

Delta Electronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Delta Electronics (Thailand) Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 26 October 2021

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		7,362,049	13,881,848	2,474,362	8,405,731
Trade and other receivables	3	18,266,920	13,997,069	18,740,178	14,147,454
Inventories	4	19,212,604	12,655,362	13,272,111	8,536,087
Other current financial assets	5	2,540	354,397	822	148,965
Other current assets	6	1,987,277	1,563,053	700,169	403,684
Total current assets		46,831,390	42,451,729	35,187,642	31,641,921
Non-current assets					
Deposits at bank with restrictions		42,719	51,052	-	-
Investments in subsidiary companies	8	-	-	13,909,473	14,088,146
Investment properties	9	240,847	233,116	-	-
Property, plant and equipment	10	17,414,395	12,724,466	9,635,753	6,895,756
Right-of-use assets	14	485,763	376,638	2,062	-
Goodwill		451,903	436,914	-	-
Other intangible assets	11	279,162	495,955	59,406	61,712
Deferred tax assets		369,479	289,013	-	-
Other non-current assets		135,628	160,045	10,490	3,280
Total non-current assets		19,419,896	14,767,199	23,617,184	21,048,894
Total assets		66,251,286	57,218,928	58,804,826	52,690,815

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	12	22,366,197	16,181,007	18,852,260	13,744,597
Current portion of lease liabilities	14	71,637	72,789	951	-
Income tax payable		136,154	188,698	5,631	49,174
Short-term provisions	16	103,460	76,373	-	-
Liabilities and provision from tax assessments	22.4.1	258,173	258,173	258,173	258,173
Derivative liabilities	23.2	187,521	675	186,571	-
Other current liabilities	13	270,856	392,650	87,301	168,819
Total current liabilities		23,393,998	17,170,365	19,390,887	14,220,763
Non-current liabilities					
Long-term loans from related party	2	381,822	-	-	-
Lease liabilities, net of current portion	14	93,494	107,792	1,116	-
Deferred tax liabilities		136,997	114,184	-	-
Provision for long-term employee benefits	15	1,621,797	1,542,246	481,890	465,244
Long-term provisions	16	551,986	420,588	415,603	302,036
Other non-current liabilities		411,003	256,324	1,569	1,357
Total non-current liabilities		3,197,099	2,441,134	900,178	768,637
Total liabilities		26,591,097	19,611,499	20,291,065	14,989,400

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 September 2021</u>	<u>31 December 2020</u>	<u>30 September 2021</u>	<u>31 December 2020</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,259,000,000 ordinary shares of Baht 1 each	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>	<u>1,259,000</u>
Issued and fully paid				
1,247,381,614 ordinary shares of Baht 1 each	1,247,382	1,247,382	1,247,382	1,247,382
Share premium	1,491,912	1,491,912	1,491,912	1,491,912
Difference from business combination under common control	(1,339,694)	(1,339,694)	-	-
Retained earnings				
Appropriated - Statutory reserve	125,900	125,900	125,900	125,900
Unappropriated	39,703,392	39,216,330	35,648,567	34,836,221
Other components of shareholders' equity	<u>(1,568,703)</u>	<u>(3,130,090)</u>	-	-
Equity attributable to owners of the Company	<u>39,660,189</u>	<u>37,611,740</u>	<u>38,513,761</u>	<u>37,701,415</u>
Non-controlling interests of the subsidiary	-	(4,311)	-	-
Total shareholders' equity	<u>39,660,189</u>	<u>37,607,429</u>	<u>38,513,761</u>	<u>37,701,415</u>
Total liabilities and shareholders' equity	<u>66,251,286</u>	<u>57,218,928</u>	<u>58,804,826</u>	<u>52,690,815</u>

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

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Directors
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(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 2021**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Sales		20,872,284	17,431,940	17,673,391	15,228,388
Service income		447,876	187,513	13,087	8,925
Other income					
Gain on exchange		375,394	106,520	374,686	128,822
Others		38,910	189,541	55,063	68,435
Total revenues		<u>21,734,464</u>	<u>17,915,514</u>	<u>18,116,227</u>	<u>15,434,570</u>
Expenses					
Cost of sales		16,902,954	12,894,827	13,839,163	11,003,341
Cost of services		314,309	145,204	9,425	17,000
Selling and distribution expenses	22.2.1	1,450,808	1,046,991	1,230,454	886,426
Administrative expenses		487,170	490,626	326,167	329,162
Research and development expenses	22.2.2	855,293	637,901	907,117	681,691
Losses due to flooding	19	393,387	-	393,387	-
Loss from impairment of investments in subsidiary company	8	-	-	179,133	-
Other expenses	11	196,020	36,370	11,228	42,031
Total expenses		<u>20,599,941</u>	<u>15,251,919</u>	<u>16,896,074</u>	<u>12,959,651</u>
Profit from operating activities		1,134,523	2,663,595	1,220,153	2,474,919
Share of profit from investments in associated companies	7	-	40,359	-	-
Finance income		18,247	21,505	2,152	6,931
Finance cost		(883)	(2,068)	(4)	-
Profit before tax income (expenses)		<u>1,151,887</u>	<u>2,723,391</u>	<u>1,222,301</u>	<u>2,481,850</u>
Tax income (expenses)	18	44,552	(96,098)	43,543	-
Profit for the period		<u>1,196,439</u>	<u>2,627,293</u>	<u>1,265,844</u>	<u>2,481,850</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 September 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		737,484	674,011	-	-
Share of other comprehensive income from investments in associated companies	7	-	1,478	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		737,484	675,489	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from investments in associated companies	7	-	(7,929)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(7,929)	-	-
Other comprehensive income for the period		737,484	667,560	-	-
Total comprehensive income for the period		1,933,923	3,294,853	1,265,844	2,481,850
Profit attributable to:					
Equity holders of the Company		1,191,265	2,642,094	1,265,844	2,481,850
Non-controlling interests of the subsidiary		5,174	526		
Shareholders of subsidiary before business combination under common control	8.2.2	-	(15,327)		
		<u>1,196,439</u>	<u>2,627,293</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,928,749	3,304,990	1,265,844	2,481,850
Non-controlling interests of the subsidiary		5,174	526		
Shareholders of subsidiary before business combination under common control	8.2.2	-	(10,663)		
		<u>1,933,923</u>	<u>3,294,853</u>		
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.96</u>	<u>2.12</u>	<u>1.01</u>	<u>1.99</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
Profit or loss:					
Revenues					
Sales		60,101,700	44,426,429	51,676,236	38,958,413
Service income		850,657	566,260	59,450	47,951
Other income					
Gain on exchange		849,743	321,529	821,970	342,135
Others		<u>373,340</u>	<u>361,218</u>	<u>311,228</u>	<u>180,856</u>
Total revenues		<u>62,175,440</u>	<u>45,675,436</u>	<u>52,868,884</u>	<u>39,529,355</u>
Expenses					
Cost of sales		47,613,780	33,516,854	39,833,023	28,316,036
Cost of services		673,604	402,687	40,929	41,570
Selling and distribution expenses	22.2.1	4,649,489	2,984,977	3,978,419	2,379,937
Administrative expenses		1,448,900	1,362,910	943,363	902,031
Research and development expenses	22.2.2	2,556,006	2,013,290	2,609,319	2,110,237
Losses due to flooding	19	393,387	-	393,387	-
Loss from impairment of investments in subsidiary company	8	-	-	179,133	-
Other expenses	11	<u>218,865</u>	<u>53,722</u>	<u>18,373</u>	<u>78,186</u>
Total expenses		<u>57,554,031</u>	<u>40,334,440</u>	<u>47,995,946</u>	<u>33,827,997</u>
Profit from operating activities		4,621,409	5,340,996	4,872,938	5,701,358
Share of profit from investments in associated companies	7	-	60,846	-	-
Finance income		48,044	90,474	12,235	30,383
Finance cost		<u>(2,396)</u>	<u>(3,656)</u>	<u>(11)</u>	<u>(13)</u>
Profit before tax income (expenses)		4,667,057	5,488,660	4,885,162	5,731,728
Tax income (expenses)	18	<u>(59,325)</u>	<u>(18,047)</u>	<u>43,543</u>	<u>-</u>
Profit for the period		<u>4,607,732</u>	<u>5,470,613</u>	<u>4,928,705</u>	<u>5,731,728</u>

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the nine-month period ended 30 September 2021**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		1,561,387	619,322	-	-
Share of other comprehensive income from investments					
in associated companies	7	-	(4,120)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		1,561,387	615,202	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from					
investments in associated companies	7	-	(6,358)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods		-	(6,358)	-	-
Other comprehensive income for the period		<u>1,561,387</u>	<u>608,844</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>6,169,119</u>	<u>6,079,457</u>	<u>4,928,705</u>	<u>5,731,728</u>
Profit attributable to:					
Equity holders of the Company		4,603,421	5,520,092	<u>4,928,705</u>	<u>5,731,728</u>
Non-controlling interests of the subsidiary		4,311	(94)		
Shareholders of subsidiary before business combination					
under common control	8.2.2	-	(49,385)		
		<u>4,607,732</u>	<u>5,470,613</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		6,164,808	6,128,199	<u>4,928,705</u>	<u>5,731,728</u>
Non-controlling interests of the subsidiary		4,311	(94)		
Shareholders of subsidiary before business combination					
under common control	8.2.2	-	(48,648)		
		<u>6,169,119</u>	<u>6,079,457</u>		
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>3.69</u>	<u>4.43</u>	<u>3.95</u>	<u>4.60</u>

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to shareholders of the Company												
Other components of shareholders' equity											Equity attributable to shareholders of subsidiary before	
Other comprehensive income											to shareholders of	
Share of other comprehensive income from											business	
Exchange differences on translation of financial statements											combination under	
Total other components of shareholders' equity											common control	
Total equity attributable to owners of the Company											Total	
Equity attributable to non-controlling interests of the subsidiary											shareholders' equity	
Issued and fully paid share capital	Share premium	Difference from business combination under common control	Retained earnings		in foreign currency	investments in associated companies	shareholders' equity	the Company	of the subsidiary	common control	equity	
			Appropriated	Unappropriated								
Balance as at 1 January 2020	1,247,382	1,491,912	(1,004,027)	125,900	34,359,240	(3,240,868)	30,685	(3,210,183)	33,010,224	(3,882)	-	33,006,342
Cumulative effect of business combination under common control	-	-	-	-	-	-	-	-	-	-	175,819	175,819
Balance as at 1 January 2020 - as restated	1,247,382	1,491,912	(1,004,027)	125,900	34,359,240	(3,240,868)	30,685	(3,210,183)	33,010,224	(3,882)	175,819	33,182,161
Profit for the period - as restated	-	-	-	-	5,520,092	-	-	-	5,520,092	(94)	(49,385)	5,470,613
Other comprehensive income for the period - as restated	-	-	-	-	-	618,585	(10,478)	608,107	608,107	-	737	608,844
Total comprehensive income for the period - as restated	-	-	-	-	5,520,092	618,585	(10,478)	608,107	6,128,199	(94)	(48,648)	6,079,457
Dividend paid (Note 17)	-	-	-	-	(2,245,287)	-	-	-	(2,245,287)	-	-	(2,245,287)
Balance as at 30 September 2020 - as restated	1,247,382	1,491,912	(1,004,027)	125,900	37,634,045	(2,622,283)	20,207	(2,602,076)	36,893,136	(3,976)	127,171	37,016,331
Balance as at 1 January 2021	1,247,382	1,491,912	(1,339,694)	125,900	39,216,330	(3,130,090)	-	(3,130,090)	37,611,740	(4,311)	-	37,607,429
Profit for the period	-	-	-	-	4,603,421	-	-	-	4,603,421	4,311	-	4,607,732
Other comprehensive income for the period	-	-	-	-	-	1,561,387	-	1,561,387	1,561,387	-	-	1,561,387
Total comprehensive income for the period	-	-	-	-	4,603,421	1,561,387	-	1,561,387	6,164,808	4,311	-	6,169,119
Dividend paid (Note 17)	-	-	-	-	(4,116,359)	-	-	-	(4,116,359)	-	-	(4,116,359)
Balance as at 30 September 2021	1,247,382	1,491,912	(1,339,694)	125,900	39,703,392	(1,568,703)	-	(1,568,703)	39,660,189	-	-	39,660,189

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

(Unaudited but reviewed)

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2020	1,247,382	1,491,912	125,900	30,067,468	32,932,662
Profit for the period	-	-	-	5,731,728	5,731,728
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,731,728	5,731,728
Dividend paid (Note 17)	-	-	-	(2,245,287)	(2,245,287)
Balance as at 30 September 2020	1,247,382	1,491,912	125,900	33,553,909	36,419,103
Balance as at 1 January 2021	1,247,382	1,491,912	125,900	34,836,221	37,701,415
Profit for the period	-	-	-	4,928,705	4,928,705
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,928,705	4,928,705
Dividend paid (Note 17)	-	-	-	(4,116,359)	(4,116,359)
Balance as at 30 September 2021	1,247,382	1,491,912	125,900	35,648,567	38,513,761

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

(Unaudited but reviewed)

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

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:				
Profit before tax	4,667,057	5,488,660	4,885,162	5,731,728
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	1,713,726	1,548,674	1,308,172	1,199,629
Amortisation	111,192	97,863	4,642	541
Recording of allowance for expected credit losses (reversal)	11,116	(67,303)	(2,064)	7,260
Reduction of inventory to net realisable value (reversal)	491,757	90,963	379,509	(82,796)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(83,585)	(159,204)	(118,943)	(124,896)
Increase in provision for long-term employee benefits	61,364	63,377	38,719	40,154
Recording of the increase in provisions	114,818	19,441	85,756	23,215
Share of profit from investments in associated companies	-	(60,846)	-	-
(Gain) loss from disposal/written-off of property, plant and equipment	(561)	1,687	(1,567)	(1,491)
Loss from write-off other intangible assets	186,836	4,041	-	-
Unrealised gain on exchange	(199,655)	(11,290)	(208,712)	(68,085)
Losses due to flooding	393,387	-	393,387	-
Loss from impairment of investments in subsidiary company	-	-	179,133	-
Interest income	(48,044)	(90,474)	(12,235)	(30,383)
Interest expenses	2,396	3,656	11	13
Profit from operating activities before changes in operating assets and liabilities	7,421,804	6,929,245	6,930,970	6,694,889
Decrease (increase) in operating assets:				
Trade and other receivables	(3,115,285)	(4,109,560)	(3,438,687)	(5,254,213)
Inventories	(7,296,509)	(2,287,863)	(5,327,685)	(1,169,338)
Other current assets	(462,675)	(251,529)	(327,339)	(65,720)
Other non-current assets	(23,873)	10,331	(7,210)	47
Increase (decrease) in operating liabilities:				
Trade and other payables	5,530,169	5,142,385	4,473,432	4,471,862
Other current liabilities	(122,209)	(145,549)	(81,181)	(29,779)
Provision for long-term employee benefits	(55,988)	(36,985)	(22,073)	(7,574)
Provisions	(21,639)	(23,549)	(17,978)	(19,843)
Other non-current liabilities	154,599	61,642	212	(165)
Cash flows from operating activities	2,008,394	5,288,568	2,182,461	4,620,166
Cash received from interest income	69,957	85,586	10,848	26,109
Cash paid for interest expenses	(5,792)	(3,818)	(11)	(13)
Cash paid for corporate income tax	(111,287)	(61,898)	(1,023)	(634)
Net cash flows from operating activities	1,961,272	5,308,438	2,192,275	4,645,628

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

(Unaudited but reviewed)

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

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	8,333	(1,747)	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	205,339	(749,102)	-	-
Increase in investments in subsidiary company	-	-	(460)	-
Advance received for sales of investment in associated companies	-	457,140	-	-
Advance payment for purchase of investment in subsidiary company	-	(462,838)	-	-
Acquisition of property, plant and equipment	(5,784,369)	(2,562,671)	(4,084,571)	(1,501,207)
Proceeds from disposal of property, plant and equipment	22,480	5,896	20,118	4,424
Increase in investment properties	(224)	(4,933)	-	-
Increase in land-use rights	(112,866)	-	-	-
Increase in other intangible assets	(43,941)	(88,473)	(2,336)	-
Net cash flows used in investing activities	<u>(5,705,248)</u>	<u>(3,406,728)</u>	<u>(4,067,249)</u>	<u>(1,496,783)</u>
Cash flow from financing activities:				
Increase in long-term loans from related party	383,638	-	-	-
Payment of lease liabilities	(64,995)	(66,683)	(709)	(5,376)
Dividend paid	(4,116,359)	(2,245,287)	(4,116,359)	(2,245,287)
Net cash flow used in financing activities	<u>(3,797,716)</u>	<u>(2,311,970)</u>	<u>(4,117,068)</u>	<u>(2,250,663)</u>
Increase in translation adjustments	<u>972,818</u>	<u>361,545</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents before effect from currency translation	<u>(6,568,874)</u>	<u>(48,715)</u>	<u>(5,992,042)</u>	<u>898,182</u>
Effect from currency translation of cash and cash equivalents	49,075	5,307	60,673	68,570
Net increase (decrease) in cash and cash equivalents	<u>(6,519,799)</u>	<u>(43,408)</u>	<u>(5,931,369)</u>	<u>966,752</u>
Cash and cash equivalents at beginning of period	<u>13,881,848</u>	<u>12,503,551</u>	<u>8,405,731</u>	<u>6,233,097</u>
Cash and cash equivalents at end of period	<u>7,362,049</u>	<u>12,460,143</u>	<u>2,474,362</u>	<u>7,199,849</u>
Supplemental disclosures of cash flows information				
Non-cash transaction				
Right-of-use assets increase under lease agreements	36,601	78,797	2,776	5,371

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

Delta Electronics (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2021

1. General information

1.1 Corporate 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.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis of preparation of interim financial statements

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

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

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

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There were no changes in the composition of the group during the current period.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Related party transactions

During the periods, 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 Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
		(Restated)			
<u>Transactions with the parent company</u>					
Sales of goods and raw materials	39	27	38	26	With reference to market prices
Purchase of goods and raw materials	199	129	94	24	With reference to market prices
Royalty paid (Note 22.2.1)	728	484	728	484	Contract prices
Services paid	33	27	33	27	Contract prices
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	6,657	5,480	With reference to market prices
Purchase of goods and raw materials	-	-	365	325	With reference to market prices
Commission paid	-	-	55	52	Contract prices
Design and engineering fee paid (Note 22.2.2)	-	-	605	478	Contract prices
Distribution fee paid	-	-	-	6	Contract prices
Administrative expenses	-	-	17	24	Contract prices
<u>Transactions with associated companies*</u>					
Sales of goods and raw materials	-	23	-	22	With reference to market prices
Commission paid	-	25	-	21	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	2,452	2,338	964	1,243	With reference to market prices
Purchase of goods and raw materials	1,742	1,095	736	279	With reference to market prices
Commission paid	146	131	143	125	Contract prices
Commission received	26	27	-	-	Contract prices
Service income	31	33	-	-	Contract prices
Design and engineering fee paid	14	3	12	-	Contract prices

* The Group sold investments in associated companies on 1 October 2020.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
		(Restated)			
<u>Transactions with the parent company</u>					
Sales of goods and raw materials	139	76	116	73	With reference to market prices
Purchase of goods and raw materials	378	290	129	30	With reference to market prices
Royalty paid (Note 22.2.1)	2,121	1,205	2,121	1,205	Contract prices
Services paid	100	98	100	98	Contract prices
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	19,230	15,128	With reference to market prices
Purchase of goods and raw materials	-	-	1,116	907	With reference to market prices
Commission paid	-	-	166	160	Contract prices
Design and engineering fee paid (Note 22.2.2)	-	-	1,822	1,491	Contract prices
Distribution fee paid	-	-	20	30	Contract prices
Administrative expenses	-	-	76	64	Contract prices
<u>Transactions with associated companies*</u>					
Sales of goods and raw materials	-	43	-	39	With reference to market prices
Commission paid	-	53	-	43	Contract prices
<u>Transactions with related companies</u>					
Sales of goods and raw materials	6,787	6,469	2,848	3,302	With reference to market prices
Purchase of goods and raw materials	4,549	3,112	1,665	834	With reference to market prices
Commission paid	406	419	395	411	Contract prices
Commission received	80	80	-	-	Contract prices
Service income	77	87	-	-	Contract prices
Design and engineering fee paid	38	8	30	-	Contract prices

* The Group sold investments in associated companies on 1 October 2020.

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2021 and 31 December 2020 between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade receivables, related parties (Note 3)</u>				
Parent company	45	26	40	21
Subsidiary companies	-	-	9,663	6,407
Other related companies (under common control)	2,341	1,660	989	777
Total trade receivables, related parties	<u>2,386</u>	<u>1,686</u>	<u>10,692</u>	<u>7,205</u>
<u>Other receivables, related parties (Note 3)</u>				
Subsidiary companies	-	-	7	49
Other related companies (under common control)	6	3	6	3
Total other receivables, related parties	<u>6</u>	<u>3</u>	<u>13</u>	<u>52</u>
<u>Amounts due from related parties (Note 3)</u>				
Subsidiary companies	-	-	3	1
Total amounts due from related parties	<u>-</u>	<u>-</u>	<u>3</u>	<u>1</u>
<u>Trade payables, related parties (Note 12)</u>				
Parent company	130	74	12	41
Subsidiary companies	-	-	322	370
Other related companies (under common control)	1,634	1,298	427	328
Total trade payables, related parties	<u>1,764</u>	<u>1,372</u>	<u>761</u>	<u>739</u>
<u>Other payables, related parties (Note 12)</u>				
Parent company	639	210	638	208
Subsidiary companies	-	-	313	195
Other related companies (under common control)	505	367	489	366
Total other payables, related parties	<u>1,144</u>	<u>577</u>	<u>1,440</u>	<u>769</u>
<u>Accrued expenses, related parties (Note 12)</u>				
Parent company	246	166	246	166
Subsidiary companies	-	-	-	1
Other related companies (under common control)	165	118	165	118
Total accrued expenses, related parties	<u>411</u>	<u>284</u>	<u>411</u>	<u>285</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	88	63	47	29
Post-employment benefits	8	7	6	6
Total	<u>96</u>	<u>70</u>	<u>53</u>	<u>35</u>

3. Trade and other receivables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Audited)		(Audited)
<u>Trade receivables, related parties</u> (Note 2)				
Aged on the basis of due dates				
Not yet due	2,349	1,669	10,116	6,964
Past due				
Up to 3 months	24	17	563	230
6 - 12 months	13	-	13	-
Over 12 months	-	-	-	11
Total	<u>2,386</u>	<u>1,686</u>	<u>10,692</u>	<u>7,205</u>
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	13,554	10,546	6,760	5,593
Past due				
Up to 3 months	1,496	872	551	475
3 - 6 months	73	57	34	39
6 - 12 months	40	29	7	-
Over 12 months	71	70	8	8
Total	<u>15,234</u>	<u>11,574</u>	<u>7,360</u>	<u>6,115</u>
Total trade receivables	<u>17,620</u>	<u>13,260</u>	<u>18,052</u>	<u>13,320</u>
Less: Allowance for expected credit losses	<u>(140)</u>	<u>(129)</u>	<u>(30)</u>	<u>(32)</u>
Total trade receivables - net	<u>17,480</u>	<u>13,131</u>	<u>18,022</u>	<u>13,288</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Other receivables</u>				
Amounts due from related parties (Note 2)	-	-	3	1
Other receivables - related parties (Note 2)	6	3	13	52
Other receivables - unrelated parties	781	863	702	806
Total other receivables	787	866	718	859
Trade and other receivables - net	18,267	13,997	18,740	14,147

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

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	(129)	(32)
Provision for expected credit losses	(18)	-
Reversal during the period	7	2
Balance as at 30 September 2021	(140)	(30)

4. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventory account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Million Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	(1,247)	(483)
Increase during the period	(507)	(380)
Increase during the period due to flooding (Note 19)	(331)	(331)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the period	84	119
Reversal during the period	15	-
Balance as at 30 September 2021	(1,986)	(1,075)

(Unaudited but reviewed)

5. Other current financial assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Debt instruments at amortised cost</u>				
Fixed deposits with maturity over 3 months	-	205	-	-
Total debt instruments at amortised cost	-	205	-	-
<u>Financial assets at FVTPL</u>				
Derivative assets (Note 23.2)	3	149	1	149
Total financial assets at FVTPL	3	149	1	149
Total other current financial assets	3	354	1	149

6. Other current assets

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Input tax refundable	494	358	227	205
Advance payments	1,216	846	433	163
Prepaid expenses	199	271	29	28
Prepaid tax	24	26	-	-
Others	54	62	11	8
Total other current assets	1,987	1,563	700	404

7. Investments in associated companies

7.1 Details of associates

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution approving a subsidiary of the Company, Delta Greentech (Netherlands) B.V., entering into an agreement to sell 49 percent interests in Delta Electronics (Switzerland) AG and Delta Greentech Electronics Industry LLC to related companies. The subsidiary received payment for the sale of these investments in associated companies during the fourth quarter of year 2020.

(Unaudited but reviewed)

7.2 Share of comprehensive income and dividend received

During the period, the Company has recognised its share of profit (loss) and share of other comprehensive income from investments in associated companies in the consolidated financial statements as follows:

(Unit: Million Baht)

Associates	Consolidated financial statements							
	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	Share of profit (loss)		Share of other comprehensive income		Share of profit (loss)		Share of other comprehensive income	
	from investments in associated companies		from investments in associated companies		from investments in associated companies		from investments in associated companies	
	2021	2020	2021	2020	2021	2020	2021	2020
Delta Energy Systems (Switzerland) AG	-	49	-	(6)	-	89	-	(10)
Delta Greentech Electronics Industry LLC	-	(9)	-	-	-	(28)	-	-
Total	-	40	-	(6)	-	61	-	(10)

No dividend was received from the above associated companies during the three-month and nine-month periods ended 30 September 2021 and 2020.

8. Investments in subsidiary companies

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

(Unit: Million Baht)

Company's name	Cost	
	30 September 2021	31 December 2020
		(Audited)
DET International Holding Limited	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	5,573	5,573
Delta Electronics (Vietnam) Company Limited	3	3
Delta Electronics India Manufacturing Private Limited	1	-
Subtotal	15,233	15,232
Less: Allowance for impairment loss of investments in subsidiary companies	(1,324)	(1,144)
Investments in subsidiary companies - net	13,909	14,088

No dividend was received from the above subsidiary companies during the three-month and nine-month periods ended 30 September 2021 and 2020.

8.2 Significant events during the current period

8.2.1 Subsidiaries directly owned by the Company

a) Establishment of new subsidiary

On 31 March 2020, a meeting of the Board of Directors of the Company passed a resolution to proceed with the incorporation of a subsidiary, Delta Electronics India Manufacturing Private Limited, to engage in the manufacturing and trading of electronics products. The subsidiary was incorporated in India with a registered capital of INR 1.1 million and the Company having a 100% shareholding.

In January 2021, Delta Electronics India Manufacturing Private Limited called up 100 percent of the par value of the shares and received payment of share capital of INR 1.1 million, or approximately Baht 0.5 million, on 15 January 2021.

b) Allowance for impairment loss of investment in subsidiary company

During the current quarter, the Company recognised allowance for impairment loss on investment in subsidiary company, DET International Holding Limited, amounting to approximately Baht 179 million in the statement of comprehensive income

8.2.2 Subsidiaries indirectly owned by the Company

a) Purchase of investment in the subsidiary

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution approving the acquisition by a subsidiary of the Company, Delta Energy Systems (Singapore) Pte. Ltd., of all ordinary shares of Eltek Australia Pty Ltd. at a price of approximately USD 14.62 million, or approximately Baht 463 million, from Eltek AS, which is a subsidiary of the parent company. On 30 September 2020, the subsidiary made payment for these ordinary shares and it received the shares on 1 October 2020 as agreed.

Because this acquisition was a business combination under common control, the Company has treated Eltek Australia Pty Ltd. as if it had been a subsidiary of the Company since it was established. The Company has accordingly restated the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2020, the consolidated statement of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2020, as presented herein for comparative purposes.

(Unaudited but reviewed)

The amounts of adjustments affecting the consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2020 were summarised below.

	(Unit: Million Baht)	
	For the three- month period	For the nine- month period
<u>Increase (decrease) in consolidated statements of comprehensive income</u>		
Profit or loss		
Sales	67	241
Service income	12	41
Gain on exchange	-	4
Other income	9	15
Cost of sales	57	229
Cost of services	16	31
Selling and distribution expenses	15	43
Administrative expenses	6	19
Research and development expenses	7	22
Other expenses	2	2
Income tax expenses	-	4
Profit for the period	(15)	(49)
Profit attributable to shareholders of subsidiary before business combination under common control	(15)	(49)
Other comprehensive income		
Exchange differences on translation of financial statements in foreign currency	4	-
Other comprehensive income for the period	4	-
Total comprehensive income attributable to shareholders of subsidiary before business combination under common control	(11)	(49)

The amounts of adjustments affecting the consolidated statement of cash flows for the nine-month period ended 30 September 2020 were summarised below.

	(Unit: Million Baht)	
<u>Increase (decrease) in consolidated statements of cash flows</u>		
Net cash flows from operating activities		(11)
Net cash flows used in investing activities		1
Net cash flow used in financing activities		3
Translation adjustments		3

b) The merger of subsidiaries in Australia

On 24 July 2020, a meeting of the Company's Board of Directors passed a resolution to merge two subsidiaries in Australia, Delta Electronics (Australia) Pty. Ltd. and Eltek Australia Pty. Ltd., with the merged business to belong to Eltek Australia Pty. Ltd. The subsidiaries' merger was completed on 1 April 2021.

On 22 April 2021, Delta Electronics (Australia) Pty. Ltd., which is now in the process of dissolution, changed its name to "Delta Electronics (Holdings) Australia Pty. Ltd." and Eltek Australia Pty Ltd. changed its name to "Delta Electronics (Australia) Pty. Ltd."

The merger had no impact on the consolidated financial statements because it was a merger of subsidiaries within a group of companies under common control.

c) Dissolution of subsidiary company

On 31 March 2021, a meeting of the Company's Board of Directors passed a resolution to dissolve Delta PBA Engineering Solutions Company Limited, which is a subsidiary company of Delta Energy Systems (Singapore) Pte. Ltd. This subsidiary registered its dissolution with the Ministry of Commerce on 5 May 2021 and registered the completion of its liquidation with the Ministry of Commerce on 20 September 2021.

The dissolution of this subsidiary does not have any significant impact on the Group's operations.

9. Investment properties

Movements of the investment property account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Million Baht)		
	Consolidated financial statements		
		Office building	
	Land for rent	for rent	Total
Net book value as at 1 January 2021	33	200	233
Depreciation for the period	-	(8)	(8)
Translation adjustment	2	14	16
Net book value as at 30 September 2021	35	206	241

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2021	12,724	6,896
Acquisitions during period - cost	5,784	4,085
Disposals/write-off during period - net book value at disposal/write-off date	(21)	(19)
Depreciation for the period	(1,632)	(1,307)
Allowance for impairment loss due to flooding (Note 19)	(19)	(19)
Translation adjustment	578	-
Net book value as at 30 September 2021	<u>17,414</u>	<u>9,636</u>

11. Other intangible assets

Movements of the other intangible asset account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2021	496	62
Increase from purchase during period	44	2
Written off during period	(187)	-
Amortisation for the period	(111)	(5)
Translation adjustment	37	-
Net book value as at 30 September 2021	<u>279</u>	<u>59</u>

During the current quarter, DET International Holding Limited, a subsidiary of the Company, wrote off patents of approximately USD 5.5 million, or approximately Baht 187 million, and this was presented under the caption of "Other expenses" in the consolidated statements of comprehensive income.

(Unaudited but reviewed)

12. Trade and other payables

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	1,764	1,372	761	739
Trade payables - unrelated parties	12,960	9,940	11,716	8,981
Other payables - related parties (Note 2)	1,144	577	1,440	769
Other payables - unrelated parties	1,837	1,084	1,627	1,003
Accrued expenses - related parties (Note 2)	411	284	411	285
Accrued expenses - unrelated parties	3,405	2,352	2,502	1,592
Advance received - related parties (Note 2)	-	-	29	19
Advance received - unrelated parties	845	572	366	357
Total trade and other payables	<u>22,366</u>	<u>16,181</u>	<u>18,852</u>	<u>13,745</u>

13. Other current liabilities

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Withholding tax payable	79	189	45	133
Value added tax payable	82	103	16	8
Others	110	101	26	28
Total other current liabilities	<u>271</u>	<u>393</u>	<u>87</u>	<u>169</u>

(Unaudited but reviewed)

14. Leases

14.1 Right-of-use assets

Movements of the right-of-use asset account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2021	377	-
Increase during period	149	3
Depreciation for the period	(74)	(1)
Translation adjustment	34	-
Net book value as at 30 September 2021	<u>486</u>	<u>2</u>

14.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Lease payments	168	184	2	-
Less: Deferred interest expenses	(3)	(3)	-	-
Total	165	181	2	-
Less: Portion due within one year	(72)	(73)	(1)	-
Lease liabilities - net of current portion	<u>93</u>	<u>108</u>	<u>1</u>	<u>-</u>

15. Provision for long-term employee benefits

Movements of the provision for long-term employee benefit account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	1,542	465
Recognition during period	84	39
Decrease during period	(56)	(22)
Reversal during period	(23)	-
Translation adjustment	75	-
Balance as at 30 September 2021	<u>1,622</u>	<u>482</u>

(Unaudited but reviewed)

16. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements	
	Other			Warranty	Total
	Warranty	provisions	Total		
Balance as at 1 January 2021	475	22	497	302	302
Recognition during period	163	49	212	115	115
Decrease during period	(18)	(4)	(22)	(18)	(18)
Reversal during period	(67)	(30)	(97)	(29)	(29)
Translation adjustment/unrealised loss on exchange rate	63	2	65	46	46
Balance as at 30 September 2021	<u>616</u>	<u>39</u>	<u>655</u>	<u>416</u>	<u>416</u>
Short-term provisions	57	19	76	-	-
Long-term provisions	418	3	421	302	302
Balance as at 31 December 2020 (Audited)	<u>475</u>	<u>22</u>	<u>497</u>	<u>302</u>	<u>302</u>
Short-term provisions	67	36	103	-	-
Long-term provisions	549	3	552	416	416
Balance as at 30 September 2021	<u>616</u>	<u>39</u>	<u>655</u>	<u>416</u>	<u>416</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.

17. Dividends

Dividends declared in 2021 and 2020 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 2020	Annual General Meeting of the shareholders on 31 March 2021	<u>4,116</u>	<u>3.30</u>
Final dividend for year 2019	Annual General Meeting of the shareholders on 31 March 2020	<u>2,245</u>	<u>1.80</u>

(Unaudited but reviewed)

18. Income tax

Tax income (expenses) for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
				(Restated)
Current income tax:				
Current income tax charge	(66)	(38)	(6)	-
Adjustment in respect of income tax of previous year	49	1	50	-
Deferred tax:				
Relating to origination and reversal of temporary differences	68	(50)	-	-
Translation adjustment	(6)	(9)	-	-
Tax income (expenses) reported in profit or loss	<u>45</u>	<u>(96)</u>	<u>44</u>	<u>-</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
				(Restated)
Current income tax:				
Current income tax charge	(152)	(57)	(6)	-
Adjustment in respect of income tax of previous year	50	36	50	-
Deferred tax:				
Relating to origination and reversal of temporary differences	58	2	-	-
Translation adjustment	(15)	1	-	-
Tax income (expenses) reported in profit or loss	<u>(59)</u>	<u>(18)</u>	<u>44</u>	<u>-</u>

19. Losses due to flooding

In August 2021, some of the Company's warehouses located in Bangpoo Industrial Estate in Samutprakarn province were affected by flooded, which resulted in property damage. The Company surveyed the damage and recorded losses due to flooding of Baht 393 million in the statement of comprehensive income for the current period. This consisted of the damages to inventories amounting to approximately Baht 331 million, damages to fixed assets amounting to approximately Baht 19 million and other damages amounting to approximately Baht 43 million. This amount includes the full book value of the fixed assets that were damaged and need to be replaced.

However, the Company has all risk insurance coverage and the Company is in the process of claiming compensation for the flood damage from its insurance company.

20. Earnings per share

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

(Unaudited but reviewed)

21. Segment information

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020 which is provided to the president of the Group, who is the chief operating decision maker of the Group.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Power electronics		Infrastructure		Automation		Others		Consolidated	
	segment		segment		segment				financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue										
Sales from external										
customers	15,554	11,140	4,820	5,662	487	626	11	4	20,872	17,432
Service income from										
external customers	3	22	360	58	56	100	29	8	448	188
Total revenue	<u>15,557</u>	<u>11,162</u>	<u>5,180</u>	<u>5,720</u>	<u>543</u>	<u>726</u>	<u>40</u>	<u>12</u>	<u>21,320</u>	<u>17,620</u>
Segment profit (loss)	1,394	1,654	197	998	(52)	41	(230)	(291)	1,309	2,402
Unallocated income (expenses):										
Gain on exchange rate									375	107
Other income									39	190
Losses due to flooding									(393)	-
Other expenses									(196)	(36)
Share of profit from investments in associated companies									-	40
Finance income									18	22
Finance cost									(1)	(2)
Profit before tax income (expenses)									1,151	2,723
Tax income (expenses)									45	(96)
Profit for the period									<u>1,196</u>	<u>2,627</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Power electronics		Infrastructure		Automation		Others		Consolidated	
	segment		segment		segment		segment		financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue										
Sales from external customers	44,195	27,826	14,474	15,394	1,393	1,160	40	46	60,102	44,426
Service income from external customers	12	99	558	159	202	261	79	47	851	566
Total revenue	<u>44,207</u>	<u>27,925</u>	<u>15,032</u>	<u>15,553</u>	<u>1,595</u>	<u>1,421</u>	<u>119</u>	<u>93</u>	<u>60,953</u>	<u>44,992</u>
Segment profit (loss)	3,739	3,274	964	2,171	(46)	(12)	(647)	(720)	4,010	4,713
Unallocated income (expenses):										
Gain on exchange rate									850	322
Other income									373	361
Losses due to flooding									(393)	-
Other expenses									(219)	(54)
Share of profit from investments in associated companies									-	61
Finance income									48	90
Finance cost									(2)	(4)
Profit before income tax expenses									4,667	5,489
Income tax expenses									(59)	(18)
Profit for the period									<u>4,608</u>	<u>5,471</u>

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 30 September 2021, the Group had significant capital commitments amounting to Baht 292 million, EUR 1.3 million or approximately Baht 52 million, USD 0.3 million or approximately Baht 11 million and INR 4,271 million or approximately Baht 1,956 million in respect of the building construction, purchase of machinery and equipment (31 December 2020: Baht 113 million, EUR 2 million or approximately Baht 78 million, USD 0.3 million or approximately Baht 10 million and INR 5,679 million or approximately Baht 2,314 million) (The Company only: Baht 292 million, 31 December 2020: Baht 113 million).

22.2 Long-term service commitments

22.2.1 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, as described in Note 2 to the financial statements.

22.2.2 Research and development service commitments

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

The Company has recorded the design and engineering fees as “Research and development expenses” in the statements of comprehensive income, as described in Note 2 to the financial statements.

22.3 Guarantee obligations

As at 30 September 2021, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 22.3.1 Outstanding letters of guarantee totaling approximately Baht 374 million (31 December 2020: Baht 373 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million (31 December 2020: Baht 335 million) issued by banks to meet obligations of the Company to the Revenue Department in relation to the tax assessment as mentioned in Note 22.4.1 to the financial statements).

22.3.2 Outstanding letters of guarantee for totals of approximately Baht 5 million, INR 1,375 million or approximately Baht 630 million, EUR 0.3 million or approximately Baht 14 million and AUD 1 million or approximately Baht 20 million have been issued by banks to meet requirements of the subsidiaries (31 December 2020: INR 1,249 million or approximately Baht 509 million, EUR 0.4 million or approximately Baht 13 million, AUD 2 million or approximately Baht 38 million).

22.4 Tax assessment

- 22.4.1 a. In 2015, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee. In addition, the Company received tax assessment notices for the year 2006 from the Revenue Department in 2016, assessing corporate income tax amounting to approximately Baht 168 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- b. On 23 August 2017, the Company received tax assessment notices for the year 2007 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 79 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 3 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- c. On 21 August 2018, the Company received tax assessment notices for the year 2008 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 49 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 4 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

(Unaudited but reviewed)

- 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.

However, the Company has recorded provisions for the tax assessments as mentioned in a., b., c., and d., with approximately Baht 258 million (including penalties and surcharges) under the captions of “Liabilities and provision from tax assessments” in the statement of financial position.

22.4.2 The Indian tax authorities assessed corporate income tax of approximately INR 228 million or approximately Baht 105 million, covering the years 2006 - 2018, and sales tax and excise duties of approximately INR 218 million or approximately Baht 100 million, covering the years 2005 - 2018, 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.

23. Financial Instrument

23.1 Fair value of financial instrument

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

23.2 Fair value hierarchy

As at 30 September 2021 and 31 December 2020, the Group had certain assets and liabilities that were measured using different levels inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 September 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 5)	-	3	-	3
Liabilities measured at fair value				
Foreign currency forward contracts	-	188	-	188

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Foreign currency forward contracts (Note 5)	-	149	-	149
Liabilities measured at fair value				
Foreign currency forward contracts	-	1	-	1

(Unit: Million Baht)

Separate financial statements				
As at 30 September 2021				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Foreign currency forward contracts (Note 5)	-	1	-	1
Liabilities measured at fair value				
Foreign currency forward contracts	-	187	-	187

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
Assets measured at fair value				
Foreign currency forward contracts (Note 5)	-	149	-	149

During the current period, there were no changes in the methods and assumptions used in determining the fair value of financial assets and no transfers within the fair value hierarchy.

(Unaudited but reviewed)

24. Financial derivatives

As at 30 September 2021 and 31 December 2020, the significant outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

(Unit: Million foreign currency unit)

Foreign currency	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
US dollar	275	263	400	324	553	466	394	326
Euro	9	6	7	2	9	6	17	11
Japanese yen	189	177	477	379	189	177	341	367

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at	
	30 September 2021	31 December 2020
US dollar	33.9223	30.0371
Euro	39.3641	36.8764
Japanese yen	0.3034	0.2907

The Group manages its exposure to foreign currency risk by using derivatives when considered appropriate. As at 30 September 2021 and 31 December 2020, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

Consolidated financial statements						
As at 30 September 2021						
	Amount		Forward rate		Maturity date	
Forward contracts to "Sell"						
USD/THB	USD	172 million	31.3050 - 33.8230	THB/USD	October 2021 - January 2022	
Forward contracts to "Buy"						
USD/INR	USD	17 million	73.8975 - 75.0000	INR/USD	October - December 2021	
JPY/THB	JPY	80 million	0.2960 - 0.3038	THB/JPY	October - November 2021	

(Unaudited but reviewed)

Consolidated financial statements						
As at 31 December 2020						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
Forward contracts to “Buy”						
USD/INR	USD	6	million	73.7350 - 73.8625	INR/USD	January 2021
JPY/THB	JPY	90	million	0.2892 - 0.2916	THB/JPY	January - March 2021
Separate financial statements						
As at 30 September 2021						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	172	million	31.3050 - 33.8230	THB/USD	October 2021 - January 2022
Forward contracts to “Buy”						
JPY/THB	JPY	80	million	0.2960 - 0.3038	THB/JPY	October - November 2021
Separate financial statements						
As at 31 December 2020						
	Amount			Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	170	million	29.9800 - 31.6900	THB/USD	January - April 2021
Forward contracts to “Buy”						
JPY/THB	JPY	90	million	0.2892 - 0.2916	THB/JPY	January - March 2021

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 26 October 2021.