,459,000	3,102,500	-	-	19,101,000	17,745,500

2. Other Compensation

- None -

Share/Warrant holdings of Directors and Management

Name of Director	Holding DELTA (Shares)							
	Self				Spouse & Minor child			
	31 Dec 23	% holding	31 Dec 22	Inc (Dec)	31 Dec 23	% holding	31 Dec 22	Inc (Dec)
Mr. Ng Kong Meng	-	-	-	-	-	-	-	-
Mr. Cheng An	-	-	-	-	-	-	-	-
Mr. Ko Tzu-shing	-	-	-	-	-	-	-	-
Mr. Chang Tsai-hsing	-	-	-	-	-	-	-	-
Mr. Anusorn Muttaraid	-	-	-	-	-	-	-	-
Ms. Xue Li	-	-	-	-	-	-	-	-
Mr. Boonsak Chiempricha	-	-	-	-	-	-	-	-
Mrs. Tipawan Chayutimand	-	-	-	-	-	-	-	-
Dr. Somchai Harnhirun	-	-	-	-	-	-	-	-
Mr. Lu Chun-chin	-	-	-	-	-	-	-	-
Mr. Wei Hsi-ju	-	-	-	-	-	-	-	-
Ms. Nipaporn Jiarajareevong	-	-	-	-	-	-	-	-
Mr. Chen Chin-ming	-	-	-	-	-	-	-	-
Mr. Huang Chih-hao	-	-	-	-	-	-	-	-

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 2023, there has been consideration the strategy of the company to be more appropriate for the current situation. In 2023, the strategic plans were considered and the results of each business group were acknowledged in the Board of Directors Meeting No. 5/2023 on 27 July 2023.

(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 2023, there were no actions or complaints regarding actions that violated the policy to prevent conflicts of interest.

(3) Internal Data Protection

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.

In order to comply with using of internal data policy. 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, In 2023, 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.



In addition, all directors, executives, and employees are required to attend the online training course “8-min Delta’s Essential Code of Conduct” which covers “Insider Trading” and answer the assessment form to receive no less than 90 points.

(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>. The company has arranged an e-learning lesson to educate employees about the practice of Personal Data Protection of customers, partners and employees themselves and all employees must attend online training every year.

(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 2nd certified in the Collective Action against Corruption on March 2023.
- **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 physical meeting. There were more than 60 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 2023, 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.
- Campaign on anti-corruption through company emails to make employees aware of the importance of this matter regularly.

(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) Email: HR.GRIEVANCE.SEA@deltaww.com
- **Communication Channel for other Stakeholders**
Email: whistleblow@deltathailand.com

In order to ensure that the system remains secure, confidential and independent for anonymous disclosure, we have contracted with an independent third-party whistleblowing provider. You can use below email and website to report the concerns regarding ethics, misconduct, fraud, and other violations of company policies.

Email : delta@whistleblowing.link

Website : <https://delta.whistleblowing.link/>

Mailing Address : P.O Box 241 Phra Khanong

Post office Bangkok Thailand 10110

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. 7/2023, The Secretary of the Board informed the meeting to consider acknowledging that the company has been notified of clues about corruption and led to investigation by finding 3 violations of the Code of Conduct and disciplinary action against vendors and employees engaged in acts of bribery and violations of the code of conduct related to MRO and fixtures in the past year. The company has measures to correct the procurement system, implemented several proactive measures to prevent vendor and employee’s misconduct. These measures include online bidding, job rotation, increased interaction between top management and vendors, signing a contract to increase awareness of honesty, the establishment of a third-party whistleblower system, increasing communication channels both internally and externally and other mechanisms aimed at fostering a culture of integrity and preventing corruption within the organization. In addition, the company has initiated the award of rewards to whistleblowers and set a goal to eliminate corruption from the company by the year 2024 and will be reported to the Board of Directors. There were no receive any complaint for anti-corruption and anti-trust & fair competition.

(7) Training

We regularly organize training and campaigns for employees to realize the importance of good corporate governance. We organized 2023 Delta Compulsory Learning Course that all employees must attend every course before October 31, 2023: 1) Diversity, Equity and Inclusion (DEI) 2) Personal data protection and 3) Delta’s Essential Code of Conduct (Integrity/RBA/CoC).





8.2 Report of the Audit Committee for 2023

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

8.3 Report of the other Sub-Committee for 2023

8.3.1 Nomination and Compensation Committee Report

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

8.3.2 Corporate Governance Committee Report

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

8.3.3 Privilege Committee Report

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

8.3.4 Risk Management & Sustainable Development Committee Report

Details can be found in the Risk Management 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.2/2024 held on 15 February 2024, 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. Purchase of Machine and Equipment

Amidst the ongoing trade war between China and the United States, customers are requesting the relocation of production for certain products outside of China. Consequently, production lines have been relocated to Thailand. Furthermore, as part of the Company's Delta Smart Manufacturing (DMS) project, automation machinery and equipment manufactured by the Delta Group have been procured to enhance production capacity and minimize reliance on labor. The acquisition of this machinery and equipment is expected to facilitate the company in securing orders and achieving enhanced production efficiency. The pricing for the procurement will be assessed against values determined by independent appraisers, prevailing market rates (arm's length basis), and book value.

4. 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.

5. 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.

6. 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.

7. Interest paid

To accommodate the growing demand and expand our production capacity for future orders, our subsidiary has engaged in contractual agreements for inter-company loans with affiliated entities. These loans are structured with an interest rate determined by the Euro Interbank Offered Rate (EURIBOR) plus an additional 0.5 percent per annum

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 Transactio	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2023	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	149.2	198.6	177.4
		2. Delta Electronics (Japan), Inc.	Trading of electronic products			56.4	312.1	233.6
		3. Delta Electronics (Korea), Inc.	Trading of electronic products			1,307.7	70.3	44.5
		4. Delta Electronics (Shanghai) Co., Ltd.	Manufacture and trading of electronic products			0.5	17.8	20.1
		5. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			7,228.5	4,090.6	3,800.9
		6. Delta Electronics (Brasil) LTDA	Trading of electronic products			4.6	40.3	25.8
		7. Delta Electronics (Americas) Ltd.	Trading of electronic products			167.4	1,957.6	1,912.2
		8. Delta Electronics (Netherlands) B.V.	Trading of electronic products			1,789.6	1,552.5	657.3
		9. Delta Electronics (Switzerland) AG Group	Trading of electronic products			2,635.3	76.9	57.3
		10. Eltek Group	Manufacture and trading of electronic products			260.9	2,773.4	2,506.9
		11. Delta Controls Inc.	Trading of electronic products			16.7	0.7	1.8
		12. Delta Electronics (Jiangsu) Ltd.	Manufacture and trading of electronic products			11.6	1.9	0.1
		13. VIVOTEK INC.	Manufacture and trading of electronic products			7.6	2.6	1.4
		14. others					3.8	3.8
Total						13,638.5	11,099.0	9,443.0
2	Purchase of goods and raw materials	1. Delta Electronics, Inc	Manufacture and trading of electronic products	Delta Group	With reference to market price	331.0	584.7	427.9
		2. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			8,997.5	6,771.9	5,433.6
		3. Delta Electronics (Netherlands) B.V.	Trading of electronic products			103.0	55.8	27.6
		4. Eltek Group	Manufacture and trading of electronic products			536.4	740.6	727.6
		5. Delta Electronics (Switzerland) AG Group	Trading of electronic products			4.4	2.8	1.4
		6. Delta Electronics (Japan), Inc.	Trading of electronic products			1.4	31.5	43.6
		7. Delta Electronics (Americas) Ltd.	Trading of electronic products			180.5	132.7	165.8
		8. Delta Electronics (Jiangsu) Ltd.	Manufacture and trading of electronic products			66.5	16.0	-
		9. Power Forest Technology Inc.	Trading of electronic products			0.5	90.3	31.4
		10. Loy Tec Electronics GmbH	Trading of electronic products			8.3	9.1	3.1
		11. Digital Projection Ltd	Trading of electronic products			5.6	3.7	3.4
		12. Delta Controls Inc.	Trading of electronic products			6.6	5.3	3.0
		13. others				3.9	5.3	2.2
Total						10,245.5	8,449.7	6,870.6



No.	Type of Transactio	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2023	2022	2021
3	Purchase of equipment	1. Delta Electronics, Inc	Manufacture and trading of electronic products	Delta Group	Contract price	856.5	402.9	-
		2. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			1,238.8	465.9	-
		3. Delta Electronics (Netherlands) B.V.	Trading of electronic products			76.0	3.7	-
		4. Cyntec Electronics (WuHu) Co. Ltd.	Manufacture and trading of electronic products			65.8	-	-
		5. Delta Electronics (Jiangsu) Ltd.	Manufacture and trading of electronic products			70.2	15.3	-
		6. Delta Networks (Dongguan) Ltd.	Manufacture and trading of electronic products			24.5	8.2	-
		7. Eltek AS	Manufacture and trading of electronic products			15.1	-	-
		8. Delta Electronics Power (Dongguan) Co., Ltd.	Manufacture and trading of electronic products			-	33.7	-
		9. others				(0.2)	2.9	-
Total						2,346.7	932.6	-
4	ค่าบริการรับ	1. Delta Electronics (Netherlands) B.V.	Trading of electronic products	Delta Group	Contract price	17.6	36.8	21.6
		2. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			22.0	20.0	18.4
		3. Eltek Group	Manufacture and trading of electronic products			90.6	24.9	153.9
		4. Delta Electronics (Japan), Inc.	Trading of electronic products			30.5	10.9	-
		5. Delta Electronics (Switzerland) AG Group	Trading of electronic products			2.6	2.4	2.8
		6. others				1.3	0.8	0.9
Total						164.6	95.8	197.6
5	Services paid	1. Delta Electronics Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	8.4	19.9	133.1
6	Commission received	Total				8.4	19.9	133.1
		1. Delta Electronics (Netherlands) B.V.	Trading of electronic products	Delta Group	Contract price	117.1	95.7	72.7
		2. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			83.8	58.6	33.2
		3. Eltek Group	Manufacture and trading of electronic products			53.4	95.6	-
						-	-	1.6
Total						254.2	249.9	107.5
7	Commission paid	1. Delta Electronics (Japan), Inc.	Trading of electronic products	Delta Group	Contract price	70.9	80.3	68.2
		2. Delta Electronics Europe Ltd.	Manufacture and trading of electronic products			0.2	1.2	14.1
		3. Delta Electronics (Americas) Ltd.	Trading of electronic products			625.8	552.9	339.5
		4. Delta Electronics (Korea), Inc	Trading of electronic products			13.2	7.4	11.0
		5. Delta Electronics (Switzerland) AG Group	Trading of electronic products			43.7	15.0	34.0
		6. Delta Electronics (Netherlands) B.V.	Trading of electronic products			140.9	171.4	109.6
		7. Eltek Group	Manufacture and trading of electronic products			32.0	12.7	9.1
		8. others				0.3	1.6	0.8
Total						927.1	842.5	586.4



No.	Type of Transaction	Related Company	Nature of Business	Relationship	Transfer Pricing Policy	Amount		
						2023	2022	2021
8	Royalty paid	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	4,218.6	3,677.7	2,888.0
Total						4,218.6	3,677.7	2,888.0
9	Administrative expenses	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	37.8	37.1	1.4
		2. Delta Electronics (Japan), Inc.	Trading of electronic products			7.9	2.2	-
		3. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			-	3.5	3.6
		4. Eltek Group	Manufacture and trading of electronic products			1.2	3.0	1.6
		5. Delta Electronics (Americas) Ltd.	Trading of electronic products			16.7	30.7	8.5
		6. DEI Logistics (USA) Corporation	Trading of electronic products			10.6	9.1	7.6
		7. Delta Electronics (Switzerland) AG Group	Trading of electronic products			4.2	15.2	6.0
		8. Delta Electronics (Netherlands) B.V.	Trading of electronic products			-	-	7.8
		9. others				0.1	1.2	0.9
Total						78.5	102.0	37.5
10	Design and engineering fee paid / Technical service paid	1. Delta Electronics, Inc.	Manufacture and trading of electronic products	Delta Group	Contract price	1,376.0	-	-
		2. Delta Electronics (Japan), Inc.	Trading of electronic products			13.9	7.0	-
		3. Delta Electronics (Americas) Ltd.	Manufacture and trading of electronic products			136.9	78.6	2.3
		4. Delta Electronics (Shanghai) Co., Ltd.	Manufacture and trading of electronic products			619.2	179.5	-
		5. Delta Electronics (Netherlands) B.V.	Trading of electronic products			2.9	0.8	3.0
		6. Delta Electronics (Switzerland) AG Group	Trading of electronic products			48.3	36.6	36.2
		7. Eltek Group	Manufacture and trading of electronic products			8.6	6.6	-
		8. Delta Electronics Europe Ltd.	Trading of electronic products			-	0.8	8.7
		9. Delta Electronics Int'l (Singapore) Pte. Ltd.	Manufacture and trading of electronic products			0.1	0.3	3.8
		10. others				0.1	0.1	0.0
Total						2,206.0	310.2	54.0
11	Interest paid	1. Eltek AS	Manufacture and trading of electronic products	Delta Group	EURIBOR+ 0.5% p.a.	31.0	4.0	-
Total						31.0	4.0	-

SMART FACTORY



Automation
system



Connected
Lighting



Industrial
Power Supply



HVAV Control

Parking Lot Management System



Automation

- Industrial Automation
- Building Automation



Power Electronics

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



Computer &
Networking



3

Financial Statements



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.

The Board of Directors is therefore of the opinion that the Company's financial statements are sufficient, fair, and appropriate to create confidence that the financial status and operating results are presented true and fairness in all material respects.

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 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matters

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

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



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

Revenue recognition from sales of goods

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

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

Provision for diminution in value of inventory

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

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

Impairment of goodwill

As at 31 December 2023, the Group had goodwill amounting to Baht 444 million. I have focused on the consideration of the impairment of the goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected



to be generated from that group of assets in the future, and setting an appropriate discount rate. There is thus a risks with respect to the amounts of goodwill.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and



other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

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

Chari Kasemsriw

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 15 February 2024



Statement of financial position

As at 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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



Statement of financial position (Continued)

As at 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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

Statement of financial position (Continued)

As at 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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



Statement of comprehensive income

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales		144,732,458,271	117,211,365,609	124,797,226,630	103,379,372,088
Service income		1,638,889,992	1,346,601,076	198,735,843	171,878,668
Other income					
Gain on exchange		675,371,014	449,870,986	712,908,539	889,724,991
Insurance compensation income due to flooding		-	330,678,795	-	330,678,795
Compensation for contract decommitment		545,775,325	68,611,791	526,500,872	68,697,723
Others		574,501,882	478,065,868	442,180,801	342,558,650
Total revenues		148,166,996,484	119,885,194,125	126,677,552,685	105,182,910,915
Expenses					
Cost of sales		111,730,865,380	89,640,857,897	94,488,261,025	77,061,232,597
Cost of services		1,149,682,550	976,698,149	118,472,201	115,524,824
Selling and distribution expenses	31.2.1	9,597,378,832	7,164,092,328	8,353,246,930	5,987,384,529
Administrative expenses		2,008,880,166	2,541,397,159	922,731,542	1,723,475,334
Research and development expenses	31.2.2	3,876,474,593	3,741,842,861	4,269,402,359	3,968,352,022
Other expenses		382,063,252	55,135,833	216,937,850	31,482,376
Total expenses		128,745,344,773	104,120,024,227	108,369,051,907	88,887,451,682
Operating profit		19,421,651,711	15,765,169,898	18,308,500,778	16,295,459,233
Finance income		183,410,391	65,839,993	63,618,136	24,118,899
Finance cost		(109,353,449)	(19,516,480)	(9,079,266)	(1,012,980)
Profit before income tax expenses		19,495,708,653	15,811,493,411	18,363,039,648	16,318,565,152
Income tax expenses	26	(1,073,168,664)	(466,946,829)	(571,393,047)	(332,166,827)
Profit for the year		18,422,539,989	15,344,546,582	17,791,646,601	15,986,398,325

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

Statement of comprehensive income (Continued)

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
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		(375,855,710)	(213,117,334)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(375,855,710)	(213,117,334)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		(198,368,778)	264,579,094	(191,487,242)	72,749,125
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(198,368,778)	264,579,094	(191,487,242)	72,749,125
Other comprehensive income for the year		(574,224,488)	51,461,760	(191,487,242)	72,749,125
Total comprehensive income for the year		17,848,315,501	15,396,008,342	17,600,159,359	16,059,147,450
Profit attributable to:					
Equity holders of the Company		18,422,539,989	15,344,546,582	17,791,646,601	15,986,398,325
Total comprehensive income attributable to:					
Equity holders of the Company		17,848,315,501	15,396,008,342	17,600,159,359	16,059,147,450
Earnings per share	28		(restated)		(restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		1.48	1.23	1.43	1.28

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

Statement of changes in shareholders' equity

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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



Cash flow statement

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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



Cash flow statement (Continued)

For the year ended 31 December 2023

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

(Unit: Baht)

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

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



Notes to consolidated financial statements

For the year ended 31 December 2023

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	
			2023	2022
			Percent	Percent
DET International Holding B.V. (formerly known as “DET International Holding Limited”)	Holding business	The Netherlands	100	100
Delta Green Industrial (Thailand) Company Limited	Manufacture and trading of electronic products	Thailand	100	100
Delta Energy Systems (Singapore) Pte. Ltd.	Holding business and trading of electronic products	Singapore	100	100
Delta Electronics (Vietnam) Company Limited	Trading of electronic products	Vietnam	100	100
Delta Electronics India Manufacturing Private Limited	Manufacture and trading of electronic products	India	100	100



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

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

* DET International Holding B.V.'s shareholdings in Eltek s.r.o. increased to 55%, while Delta Greentech (Netherlands) B.V.'s shareholdings in Eltek s.r.o. decreased to 45% during the year.

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

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
Delta Electronics (Australia) Pty. Ltd.	Trading of electronic products	Australia	100	100
Delta Greentech (Netherlands) B.V.	Holding business	The Netherlands	100	100
Delta Energy Systems LLC (wholly owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	Russia	100	100



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

* DET International Holding B.V.'s shareholdings in Eltek s.r.o. increased to 55%, while Delta Greentech (Netherlands) B.V.'s shareholdings in Eltek s.r.o. decreased to 45% during the year.

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

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

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

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

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

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

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



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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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

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

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

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

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

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



4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

Rendering of services

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Investments in subsidiaries

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



4.5 Investment properties

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

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

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

4.6 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.7 Intangible assets

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

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



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

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

4.8 Goodwill

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

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

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

4.9 Leases

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

The Group as a lessee

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

Right-of-use assets

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



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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

4.10 Related party transactions

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

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

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

An impairment loss is recognised in profit or loss.

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



4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

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

4.14 Provisions

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

4.15 Research and development expenses

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the



Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

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

Offsetting of financial instruments

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

4.18 Derivatives

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

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

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

4.19 Fair value measurement

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

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



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

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

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

Reduction of inventory cost to net realisable value

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Deferred tax assets

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

Allowance for impairment of non-financial assets

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

Post-employment benefits under defined benefit plans

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

Tax assessments

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

6. Related party transactions

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

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties (Note 8)</u>				
Parent company	95	74	85	62
Subsidiary companies	-	-	15,516	13,020



(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Related companies (common shareholders)	4,136	2,721	797	1,064
Total trade receivables - related parties	<u>4,231</u>	<u>2,795</u>	<u>16,398</u>	<u>14,146</u>

Other receivables - related parties (Note 8)

Parent company	-	3	-	3
Subsidiary companies	-	-	14	12
Related companies (common shareholders)	12	3	12	2
Total other receivables - related parties	<u>12</u>	<u>6</u>	<u>26</u>	<u>17</u>

Amounts due from related parties (Note 8)

Subsidiary companies	-	-	2	1
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>

Trade payables - related parties (Note 17)

Parent company	331	345	170	12
Subsidiary companies	-	-	318	329
Related companies (common shareholders)	2,294	2,122	813	617
Total trade payables - related parties	<u>2,625</u>	<u>2,467</u>	<u>1,301</u>	<u>958</u>

Other payables - related parties (Note 17)

Parent company	2,123	557	2,115	532
Subsidiary companies	-	-	217	514
Related companies (common shareholders)	921	510	851	471
Total other payables - related parties	<u>3,044</u>	<u>1,067</u>	<u>3,183</u>	<u>1,517</u>

Accrued expenses - related parties (Note 17)

Parent company	308	318	308	318
Related companies (common shareholders)	142	174	142	174
Total accrued expenses - related parties	<u>450</u>	<u>492</u>	<u>450</u>	<u>492</u>

Advance received - related parties (Note 17)

Subsidiary companies	-	-	346	155
Total advance received - related parties	<u>-</u>	<u>-</u>	<u>346</u>	<u>155</u>

Short-term loans to related party

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

(Unit: Million Baht)

		Consolidated financial statements		
Long-term loans	Related by	Balance as at 1 January 2023	Decrease during the year	Balance as at 31 December 2023
Delta Green Industrial (Thailand)				
Company Limited	Subsidiary	100	(100)	-
Total short-term loans to related party		<u>100</u>	<u>(100)</u>	<u>-</u>



Long-term loans from related party

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

(Unit: Million Baht)

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

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

Directors and management's benefits

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

(Unit: Million Baht)

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

7. Cash and cash equivalents

(Unit: Million Baht)

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

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



8. Trade and other receivables

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables, related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	4,144	2,771	13,361	12,964
Past due				
Up to 3 months	85	22	3,031	1,179
3 - 6 months	-	-	4	3
6 - 12 months	2	2	2	-
Total	<u>4,231</u>	<u>2,795</u>	<u>16,398</u>	<u>14,146</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	21,603	21,510	13,414	12,222
Past due				
Up to 3 months	6,013	2,887	3,590	1,861
3 - 6 months	291	171	205	128
6 - 12 months	143	46	106	11
Over 12 months	115	72	65	24
Total	<u>28,165</u>	<u>24,686</u>	<u>17,380</u>	<u>14,246</u>
Total trade receivables	<u>32,396</u>	<u>27,481</u>	<u>33,778</u>	<u>28,392</u>
Less: Allowance for expected credit losses	<u>(367)</u>	<u>(189)</u>	<u>(221)</u>	<u>(84)</u>
Total trade receivables - net	<u>32,029</u>	<u>27,292</u>	<u>33,557</u>	<u>28,308</u>
<u>Other receivables</u>				
Amounts due from related parties (Note 6)	-	-	2	1
Other receivables - related parties (Note 6)	12	6	26	17
Other receivables - unrelated parties	1,191	834	1,111	786
Interest receivables - unrelated parties	5	-	-	-
Total other receivables	<u>1,208</u>	<u>840</u>	<u>1,139</u>	<u>804</u>
Trade and other receivables - net	<u>33,237</u>	<u>28,132</u>	<u>34,696</u>	<u>29,112</u>

The normal credit term is 30 to 150 days.

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

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



9. Inventories

(Unit: Million Baht)

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

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



10. Other current assets

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

11. Investments in subsidiary companies

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

	(Unit: Million Baht)				
Company's name	Paid-up capital			Cost	
	Foreign				
	<u>currency</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Million)	(Million)		
DET International Holding B.V.	USD	264	264	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	THB	206	206	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	USD	279	173	9,305	5,573
Delta Electronics (Vietnam) Company Limited	USD	0.1	0.1	3	3
Delta Electronics India Manufacturing Private Limited	INR	2,526	381	1,109	171
Subtotal				20,073	15,403
Less: Allowance for impairment loss of investments in subsidiary companies				(1,324)	(1,324)
Investments in subsidiary companies - net				18,749	14,079

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

11.2 Significant events during the year

11.2.1 Subsidiaries directly owned by the Company

Additional investments in subsidiary companies

- On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Energy Systems (Singapore) Pte. Ltd. by USD 61 million, or approximately Baht 2,153 million, to enable the latter to



invest in Delta Electronics India Pvt. Ltd. to support the business growth. The Company made the additional investment in the first quarter during the current year.

- On 15 February 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Energy Systems (Singapore) Pte. Ltd. by USD 44 million, or approximately Baht 1,579 million, to enable the latter to invest in Delta Electronics India Pvt. Ltd. to support the business growth. The Company made the additional investment in the third quarter during the current year.
- On 28 August 2023, a meeting of the Company's Board of Directors passed a resolution to increase the Company's investment in Delta Electronics India Manufacturing Private Limited by USD 26 million, or approximately Baht 938 million, to support the capital expenditures and enhance the cash flow situation. The Company made the additional investment in the third quarter during the current year.

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

11.2.2 Subsidiaries indirectly owned by the Company

a) Establishment of new subsidiary

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

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

b) Restructuring of shareholding in subsidiaries

Eltek s.r.o.

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

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

The change in the shareholder structure of the above subsidiary had no impact on the investment structure of the Group.

Delta Electronics (Automotive) Americas Inc.

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

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

12. Investment properties

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

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

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

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



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

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

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



13. Property, plant and equipment

(Unit: Million Baht)

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

13. Property, plant and equipment (continued)

(Unit: Million Baht)

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



13. Property, plant and equipment (continued)

(Unit: Million Baht)

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

13. Property, plant and equipment (continued)

(Unit: Million Baht)

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



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

14. Goodwill

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

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

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

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

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

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

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

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

15. Other intangible assets

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

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements		
	Patent rights	Computer software	Total
Cost:			
1 January 2022	63	86	149
Purchase	-	8	8
31 December 2022	63	94	157
Purchase	-	6	6
31 December 2023	63	100	163



(Unit: Million Baht)

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

16. Short-term loans from financial institutions

(Unit: Million Baht)

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

17. Trade and other payables

(Unit: Million Baht)

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



18. Other current liabilities

(Unit: Million Baht)

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

19. Leases**The Group as a lessee**

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

a) Right-of-use assets

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

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

b) Lease liabilities

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



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

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

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

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

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

d) Other

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

20. Provision for long-term employee benefits

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

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



The change in the defined benefit obligation is as follows:

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

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

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

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

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



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

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

Significant actuarial assumptions are summarised below:

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

21. Provisions

(Unit: Million Baht)

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

Warranty

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

22. Share Capital

On 7 April 2023, the Annual General Meeting of the Company's shareholders approved a change in the par value of the ordinary shares from Baht 1 per share to Baht 0.10 per share, thus increasing the number of ordinary shares comprising the registered share capital and the issued and paid-up share capital from 1,259,000,000 and 1,247,381,614 ordinary shares, to 12,590,000,000 and 12,473,816,140 ordinary shares, respectively. The Company has already registered with the Ministry of Commerce on 25 April 2023.

23. Statutory reserve

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



24. Dividends

Dividends declared in 2023 and 2022 consisted of the followings:

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share*</u> (Baht)
Final dividend for year 2022	Annual General Meeting of the shareholders on 7 April 2023	4,990	4.00
Final dividend for year 2021	Annual General Meeting of the shareholders on 1 April 2022	2,121	1.70

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

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

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

26. Income tax

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

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	(1,107)	(461)	(577)	(338)
Adjustment in respect of income tax of previous year	6	15	6	6



Deferred tax:

Relating to origination and reversal of

temporary differences	21	(36)	-	-
Translation adjustment	7	15	-	-
Tax expenses reported in profit or loss	(1,073)	(467)	(571)	(332)

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

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

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

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

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



	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Others	110	53	-	-
Total	436	320	-	-
Deferred tax liabilities				
Difference depreciation for tax purpose	234	139	-	-
Total	234	139	-	-

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

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

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

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

27. Promotional privileges

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

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



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

(Unit: Million Baht)

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

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

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

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. After adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 1 each to Baht 0.10 each as mentioned in Note 22 to the financial statements. The number of ordinary shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share:

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



29. Segment information

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

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

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

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

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

(Unit: Million Baht)

	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others		Consolidated financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue										
Sales from external										
customers	119,735	91,106	21,237	23,194	3,684	2,872	76	39	144,732	117,211
Service income from										
external customers	555	146	868	991	146	137	70	73	1,639	1,347
Total revenue	<u>120,290</u>	<u>91,252</u>	<u>22,105</u>	<u>24,185</u>	<u>3,830</u>	<u>3,009</u>	<u>146</u>	<u>112</u>	<u>146,371</u>	<u>118,558</u>
Segment profit (loss)	17,511	14,380	798	1,911	321	128	(622)	(1,926)	18,008	14,493
Unallocated income (expenses):										
Gain on exchange rate									675	450
Insurance compensation income due to flooding									-	331
Compensation for contract decommitment									546	69
Other income									575	478
Other expenses									(382)	(55)
Finance income									183	66
Finance cost									(109)	(20)
Profit before income tax expenses									19,496	15,812
Income tax expenses for the year									(1,073)	(467)
Profit for the year									<u>18,423</u>	<u>15,345</u>



- ¹⁾ The power electronics segment is a business segment which designs, manufactures, and sales of power supplies applied to computer, server, office automation equipment, household electric appliances and automotive electronic products. The main products are DC-DC Converter, Power supply for Computer & Server, DES product, Automotive electronic product, Fan and thermal product, Adaptor product for industrial and private consumer, Solenoid and EMI filters etc.
- ²⁾ Infrastructure segment is a business segment which designs, manufactures, and installations of information and communication technology infrastructure and energy system infrastructure. The main products are Telecommunication system, Renewable energy, Energy storage and High power etc.
- ³⁾ Automation segment is a business segment which designs, manufactures, and installations of industrial and building automation. The main products are Machine automation, Industrial motion system, Smart sensor system and Lighting automation for building etc.

Geographic information:

Revenue from external customers is based on locations of the customers

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

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

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

Major customer

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

30. Provident fund

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

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

31. Commitments and contingent liabilities

31.1 Significant capital commitments

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

31.2 Significant long-term service commitments

31.2.1 Intellectual Property & Technology License commitments

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



31.2.2 Research and development service commitments

The Company entered into the research and development service agreements with the subsidiary companies. Under these agreements, the subsidiary companies provides research and development services (design and engineering) to the Company and charges fees equal to the local operational costs incurred on product research and development plus a margin, on an arm's length basis. These agreements matures annually.

The Company has recorded the design and engineering fees as "Research and development expenses" in the statements of comprehensive income.

31.3 Guarantee obligations

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

- 31.3.1 Outstanding letters of guarantee totaling approximately Baht 225 million (2022: Baht 389 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 163 million (2022: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment mentioned in Note 31.4.1 to the financial statements).
- 31.3.2 Outstanding letters of guarantee for totals of approximately INR 1,507 million or approximately Baht 623 million, EUR 0.5 million or approximately Baht 21 million, AUD 3.9 million or approximately Baht 91 million have been issued by banks to meet requirements of the subsidiaries (2022: INR 1,341 million or approximately Baht 561 million, EUR 0.5 million or approximately Baht 20 million, AUD 1.3 million or approximately Baht 31 million).

31.4 Tax assessment

- 31.4.1 a. In 2015, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). In addition, the Company received tax assessment notices for the year 2006 from the Revenue Department in 2016, assessing corporate income tax amounting to approximately Baht 168 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department.

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

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

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

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

32. Fair value hierarchy

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



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

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

(Unit: Million Baht)				
Separate financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	563	-	563

(Unit: Million Baht)				
Separate financial statements				
As at 31 December 2022				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Foreign currency forward contracts	-	578	-	578

33. Financial instruments

33.1 Derivatives

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	563	582	563	578
Total derivative assets	<u>563</u>	<u>582</u>	<u>563</u>	<u>578</u>



	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	1	-	-	-
Total derivative liabilities	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

Derivatives not designated as hedging instruments

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

33.2 Financial risk management objectives and policies

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

Credit Risk

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

Trade receivables

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

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

Financial instruments and cash deposits

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



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

Market risk

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

Foreign currency risk

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

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

(Unit: Million foreign currency unit)

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

(Unit: Baht per 1 foreign currency unit)

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

Foreign currency sensitivity

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

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

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

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

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



	Consolidated financial statements					
	As at 31 December 2022					
	Amount			Forward rate		Maturity date
Forward contracts to “Buy”						
JPY/THB	JPY	521	million	0.2426 - 0.2438	THB/JPY	January - February 2024
EUR/THB	EUR	2	million	38.100 - 38.1780	THB/EUR	January 2024
	Separate financial statements					
	As at 31 December 2022					
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	358	million	34.2150 - 38.0600	THB/USD	January - April 2023
Forward contracts to “Buy”						
JPY/THB	JPY	290	million	0.2570 - 0.2632	THB/JPY	January - March 2023

Interest rate risk

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

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

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2023						
	Fixed interest rates			Floating	Non-interest		Interest
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total	rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	2,748	-	-	2,977	1,892	7,617	0.00 - 7.08
Trade and other receivables	-	-	-	-	33,237	33,237	-
Derivative assets	-	-	-	-	563	563	-
Deposits at bank with restrictions	32	-	-	-	2	34	0.00 - 6.10
Total	2,780	-	-	2,977	35,694	41,451	
Financial liabilities							
Short-term loans from financial institutions	2,497	-	-	-	-	2,497	2.70 - 5.87
Trade and other payables	-	-	-	-	32,096	32,096	-



(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2023						
Fixed interest rates			Floating	Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 5 years	interest rate			
Long-term loans from related party	-	-	825	-	825	EURIBOR + 0.50
Total	2,497	-	825	32,096	35,418	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2022						
	Fixed interest rates			Floating	Non-interest		Interest
	Within	1 - 5	Over	interest	bearing	Total	rate
	1 year	years	5 years	rate			(% p.a.)
Financial assets							
Cash and cash equivalents	418	-	-	8,082	1,642	10,142	0.00 - 8.00
Trade and other receivables	-	-	-	-	28,132	28,132	-
Derivative assets	-	-	-	-	582	582	-
Deposits at bank with							
restrictions	32	-	-	-	2	34	0.00 - 6.50
Total	450	-	-	8,082	30,358	38,890	

Financial liabilities

Short-term loans from financial institutions	945	-	-	-	-	945	7.91 - 8.62
Trade and other payables	-	-	-	-	30,202	30,202	-
Long-term loans from related party	-	-	-	795	-	795	EURIBOR + 0.50
Total	945	-	-	795	30,202	31,942	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2023						
	Fixed interest rates			Floating	Non-interest		Interest
	Within	1 - 5	Over	interest	bearing	Total	rate
	1 year	years	5 years	rate			(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	351	2	353	0.00 - 2.50
Trade and other receivables	-	-	-	-	34,696	34,696	-
Derivative assets	-	-	-	-	563	563	-
Total	-	-	-	351	35,261	35,612	



Financial liabilities

Short-term loans from financial

institutions	2,476	-	-	-	-	2,476	5.87
Trade and other payables	-	-	-	-	26,551	26,551	-
Total	2,476	-	-	-	26,551	29,027	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 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 party	100	-	-	-	-	100	2.40
Derivative assets	-	-	-	-	578	578	-
Total	100	-	-	5,833	29,692	35,625	

Financial liabilities

Trade and other payables	-	-	-	-	24,828	24,828	-
Total	-	-	-	-	24,828	24,828	

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

Liquidity risk

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2022				
	On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	945	-	-	945
Trade and other payables	-	30,202	-	30,202
Lease liabilities	-	67	137	204
Long-term loans and interest expenses from related party	-	31	912	943
Total non-derivatives	945	30,300	1,049	32,294

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2023				
	On demand	Less than 1 year	1 - 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	2,476	-	-	2,476
Trade and other payables	-	26,551	-	26,551
Lease liabilities	-	41	21	62
Total non-derivatives	2,476	26,592	21	29,089

(Unit: Million Baht)

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



33.3 Fair values of financial instruments

Since the majority of the Group'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 2023, the Group's debt-to-equity ratio was 0.60:1 (2022: 0.66:1) and the Company's was 0.48:1 (2022: 0.50:1).

35. Events after the reporting period

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

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

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

36. Approval of financial statements

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

SMART HOME



Computer &
Networking



HVAV Control



Power Tools



Smart
Surveillance

Access Control System

Parking Lot Management System



Automation

- Industrial Automation
- Building Automation



Power Electronics

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



Connected
Lighting



Automotive
Electronics



Automation
system



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 and Other Sub-Committee



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. Kong Meng Ng (James)

Chairman of the Board

(Authorized Director) (Director since : 3 May 1990)

Age : 76

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)



Family Relationship among Directors and Executives :

- None -

Education

- Master of Science in Electronic Engineering, University of Southampton, UK
- Bachelor of Science in 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.



Mr. Cheng An (Victor)

Director of the Board

(Authorized Director) (Director since : 1 Dec 2023)

Chief Executive Officer (CEO) / Executive Committee Chairman /

Corporate Governance Committee Chairman / Risk Management and Sustainable Development Committee Chairman

Age : 59

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)



Family Relationship among Directors and Executives :

- None -

Education

- Master and Bachelor of Science in Electrical Engineering from Santa Clara University in the state of California, USA

Training

- Tax issues before and after corporate merger (2018)
- Introduction of (EU) GDPR and Personal Data Protection Rules in China (2018)
- Directors drive the corporate responding to the rapid change in technology (2018)
- Legal liability and case study of insider trading (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 the development of Telecommunications (2020)
- From the fragmentation and reconstruction of the American dream- the future of Taiwan-US-China trilateral relations (2021)
- Directors' functions and responsibilities (2021)
- The latest developments and revision trends of international taxation and domestic taxation (2022)
- Insider trading prevention advocacy seminar (2022)
- Corporate Strategy (2023)
- Technology and impacts of modern artificial intelligence (2023)

Work Experience in 5 years

Listed Company

- Feb 2024 - present • Executive Committee Chairman / Corporate Governance Committee Chairman / Risk Management and Sustainable Development Committee Chairman
Delta Electronics (Thailand) Pcl.

- Jan 2024 - Present • CEO, Delta Electronics (Thailand) Pcl.
- Dec 2023 - Present • Director of the Board, Delta Electronics (Thailand) Pcl.
- 2023 - Present • Executive Vice President, Infrastructure Business (IFB), Delta Electronics, Inc.
- 2018 - Present • Director, Delta Electronics, Inc.
- Director, Lanner Electronics Inc.
- 2017 - 2022 • General Manager, Information and Communications Technology BG (ICTBG) Delta Electronics Inc.

Non-Listed Company

- 2023 - Present • Director, Atrust Computer Corporation
- 2022 - Present • Chairman, Graterudveien 8 AS
- 2020 - Present • Director, Eltek Power Incorporated
- Director, Delta Electronics (Italy) S.r.l.
- Director, Delta Greentech Electronics Industry LLC
- Director, Delta Electronics (Switzerland) AG
- Director, Delta Solutions (Finland) Oy
- Director, Delta Electronics Solutions (Spain) S.L
- Director, Delta Electronics (Poland) Sp. z o.o
- 2016 - Present • Vice-Chairman, Delta Networks (Xiamen) Ltd.
- 2015 - Present • Chairman, Delta Electronics (Norway) AS
- Director, Eltek SGS Pvt Ltd.
- 2010 - Present • Chairman/General Manager, Delta Networks (Dongguan) Ltd.
- 2007 - Present • Director, Delta Networks (HK) Limited
- 2002 - Present • Director, Delta Networks Inc.
- Director, Delta Networks Holding Limited
- 2001 - Present • Director, Delta Electronics (Dongguan) Co., Ltd.



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 Jan 24

- None - (0.00% 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 and Chief Operation Officer (COO) / Executive Committee Member /
 Corporate Governance Committee Member /
 Risk Management & Sustainable Development Committee Member
Age : 56

Shareholding in the Company As of 31 Jan 24
 - None - (0.00% of the voting rights)



Family Relationship among Directors and Executives :

- None -

2020 - 2023

- President,
Delta Electronics (Thailand) Pcl.

2019 - 2020

- Vice President of South East Asia
and India Region
- Executive Committee Member
- Corporate Governance Committee
Member
- Delta Electronics (Thailand) Pcl.

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.

Non-Listed Company

2022 - Present

- Director, Eltek Power (Malaysia)
Sdn. Bhd.

2021 - Present

- Director, Embun Elektronik Sdn. Bhd.
- Director, Delta Greentech SGP Pte.
Ltd.

2020 - Present

- Director, Eltek Power Incorporated
- Director, Chunghwa SEA Holdings
- Vice President, Asia Pacific Region
- Member of Strategic Steering
Committee

2016 - 2022

- Delta Electronics Int'l (Singapore)
Pte. Ltd.

Work Experience in 5 years

Listed Company

2024 - Present • President & COO, Delta Electronics
(Thailand) Pcl.

2020 - Present • Executive Committee Member
• Corporate Governance Committee
Member
• Risk Management and Sustainable
Development Committee Member
Delta Electronics (Thailand) Pcl.

2019 - Present • Director of the Board,
Delta Electronics (Thailand) Pcl.

2010 - 2018

- President & General Manager EMEA
(Europe, Middle East & Africa)
Re-gion, Delta Group



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 : 69

Shareholding in the Company As of 31 Jan 24
- None - (0.00% 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
- Board Nomination and Compensation Program (BNCP), Year 2023

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. |
| 2018 - Present | • Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl. |
| 1994 - Present | • Director of the Board, 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.

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 | • Chairman of Thailand-India Business Council, The Thai Chamber of Commerce and Board of Trade of Thailand |
| | • Managing Partner, Anusorn Globalize Limited Partnership |



Ms. Xue Li

Director of the Board

(Authorized Director) (Director since : 7 Apr 2023)

Age : 54

Shareholding in the Company As of 31 Jan 24

- **None** - (0.00% of the voting rights)



Education

- MBA, Asian Institute of Technology, Thailand
- Bachelor of Electronics Engineering, Shanghai Jiaotong University

Training

- Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2023

Work Experience in 5 years

Listed Company

- | | |
|--------------------|--|
| Apr 2023 - Present | • Director of the Board,
Delta Electronics (Thailand) Pcl. |
| Apr 2022 - Present | • Executive Committee Member,
Delta Electronics (Thailand) Pcl. |
| 2021 - Present | • Deputy BG head/ EVSBG,
Delta Electronics, Inc. |
| 2017 - 2021 | • CDBU head,
Delta Electronics (Thailand) Pcl. |



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 Jan 24

- None - (0.00% 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

- | | |
|--------------------|--|
| 2023 -Present | • Independent Director/
Audit Committee Chairman,
CPF Global Food Solution Pcl. |
| Mar 2021 - Present | • Privilege Committee Member,
Delta Electronics (Thailand) Pcl. |
| 2016 - Present | • Independent Director/ Audit
Committee Chairman
Delta Electronics (Thailand) Pcl. |

2010 - Present

2010 - 2023

2010 - 2020

2010 - 2019

- Chairman of the board, G Capital Pcl.
- Chairman of the board /Executive Chairman, Indara Insurance Pcl.
- Independent Director, President Bakery Pcl.
- Audit Committee Member/Risk Management Committee Chairman, President Bakery Pcl.

Non-Listed Company

2012 - Present

2021 - 2023

2012 - 2022

2019 - 2021

2018 - 2020

- Honorary Council Member and Audit Committee Chairman, Ma-hasarakham University Council Committee
- Director, C.P.Merchandising Co.,Ltd
- Director/ Audit Committee Member, Principal Asset Management Co., Ltd
- Audit Committee Chairman of Court of Justice, Office of Internal Audit
- Director of Audit & Evaluation Sub-Committee of special government
- Consultant of Financial Management program, The Comptroller General's Department
- Financial Director, The Thai Bar Under the Royal Patronage Government Sector



Mrs. Tipawan Chayutimand

Independent Director (Director since : 2 Apr 2018)
Audit Committee Member / Nomination & Compensation Committee Member /
Privilege Committee Member
Age : 66

Shareholding in the Company As of 31 Jan 24
- None - (0.00% of the voting rights)



Family Relationship among Directors and Executives :

- None -

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, Thammasat University

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

- Oct 2023 - Present • Independent Director/
Audit Committee
Jenkongklai Pcl.
- Apr 2023 - Present • Independent Director/
Audit Committee
Quality Houses Pcl.
- Nomination & Compensation Committee Member,
Delta Electronics (Thailand) Pcl.
- 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.



Mr. Somchai Harnhirun

Independent Director (Director since : 7 Apr 2023)

Audit Committee Member / Nomination & Compensation Committee Member /

Privilege Committee Member

Age : 66

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)



Family Relationship among Directors and Executives :

- None -

Education

- Ph.D. (Economics), Concordia University, Canada
- Master of Economics, Queen's University, Canada
- Master of Economics, National Institution of Development Administration, Thailand
- Bachelor of Economics, Thammasat University, Thailand

Training

- Director Accreditation Program (DAP), Thai Institute of Directors Association, Year 2009

Work Experience in 5 years

Listed Company

- | | |
|--------------------|--|
| Apr 2023 - Present | • Independent Director |
| | • Audit Committee Member |
| | • Nomination & Compensation Committee Member |
| | • Privilege Committee Member Delta Electronics (Thailand) Pcl. |
| 2023 - Present | • Director, Somboon Advance Technology Pcl. |
| | • Independent Director, Interhides Pcl. |
| | • Independent Director, Pacific Pipe Pcl. |
| 2022 - Present | • Independent Director, Synnex (Thailand) Pcl. |

Non- Listed Company

- | | |
|----------------|-------------------------------|
| 2019 - Present | • Senator |
| 2017 - 2019 | • Deputy Minister of Industry |



Profiles of Management Team

Mr. Cheng An

Chief Executive Officer (CEO)

(For further details, please refer to his profile in the Board of Director)

Mr. Chang Tsai-hsing

President and Chief Operation Officer (COO)

(For further details, please refer to his profile in the Board of Director)

Mr. Lu Chun-chin

Manufacturing Operation 1 General Manager

Age : 53

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

Mr. Wei Hsi-ju

Manufacturing Operation 2 General Manager

Age : 58

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Family Relationship among Directors and Executives :

- None -

Education/Training

- Bachelor of Applied Mathematics, Fu Jen Catholic University, Taiwan

Education/Training

- EMBA of National Taipei University of Technology
- Bachelor of Mechanical Engineering, National Yunlin Institute of Technology, Taiwan

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2023 - Present | <ul style="list-style-type: none">• Executive Committee Member• Risk Management and Sustainable Development Committee Member |
| 2020 - Present | <ul style="list-style-type: none">• Manufacturing Operation 1 General Manager, Delta Electronics (Thailand) Pcl. |
| 2018 - 2019 | <ul style="list-style-type: none">• WJ Plant Manager (Plant 1), Delta Electronics, Inc. |
| 2016 - 2018 | <ul style="list-style-type: none">• WJ Sr. Factory Manager (Plant 6), Delta Electronics, Inc. |

Work Experience in 5 years

Listed Company

- | | |
|---------------------|---|
| 2024 - Present | <ul style="list-style-type: none">• Executive Committee Member• Risk Management and Sustainable Development Committee Member |
| July 2023 - Present | <ul style="list-style-type: none">• Manufacturing Operation 2 General Manager, Delta Electronics (Thailand) Pcl. |

Non-Listed Company

- | | |
|---------------------|---|
| Jan 2021 - Jun 2023 | <ul style="list-style-type: none">• General Manager, Delta Electronics (Dongguan) Co., Ltd. |
| Feb 2018 - Dec 2020 | <ul style="list-style-type: none">• General Manager, Delta Electronics (Jiangsu) Ltd. |



Profiles of Management Team

Ms. Nipaporn Jiarajareevong

Chief Financial Officer (CFO)

Age : 53

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Thammasat University
- Bachelor of Engineering, Chulalongkorn University
- TLCA CFO CPD No. 1/2023 "Economic Update for CFO"
- TLCA CFO CPD No. 2/2023 "Risk Management for CFOs"
- TLCA CFO CPD No. 4/2023 "Green Assets: Opportunities for Sustainable Development"
- TLCA CFO CPD No. 5/2023 "RPA (Robotic Process Automation) in finance and Accounting"

- Governance System for Fraud Detection by TLCA
- TLCA CFO CPD No. 6/2023 "What is the future of the CFO role?"

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2023 - Present | <ul style="list-style-type: none"> • Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl. |
| 2021 - Present | <ul style="list-style-type: none"> • Chief Financial Officer (CFO) • Executive Committee Member • Risk Management and Sustainable Development Committee Member Delta Electronics (Thailand) Pcl. |
| 2013 - 2021 | <ul style="list-style-type: none"> • Finance Head & Business Finance Management Director, Delta Electronics (Thailand) Pcl. |

Mr. Chen, Chin-ming

Chief Information Officer (CIO)

Age : 54

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

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 | <ul style="list-style-type: none"> • Risk Management and Sustainable 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

Mr. Huang Chih-hao

Chief Human Resources Officer of SEA Region

Age : 51

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

Ms. Wilailak Funghanakun

Company Secretary (Appointment date : 8 Aug. 2008)

Age : 55

Shareholding in the Company As of 31 Jan 24

- None - (0.00% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Family Relationship among Directors and Executives :

- None -

Education/Training

- EMBA, Quantic School of Business and Technology, USA.
- Bachelor of Statistic, Fu Jen University, Taiwan

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

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2023 - Present | • Risk Management and Sustainable Development Committee Member
Delta Electronics (Thailand) Pcl. |
| 2022 - Present | • Chief Human Resources Officer of SEA Region, Delta Electronics (Thailand) Pcl. |

Training in 2023

- Webinar "Preparing a Report on Interests and Insider Information Policy" by Thai Company Secretaries Club
- ASEAN CG Scorecard Coaching 2023 by Thai Institute of Directors Association
- Company Secretary Forum 2023 "The role of the company secretary to driving ESG" by Thai Institute of Directors Association

Non-Listed Company

- | | |
|-------------|--|
| 2019 - 2022 | • Global HR Special Assistant of CEO, SSB Footwear Manufacturing Industry (Adidas) |
| 2016 - 2019 | • Lead Consultant/VGM, United Power International |

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 the Company Secretary, please see the section for more details in "Governance Structure item 7.6 Other Information"



Profile of Head of Accounting and Finance

Ms. Nipaporn Jiarajareevong

Chief Financial Officer (CFO)

Age : 53

Shareholding in the Company As of 31 Jan 24

- **None** - (0.00% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Training in 2023

Continuing development course in accounting knowledge
10 hours;

- TLCA CFO CPD No. 1/2023 "Economic Update for CFO"
- TLCA CFO CPD No. 2/2023 "Risk Management for CFOs"
- TLCA CFO CPD No. 4/2023 "Green Assets: Opportunities for Sustainable Development"
- TLCA CFO CPD No. 5/2023 "RPA (Robotic Process Automation) in finance and Accounting"
- Governance System for Fraud Detection by TLCA
- TLCA CFO CPD No. 6/2023 "What is the future of the CFO role?"

Work Experience in 5 years

Listed Company

- | | |
|----------------|---|
| 2023 - Present | <ul style="list-style-type: none">• Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl. |
| 2021 - Present | <ul style="list-style-type: none">• Chief Financial Officer (CFO)• Executive Committee Member• Risk Management and Sustainable Development Committee Member Delta Electronics (Thailand) Pcl. |
| 2013 - 2021 | <ul style="list-style-type: none">• Finance Head & Business Finance Management Director, Delta Electronics (Thailand) Pcl. |

Profile of Supervising Accounting

Mr.Somsak Khajornritdacha

Financial Report Manager

Age : 58

Shareholding in the Company As of 31 Jan 24

- **None** - (0.00% of the voting rights)

Family Relationship among Directors and Executives :

- None -

Education/Training

- MBA, Kasetsart University
- Bachelor of Accounting, Chulalongkorn University

Training in 2023

Official CDP* hours :

- Accounting 30.3 hours
- Ethics 1 hour
- Others 14 hours

* CDP : Continuing Professional Development

Work Experience in 5 years

Listed Company

- | | |
|---------------|---|
| 2015- Present | <ul style="list-style-type: none">• Financial Report Manager, Delta Electronics (Thailand) Pcl. |
|---------------|---|





Attachment 2

Profile of Directors in Subsidiaries

	Delta Electronics (Thailand) Pcl.	Delta Green Industrial (Thailand) Co., Ltd.	Delta Electronics (Vietnam) Co., Ltd.	Delta Electronics India Manufacturing Pvt. Ltd.	DET International Holding B.V.	DETH's subsidiaries (as of 31 January 2024)				Delta Energy Systems (Singapore) Pte. Ltd.	DESS's subsidiaries (as of 31 January 2024)				
						DET Logistics (USA) Corporation	Delta Energy Systems (Romania) SRL	Delta Energy Systems (India) Pvt. Ltd.	Delta Electronics (Automotive) Americas Inc		Delta Electronics India Pvt. Ltd.	Delta Electronics (Myanmar) Co., Ltd.	Delta Electronics (Australia) Pty Ltd	Delta Greentech (Netherlands) B.V.	Delta Energy Systems (UK) Ltd.
Hold by	("DET")	DET 100%	DET 100%	DET 100%	"DETH"	DETH 100%	DETH 100%	DETH 100%	DETH 100%	DET 100%	DESS 100%	DESS 100%	DESS 100%	DESS 100%	DESS 100%
1. Mr. Ng Kong Meng	X				/				/	/			X	/	/
2. Mr. Chang Tsai-hsing	/, //	/	/	/			/	/	/	/			/		/
3. Mr. Anusorn Muttaraid	/	/	/	/		/					/				
4. Mr. Lu Chun-chin	//													/	
5. Ms. Nipaporn Jiarajareevong	//		/	/		/		/	/		/				
6. Mr. Hsieh Shen-yen								/							
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. Mr. Tang Peng Seng										/					
17. Mr. Dalip Sharma														/	
18. Mr. Lin Cheng Pin											/				
19. Mr. Kelvin Huang									/						
20. Ms. Daw Khaling Wai Naing														/	

X Chairman / Director // Management

Remark: Delta Energy Systems (Germany) GmbH, Delta Energy Systems Property (Germany) GmbH, Delta Electronics (Slovakia) s.r.o., Ettek, s.r.o. Delta Electronics (Hungary) Kft. and Delta Energy Systems LLC no formal Board



Attachment 3

Profile of Internal Audit Manager

Miss Neythiya Peethong

Education:

- | | | |
|--|-------------|---|
| • Master of Information Technology,
The University of Sydney | 2008 - 2013 | Project Manager,
Delta Electronics (Thailand) Pcl. |
| • Bachelor of Industrial Technology (Electrical
Engineering), King Mongkut Institute of Technology
North Bangkok | 2006 - 2008 | Customer Service,
Delta Electronics (Thailand) Pcl. |
| | 2000 - 2004 | New Model Engineer,
NMB-Minebea Thai Ltd. (Lopburi Plant). |

Work Experience:

- | | | | |
|----------------|--|-------------|--|
| 2016 - Present | Internal Auditor Manager,
Delta Electronics (Thailand) Pcl. | 1998 - 2000 | R&D Engineer, Delta Electronics
(Thailand) Pcl. |
| 2013 - 2016 | Internal Auditor,
Delta Electronics (Thailand) Pcl. | | |

Training in Internal Audit :

Creative Problem Solving for Auditors, IIA



Attachment 4

Business Assets and Details on Asset Valuation

- Please find in item “1.2.4 Business Assets”



Attachment 5

Corporate Governance Policy & Code of Conduct Handbook

- Corporate Governance Policy :
<https://deltathailand.com/en/corporate-governance-policy>
- Code of Conduct Handbook :
https://deltathailand.com/en/Code_of_Conduct





Attachment 6

The Audit Committee Report

The Audit Committee consists of three independent directors in 2023: Mr. Boonsak Chiempricha as a chairman, Mrs. Tipawan Chayutimand and Dr. Somchai Harnhirun as Committee member with the Internal Audit Manager as its secretary.

During the year 2023, the Audit Committee held 4 meetings and Mr. Boonsak Chiempricha, Mr. Mrs. Tipawan Chayutimand attended all 4 meetings and Dr. Somchai Harnhirun attended 3 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, 2023 by Mr. Chatchai Kasemsrithanawat C.P.A. Registration No. 5813 or Miss Supanee Triyanantakul C.P.A. Registration No. 4498 or Ms. Krongkaew Limkittikul C.P.A. Registration

No. 5874, from EY Office Limited with the audit fee for the company and subsidiaries of Baht 6,870,000 (The audit fee for separated of financial statement of the company amount Baht 5,410,000 plus the review of subsidiaries fee amount Baht 1,460,000.)

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 Chiempredha

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 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: Mr. Anusorn Muttaraid (Non-executive Director) as Chairman, Dr. Somchai Harnhiran (Independent Director) as Committee Member, and Ms. Tipawan Chayutimand (Independent Director) as Committee Member.

During 2023, 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 the Board of Director Meetings and Annual General Meeting of Shareholders to appoint 3 directors which are: (1) Mr. Ng Kong Meng the Director, a director retiring by rotation, to be a director for another term; (2) Dr. Somchai Harnhirun, as a director in place of Mr. Chu Chih-yuan, a director retiring by rotation; and (3)

Ms. Xue Li, as a director in place of Dr. Witoon Simachokedee, a director retiring by rotation.

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 each Director's scope of duties and responsibilities. Compensation is at a budget that is considered reasonable compared to the responsibilities and to other companies in the 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 monitored and reviewed the KPIs of the President during the year 2023.
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 for the Nomination and Compensation Committee 2023 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 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 three directors in 2023 as follows;

- Mr. Chang Tsai-hsing
Chairman (from Apr 2020 - present)
- Mr. Anusorn Muttaraid
Member (from Oct 2018 - present)
- Ms. Nipaporn Jiarajareevong
Member (from Sep 2023 - 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 2023 to address the following significant tasks:

1. Recognizing the achievement of the successful second recertification of the "Thai Private Sector Collective Action against Corruption"
2. Participating in the determination of penalties for Code of Conduct violations.
3. Reviewing the subsequent measures taken in response to integrity issues.
4. Organizing a Suppliers Day event to underscore the company's commitment to anti-corruption.
5. Approving the first version of Antitrust Procedure
6. Implementing a third-party whistleblowing system.
7. Acknowledging the 2023 CG assessment works and result.

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 (Jackie)

Corporate Governance Committee Chairman



Privilege Committee Report

The Privilege Committee consists of four directors in 2023 as follows;

- | | |
|----------------------------|----------|
| 1. Mr. Anusorn Muttaraid | Chairman |
| 2. Mr. Somchai Harnhirun | Member |
| 3. Mr. Boonsak Chiempricha | Member |
| 4. Ms. Tipawan Chayutimand | Member |

Mr. Yongyuth Pakdounjan serves as secretary to the committee.

The Privilege Committee is committed to corporate governance, supporting procedures for receiving privileges from the Thai government, state-owned enterprises, and other related entities. To ensure that the company's privilege procedures or systems contribute to the company's long-term success.

The Privilege Committee held six meetings in 2023 for the following major tasks:

1. To promote and support the project in accordance with the Thailand Board of Investment's conditions for the benefits of investments.
2. Discussions and participate the activities by the various agencies of the state that assist the company 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 Best Industry Award 2023.

The Privilege Committee commits to develop its procedures and support measures for receiving privileges in order to serve the best interests of all stakeholders.

Mr. Anusorn Muttaraid

Privilege Committee Chairman

The Risk and Sustainable Development Committee Report

The Risk and Sustainable Development Committee has been appointed by the Board of Directors, chaired by Mr. Chang Tsai-hsing President of the consists of members and top managements with diverse expertise to concrete the Company's ESG performance.

The Risk and 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 Risk and Sustainable Development Committee held two meetings in 2023 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 and sustainability culture among Delta's value chain by collaborating with related contact windows.
4. Review stakeholder substantial and new expectations received from Delta various communication approaches.
5. Monitor sustainability performance against the changing perspective of stakeholder expectation, enterprise risk assessment result and global context and key ESG assessment that reflecting our performance against the industry.
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.
8. Review and follow up progress of RE100, Internal Carbon Pricing, Product Carbon Footprint Reporting Implementation, and key environmental activities that related to ensure our science-based target will be met by 2050 from a 2021 base year.

The Risk and Sustainable Development Committee ethically and responsibly performed its duties as specified in 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. Result of ESG risk management and sustainability development has communicated and reviewed by the Board of Director accordingly to the committee's charter. Impact of focused risk, result of strategic analysis and stakeholder expectation gathered and analyzed to conclude material issues for Delta's non-financial reports were accurately prepared in accordance with the Global Reporting Initiatives Standard and related principles.



Mr. Chang Tsai-hsing (Jackie)

The Sustainable Development Committee Chairman





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