



Annual Report

2020

Delta Electronics (Thailand) Public Company Limited

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“Investors will be able to learn more about the company from Form 56-1 on the company’s website <https://www.deltathailand.com/en/form-56-1>”

This Annual Report is printed on Green Read Paper

Company General Information

Name	Delta Electronics (Thailand) Public Company Limited
Company Registration Number	0107537002559
Headquarter Contact Address	909 Soi 9, Moo 4, E.P.Z., Bangpoo Industrial Estate, Tambon Prakasa, Amphur Muangsamutprakarn, Samutprakarn Province 10280, Thailand Tel. : (662) 709-2800 Fax : (662) 709-2833
Nature of Business	Manufacturing and exporting of power supplies and other electronic equipment and components
Home Page	www.deltathailand.com
Registered Share Capital	1,259,000,000 ordinary shares at par value of Baht 1
Paid up Capital	1,247,381,614 ordinary shares at par value of Baht 1 (As of 5 January 2021)
Juristic persons which Company holds more than 10%	Please find details in the section of “Investment Structure”
References	1. Auditor EY Office Limited (Formerly know as Ernst & Young Office Limited) 33 rd Floor, Lake Rajada Office Complex, 193/136-137, Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. : (662) 264-0777 Fax : (662) 264-0789 2. Share Registrar Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Tel. : (662) 009-9000 Fax : (662) 009-9991





Mission

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



Corporate Culture

Strive for change, and pursue sustainability

Innovation

Create new ideas and take them to success effectively

Quality

Consistently deliver superior performance and pursue improvement all the time

Agility

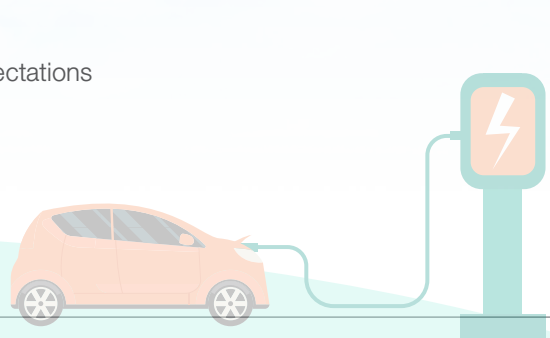
Identify emerging trends and act quickly to capture new opportunities

Teamwork

Fully leverage global value networks and collaborate to achieve mutual goals

Customer Satisfaction

Anticipate customer needs and exceed expectations



Delta Overview

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

Delta Thailand is a manufacturer and exporter of power supplies and electronics equipment and parts, the company is one of the world’s leading producers of power supplies and electronic components that include cooling 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 and adapters. Presently, we are extending our businesses to cover renewable energies such as solar power, wind power, electric vehicle and hybrid-electric vehicles.



Confidence in “DELTA”

- SET50 Index
- SET High Dividend 30 Index (SETHD)
- SETTHSI Index
- MSCI Global Standard Indexes following the MSCI 2020 Semi-Annual Index Review
- FTSE4Good Emerging Index for the 4th consecutive year (2017-2020)
- Thailand’s Sustainability Investment (THSI) listed for the 6th consecutive year (2015-2020)
- ESG 100 for the 6th consecutive year (2015-2020)
- “Excellent” grade on the Corporate Governance Report (CGR) for the 5th consecutive year (2016-2020)
- Silver Award in the S&P Global’s Sustainability Yearbook 2021 in ITC industry for the 2nd Consecutive year

Corporate Objectives

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







SMARTER



Financial Highlights 2018–2020

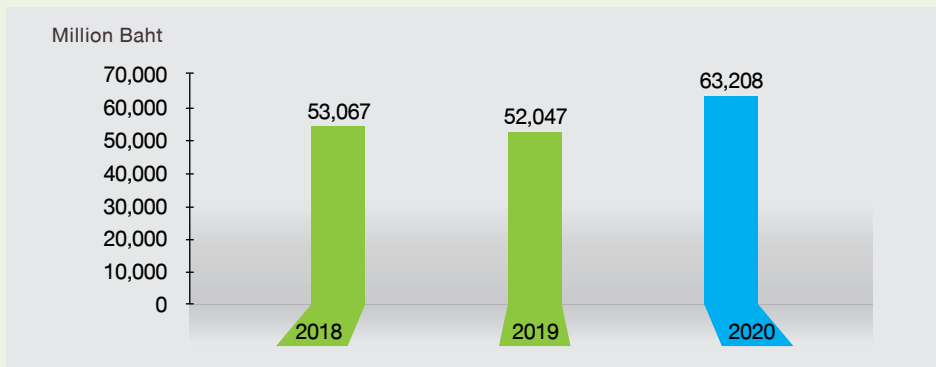
Unit : Million Baht	Consolidated			The Company Only		
	2020	2019	2018	2020	2019	2018
Total Assets	57,219	46,255	49,045	52,691	42,491	43,607
Total Liabilities	19,611	13,073	14,936	14,989	9,558	10,184
Paid-Up Capital	1,247	1,247	1,247	1,247	1,247	1,247
Total Shareholders' Equity	37,607	33,182	34,108	37,701	32,933	33,423
Sales Revenues	63,208	52,047	53,067	53,762	40,122	40,124
Total Revenues	64,103	52,508	53,885	54,358	40,548	40,767
Cost of Sales	48,089	41,411	40,944	39,731	31,604	30,386
Gross Profit	15,119	10,636	12,123	14,031	8,518	9,738
Selling & Admin Expense	8,762	8,314	7,445	7,528	6,488	5,561
Operating Profit	6,356	2,322	4,678	6,503	2,030	4,176
Net Profit for Equity Holders of the Company	7,102	2,960	5,137	7,014	2,419	4,539
Unit : (%)						
Gross Profit Margin	23.92%	20.44%	22.84%	26.10%	21.23%	24.27%
Operating Profit Margin	10.06%	4.46%	8.81%	12.10%	5.06%	10.41%
Net Profit Per Total Revenues *	11.08%	5.64%	9.53%	12.90%	5.97%	11.13%
Return On Equity *	19.80%	9.02%	15.43%	19.72%	7.49%	13.96%
Return On Assets *	13.37%	6.42%	10.81%	14.57%	5.81%	10.76%
Unit : Baht						
Earning Per Share *	5.69	2.37	4.12	5.62	1.94	3.64
Dividend Per Share	3.30**	1.80	2.30	3.30**	1.80	2.30
Book Value Per Share	30.16	26.61	27.35	30.23	26.41	26.80

* Base on net profit for equity holders of the company

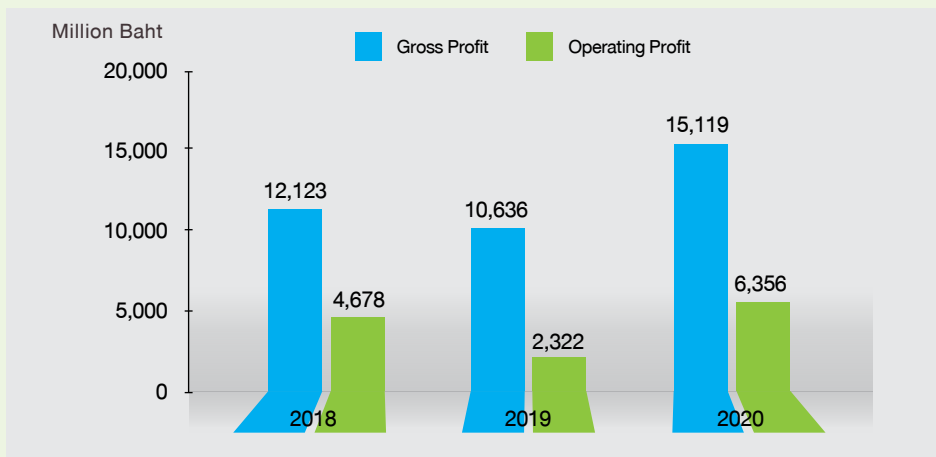
** Pending approval from shareholders' meeting

Profit Growth

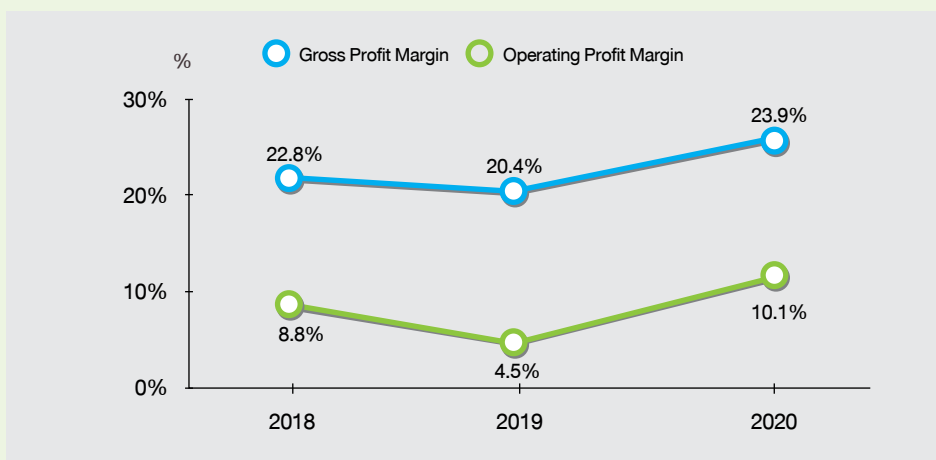




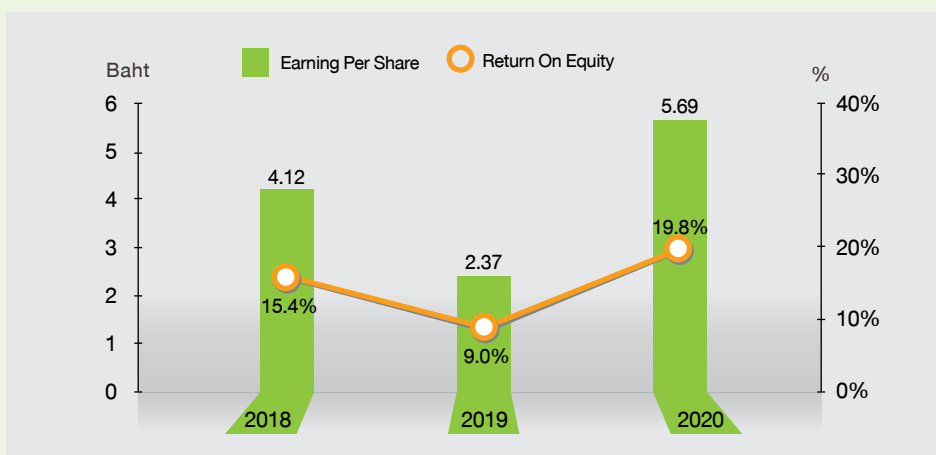
Sales Revenues



Gross Profit vs Operating Profit



Gross Profit Margin vs Operating Profit Margin



EPS vs ROE



THE PRIME MINISTER INDUSTRY AWARD 2020

รางวัลอุตสาหกรรม ประจำปี 2563



Prime Minister's Industry Award 2020
in the Energy Management Category



SET
AWARDS
2020



THAILAND
SUSTAINABILITY
INVESTMENT



Thailand Sustainability
Investment 2020 (THSI)





Message from the Board of Directors

The intensification of global warming situation, trade war, and a global pandemic has disrupted the world and brought a “new normal” where technology is the key for both our survival and wellbeing. For Delta Group, our Smarter. Greener. Together. brand promise served us since before 2010 as a representation of the visionary new normal for green products, green energy sources such as solar and wind power and technology breakthroughs like AI. At Delta Thailand, we have invested in many areas including R&D offices in many countries for new innovations, diversified production locations, and worldwide talents in line with the global situation as the USA is rejoins the Paris Agreement and other nations in establishing 5G telecom platforms.

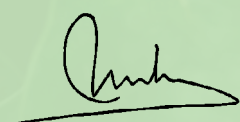
Our major transitions in 2019 and the tender offer of Delta Thailand by Delta Electronics, Inc. in Taiwan has enhanced synergies among all parties in the Delta Group and accelerated our development in many areas of our business operations and geographies. New production capacities, increasing R&D personnel and team unity has prepared our company for the best opportunities that have arrived earlier than expected. We were well positioned during and after the serious COVID-19 pandemic and political tensions in many countries. As a result, our sales revenue hit USD 2 billion, which is the highest level since our inauguration in 1990.

During COVID-19 pandemic, our data center power supplies products have been growing very well as businesses around the globe are preparing themselves for more mandatory online or cloud activities. In the later half of the year, Our EV power products picked up huge demand from our 2019 R&D projects as businesses invest in green transportation for environmental conservation in a bid to stimulate the economy in many countries. This trend is continuing into 2021. On the other hand, sporadic lockdowns in 2020 delayed growth in our other businesses, especially revenue in our Regional businesses, and increased our logistic costs.

Our Networking product production for Delta Group started in Thailand since 2019. The Thai factory is improving in both efficiency and productivity to become on-par with Delta China. At the same time, Eltek factories, mainly in Slovakia, performed quite well amid the serious COVID-19 situation in Europe. Our Delta Group production location diversification plan, regarding some of our China product migration, is in line with a major change in the global electronic supply chain as the result of political tension and security issues among nations.

After our smart manufacturing implementation and capacity expansion in Thailand, Myanmar and India, we have gradually migrated some products to Delta Thailand although not as quickly as planned due to the COVID-19 situation in Myanmar and India. As for our future plans, India will be the main production assembly location for our ODM and for Regional businesses whilst Thailand will be the main location for our ODM production with support from Myanmar and Slovakia. In this year, we hope to finish adjustments of some production within Thailand and finish setting up the factories in South India.

Finally, we would like to express our sincere gratitude to our customers for the opportunities and for their trusts, to Government authorities for their great support to facilitate our operations, and to each and every parties for their contribution to us. Most importantly, we would like to thank the company’s management and staffs as well as operators for their great effort and tireless contribution as team unity is essential for the success of 2020 and sustainability in the long run. Lastly, The Board and the management would like to express our faithful appreciate to our shareholders for their trust in our company all these years.



Ng Kong Meng
Chairman of the Board



Chang Tsai-hsing
President



The Audit Committee Report

The Audit Committee consists of three independent directors in 2020: Mr. Boonsak Chiempricha as a chairman, Mr. Chu Chih-yuan and Mrs. Tipawan Chayutimand as Committee member with the Internal Audit Manager as its secretary.

During the year 2020, the Audit Committee held 4 meetings and Mr. Boonsak Chiempricha, Mr. Chu Chih-yuan and Mrs. Tipawan Chayutimand attended all 4 meetings.

The Audit committee performed its work during the year according to the Audit Committee Charter, which complies with the guidelines of the Stock Exchange of Thailand. The Audit Committee also fulfilled the matters assigned by the Board of Directors which can be summarized as follows:

1. Reviewed the quarterly and year-end financial statements independently with the external auditors to ensure that the financial statements and the disclosures were accurate, appropriate, and reliable, and then submitted them to the Board of Directors. The Audit Committee also received reports from the external auditor that there was no any irregularity that should be investigated.
2. Reviewed and evaluated the company internal control whether it is adequate and appropriate. Including the effectiveness of the company's internal control system using guidelines from the Office of the Securities and Exchange Commission and COSO-Internal Control Integrated Framework. The committee has not been reported that the company internal control has any significant deficiency.
3. Reviewed the risks and the risks management of the company so that all the risks were properly managed.
4. Reviewed and approved the annual internal audit plan, acknowledged the internal audit reports conducted on various key business processes every quarter, along with the issues and provided recommendations to the management, also evaluated the performance of the Internal Audit Manager as well.
5. Acknowledged with some suggestions the semi-annual compliance report and the progress of tax assessments.
6. Reviewed the related party transactions or the conflict of interest transactions together with the external auditors that these transactions were reasonable, proper and fully disclosed, including reviewing the internal control of these transactions
7. The Committee conducted a self-assessment to review and evaluate its performance by benchmarking it against the Audit Committee Charter and best practice guidelines. The review concluded that the Committee had been effective in carrying out its duties and had followed the terms of reference in the charter. The Committee also reviewed, and made amendments to, the Audit Committee Charter in order to align it with best practice guidelines and submitted the result to BoD.
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, 2020 by Mr. Preecha Arunnara C.P.A. Registration No. 5800, or Mr. Narong Puntawong C.P.A. Registration No. 3315, or Miss Supanee Triyanantakul C.P.A. Registration No. 4498 from EY Office Limited with the audit fee of Baht 6,395,000 for DET group and Baht 4,910,000 for separated of financial statement DET plus some out-of- pocket expenses.

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 Chiempricha
Audit Committee Chairman

The Nomination and Compensation Committee Report

The Nomination and Compensation Committee (NCC) has performed duties pursuant to the good corporate governance principles and the Nomination and Compensation Committee Charter specified by the company. Such duties included recruitment, selection, and recommendation of the knowledgeable, competent, and qualified candidates suitable for the position of director and top management. This Committee is also responsible for proposing fair and transparent compensation policy and payment guidelines including other benefits to the Board of Directors and the sub-committee by taking into consideration the best interests of all parties which match the performance of the company and the economic environment.

The Nomination and Compensation Committee consists of 3 members, which are Mr. Anusorn Muttaraid (Non-executive Director) as Chairman, Dr. Witoon Simachokedee (Independent Director) and Mr. Chu, Chih-yuan (Independent Director) as Committee Members.

During 2020, the Committee convened 5 meetings in which important matters and constantly reported the meeting result including comments and suggestions to the Board of Directors for consideration as the important issues as follows:

1. The Committee has reviewed and considered the persons who have the qualification, knowledge, capability and experience in the business related to the company's operation, and proposed to Board of Director Meetings and Annual General Meeting of Shareholders to appoint 3 directors which are Mr. Ng Kong Meng, Mr. Chu, Chih-yuan and Mr. Witoon Simachokedee, the Directors who will be retired to resume director who will be retired by rotation return to continue being the Director for another term.
2. The Committee has reviewed and considered to determine compensation for directors in which criteria on consideration of compensation for directors which appropriate for and in line with the scope of duties and responsibilities of each director; compensation at the same budget which is considered reasonable compared to the responsibilities and other companies in a same or similar industry to attract and retain knowledgeable and qualified directors to perform duties for the Company and proposed to Board of Director Meetings and Annual General Meeting of Shareholders for consideration and approval.
3. The Committee has monitoring and reviewing the KPIs of the President during the year 2020.
4. The Committee has reviewed and added the duties and responsibilities of the Committee and proposed to Board of Director Meetings to approve the amendment the Nomination and Compensation Charter in order to cope with the future situation of employee compensation and appoint Mr. Anusorn Muttaraid as Chairman of the Nomination and Compensation Committee to be consistent with the additional duties and responsibilities of the Committee in the situation of employee compensation which requires the former executive director to lead which effective from 26 October 2020 onwards.
5. To follow up and monitor the policy on fairly giving compensation to employees so that it enhances the competitiveness in the market and maintains quality and potential employees.
6. To organize a performance evaluation of the Nomination and Compensation Committee 2020 and submit an evaluation report to the Board of Directors in order to improve the performance to be efficient, together with revealing the evaluation's results in the annual report.

The Nomination and Compensation Committee has performed duties with care, transparency and fairness in accordance with the corporate governance, and above of all, benefit of the company and the stakeholders is highly concerned.



(Mr. Anusorn Muttaraid)

Nomination and Compensation Committee Chairman



Corporate Governance Committee Report

The Corporate Governance Committee consists of four directors in 2020 as follows;

Mr. Hsieh Shen-yen	Chairman (from Jun 2019 – Mar 2020)
Mr. Chang Tsai-hsing	Member (from Jun 2019 – Mar 2020)
	Chairman (from Apr 2020 - present)
Mr. Anusorn Muttaraid	Member (from Oct 2018 – present)
Mr. Vichai Saksuriya	Member (from Oct 2020 - present)

The Company Secretary serves as secretary to the committee.

The Board of Directors commits to conducting transparent business operations with integrity and accountability. It considers this as a key to the company's sustainable business growth and corporate best practice acceptable to stakeholders. The Corporate Governance Committee has the duty to set Delta's Corporate Governance (CG) policies that cover the entire organization and to ensure that CG procedures or systems support the company's long-term success.

The Corporate Governance Committee held two meeting in 2020 for the following major tasks:

1. Recruiting a new member to the committee
2. Raising awareness of Code of Conduct and Anti-Corruption Policy among employees by conducting physical training covering all employees, including operators, providing handbooks and signing the acknowledgement and conformity form
3. Implementing Code of Conduct online teaching materials
4. Reviewing the 2020 CGR result and updating the content in the Corporate Governance Policy, following up to ensure practical implementation in order to comply with the requirement of Corporate Governance Report (CGR)
5. Approving Code of Conduct practice enhancement by implement three forms of self-declaration forms for the Employee's Conflict of Interest
6. Approving a No Gift campaign

The Corporate Governance Committee commits to improving its efficiency in steering the company's CG, social responsibility and sustainable development practices and to serving the best interest of all stakeholders.

Mr. Chang Tsai-hsing
Corporate Governance Committee Chairman

COVID-19 Crisis Management

At the onset of the COVID-19 pandemic, Delta Group set up a COVID-19 Surveillance Center within the organization and the executives of Delta (Thailand) also established a Delta Anti-epidemic Taskforce, chaired by Mr. Jackie Chang as Chief Executive, to ensure swift command and provide safety for the employees and prompt control of the pandemic.

Delta Anti-epidemic Taskforce consists of the Administrative Section, Safety Section, Human Resource Section, and Organizational Communication Section. This task force unit is responsible to issue a variety of announcements, statements or measures during the crisis. It compiles information from the Thai government and coordinates with the internal Surveillance Center of the Delta Group, in order to determine the appropriate operational policy and communications with employees and all of our subsidiaries. In addition, our company also sends out emails notifying and updating information regarding domestic and international pandemic conditions to all of our employees every 1-2 days. The unit manages several issues as follows:

- Preparing resources for continuous operations with efficiency during the crisis and ensuring that all employees are able to work online from home immediately
- Using Skype meetings as a means of communication with colleagues that work at the company or with subsidiaries abroad. In addition, there we also use video conference effectively as a tool in organizing meetings, both domestically and internationally
- The Safety Section and Human Resource Section have simulated BCP scenarios, which could happen in order to be prepared in case such situations actually occur. For example, if an employee has contracted COVID-19, we practice who will need to be quarantined, or if a department has to stop working, where a disinfection service can be obtained etc.
- The Executive team simulated worst-case scenarios in many different situations. For example, in case of a country being closed off causing our company to stop production and result in a decline in sale revenue or in case of a restrictive curfew announcement, preparations are planned regarding our production and human resource management to resolve any problems with our emergency and personnel administration plans



With all this, after the Emergency Decree and Social Distancing Measures were announced in Thailand, our company remained open for operations as normal with strict controls. Our company is affected by an increase in the cost of imported raw materials as the cost of air transportation have doubled since the beginning of crisis until now. In the beginning, the problem occurred due to a delay in the delivery of raw materials causing the company to import raw materials urgently via air freight. However, later there were limited numbers of airlines able to provide air freight service and this led to an increase in air freight cost. There is minimal effect on the cost of export as products can still be shipped by sea.

Earnings of the power supply product group in the second quarter still remain at a good level. However, caution should be taken regarding the impact of the pandemic in the European Union and the United States, which may cause customers to postpone or cancel purchases. Earnings of our automotive product group is expected to be significantly affected in the second quarter as the factories of customers in Germany and the United States had to stop their operations.

Health and Well-being of Employees Delta Group has taken advantage of our international production network and utilized automated machinery for industrial production of medical masks for our company's internal use. This resulted in the distribution of several hundred thousand pieces of medical masks per month to employees and other personnel who work in the factory such as food sellers, contractors, or visitors.



Adjustment to Changes the Automated Industrial System Team, both in Thailand and Singapore, have organized online seminar programs for sales teams to communicate with customers and learn from target group customers continuously. This also includes development and improvement of our seminar platforms and the variety of online tools we use to work and respond to customers in the most efficient manner.

Impacts and Business Opportunities

Our company has not been commercially affected by the COVID-19 situation. On the contrary, our company envisages future business opportunities as follows:

The COVID-19 situation caused several organizations to have their employees work from home, which leads to an increase in demand for internet bandwidth and data storage space. Therefore, our company foresees that data centers will be an important goal of business expansion and a necessity for all companies in every country.

- The business of installation and maintenance of UPS that assist in the operation of hospitals is absolutely necessary. This is the reason why the TPS and UPS product groups of our company, which has factories in Rudrapur India, is an important and top priority industry in which the Government of India has given permission to open for operation first.
- As a producer and main solution provider in Thailand, the company has collaborated with the BOI and other Thai trade partners to develop domestic business for supplying protective equipment to fight the COVID-19 crisis domestically. This equipment includes an electronic ventilation fan for the production of a sterile suit and protective head mask, along with powered air purifying respirator (PAPR) and personal protective equipment (PPE) for medical personnel in Thailand.

At present, our company delivered automated industrial technology and ICT infrastructure to support businesses in Thailand under the “**New Normal**” lifestyle that minimizes human contact by having robots conduct more tasks.

Risk Management

Risk is inherent in all business and administrative activities that are increasing in complexity to keep pace with changes in a highly dynamic business environment. Delta continually raises awareness in risk management throughout our organization. We believe risk management is one of the most effective tools to ensure good management practice and facilitate the achievement of our objectives. The Board of Directors has appointed a Risk Management Committee to establish a risk management policy that covers our entire organization and extended networks to ensure that risk management procedures or systems are in place to appropriately mitigate negative impact on the organization.

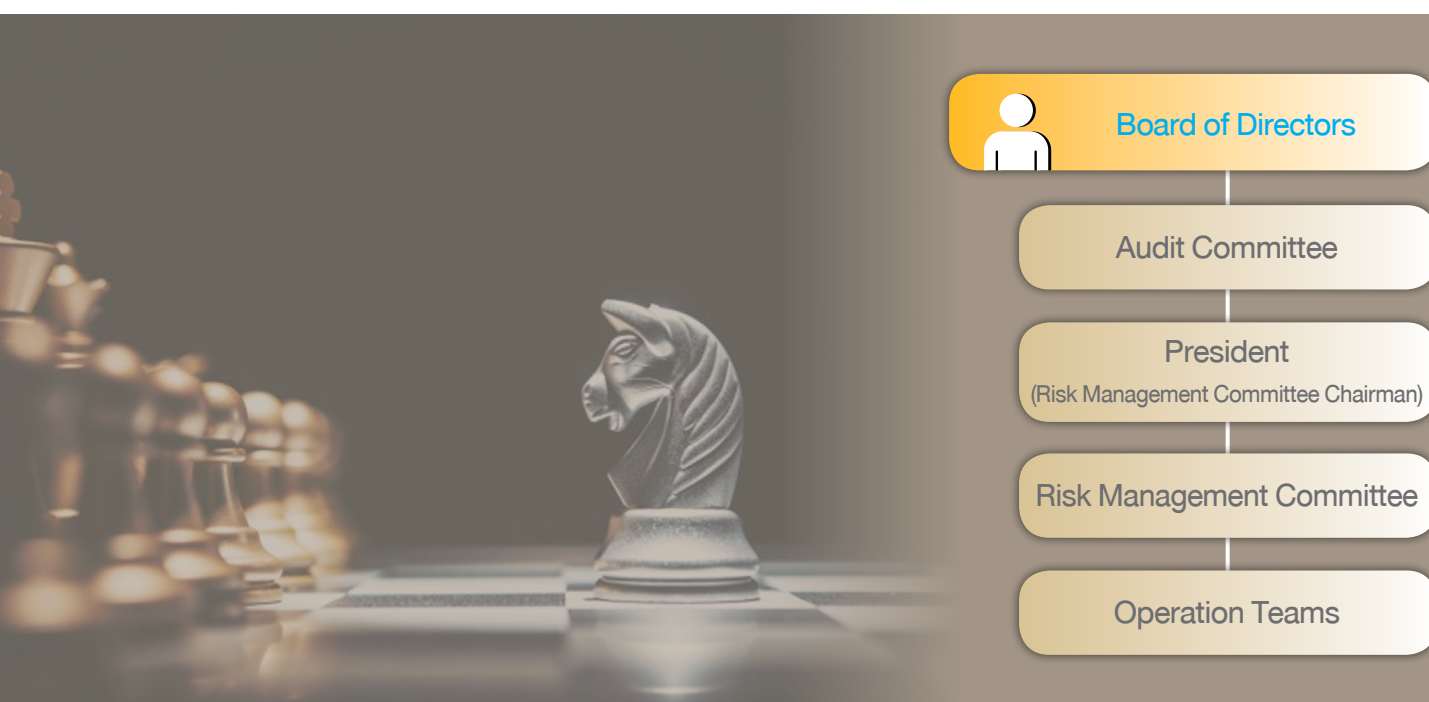
Risk Management Committee

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

Duties and Responsibilities of Risk Management Committee:

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

Risk Management Committee Organization



Risk Management Process

In order to put the risk management framework into practice, the Risk Management Committee has set up the risk assessment and risk policy for management and documented information in the “Risk Management Committee Charter”.

The Committee has advised 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 need to identify risks and how they occur, investigate the risk background and find areas where risks occur. Next they must measure, rank and prioritize identified risks to form management strategies and processes. The Risk Management Manager will summarize the information and documentation from relevant departments and present it to the Committee.

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

Key Risks and Management Strategies

1. Financial Risk Management

Exchange Rate Risk

Thailand’s 2020 GDP growth is expected to be -6.6%, and the growth forecast in 2021 is 3.2%. Policy rate is expected to stay at 0.50% through early 2022. (Data source: BOT / IMF) Current accounts would remain in a surplus and continue to support the Thai Baht. Meanwhile, the country’s lost tourism revenues are partly offset by weaker imports. Capital outflows have reversed lately as the global financial markets turned positive in emerging markets after news of COVID-19 vaccines.

Thailand’s balance of payment surplus increased in Q4-2020 due to trade balance and portfolio inflows. Capital inflows and trade surplus should pressure fluctuation on the exchange rate.

In 2020, the company had a gain on exchange of about Baht 388 million mostly caused by the depreciation of the Thai Baht during the first half of the year. However, Thai Baht has appreciated gradually in the second half of the year, in line with Asian currencies that were affected by the weakness of the US dollar.

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

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

* Based on Bank of Thailand Monetary Policy Report December 2020.

Accounts Receivables Collections

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

With efficient accounts receivable management, credit control system and experienced personnel, the company, navigates various challenges and managed the accounts receivable and collections according to a good standard during the past years. This has helped to ensure sufficient and smooth cash in-flows to support our business operations and needs.

2. Corporate Investment Risk Management

Investments and financial assistance given to subsidiaries are generally risk inherent transactions. Risk management practices that our company adopts are to closely monitor and control treasury, accounts receivable and other significant financial and administrative activities. The executives of our subsidiaries attend company gatherings from time to time for training, meeting or performance review which is regularly done through video conference. This ensures administration efficiency towards the same business direction and boost working morale cooperation among the group also.

3. Supply Chain Risk Management

The company assesses the major risk factors throughout the supply chain. This is due to any misalignment in the supply chain management would affect the confidence of customers and other stakeholders as well as impact future operations. In early 2020, the global COVID-19 pandemic brought many challenges to supply chain management across the regions and countries worldwide. Going forward into 2021, we would further accelerate our pace of developing a more diversified supplier base and countries of origin for materials, with a particular focus on Thailand and the ASEAN region.

Moreover, the company is foreseeing a potential tight supply in the semiconductor market that may occur in Q1 2021. We have taken several actions to cope with this including capacity booking with key suppliers, monitoring inventory levels of strategic materials and preparing multiple sources. The company will continue to watch the market and work closely with our valued suppliers to ensure minimum disruption to our operations.

To ensure good quality and continuity of supply, the company always places strong emphasis on managing “Key/Critical suppliers” and “Key/Critical parts” in our supplier management framework. Apart from evaluating the technology, quality, responsiveness, delivery performance and price of the suppliers, the company also focuses on managing the supply and demand of critical parts by utilizing end customer demand forecast, system integrators and supplier inventory level.

Generally, local suppliers are preferable as they offer an advantage in delivery time and responsiveness but they are also required to meet our standards for technology, quality and price. In 2021, we foresee there will be more suppliers moving to Thailand and the ASEAN region to mitigate the risk of a single-country production base in China. This would further enhance the diversification and competitiveness in the local supply chain and strengthen the company’s localization.

The company also conducts in-depth analysis of key suppliers’ financial status after the global financial crisis as well as reviewing the supply chain diversification/geographical distribution of suppliers’ production lines in order to reduce the risk of material shortage caused by extreme climate conditions or possible major disasters in the future.



In addition, to lower Environmental, Social and Corporate Governance (ESG) risks in the supply chain and improved competitiveness, Delta Thailand started promoting Responsible Business Alliance (RBA) Verification Consultation since 2014. A verification and consultation team has been organized jointly by Delta's human resources, labor safety, plant affairs, and purchasing departments to perform RBA verification and consultation of key suppliers with high ESG risks.

Room for improvement has been verified for most suppliers in health and safety aspects of the RBA management system. Excessive work hours are common managerial problems in the industry. To address these findings, Delta verification and consultation team provided experience in introducing and promoting Delta's Management System for reference to suppliers, with continuous follows up to ensure continued improvement.

Up to now, there are 95% of suppliers signed in "Declaration of Compliance with RBA Code of Conduct". Besides of the high percentage of the signed 'RBA Declaration", the company held the "RBA On Site Audit" focus on local suppliers, all of these local suppliers were able to comply with RBA Code of Conduct requirements.

4. Information Risk Management

To respond to increasing demand on the Delta Thailand computer network to provide high-speed wireless access for our manufacturing, the current IT infrastructure will move deeper into supporting our manufacturing areas.

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

However, this opens the door to a whole new kind of cyber-attacks on our Smart Manufacturing. Unsecure manufacturing IoT is like having an open gate that is vulnerable to information attacks from outside. To secure and mitigate this risk, IT built tough infrastructure with resilient equipment and security management. We engaged with professional contractors and service providers to build our company firewall, hardware redundancy, maintenance service and proactive care service. This will reduce risks of hardware failure, data loss and improve information security.

The company IT department conducts an annual Information Security Awareness training and review for all employees along with IT orientation for new employees according to DET HR's schedule.

The company's IT system also implemented vulnerability scanning to avoid cyber-attacks, review administrative rights to limit users when installing software in computers and installed a Data Leak Prevention system to block access to unauthorized personal electronics devices, external cloud storage or USB.

For End Point Devices, IT implemented hard drive encryption to protect against data leaks in the case of stolen or lost company computers and protects against data leaks from Smart Devices by our Enterprise Mobility Management solution. We also proactively update the software patches and review software installed to manage and mitigate the risks.

The company has IT security awareness activities like a network security policy, implemented to reduce the scope of impact, and updates our policy for any network connected device that needs good management. We process vulnerability risk verification for new applications and annual review. The company requests all employees to cooperate with IT for any new IoT device implementation.

Ongoing IT department work includes the preparation and implementation of application management, awareness programs and regular audits, in cooperation with vendors, to improve software compliance.

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

We apply new technology to speed up and improve accuracy of our Production's productivity by using in-house development that takes Virtual Reality technology as a model. Virtual Training tools and Deep analysis, remote troubleshooting are increasing during the COVID-19 pandemic situation.

5. Legal and Intellectual Property Rights Risk Management

Intellectual property which includes copyright, patent, trademark, petty patent, trade secrets and layout-designs of integrated circuits, etc., has value both beneficially and commercially which results from intellectual ability, knowledge, monetary investment and time spent in the creation of intellectual property. Therefore, the rights of inventors and authors should be protected and maintained from any kind of infringement and the intellectual property of the others should be respected and legally used.

In recognition of the importance of intellectual property, the company makes a policy to guard and protect the intellectual property owned by the company from violation and unauthorized use, while also maintaining strict respect for the intellectual property of the others.

When using, duplicating, adapting, disclosing or disseminating copyrighted materials to the public, whether in whole or in part, executives and employees can only proceed after being granted approval or permission from the copyright owners. In the case of any doubt in dealing with such copyrighted materials, prior to proceeding - it is the duty of the executives and employees to consult on such matters with the Legal department.

When using legally registered logos or trademarks of the company or Delta Group, executives and employees should shall take into account appropriateness of use and apply it prudently only for the benefit of the company or Delta Group.

Any invention and design, new product or any discovery which results in an improved or new and innovative product or service, which has not yet been registered for a patent or petty patent must be safely guarded and protected from intellectual property infringement.

When duplicating, adapting, disclosing and disseminating copyrighted works or other people's trade secrets to a third party or the public, either in whole or in part, permission or consent must first be legally granted from the copyright owners.

Executives and employees who have access to trade secrets (for example, trade information, production cost information, production formulas, product pricing formulas, patterns, software, technical methods, production procedures, business management information, product price details, customer lists and advertising strategies, etc.) are required to safely guard such information and comply with the company Code of Conduct.



6. Environmental Risk Management

The Climate Change Report of United Nations IPCC points out that average global warming of 0.2°C is expected for each of the next two decades. Long-term global warming is expected in the range of 2°C-4.5°C. Sea level rise of between 18 cm and 59 cm is expected by the end of the 21st century. The report's findings are a conservative estimate according to recent science.

A total of 25 climate topics were collected in 2017 through the aforementioned procedures. After ranking the comprehensive risks and upon internal confirmation, a total of 11 major risks have been identified. These risks encompass policy and legal risks, technology risks, market risks, and physical risks.

Major Risks:

1. Increase in payment for Greenhouse gas emissions
2. Fuel/energy tax or relevant legal regulations
3. Voluntary regulations
4. Standard environmental regulations (including those being planned)
5. Regulation of renewable energy
6. Products/services replaced by low-carbon technology
7. Costs for transition to a low-carbon economy
8. Uncertainty of market information
9. Increase in raw material expenses
10. Changes in rainfall, severe changes in weather type
11. Rise in average temperatures

Other Risks:

1. Increase in liability for reporting emissions
2. Compulsory legal regulations for products and services
3. Litigations
4. International industry standards
5. Constraints on air pollution
6. Uncertainty of new legal regulations
7. Lack of regulations
8. Failure of investment in new technology
9. Changes in consumer behavior
10. Changes in consumer preferences
11. Industry stigmatization
12. Increases in stakeholders' concerns and negative feedback
13. Increases in severity of extreme weather incidents
14. Rise in average sea level

The company is promoting carbon-reduction technologies and reduction of carbon emissions to respond to this risk by the following activities and operations:

Green Business: The Company is building and enhancing its R&D capabilities to develop green energy/energy saving products and solutions. This R&D designs and develops new products and services with Green Innovation that have a lower carbon footprint and lower environmental impact.

Green Operations: Delta participated in the Ministry of Industry's "Green Industry" and "ECO Factory" programs to showcase its strong commitment to environment-friendly industrial practice. The company's two plants at Bangpoo Industrial Estate and Wellgrow Industrial Estate are certified Green System, which is a level for industries in Thailand with systematic environmental management processes include monitoring, evaluation and improvement.

The company set energy management goals for major production sites and implemented annual energy-saving projects. Delta is the first company in Thailand to be certified ISO14064-1 (Standard of Management System for Quantification and Reporting of Greenhouse Gas Emissions) and ISO50001 (Standard of Energy Management System) and we remain committed to standards that further enhance our competency towards the future.

The company also promoting renewable energy by installing solar PV systems at Bangpoo and Wellgrow plants. Along with the several projects for Energy Saving and Carbon Reduction, the company has developed a SCADA (Supervisory Control and Data Acquisition) system and in-house software integrated with digital metering technology to monitor, gather and process data at main sites including Thailand factories. The real-time monitoring and analysis functions provided by the system help identify more opportunities for energy saving and carbon reduction.

Green Buildings: Since 2006, Delta committed to make all new buildings green buildings. The company's head office in Bangpoo, Samutprakarn has received the LEED (Leadership in Energy and Environmental Design) Gold certification in the EBOM (Existing Buildings: Operations and Maintenance) category. It is also the first factory in Thailand to have received the certification under the EBOM category.

Green Supply Chain: The Company's Green Supply Chain Management Committee continues to develop and improve supplier compliance with three supporting tools: agreement, training and audit. We prioritize GHG emission reduction and energy saving as one of the major topics in the Responsible Business Alliance (RBA).

- 1) Suppliers must fully comply with local statutory regulations and define its own risk control mechanism.
- 2) Suppliers must establish management systems regarding environmental protection, energy saving and GHG emission reduction.
- 3) Suppliers must comply with relevant Delta standards on managing of RBA.

Green Society (Employee & Community): The Company promotes Energy Volunteer and Education (DEEP & SEED) programs and offers scholarships, products and training on carbon reductions to schools and universities. We share our experience in building energy-efficient and low-carbon green buildings and green factory-office buildings through our open house activities and green building programs. This includes working with local environmental protection groups to promote environmental education programs and the energy-saving ideas of green buildings with the government, school, media, communities and public.



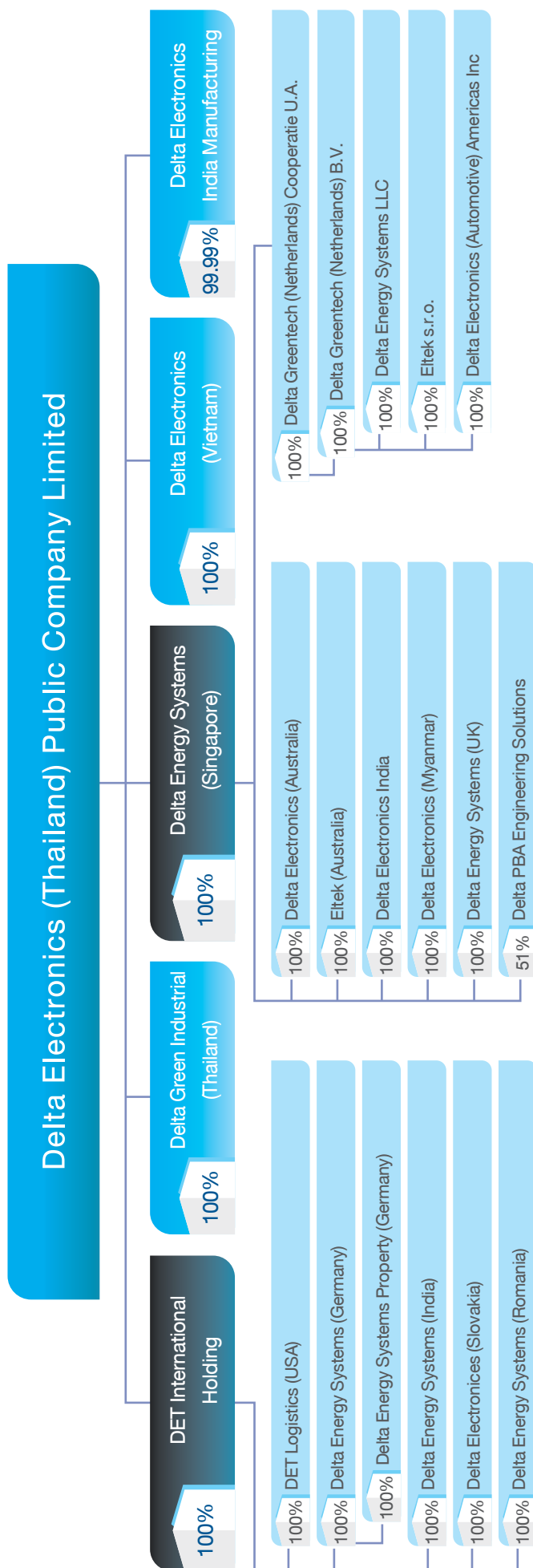
For carbon disclosure, we engaged with the Carbon Disclosure Project (CDP), Dow Jones Sustainability Indices (DJSI), IR-related and NGO's questionnaires. Delta publishes the company GHG management measurement and results in our Sustainable Development Report and Annual Report.

7. Occupational Health and Safety (OHS) Risk Management

The company carries out OHS Risk Management through the following activities:

- 1) Providing basic safety training programs such as Basic Fire, First Aid Responder, Safety Officer at Supervision and Management Level, Basic Safety Training for employees, sub-contractors and vendors, Safety in Electrical Work, Safety Radiation, Fork Lift, Ergonomic and Machine Safety, Emergency Response Team, Fire/Chemical Drill and Confined Space Training.
- 2) Setting up a Safety Committee to carry out regular audits and improvements on workplace environment such as; monitoring workplace environment quality, measuring emissions, inspecting drinking water/wastewater and monitoring radiation from X-ray machines etc.
- 3) Identifying, evaluating and managing the risks associated with the environment as well as with the health and safety of our employees, contractors, customers and those living in our community. Periodic activities include Safety Week Campaign, Corporate Social Responsibility (CSR) and Safety Project etc.

Investment Structure (as of January 31, 2021)



Company	Location	Type of Business	Type of product	Type of Stock	% Holding
1. DET International Holding Ltd.	Cayman Islands	Business Investment	-	Common Stock	100
1.1 DET Logistics (USA) Corporation	United State of America	- Logistic Service - Sales	-	Common Stock	100
1.2 Delta Energy Systems (Germany) GmbH	Germany	- Marketing & Sales - R&D	- Power System - Power Supply - Other Electronics Products	Common Stock	100
1.2.1 Delta Energy Systems Property (Germany) GmbH	Germany	Property	-	Common Stock	100
1.3 Delta Energy Systems (India) Pvt. Ltd.	India	Marketing & Sales	Electronics Products	Common Stock	100
1.4 Delta Electronics (Slovakia), s.r.o	Slovakia	Manufacturing & Sales	- Power Supply - Power Systems - OEM Power Systems	Common Stock	100
1.5 Delta Energy Systems (Romania) SRL	Romania	R&D	-	Common Stock	100
2. Delta Energy Systems (Singapore) Pte.Ltd.	Singapore	- Business Investment - Management and Consultancy Service - Trading	-	Common Stock	100
2.1 Delta Electronics (Australia) Pty Ltd	Australia	Marketing & Sales	Renewable Energy Products	Common Stock	100
2.2 Eltek (Australia) Pty Ltd	Australia	Local sales & Trading	- Power Supply - Other Electronics Products	Common Stock	100
2.3 Delta Electronics India Pvt. Ltd.	India	- Marketing & Sales - Manufacturing	Non-Telecom Power System & UPS Products	Common Stock	100
2.4 Delta Electronics (Myanmar) Co., Ltd.	Myanmar	Manufacturing	- Mechanical - Electronics Products under CMP system (Cutting, Making and Packaging)	Common Stock	100
2.5 Delta Energy Systems (UK) Limited	United Kingdom	R&D	Power Electronics	Common Stock	100

Company	Location	Type of Business	Type of product	Type of Stock	% Holding
2.6 Delta PBA Engineering Solutions Co., Ltd.	Thailand	Provider of industrial automation solutions	Industrial Automation	Common Stock	51
2.7 Delta Greentech (Netherlands) Cooperatie U.A.	Netherlands	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	100
2.7.1 Delta Greentech (Netherlands) B.V.	Netherlands	Business Investment	Focusing on Telecom Power Systems Products	Common Stock	100
2.7.1.1 Delta Energy Systems LLC	Russia	Marketing & Sales	Power Systems	Common Stock	100
2.7.1.2 Eltek s.r.o.	Slovakia	Manufacturing	Telecom Power SystemsStock	Common	100
2.7.1.3 Delta Electronics (Automotive) Americas Inc.	United State of America	R&D	Automotive Power and Traction Inverter	Common Stock	100
3. Delta Green Industrial (Thailand) Co.,Ltd.	Thailand	Integration, Sales/Trading, Installation and Service	- UPS - Solar Inverter - EV Charger - Data Center	Common Stock	100
4. Delta Electronics (Vietnam) Co.,Ltd.	Vietnam	Trading and solution business	Electronics products	Common Stock	100
5. Delta Electronics India Manufacturing Pvt. Ltd.	India	Manufacturing	Electronics products	Common Stock	99.99





GREENER

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 Hosur), Slovakia (Dubnica nad Váhom and Liptovsky Hradok) and Myanmar (Yangon). Delta divides its products into 3 main business groups as follows;

1. Power Electronics Group

1.1 Power and Systems (PSBG) Product Group which can be further divided down into 4 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.
- Industrial Tools, includes power supplies for industrial and consumer electronics tools.

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

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

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

3. Infrastructure Group

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

- Communication & Information Solutions (CIS)
- Networking Infrastructure (DNI)

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

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

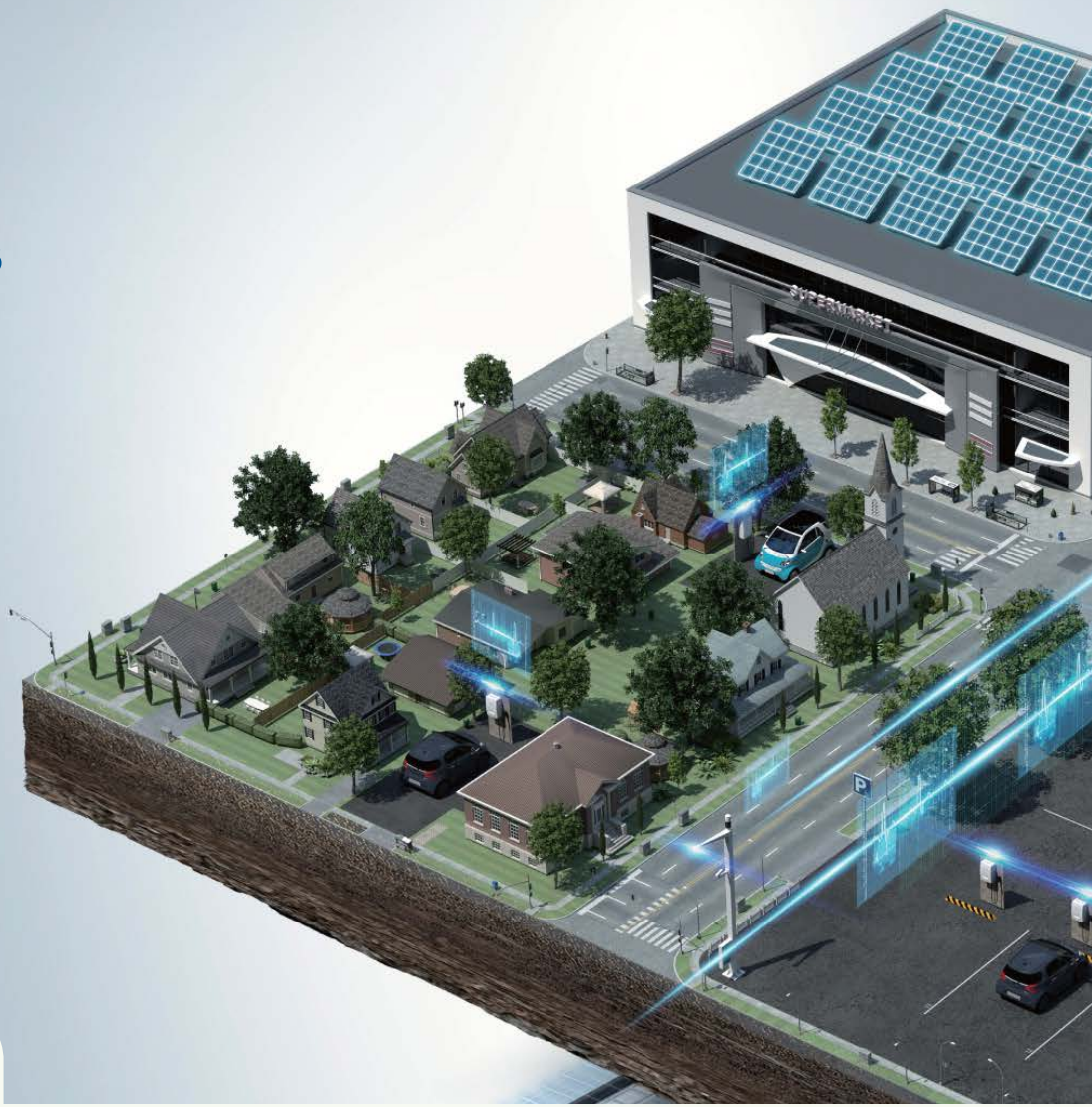
Revenue Structure of Delta and Subsidiaries

Unit: Million Baht

Product Group	2020		2019		2018	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	45,020	71.2%	32,296	62.0%	34,404	64.8%
Infrastructure Group	16,252	25.7%	17,463	33.6%	16,394	30.9%
Automation Group	1,811	2.9%	2,120	4.1%	1,826	3.4%
Others	125	0.2%	168	0.3%	443	0.8%
Total Sales Revenues	63,208	100.0%	52,047	100.0%	53,067	100.0%



Business Categories



Product



Product Electronics

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



Automation

- Industrial Automation
- Building Automation



Infrastructure

- ICT Infrastructure
- Energy Infrastructure



To Provide
the most efficient
and reliable
energy saving
solutions for
customers





Solutions



Building Automation



EV Charger



Renewable Energy



Telecom Energy



Industrial Automation



Industrial Automation

Green Solutions





Power Electronics

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

Power and Systems

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

DC-DC Power



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

Computer & Networking Power



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



Power Electronics

Power and Systems (Continued)

Custom Design Power

Our custom design provides fully customized innovative solutions/products for the computing (server, networking), office automation, medical, telecommunications, automotive and industrial applications. As a technology leader, our customized solution/products are packed with innovative technologies.



Industrial Tools

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



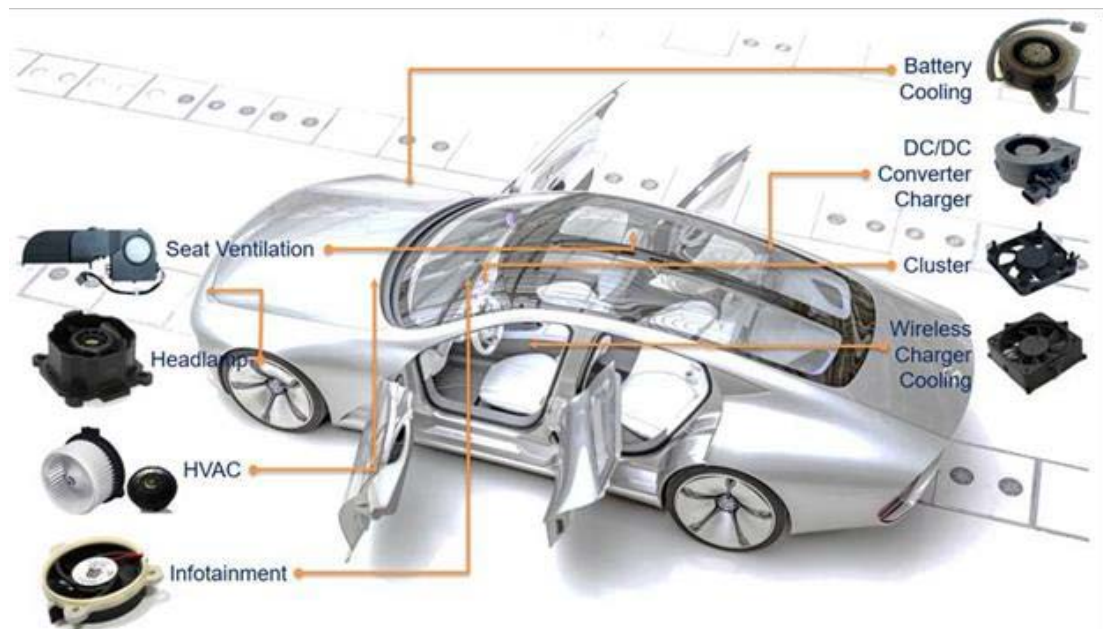


Power Electronics

Fan & Thermal Management

Fan & Thermal Management

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



EMI Filter

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



Solenoid

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

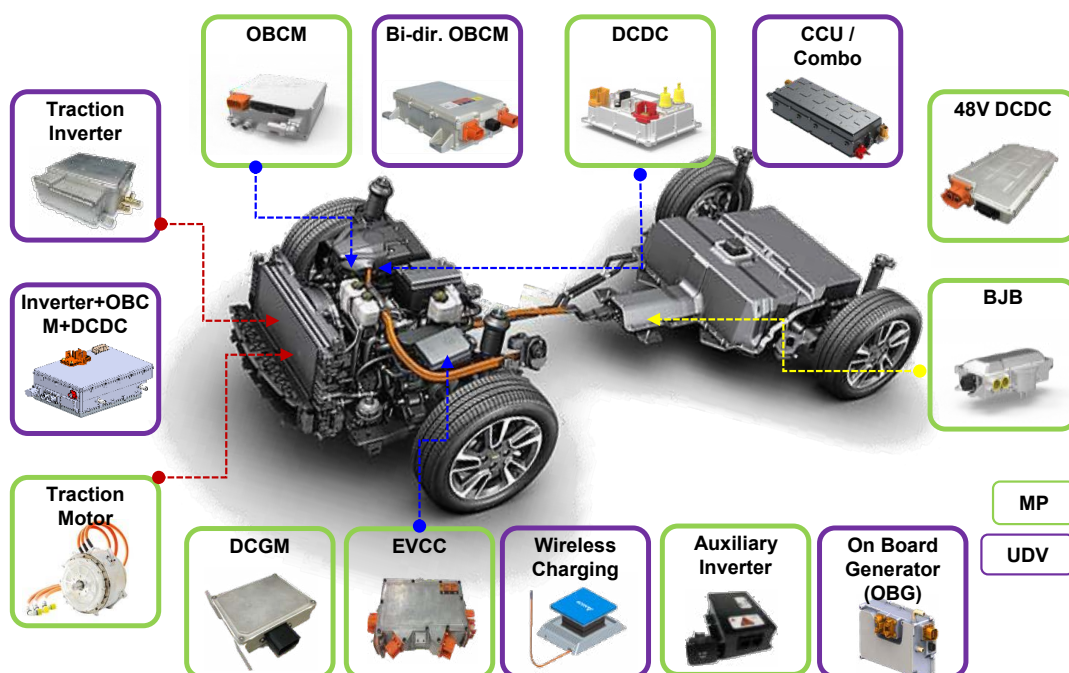




Power Electronics

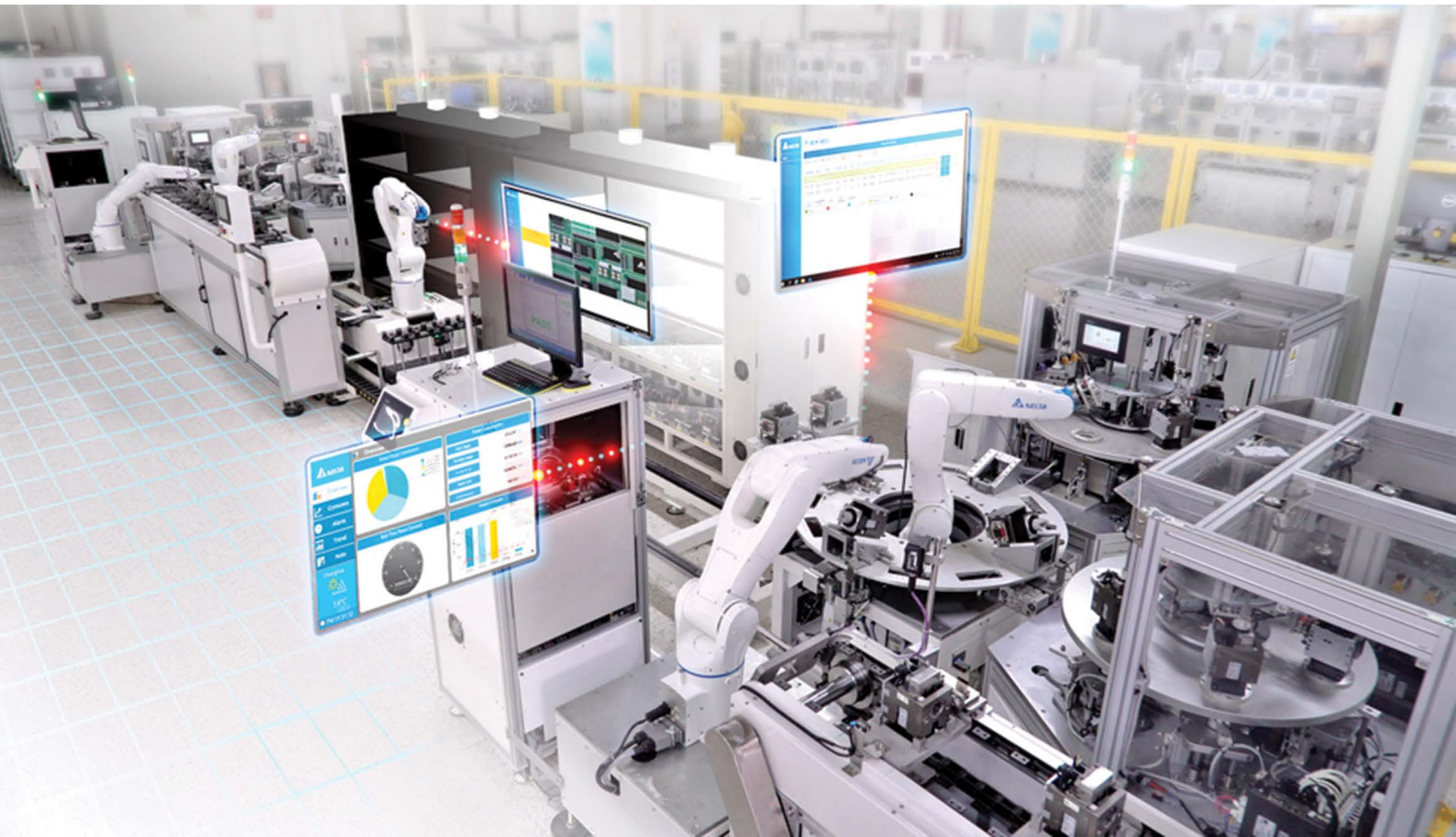
Electric Vehicle Solutions

Delta's automotive business provides reliable and efficient EV/HEV powertrain solutions and power electronics components which focused on high-power upgrade technology including OBCM of up to 22.0KW, DC/DC converters, with an industry-leading 96% energy efficiency, of to 3.0KW. The subgroup also developed new traction inverter related products to support the technology requirements of HEV models on the road today and present the future for the automotive business.





Automation



Industrial Automation

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



Infrastructure

ICT Infrastructure

Delta is a world-leading developer and supplier of telecom power systems, uninterruptible power supplies, medium-voltage drives, solar power and wind-energy solutions. We are the number one provider of telecom power solutions in India and a leading supplier in Europe, Americas and the Asia-Pacific regions.

At Delta, we offer an extensive range of energy management products and regularly apply our advanced engineering capabilities to the design and/or customization of systems and solutions for application in datacenters, renewable energy, electronic vehicles, eco-friendly transportation infrastructure and green buildings.

Telecom Power Solutions

Delta is a pioneer in providing energy saving solutions for Telecom network requirements. Every 2nd telecom site in India is powered by Delta's Power solutions. We leverage our broad product portfolio to serve telecom operators, telecom equipment manufacturers & infrastructure companies. With a market share of over 50%, the company provides customized solutions for indoor & outdoor applications. Delta provides solutions for all network layers starting from MSC (Bulk Power), BSC (Medium Power), BTS/Cell Site (Power Sharing-Multi Operator) & Last Mile Connectivity Solutions for 4G/LTE/Wi-Fi application with both DC & AC output. Additionally Delta is actively participating in non-telecom applications like Railways, PGCIL, Smart City Applications & Surveillance Solutions.

Our infrastructure product range includes all capacities of Power Conversion Products (like Rectifiers, Inverters & DC-DC Converters), Power Management Solutions (IPMS – Integrated Power Management Solutions, PIU-Power Interface Units), Energy Storage Solutions (VRLA & Li-Ion Batteries), Hybrid Solutions (DG Battery Hybrid, Solar Hybrid), Cooling Solutions (Fan based, HEX based, DC-Aircon based), DG Cranking solution (battery-less) GBM solutions.





Infrastructure



Datacenter Infrastructure Solutions

Enterprise growth and IT equipment have become so closely linked that planning and building a high performance data room is one of the most critical issues for IT managers today. The expert teams at Delta CIS have developed a new generation of data center infrastructure solutions: InfraSuite. The goal of the InfraSuite business is to provide optimal data center solutions that help companies reduce TCO and outperform the competition. Delta InfraSuite includes power systems, racks & accessories, and environmental management systems.

We support our customers in building customised, reliable, flexible and energy efficient data centres with power usage effectiveness. Delta's InfraSuite Data Center Infrastructure Solutions products include: power systems, racks and accessories, precision cooling and environment management systems.

Critical Infrastructure Solutions

The Critical Infrastructure Solutions (CIS) business of Delta positions itself as: "The power behind competitiveness". CIS plays an important role in making our customers' businesses more competitive. We fulfil this role by providing highly reliable and efficient power management products and data center infrastructure solutions to ensure the continuity of our customers' mission critical operations while reducing their Total Cost of Ownership (TCO). Delta CIS is a powerful and trustworthy partner to our customers.



Infrastructure

The Delta CIS portfolio covers products from UPS (uninterruptible power supplies) to Data Centre Infrastructure Solutions – InfraSuite – with a comprehensive range of services.

UPS Solutions

The Delta UPS business has more than a decade in designing, manufacturing and marketing UPSs globally. Delta is committed to innovating technically superior products and providing energy efficient solutions for a wide range of home, office, data center and industrial applications. Our client base covers world class enterprises in the areas of semiconductors, optoelectronics, food processing, finance, petrochemicals and telecommunications.

Delta UPS solutions include a full line of UPSs and management software, and we deliver industry-specific solutions worldwide to a broad range of market sectors and industry leaders. Our UPS solutions not only ensure uninterrupted processes with unmatched reliability but also meet your growing business demands with uniquely-designed scalability and flexibility.



Network Solutions

Switches



SDWAN / vCPE



Enterprise Wireless Aps



Wireless Routers



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





Infrastructure

Energy Infrastructure

Industrial Power Solutions

Delta introduced its own brand of standard power supply units (PSU) for industrial which offer customers the same world class technology and quality that Delta's ODM partners demand. Due to the fast growing popularity of Delta's CliQ DIN Rail Power Supply and PMC Panel Mount Power Supply series, Delta has been introducing many more standard power supply form factors for a wide-variety of demanding applications.



Renewable Energy

Delta's DelCEN 2500 HV series Outdoor PV inverter is a technologically advanced, utility scale Central inverter with rated output starting with 2.5MW and up to 2.875MW comes with Delta's cutting edge technology and reliable service support. With Advanced Liquid + Forced Air (Hybrid) cooling system, the inverter can achieve absolutely no power de-rating up to 55°C ambient temperature. This also helps to provide 10% additional power up to 40°C ambient temperature. Critical components in the IP65 cabinet comes as a true Outdoor system and gives higher reliability and ease of installation to the customers. Built-in canopy based door arrangement does not require any shelter for the Inverter.

This high power density inverter is compatible with maximum capacity (Wp) Mono-PERC and Bi-facial PV modules available currently. The built-in GFDI feature with site settable pre-warning alarm and trip setting, provides negative grounding feature and passive PID mitigation solution to the Solar panels. There is no requirement of any external arrangement for auxiliary power, UPS and ducting thus reducing installation overhead costs and comes as a Plug and Play design.

The DelCEN 2500 HV series includes the advanced grid support functions like PQ control, LVRT, and grid voltage regulations which can be parametrically set, based on the local utility requirements.



Production Capacity in 2020

1 Thailand Plant

- 1.1 Plant 1 : Bangpoo Industrial Estate, Samutprakarn
- | | |
|-------------------|------------------------------|
| Production area | : 14,084 sq.m |
| No. of operators | : 847 |
| Production line | : 12 lines |
| Actual production | : 80% of production capacity |
- 1.2 Plant 3 : Bangpoo Industrial Estate, Samutprakarn
- | | |
|-------------------|------------------------------|
| Production area | : 15,752 sq.m |
| No. of operators | : 2,189 |
| Production line | : 60 lines |
| Actual production | : 80% of production capacity |
- 1.3 Plant 5 : Bangpoo Industrial Estate, Samutprakarn
- | | |
|-------------------|------------------------------|
| Production area | : 44,308 sq.m |
| No. of operators | : 3,921 |
| Production line | : 61 lines |
| Actual production | : 85% of production capacity |
- 1.4 Plant 6 : Wellgrow Industrial Estate, Chachoengsao
- | | |
|-------------------|------------------------------|
| Production area | : 22,456 sq.m |
| No. of operators | : 2,453 |
| Production line | : 74 lines |
| Actual production | : 80% of production capacity |

2. Slovakia Plant

- 2.1 Dubnica nad Vahom Plant
- | | |
|-------------------|------------------------------|
| Production area | : 10,250 sq.m |
| No. of operators | : 245 |
| Production line | : 21 lines |
| Actual production | : 65% of production capacity |
- 2.2 Liptovsky Plant (Eltek)
- | | |
|-------------------|------------------------------|
| Production area | : 3,500 sq.m |
| No. of operators | : 378 |
| Production line | : 12 lines |
| Actual production | : 80% of production capacity |



3. India Plant

3.1 Rudrapur Plant

Production area	: 14,807 sq.m
No. of operators	: 216
Production line	: 11 line
Actual production	: 30% of production capacity

3.2 Gurgaon Plant

Production area	: 3,701 sq.m
No. of operators	: 65
Production line	: 6 line
Actual production	: 48% of Production Capacity

3.3 Hosur Plant

Production area	: 4,830 sq.m
No. of operators	: 174
Production line	: 6 line
Actual production	: 30% 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 70:30. The company presently procures our direct raw materials from approximately 1,365 vendors (due to the consolidation of our vendor base) with purchase value per vendor not exceeding 7% of total procurement value. Vendors are also required to fulfill the requirements of ISO9001, ISO14001, ONAS18001, IATF16949 ETC,

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

In early 2020, the global Coronavirus pandemic brought lots of challenges to supply chain management across the regions. Many countries had continued lock-down and manufacturing disruptions as the result of quarantine, travel or other legal restrictions imposed by local authorities. The supply chain encountered low capacity utilization, low flexibility, and longer transportation time and cost while material lead time extended.

A series of immediate actions were taken by the company during these periods which included reviewing the potential supply risks, working more closely with suppliers to secure the priority of limited output to meet the company demand as well as defining future supply plans by capacity booking and long-term supply agreement.

With these efforts, the company was able to manage and mitigate the impact and turbulence and keep our supply chain disruption to a minimum level. Our team will continuously monitor the market trends and possible changes against demand and supply situation in the coming year 2021.

Furthermore, since 2018 the company has been responding to US-China trade tensions by developing a diversified supplier base and 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.

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



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 2020, around 98% of the company's suppliers have already signed the "Statement of Non-use of Conflict Metals".

ESG Management of the Supply Chain

Delta Thailand started promoting RBA Verification Consultation from 2014 to reduce ESG risks in the supply chain and raise our competitiveness. A verification and consultation team was organized jointly by Delta Thailand's Human Resources, Labor Safety, Plant Affairs, and Purchasing departments as well as the cooperating DEI's ESG committee to perform ESG related tasks, including 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 experience 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 2020, 95% of Delta Thailand's suppliers have signed the "Declaration of Compliance with RBA Code of Conduct". Besides obtaining a high number signees, the company also held an "RBA On-Site Audit" to focus on local suppliers. The audit found that all of the company's local suppliers can comply with RBA Code of Conduct requirements.

Carbon Footprint/Water Resource and Carbon Reduction Management

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

Embedded CSR in Supply Chain

In 2020, the company has conducted over 80% purchasing amount suppliers for the Supplier ESG Questionnaire (subjects are: Enterprise Management, Health Safety, Environment & Employee) collection & analysis and initiated activities for risky supplier audit & coaching from Q1'2021.

Establishing a Green Supply Chain

Moving forward to 2021, the company will continue in its "Green Supply Chain" establishment. It will emphasize a Green Policy for its Partners, Processes & Products by implementing the Delta Carbon Emission Reduction Project (GHG water consuming and waste reduction), regularly holding supplier communication and learning activities and ordering allocation to drive suppliers' participation in CSR activity.

Research and Development (R&D)

In 2020, we continued our R&D investments with specific focus on our fast growing businesses electro-mobility, networking & datacenters, industrial power as well as designs for the India market. We achieved tailoring and expansions of the product lines as well as continued optimization of our product's key features, efficiency, power density and digital intelligence. Additionally, Delta R&D increased the application range and customer base respectively of its power technology products like industrial wireless charging, combined charge units for the electro-mobility and power solutions for artificial intelligence applications.

Market analysis and customer focus combined with R&D knowledge and professionalism is the key to Delta's competitiveness and leadership in green environment and efficient energy saving power devices. Delta has a worldwide network of R&D centers located in Asia and Europe. The efficient cooperation of all R&D centers was proven in the pandemic situation of 2020 by proper digital communication without travel. In particular, the R&D team in India contributed with software and software-testing tasks. 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 turns out to be a big benefit in supporting innovative and green ideas and to strengthen our Delta R&D expertise. It is a reliable way to establish long-term and continuous relationships with young and qualified talents in order to take care of tech-driven, new and sustainable products.

Delta believes in close cooperation with key customers on one hand. Our customers are both worldwide market leaders and innovators of new technology products. Examples are long term customers in datacenter and industrial markets and automotive customers who became partners in the last decade. On the other hand, Delta attracts new customers in new industries, which gives the opportunity to apply new processes and technologies for upcoming market challenges.

Delta's green philosophy helped us continue our leadership in the power electronic world which we obtained over decades. Delta strengthens and follows its mission to reduce CO2 footprint and pollution worldwide.

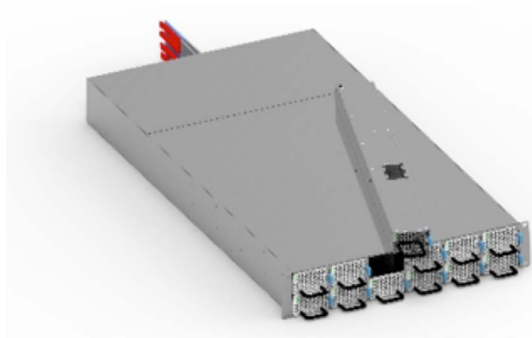
Custom Designed Power Supplies (CD)

Delta's worldwide R&D team for custom designed power supplies has accumulated decades of experience and knowledge in developing highly sophisticated customized power solutions for well-known companies in the IT domain, networking and telecommunications industry. We have applied our knowledge to develop new products, which rank far beyond traditional standard power supplies. This knowledge enables us to become a leading system solution provider.

In 2020, Delta's R&D team won multiple projects for leading customers in the IT/Cloud market supplying unique products. Our world-leading customers recently developed very innovative, unique datacenter architectures achieving a high competitive advantage. A key element for this advantage is our product: the power supply using Delta proprietary technology. This requires high confidentiality from us to protect our customer's interest. Here the trend to higher efficiency, higher power and more reliable three-phase architectures continued.

In addition to three-phase server power product developments, which require a high degree of customization, we developed a modular platform for our standard products. Our modular platform "Delta Smart Design" comprises a highly standardized process from quote to mass production using well-tested building blocks, which only need to be configured for the final product. This allows us to respond much faster to customer requests and reduce the product design cycle significantly.





12 Slot Shelf with Dual AC PSUs

One trend we foresee is the usage of centralized power shelves in combination with Dual AC input power supplies. The units comprise a patented relay circuit (ATS = Automatic Transfer Switch) to switch between the two input grids in case of an AC outage. We developed a 2U Shelf, which hosts up to 12 times 3000W PSUs with Dual input. N+2 redundancy is required, thus 30kW is usable, resulting in the highest power level achieved so far in this architecture.

In parallel to these efforts, we continued our efficiency roadmap for new products with up to 98% peak efficiency delivering 3000W, 5000W and 6000W output power and achieving power densities of larger 60 W/in³.

Here, Delta R&D uses new wide-bandgap semiconductor devices made from SiC combined with our new circuitry and magnetic components in order to achieve both high density and high efficiency at the same time. Delta filed several patents to protect our associated intellectual property.

One major milestone was the successful launch of the Open Compute Project (ORV3) 50V architecture for our key datacenter customer with 2 Power Shelves and one 3000W Power supply. The units were announced during the OCP Global Summit, which took place virtually due to the pandemic situation. Despite this, our hardware was delivered on time on March 2020.



5 kW PSU with 98% Efficiency



3 kW PSU with 97.5% Eff.



18 kW 10U Shelf + PMC



36 kW 20U Shelf + PMC

In addition to sole power supply design, CDBUs core achievement was the continuous extension of our product offering by additional products used in data centers. Examples are complete server shelves with distribution panel and power distribution units.

Solutions for Electric Vehicles (EV)

Delta's automotive R&D Team has achieved major milestones in 2020. We introduced several on-board chargers up to 11kW output power and DC/DC converters up to 3.7kW successfully to mass production. Volume production of the products has started this year and will ramp up further in the next year. We see a strong demand and push from automotive manufacturers to support their business growth with high technology on-board charging products for their PHEV and BEV fleet offerings. To meet this increased demand, we grew our teams significantly in all our centres in China, India and Germany. Furthermore, we increased the maturity of our newly developed

3-in-1 units combining AC/DC charging functions from 3.7kW up to 22kW together with a 3.7kW DC/DC converter supplying the 12V board grid from the high voltage battery and a vehicle control unit (ECU) to pre-series status.

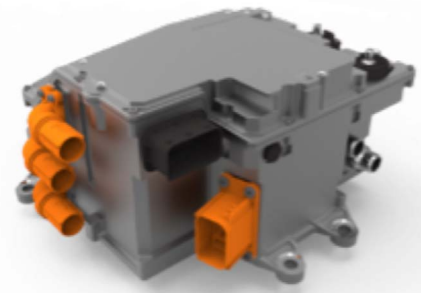
These new products contain a much higher intelligence than prior products. The ECUs implement many power management and drive train functions, which introduces the need for new SW development concepts to handle the complexity and keep up with the fast development cycles. In addition, this new product generation doubles the power density of existing products in the market and shows unique and outstanding efficiency performance. Our customers are already testing the units on their next generation PHEV and BEV car fleets and mass production introduction has started.

New products developments have started for new X-in1 products (On-Board-Charger, DCDC Converter, DC Charging Control, Heating System) combining multiple functions necessary for the operation of PHEVs or BEVs. At the beginning of this year, we received a large product award for our new 3-in-1 units. Here, the efficiency is further increased. The application flexibility offering a wide range of 400V-800V charging capability is one of the outstanding features of these products. We have started to design this product and have successfully operated our first prototype units.

In addition to our 800V charging capability, our team developed chargers offering bidirectional operation. Here, we have received major orders for single-phase and three-phase bidirectional charging.

We are pushing forward with the pre-development of new key technologies and platforms in this highly dynamic market environment. Our close cooperation with the global R&D network of Delta ensures a high degree of standardization and reuse in multiple products increasing productivity, testability, quality and overall competitiveness of our products.

We will use more intelligent, higher efficiency, higher density and lower cost power conversion technologies using new alternative circuits, components and control techniques for these future products.



3 in 1 unit: 22kW OBC, 3,7kW DCDC, ECU



3 in 1 unit: 11kW OBC, 3,7kW DCDC,
6kW heater

Industrial/Medical (IM) Device Applications and Charger for Industrial Electrical Vehicle (IEV)

Delta's IM/IEV R&D team has achieved several major innovations in 2020 to provide our customers with the best-in-class cost-performance ratio for industrial applications such as factory automation, machinery and robotics, battery-charging technology and artificial respiration in medical.

Some innovations were implemented in the new DIN Rail DC/DC product line which we launched for IM this year. We defined technical concepts with functional blocks in hardware and software allowing a modular development of a family with 11 models.

In addition, the family has been extended for the DSM product line. The reuse of already qualified software and functional blocks resulted in significant productivity improvement for the test and qualification for these products.



In addition, the use of advanced power and control technologies has led to products with the best-in-class parameter stability, efficiency, operation flexibility and reliability.

Delta R&D team has continued to develop the off-the-shelf three-phase PM3000 family covering the output voltage ranges suitable for 24V, 36V, 48V, 72V and 80V batteries. We designed systems packaged in cabinets to offer the market 9kW, 15kW and 30kW stationary chargers. The modules are configurable with high flexibility to control the charge profile of any battery chemistry from traditional Flooded Lead Acid to high capacity Li-Ion batteries.

In addition, a new single-phase series is in development using similar design concepts to create a flexible charging solution platform. The charging control is identical to the three-phase version resulting in shorter development time and technology transfer of the benefits of the three-phase products to this product line. The single-phase modules fit into a small and flexible cabinet with an optional air filter that helps to filter out contaminants from the harsh industrial environment these chargers operate in.

Research and Development India

As per Delta India's strategy, the R&D India team supports both regional business needs as well as BU/BG needs. The work area involves low and high power converter development, R&D support to EVSBB, IABG and other Delta business groups. Major activities carried out during the year 2020 in key area are elaborated here.

Solar Central Inverters – HV series

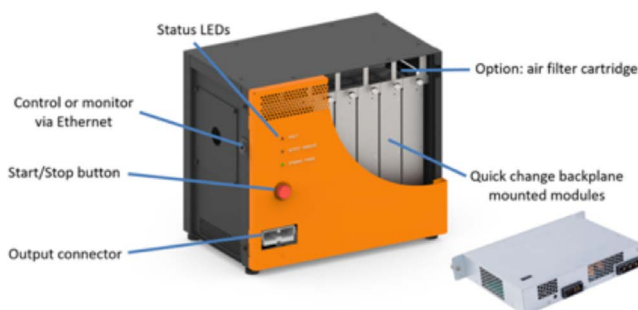
The continuous evolution of solar panel technology to higher DC Voltages of up to 1500V has helped to lower the system costs and to increase the output power capability leading to an overall reduction in energy production costs. Our India R&D team is committed to be on top of these latest technology developments. We brought the new 1500V DC Grid Tied Solar Central Outdoor Inverter DelCENHV series to the India market successfully. This extension of Delta's inverter product family adds to further customer-centric and bankable solutions with uncompromised customer benefits including a high degree of reliability and efficiency.

The DelCENHV series comes with Delta's three Level NPC-1 technology augmented by high-performance controller electronics and protection features. In order to ensure a long life in the harsh climatic conditions of India, the DelCENHV series is designed to have outstanding structural stability and extreme weather resistant design.

By diligently following the preventive maintenance and scheduled parts replacement, our DelCENHV series is designed to have an operating life of 25 years. The DC terminals could be floating or have either polarity grounded. The DelCENHV series is equipped with its own proprietary designed 1.25MW IGBT 4 quadrant stack modules to achieve a maximum of 99.25%



Figure 1 2.5MW HV Central Inverter



efficiency including the filter losses and auxiliary power consumption at full power. The DelCENHV series delivers full power up to 55°C without moderating. The inverter has passed all qualification tests and it is in mass production.

Remote Monitoring Solutions

The remote monitoring unit DelRemo has unique features and collects and processes data from solar inverters, energy meters and sensors. It has multiple connectivity support with 4G LTE/2G, Ethernet, Wi-Fi, RS485 and USB. The intuitive web and mobile interface is easy to use. It is the leading solution in the market and well accepted by our customers. Embedded Energy management algorithms helps the end user in curtailing the PVI power in case generation is more than the load and amount that complies with the grid codes. A cloud-based platform with cyber security features has made DelRemo a unique product in Delta's IoT product line.

In addition, an Artificial Intelligence (AI) based solution "Hyperion AI" was developed to enhance the feature of remote diagnostics. The AI software stack supports predictive maintenance and remote diagnostic features for solar central inverters.



Figure 2 DelRemo V3.0

Rolling Stock Applications

Delta India's R&D Team started development activity in rolling stock applications a couple of years back and collected a significant experience and track record. As part of the order received from Indian Railways for locomotive sets, our team has developed the auxiliary converter and traction converter. The DelTrac6000 comes with a power rating of 6000 horse power and each converter has to drive three 850kW traction motors. A distributed embedded system designed with microprocessor and I/O cards ensures sufficient redundancy for reliable system operation. Regenerative braking technology ensures energy recuperation from the traction motor to the catenary by Variable Voltage Variable Frequency (VVVF) IGBT 3 phase inverter units. The innovative slip/slide control algorithms guarantees maximum adhesion utilization from the track.

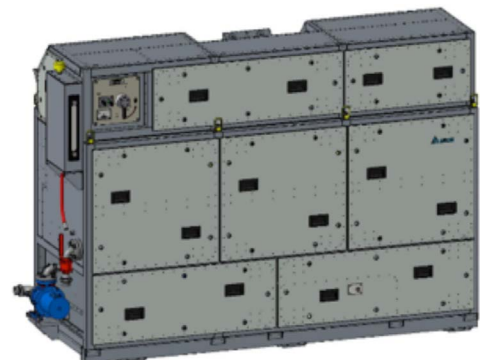


Figure 3 Traction Converter

The communication architecture is designed to be compatible for both legacy MICAS and the contemporary Train Communication Network (TCN) standards. The unique 4.5kV IGBT converter stack is designed especially for the application. The design meets the shock and vibration requirements of the demanding IEC61373 standard. The auxiliary converter, which is part of total Locomotive solution provides controlled power to critical locomotive loads mainly for the traction motor blower, oil cooler blower, air compressor for braking and oil pump. Each converter generates a symmetrical 3-phase sine wave voltage with low harmonic output. The solution consist of thyristors based control rectifier and IGBT based 3-phase inverter. Output frequency of the converter→ is variable from 37Hz to 50 Hz.



High Voltage Power Quality Solutions

Delta has pioneered cascaded H bridge technology in the high voltage STATCOM market by supplying Power Quality Restorer (PQR) to Indian Railways. The solution effectively mitigates the current harmonic and power factor imbalances caused by the dynamic locomotive loads. Its power capacity is 6MVA with 25kV outdoor substation and indoor power cabinets as shown in the aerial view of the solution in Fig 4.

This year we increased the harmonic compensation capability to 17th harmonic from the earlier limit of 13th harmonic. Modified source compensation technology (M-SCM) developed this year allows us to be competitive in the markets where load is distributed. The design includes a smart charging detector eliminating discharge contactor, improving long-term reliability.

With a very strong domain leadership, the next generation design is made to be a containerized solution, with a capacity of 3MVA. Design meets the requirements of road transport guidelines and incorporates 52kV class product requirements within a 20 feet container by meeting the clearance and creep-age requirements. These will be available for site trial in Q2 2021



Figure 4 : PQR solution aerial view

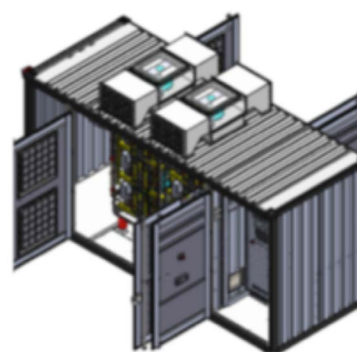


Figure 5 Containerized Solution



Figure 6 Power Conditioning Solution

Micro Grid and Power Conversion Systems.

In order to meet the requirements of the solution business in India, our R&D has developed the Power Conditioning Solution product line-DelPCS series. This bi-directional conversion system, exchanges power between energy storage and grid along with its power quality features. This product aims to support the needs of micro grid requirements. It supports the major algorithms like peak shifting, frequency correction and demand response.

In addition, this product can work in conjunction with battery technologies like lithium ion, lead acid etc. and the product line guarantees peak efficiency of 98.5% with high power density. Control technology comes with supervisory control algorithms that ensures PCS to work both in grid and non-grid mode effortlessly. It ensures the power transfer from grid to micro grid and vice versa without affecting the load.



Telecom Power Solutions (TPS)

Delta Rectifier Controller Series. (Rectifier with Intelligent Battery Charger with BLE)

To remain in a leadership position in the India Telecom Market, we introduced the DRC1000B and DRC1500B new products to the market. They feature Delta's new Delta Rectifier Controller product series that delivers power to the telecom system load and battery. This product was developed with an inbuilt controller that has programmable battery charging parameters using RS-485 and CAN and a mobile app. Further, GUI & Mob App is used to program the battery parameters and manage alarms, parameters at I/P, system load and battery load.



2020/2021 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 its December 2020 report, 2021 Global Economic Outlook: The Next Phase of the V, Morgan Stanley projects strong global GDP growth of 6.4% for 2021—led first by emerging markets, followed by reopening economies in the U.S. and Europe. This projection contrasts with the consensus, which forecasts 5.4% global growth and worries that the pandemic will have a bigger impact on private-sector risk appetite and global growth. Morgan Stanley Research gives three key factors that will characterize the next stage of the V-shaped recovery: synchronized global growth, an emerging-market rebound and the return of inflation.

Morgan Stanley economists expect emerging markets to set the pace for global growth with up to 7.4% GDP growth for emerging markets in 2021, led by a forecast 9.8% improvement in India. Meanwhile, China has quickly regained ground, as consumption roars back and is projected to expand its economy 9% in 2021, before moderating toward 5.4% in 2022.

In the U.S. consumer spending has nearly returned to pre-COVID-19 levels, while average personal incomes of U.S. households surpassed pre-pandemic levels in September, even after the first round of fiscal support expired. These and other factors suggest a sustainable U.S. recovery, with projected GDP growth of 5.9% in 2021. In Europe, the economics team forecasts 5% GDP growth in 2021 with a 2022 outlook GDP growth at 3.9%, versus a consensus estimate of 2.8%.

Source: Morgan Stanley. 2020. 2021 Global Economic Outlook: The Next Phase of the V. Accessed December 2020.

In its January 2021 Global Economic Prospects, the World Bank reports global economic activity is estimated to have contracted 4.3% in 2020 as a result of COVID-19, making it the fourth most severe global recession of the past 150 years. It expects global economy to emerge to expand 4% in 2021 but still remain more than 5% below pre-pandemic projections. In 2022, the World Bank projects global growth will moderate to 3.8% weighed down by the pandemic's lasting damage to potential growth.

Following a 5.4% contraction in aggregate advanced economy GDP last year, activity is forecast to expand 3.3% this year, in tandem with improved management of the pandemic and ongoing vaccination and to edge further up to 3.5% in 2022. U.S. growth is forecast to recover to 3.5% in 2021 a 0.5 percentage point lower than previously projected, held down in the early part of the year by subdued demand amid renewed restrictions and a broad-based resurgence of COVID-19. In the Euro Area, growth is forecast to rebound to 3.6% in 2021, underpinned by improved COVID-19 management, an initial vaccine rollout and rising external demand, particularly from China.

In China growth is forecast to pick up to 7.9% in 2021, above previous projections due to the release of pent-up demand, and moderate to 5.2% in 2022 as deleveraging efforts resume. Emerging market and developing economy (EMDE) output is projected to expand 5% in 2021.

Source: World Bank. 2021. Global Economic Prospects, January 2021. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1612-3.

License: Creative Commons Attribution CC BY 3.0 IGO.

Overall, the above reports forecast a post COVID recovery in the global market but warn of potential risks and a long road still ahead to pre-pandemic economic growth rates. Limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges are key immediate priorities. However, the pandemic exacerbated risks associated with a decade-long wave of global debt accumulation with high debt levels making the global economy vulnerable to financial market stress.

Power Supply Market

Global Power Supply Market

Despite the effect of the pandemic on certain sectors in 2020, Delta Electronics Thailand saw demand remain in the global power supply industry overall. The main growth drivers for the industry that Delta Thailand saw the past year was in data centers and onboard chargers for electric vehicles. Looking ahead AI, 5G and factory automation sectors are expected to provide new applications for the power supply industry.

Emerging Markets

Data Center Market

In October 2020, Gartner, Inc. forecast end-user spending on global data center infrastructure to reach \$200 billion in 2021, an increase of 6% from 2020. Despite a 10.3% decline in data center spending in 2020, due to restricted cash flow during the pandemic, Gartner expects the data center market to grow year-over-year through 2024. Gartner expects larger enterprise data centers sites to hit pause temporarily and then resume expansion plans later this year or early next. However, hyperscalers will continue with their global expansion plans due to continued investments in public cloud.

Source: Gartner (2020). Gartner Says Worldwide Data Center Infrastructure Spending to Grow 6% in 2021. Gartner, October 7, 2020

Delta's data center solutions deployed in Southeast Asia have gained recognition by international industry organizations and local customers for excellent performance and reliability. In 2020, Delta completed implementation and certification of Vietnam's first Uptime Institute Tier Certification of Constructed Facility (TCCF) green data center for HTC-ITC, a subsidiary of Hanoi Telecom.

Delta synergies between global solutions development teams and local implementation teams along with its modular and smart designs make it a good choice for government organizations and businesses looking for a flexible and scalable digital infrastructure partner. Delta's 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.





Renewable Energy Market

In the November 2020 Renewables 2020 (analysis and forecast to 2025) report, The International Energy Agency (IEA) reported renewable energy resilience driven by the electricity sector. In sharp contrast to all other fuels, renewables used for generating electricity will grow by almost 7% in 2020. Driven by China and the US, net installed renewable capacity will grow by nearly 4% globally in 2020, reaching almost 200 GW. In addition, renewable capacity additions are on track for a record expansion of nearly 10% in 2021. India is expected to be the largest contributor to the renewables upswing in 2021, with the country's annual additions almost doubling from 2020. Overall, renewables are set to account for 95% of the net increase in global power capacity through 2025.

Source: IEA. *Renewables 2020*. France: IEA Publications, 2020.

Delta stands ready to reap the benefits of this market growth with its cutting-edge renewable energy solutions. Delta PV inverters deliver industry-leading efficiency of up to 98.8%.

2021 Business Directions

Delta Thailand Operation

The economic impact of COVID-19 has been severe and casts a long shadow over economies around the globe in 2020. However, the pandemic has also provided a boost to the Data Center and PC business together with booming demand for EVs.

Delta Thailand expanded its production lines to high-demand products including: networking/server/storage power supplies for the data center business and on-board charger/DC-DC converter for the Automotive EV industry. These new production lines have contributed 30% in revenue in 2020 and is expected to provide a boost of 20% growth in 2021.

Delta Smart Manufacturing (DSM) remains the key focus of flexible production to deal with trending demands for “high mix-low volume” high-end power supply products.

We deployed our Manufacturing Execution System (MES), which integrates overall manufacturing processes, to serve as the platform for better quality and productivity via monitoring and management. All in all, the DSM could facilitate our company to improve manufacturing efficiency, increase productivity and gain long-term cost savings.

Industrial Power Supply Business (IPS)

The year 2020 saw good growth for the Industrial Power Supply (IPS) team despite the economic slowdown due to COVID-19. The range of medical certified standard power supplies contributed the greatest revenue growth i.e. the MEG-2K1A 2kW configurable power supply and MEB-1K2A 1kW power supply.

In addition, the newest range of enclosed power supplies PMT-2 series has opened up many opportunities for the IPS team because of its price competitiveness for general industrial applications.

In Thailand, IPS manufactures power supplies complying to EN/IEC60950, EN/IEC62368, EN/IEC61010 and EN/IEC60101 certifications. With the continued advancement in automation and IoT, Delta IPS R&D will continue to focus on convection cooled, high power density products meeting the long product life-cycle targets for all our customers.

Our website www.DeltaPSU.com lists all the Delta IPS products and includes technical datasheets and safety certificates. Delta IPS also has a vibrant online presence with videos and new product releases via our Youtube and LinkedIn pages.

Industrial & Medical Business (IM)

Considering all things experienced in 2020, the results for IMBU surpassed our target and experienced growth with revenue at US\$128M (+9% YoY) and NOP US\$18M (+10% YoY). Growth was driven by three factors:

1. DIN Rail power supplies serving diversified markets
2. Medical power products for ventilators and dialysis providing lifesaving COVID-19 support
3. Chargers for AGVs driving the booming eCommerce market

Getting safety certification for the 1kW wireless charger combined with a licensing agreement with WiTricity for industrial use applications was the highlight of IMBU’s achievements this year. This will pave the way for additional wireless charger applications and power levels from 150W up to 150kW.



The same level of consistency is expected for IM LOB in 2021. A growth of 33% in revenue is targeted for IEV LOB.

Custom Design Power Business (CD)

Delta's CDBU business experienced slight growth in 2020. While our telecommunication business had been struggling throughout most of the year, due to the delay of 5G deployment, our data center business ramped up when major data center customers continued to build their own data centers. On one hand, traditional high-end server business sales dropped dramatically as markets continue shift more to cloud services. However, we started to see some traditional server providers successfully migrating to cloud services as a positive development. Networking product sales experienced a slight decreasing due to soft demand of enterprise customers during COVID-19.

Delta CDBU has been able to develop multiple new customers with our highly technical and competitive data center, network and high-performance computing solutions. In addition, we have launched new products and expect more to come-to-market in 2021 as we expand 5G and AI business opportunities. The company's highly competent business and engineering teams will continue to leverage new technology and new market segments to create more business success.

Electric Vehicle Business (EV)

The 2020 automotive business revenue was strongly impacted by the global COVID-19 pandemic. During Q2 all European automotive manufacturers had production shut-downs that led to significant loss of revenue in that period. Although Q3 and Q4 came back strong, the 2020 automotive business revenue could not fully recover and ended approximately 15% below our target.

By Q4 the market showed a steep increase in demand and our forecasted volume demand for 2021 is indicating revenue growth beyond target volume.

Governmental incentive programs and automotive manufacturer's promotion initiatives will help to boost EV sales in 2021 and allow Delta to make good prognosis for 2021. The long term EV growth rate stays on its predicted growth path while more and more different full electrical vehicles and plug-in hybrid EV models are offered to the end customers.

Delta's onboard charger (OBC), DCDC converter and DC charging management solutions will be essential parts of exciting new vehicle launches. These new product launches are happening at the same time when existing product lifetimes even extend beyond previous planned periods. All these efforts will lead to continuous growing revenue in the next coming years.

Fan and Thermal Solutions Business

As a leading provider of DC brushless motor fans and thermal solutions, Delta continues to develop cutting-edge ventilation and cooling solutions for our automotive customers in 2020. The major focus for 2021 will still be to further develop our HVAC and headlamp product lines to meet the latest market demands.

Energy saving and environmental protection is now a top priority for automakers worldwide and Delta's DC brushless motor fan and blowers offer our customers unique solutions as replacements to traditional brush motors.

During use, the brushes in conventional HVAC motor breakdown into micro tiny particles, which are both harmful to the environment and make motor replacement necessary after a certain mileage. In contrast, our DC brushless motor fans overcome the maintenance issues of brush motor HVAC and are lightweight, helping reduce the vehicle's total weight and saving energy.

Headlamp designs in new car models are rejecting traditional light bulbs in favor of high-tech designs that support the driver visibility and vehicle-to-vehicle communication. These sophisticated systems generate greater heat which requires cooling fans to control lamp temperature and ensure peak performance in brightness and multi-functional operating systems.

Moving forward, our team's product and process designers will continue working closely to develop our own new innovations for our specific customer needs. We develop all our fans and blowers for specific programs and maintain supply continuity for the after-market even after the vehicles end production. For existing models, our continuous VAVE programs, internal or with our customers, help us keep improving and raising our product competitiveness.

Industrial Automation (IA)

Delta's Industrial Automation (IA) team had another exciting year in 2020. Delta IA enhanced its competencies by successfully transforming existing businesses into system integration (SI) and solution business. Delta IA has quite a wide range of products and we want to provide one-stop purchasing for local customers.

In terms of new products, Delta released many offerings like the compact design powerful multifunction drives C2000+ series which enhances overload capacity and power up to 560kW. Continued launches will feature the M300 series VFD ME300/MS300/MH300, with power up to 22kW, and upgrades for the MS300 to IP66/NEMA 4X with power up to 7.5 KW.

Our new standard AC Servo System ASDA-B3 has 24 bit encoder and up to 6000 rpm while supporting EtherCAT communication, and power range from 50W to 3KW. Another new series ASD-A3 servo has build-in ECAM function and Safe Torque Off (STO) protection with up to 15KW power.

About PLC product we continue promote Modular system AS200/AS300 series with perfect performance to increase input outputs up to 1,024 I/O and remote I/O connected to 15 stations, compact design, easy to integrate communication with 3rd party device like Ethernet/IP, Modbus TCP, CANOpen, Profinet.

Our new EtherCAT motion controller DVP50MC and CodeSys motion control solution AX-3/AX-8 series, has up to 64 axes servo control. Our new DMV3000G machine vision controller has GigE camera and extends our product coverage to industrial Ethernet switch, industrial PC, digital power meter etc. The new HMI DOP100 series, from 4 inch to 15 inch with narrow frame design, has friendly interface and high efficiency.

Industrial Internet of Things (IIoT) is definitely one of the focuses of future development technology and Delta Thailand is launching the DX series cloud router with free data usage 1GB, customer can easily remote download/upload program from machine.

For robot products, we are promoting two series right now which is the SCARA type and articulated type industrial robots. We've launched a new SCARA model with maximum length 800mm and 12kg payload, Ceiling-mount model also available. The articulated robot has a new model upgrade length to 1400mm with 7kg payload.

In Thailand, Delta keeps working with our distribution channels and develops system integrators to co-operate on infrastructure projects like water treatment, Skytrain monitoring and airport facilities. Delta IA has become more and more famous in the local market and we are promoting total solutions to our customers.

In Vietnam, we developed more channels and are increasing our local market share in 2020. Our robot projects are going well more than 80 set installed with vision system. We will keep promoting our energy management system and SCADA project to the vibrant local manufacturing sector.

In Singapore, Delta IA keeps increasing revenue and developing new SI partners to co-operate with. We were also awarded government projects like a smart farm which may help to generate more revenue in 2021.



In Malaysia and Indonesia, Delta has won many projects in the electronics, rubber and glove, textile and F&B industries. The overall market situation in Indonesia was not good due to COVID-19 but we expect to achieve progressive results and more collaboration and support from the SEA team is a welcome boost to our confidence level going into 2021.

In Australia, Delta is strengthening cooperation with partners who focus on OEM business and won many power quality products with our authorized distributor. Looking forward at 2021, we are very excited as we believe we have the right strategies to achieve or exceed our targets.

Critical Infrastructure Solution (CIS)

In 2020, the Delta our UPS and Telecom power system businesses were trusted by leading telecom operators in Thailand to deploy solutions around the country that support the launch of 5G nationwide.

Apart from telecom applications, the rising tide of information technology usage was due to the COVID-19 pandemic boost to online shopping, work from home and tele-conference. These trends have become a new normal for people around the world including Thailand and this drives growth of data consumption and new demand for data centers for business among the enterprise and government segments. Delta's data center solutions have been also deployed successfully in various segments to support our Thai customers.

Even though Delta's CIS products were widely acknowledged in 2020 compared to year 2019, the major thread of difficulties due to COVID impacts happened locally and globally. SEA and the domestic markets were affected quite seriously. Hesitation for new investments and postponed project timelines in many projects had a big impact to Delta's CIS business. Besides this, stronger competition and price cuts by competitors looking to survive during this hard time are additional factors that contributed to loss of some key projects.

However, 2020 is the starting year of 5G technology in Thailand. Delta and Eltek telecom power solutions are key suppliers for telecom operators to revolutionize their telecom infrastructure to support the new era of information communication technology. Delta and Eltek power solutions contributed to enhance Thai people digital lifestyle and opened a new page of IoT and smart city.

In the coming year, edge datacenters will be one of important pieces of the puzzle that will further enhance smart life in the digital age with massive amounts of data served over the air. Telecom operators and IPTV providers will require more data centers as part from telecom infrastructure. Delta has been developed edge datacenter solution to be ready to serve our client in these domains.

In 2021, Delta CIS will start a new chapter in the Thai market by working more on data center total solutions or turnkey solution offerings rather than standalone products or system offerings as in the past. Delta will bring our extensive knowledge and know-how of best efficiency and ultra-reliable data center solutions to support the 5G infrastructure revolution in Thailand. We are ready to be part of success in the imminent smart city society of Thailand.

Apart from 5G infrastructure, the Thai government is developing the EEC zone transportation infrastructure as new stage of national development. Delta UPS and DC backup power solutions have been kicking off to support the new dual track railway project in Thailand. We are working with a leading infrastructure construction company to further secure an efficient and reliable railway system in Thailand.

Thailand 4.0 and digital governance is still a rising trend in the government sector. Delta's backup power solution has continuously deployed for government use to further support digital citizenship for Thais. Delta and our key partners work in collaboration on various local governor housing and education information and data applications.

One of major success in 2020 which will continue in 2021, is power backup to support critical medical equipment for hospitals. Healthcare is an important for Thai people especially during the COVID pandemic. Delta and our partners will keep working to enhance support for medical equipment and facilities in terms of efficient and reliable power to help Thai society.

Looking forward, key account development and key customer relationships will be our mainstream activity in 2021. This will not only boost Delta's brand visibility, but it will also help to enrich our go-to-market routes for Delta CIS products and solutions. Mega to large-sized enterprises are prime targets for Delta CIS to initiate more B2B development models and exciting collaborations that we expect to bring further success in 2021 and into the future.

Delta Network Infrastructure

In 2020, DNI successfully produced and shipped out new Wifi6 11AX products, and 10G high-end switches to our valued customers worldwide. The success of our new products proves the quality and efficiency of operations at our new Thai factory established in 2019.

The DNI Thailand manufacturing operations offers customers diversity in global manufacturing and helps us reach our goal to be a premier vendor in the networking and communication industry. Throughout 2020, we increased production capacity to meet customer demand for our newly awarded Wifi6 11AX and 10G high-end switch products.

In 2020, our team faced challenges due to the unstable macro business environment. Major global issues included the COVID-19 pandemic, US dollar depreciation and country restrictions to transport of people and goods. To minimize risk and impact on our business, DNI manages production by receiving firm purchase orders from customers, continuing to reduce our material and finished goods stock levels and closely monitoring the finance status of customers.

Looking ahead, DNI aims to continue our sales revenue growth from US\$120M in 2020 to US\$200M in 2021.

India Market

Telecom Power Solutions Business (TPS)

2020 was a very eventful year for the telecom industry in India. The year started with a grim business outlook due to an old payment dispute (AGR-Aggregated Gross Revenue) between the government and two large Telcos (Airtel & Vodafone Idea) to the tune of USD 7.5Bn each. This liability loomed large over the involved parties and dampened investments for over a year.

Thereafter, the pandemic hit India towards the end of March, putting everything to an almost crippling halt. However, this proved a boon to the telecoms, as WFH became a way of life and dependence increased on telecoms and broadband networks. Data consumption has increased by approximately 35%-40% post pandemic to reach 14GB/user monthly. Needless to say, data growth increases further dependence on India's telecom sector.

Later in Q3 the AGR dispute was finally resolved after the highest court's intervention. This allowed national telcos to pay their liabilities spread over 10 years which gave a big respite and allayed various apprehensions to pave a clear roadmap for the sector's business directions. As such there was a need to augment the network for better coverage and quality and investment sentiment improved very well in Q4.





Airtel (2nd) and Reliance Jio (1st) are on an expansion spree and making major investment to augment their networks. This provides good growth for Delta India. Vodafone Idea, which was worst hit by the AGR issue, has been struggling with poor financials and is now scouting the market to garner USD 2.5Bn to improve its network while losing customers to Airtel and Reliance. Government operator BSNL is struggling for survival due to poor government policies.

India is also on the cusp of a 5G network layout and the newest operator Reliance Jio is very keen to upgrade against older Telco rivals. The Reliance Jio platform has recently garnered investment to the tune of USD 25Bn by global tech giants including Facebook and Google making them debt free. In contrast, Airtel and Vodafone Idea both have large debts of approximately USD17Bn.

India's 5G spectrum auction is lined up for later in 2021 and it is anticipated that 5G network rollout should commence from late 2021 to early 2022. The government has barred telcos from using Chinese network gear citing security & espionage threats.

Another major development is that telcos (Reliance followed by Airtel) are aggressively investing to develop their own network gear to compete with Ericsson/Nokia and Samsung. The scale of this development has yet to be seen anywhere in the world.

Our revenue for 2020 shall be close USD 61M and we anticipate growth of at least 15% in 2021. From R&D, innovation, technology and a manufacturing point of view, Delta India is well prepared to pick strategic projects for better market share.



TOGETHER

Capital Structure

Registered and Paid up Share Capital (31 December 2020)

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

The Voting Rights : 1 share 1 vote

Top 10 Shareholders (as of 2 March 2020)

No.	Name	Holding	%
1	Delta Electronics Int'l (Singapore) Pte. Ltd	534,479,306	42.85%
2	Delta International Holding Limited	191,984,450	15.39%
3	CITI (Nominees) Limited-CBHK-PBGSG-Restricted Shares	172,845,420	13.86%
4	Delta Electronics Inc.	69,128,140	5.54%
5	The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong Branch	60,200,000	4.83%
6	Raffles Nominees (Pte) Limited	57,556,300	4.61%
7	UBS AG Hong Kong Branch	54,760,000	4.39%
8	South East Asia UK (Type C) Nominees Limited	15,571,534	1.25%
9	Thai NVDR Co.,Ltd.	10,591,081	0.85%
10	Others	80,265,383	6.43%
Total		1,247,381,614	100.0%

Note : Shareholders of Thai NVDR Co., Ltd., who held non-voting depositary receipts (NVDR) in Item 9, were ineligible for voting at shareholders' meetings except when exercising their voting rights on delisting the shares from SET.

Shareholding Agreement with Major Shareholders

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

Minor Shareholders

As of March 2, 2020, total number of Minor Shareholders (Free float) is 3,888, equivalent to 22.35%

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.

Dividend Policy

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

The company's Board of Directors' Meeting No. 1/2021 held on 19 February 2021 resolved to pay dividend for the year 2020 at Baht 3.30 per share, representing a payout ratio of 58% This is subject to the 2021 Annual General Meeting of Shareholders' approval. (The dividend paid in 2020 was Baht 1.80 per share, representing a payout ratio of 76%).

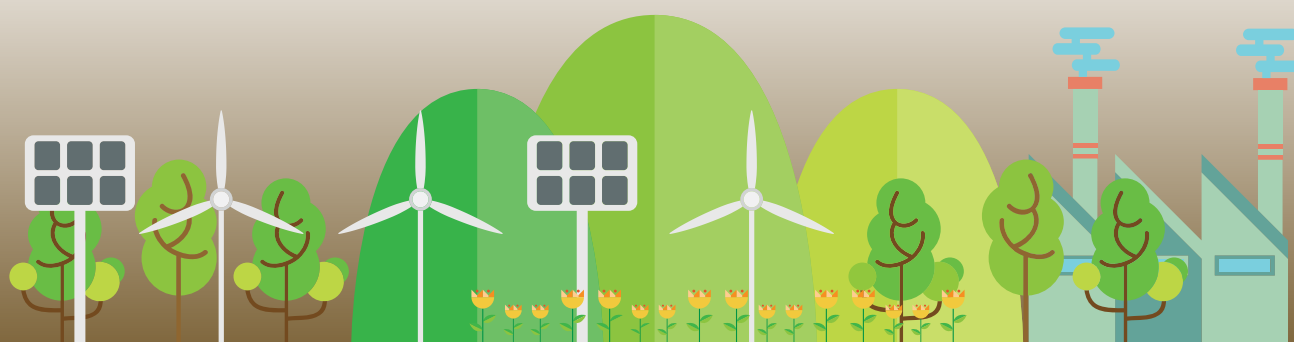
Dividend Payment of the Subsidiaries

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.

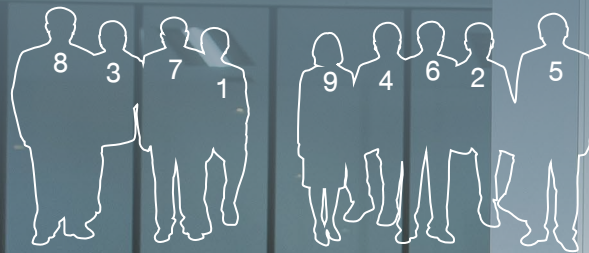
Dividend Payment in past 5 years

Year	EPS	Dividend/Share (Baht)	%Payout Ratio
2016	4.42	3.00	67.8%
2017	3.95	2.20	55.7%
2018	4.12	2.30	55.8%
2019	2.37	1.80	75.9%
2020*	5.69	3.30	58.0%

* Pending for approval from the 2021 Annual General Meeting of Shareholders' on March 31, 2021 to approve the dividend distribution for the year 2020.



Board of Directors



1 Mr. Ng Kong Meng
Chairman of the Board

2 Mr. Cheng Ping
Director of the Board

3 Mr. Ko Tzu-shing
Director of the Board

4 Mr. Chang Tsai-hsing
Director of the Board

5 Mr. Chu Chih-yuan
Independent Director

6 Mr. Anusorn Muttaraid
Director of the Board

7 Mr. Boonsak Chiempricha
Independent Director

8 Dr. Witoon Simachokedee
Independent Director

9 Mrs. Tipawan Chayutimand
Independent Director



Profile of Board of Directors

Mr. Kong Meng Ng (James)

Age : 73 Years

Shareholding in the Company

As of 31 Dec 2020

- 56,000 shares-
(0.004% of the voting rights)

Family Relationship among Directors and Executives :
-None-

Mr. Cheng Ping

Age : 59 Years

Shareholding in the Company

As of 31 Dec 2020

-None-
(0.00% of the voting rights)

Family Relationship among Directors and Executives :
-None-

Position

Education

Training

- Chairman of the Board (Authorized Director) (Director since : 3 May 1990)
- Master of Science in Electronic Engineering, University of Southampton, UK
- Bachelor of Electrical Engineering, National Taiwan University, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2007
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2009
- Financial Statements Demystified for Directors (FDD), Thai Institute of Directors Association, Year 2009
- Credit Suisse 2019 Market Outlook Seminar, Hong Kong
- Thailand Labor Law Introduction and Case Analysis, International Legal Counsellors Thailand Ltd.

Work Experience in 5 years

Listed Company

- 1990-Present • Chairman of the Board Delta Electronics (Thailand) Pcl.

Non-Listed Company

- 2007-Sep 2018 • Director, Delta Greentech SGP Pte.,Ltd
2012-Dec 2016 • Director, Delta Electronics International (Singapore) Pte.,Ltd

Position

Education

Training

- Director of the Board (Authorized Director) (Director since : 24 June 2019)
- Bachelor of Business Administration, California State University, East Bay, United States
- 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)

Work Experience in 5 years

Listed Company

- 2019-Present • Director of the Board, Delta Electronics (Thailand) Pcl.
2012-Present • Chief Executive Officer, Delta Electronics, Inc.
2001-Present • Director, Delta Electronics, Inc.

Non-Listed Company

- 2019-Present • Director, Delta Greentech SGP Pte. Ltd.
• Director, Cyntec Co., Ltd.
• Director, Drake Investment (HK) Limited
• Director, Boom Treasure Limited
• Chairman, Guangzhou Amerlux Lighting Co., Ltd.
2017-Present • Director, Delta America Ltd.
• Director, Delta Electronics Int'l (Singapore) Pte. Ltd.
2016-Present • Chairman, Delta Electronics (Xi'an) Co., Ltd.
• Chairman, Delta Electronics (Bijing) Co., Ltd.

**Mr. Cheng Ping
(Continued)**

Age : 59 Years

2015-Present	<ul style="list-style-type: none"> Executive Director, Delta Energy Technology Puhuan (Shanghai) Co., Ltd. Director, Delta Networks Holding Ltd.
2014-Present	<ul style="list-style-type: none"> Chairman, Delta Electronics (Pingtan) Co., Ltd.
2012-Present	<ul style="list-style-type: none"> Chairman, Delta Greentech (China) Co., Ltd. Chairman, Delta Energy Technology (Shanghai) Co., Ltd. Director and General Manager, Delta Green (Tianjin) Industries Co., Ltd.
2010-Present	<ul style="list-style-type: none"> Director and General Manager, Chenzhou Delta Technology Co., Ltd.
2007-Present	<ul style="list-style-type: none"> Director and General Manager, Delta Electronics (Chenzhou) Co., Ltd. Director, Delta Electronics (Wuhu) Co., Ltd.
2001-Present	<ul style="list-style-type: none"> Director, Delta Electronics (H.K.) Limited
1999-Present	<ul style="list-style-type: none"> Director and General Manager, Delta Electronics (Jiangsu) Ltd.
1998-Present	<ul style="list-style-type: none"> Director and General Manager, Delta Electronics Power (Dongguan) Co., Ltd.
1993-Present	<ul style="list-style-type: none"> Director and General Manager, Delta Electronics (Dongguan) Co., Ltd.
2015-Jan 2021	<ul style="list-style-type: none"> Chairman, Delta Electronics Components (Wujiang) Ltd.
2001-Jan 2021	<ul style="list-style-type: none"> Director and General Manager, Delta Video Display System (Wujiang) Ltd.
2017-2020	<ul style="list-style-type: none"> Chairman, Unicom (Nanjing) System Eng. Corp. Chairman, Unicom System Eng. Corp.
2016-2020	<ul style="list-style-type: none"> Director, Castle Horizon Limited Director, Energy Dragon Global Limited

**Mr. Ko Tzu-shing
(Mark)**

Age : 73 Years

Shareholding in the
Company
As of 31 Dec 2020
-None-
(0.00% of the voting rights)

Position	<ul style="list-style-type: none"> Director of the Board (Authorized Director) (Director since : 24 June 2019)
Education	<ul style="list-style-type: none"> Bachelor of Electrical and Control Engineering, National Chiao Tung University, Taiwan
Training	<ul style="list-style-type: none"> 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)

Work Experience in 5 years

Listed Company

2019-Present	<ul style="list-style-type: none"> Director of the Board, Delta Electronics (Thailand) Pcl.
2012-Present	<ul style="list-style-type: none"> Vice-Chairman of Strategic Steering Committee, Delta Electronics, Inc.
2001-Present	<ul style="list-style-type: none"> Vice-Chairman, Delta Electronics, Inc.

Non-Listed Company

2016-Present	<ul style="list-style-type: none"> Director, Delta Controls Inc.
2012-Present	<ul style="list-style-type: none"> Chairman, Delta Green (Tainjin) Industries Co., Ltd. Director, Delta Greentech (China) Co., Ltd.
2010-Present	<ul style="list-style-type: none"> Chairman, Chenzhou Delta Technology Co., Ltd. Director, Delta Electronics Capital Company
2007-Present	<ul style="list-style-type: none"> Chairman, Delta Electronics (Wuhu) Co., Ltd. Chairman, Delta Electronics (Chenzhou) Co., Ltd.
2004-Present	<ul style="list-style-type: none"> Chairman, Delta Electronics (Dongguan) Co., Ltd. Chairman, Delta Electronics Power (Dongguan) Co., Ltd.
2000-Present	<ul style="list-style-type: none"> Director, Delta Electronics (Jiangsu) Ltd.
1991-Present	<ul style="list-style-type: none"> Director, Delta Electronics (Japan), Inc.

Family Relationship among
Directors and Executives :
-None-



**Mr. Chang
Tsai-hsing
(Jackie)**

Age : 53 Years

Shareholding in the
Company

As of 31 Dec 2020

-None-
(0.00% of the voting rights)

Family Relationship among
Directors and Executives :
-None-

**Mr. Chu Chih-yuan
(Roger)**

Age : 73 Years

Shareholding in the
Company

As of 31 Dec 2020

-None-
(0.00% of the voting rights)

Family Relationship among
Directors and Executives :
-None-

Position

- Director of the Board (Authorized Director) (Director since : 24 June 2019)
- President
- President of South East Asia and India Region
- Executive Committee Chairman
- Corporate Governance Committee Chairman
- Risk Management Committee Chairman
- Sustainable Development Committee Chairman

Education

Training

- Bachelor of English Literature of National Central University, Taiwan
- Simplified Strategic Planning, Kexxel Group.
- Director's Briefing 10 # Driving Organizational Culture from the Boardroom, Thai Institute of Directors Association
- Thailand Labor Law Introduction and Case Analysis, International Legal Counsellors Thailand Ltd.

Work Experience in 5 years

Listed Company

2020-Present

- President
- President of South East Asia and India Region
- Executive Committee Chairman
- Corporate Governance Committee Chairman
- Risk Management Committee Chairman
- Sustainable Development Committee Chairman
- Delta Electronics (Thailand) Pcl.

2019-Present

- Director of the Board, 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.

Non-Listed Company

2016-Present

- Vice President, Asia Pacific Region
- Member of Strategic Steering Committee
- Delta Electronics International (Singapore) Pte. Ltd.

2010-2018

- President & General Manager EMEA (Europe, Middle East & Africa) Region, Delta Group.

Position

- Independent Director (Appointment Date : 30 Apr 1988 and appointment be Independent director on 27 Oct 2015)
- Audit Committee Member
- Nomination & Compensation Committee Member

Education

- Bachelor of Accounting in Economics, Chinese Culture University (Taipei), Taiwan
- Executive Program of Graduate School of Business Administration, Chung Yuan Christian University, Taiwan

Training

- Director Accreditation Program (DAP) Thai Institute of Directors Association, Year 2007

Work Experience in 5 years

Listed Company

1988-Present

- Director of the Board, Delta Electronics (Thailand) Pcl. (appointment to Independent director on October 2015)

Oct 2015-Present

- Audit Committee Member, Delta Electronics (Thailand) Pcl.
- Nomination & Compensation Committee Member, Delta Electronics (Thailand) Pcl.

Jun 2016-Present

- Independent director, C Sun Manufacturing Ltd.

Non-Listed Company

2011-Present

- Director, Digital Projection International Holding Ltd.

2010-Aug 2016

- Supervisor, Delta Electronics Capital Company

2009-Jun 2015

- Supervisor, NeoEnergy Microelectronics

Mr. Anusorn Muttaraid

Age : 66 Years

Shareholding in the Company

As of 31 Dec 2020

-None-

(0.00% of the voting rights)

Family Relationship among

Directors and Executives :

-None-

Position

- Director of the Board (Authorized Director) (Appointment Date : 22 Aug 1994)
- Nomination & Compensation Committee Chairman
- Corporate Governance Committee Member

Education

- Bachelor of Science, Kasetsart University

Training

- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2004
- Capital Market Academy Leader Program # 27, Capital Markey Academy

Work Experience in 5 years

Listed Company

- | | |
|------------------|--|
| Oct'2020-Present | • Nomination & Compensation Committee Chairman, Delta Electronics (Thailand) Pcl |
| 1994-Present | • Director of the Board, Delta Electronics (Thailand) Pcl. |
| 2018-Present | • Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl. |
| 2015-Oct'2020 | • Nomination & Compensation Committee Member, Delta Electronics (Thailand) Pcl. |
| 2015-2019 | • Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl |
| 2009-2019 | • Risk Management Committee Member, Delta Electronics (Thailand) Pcl. |
| 1999-2019 | • Executive Committee Member, Delta Electronics (Thailand) Pcl. |
| 1993-2019 | • Human Resources & Administration/ Public Relations Director, Delta Electronics (Thailand) Pcl. |
| 2007-Oct 2015 | • Compensation Committee Member, Delta Electronics (Thailand) Pcl. |

Non-Listed Company

- | | |
|--------------|---|
| 2011-Present | • Member of sub-committee of Comprehensive Economic Partnership in East Asia (ASEAN+6), Board of Trade of Thailand |
| 2010-Present | • Managing Partner, Anupong Globalize Limited Partnership |
| 2009-Present | • Chairman of Committee on Indian Affairs, The Thai Chamber of Commerce and Board of Trade of Thailand |
| 2007-Present | • Chairman of Thailand-India Business Council, The Thai Chamber of Commerce and Board of Trade of Thailand |
| | • Managing Partner, Anusorn Globalize Limited Partnership |
| 2017 | • Corporate Governance Committee Chairman/Chairman of the Executive Consultant/ Advisory of Information Technology Committee, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) |
| 2015-2017 | • Nomination & Compensation Committee Chairman/Relation Affair Committee Chairman/Information Technology Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) |
| 2011-2017 | • Director/Executive Director, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) |
| 2011-2015 | • Risk Committee Chairman, The Small and Medium Enterprise Development Bank of Thailand (SME Bank) |



Mr. Boonsak Chiempricha

Age : 71 Years

Shareholding in the
Company

As of 31 Dec 2020

-None-
(0.00% of the voting rights)Family Relationship among
Directors and Executives :

-None-

Dr. Witoon Simachokedee

Age : 66 Years

Shareholding in the
Company

As of 31 Dec 2020

-None-
(0.00% of the voting rights)Family Relationship among
Directors and Executives :

-None-

Position

- Independent Director (Appointment Date : 5 April 2016)
- Audit Committee Chairman

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**

- | | |
|--------------|---|
| 2016-Present | • Independent Director/ Audit Committee Chairman
Delta Electronics (Thailand) Pcl. |
| 2010-Present | • Chairman of the board, G Capital Pcl.
• Chairman of the board /Executive Chairman, Indara Insurance Pcl. |
| 2010-2020 | • Independent Director, President Bakery Pcl. |
| 2010-2019 | • Audit Committee Member/Risk Management Committee Chairman,
President Bakery Pcl. |

Non-Listed Company

- | | |
|--------------|---|
| 2019-Present | • Audit Committee Chairman of Court of Justice, Office of Internal Audit |
| 2012-Present | • Director/ Audit Committee Member, Principal Asset Management Co., Ltd
• Honorary Council Member and Audit Committee Chairman,
Mahasarakham University Council Committee |
| 2018-2020 | • Director of Audit & Evaluation Sub-Committee of special government
• Consultant of Financial Management program, The Comptroller General's
Department |
| 2013-2019 | • Financial Director, The Thai Bar Under the Royal Patronage Government Sector |

Position

- Independent Director (Appointment Date : 30 Mar 2015)
- Nomination & Compensation Committee Member

Education

- Honorary Doctorate of Engineering, Safety Engineering, Kasetsart University
- Honorary Doctorate of Science. Safety Technology Occupational Health, Rajabhat Suan Sunanta University
- Doctor of Philosophy Public Administration (Management of public and private sector), Ramkhamhaeng University
- Master of Business Administration, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Laws degree, Thammasat University

Training

- Bachelor of Engineering (The Electrical Engineering), Kasetsart University
- Director Certification Program (DCP), Thai Institute of Directors year 2009
- Financial Statements for Directors (FSD), Thai Institute of Directors year 2009

**Dr. Witoon
Simachokedee
(Continued)**

Age : 66 Years

**Mrs. Tipawan
Chayutimand**

Age : 63 Years

Shareholding in the
Company

As of 31 Dec 2020

-None-

(0.00% of the voting rights)

Family Relationship among
Directors and Executives :

-None-

Work Experience in 5 years

Listed Company

- 2015-Present • Independent Director/Nomination & Compensation Committee Member, Delta Electronics (Thailand) Pcl.
- 2017-Present • Independent Director/Audit Committee Member, Sakol Energy Pcl.
- 2015-Oct'2020 • Nomination & Compensation Committee Chairman, Delta Electronics (Thailand) Pcl.

Non-Listed Company

- 2020-Present • Chairman of Resources Management for Sustainability (3R) Foundation
- 2013-Present • Chairman of Institute for Business and Industrial Development
- 2019-2020 • Consultant team of Minister of Industry

Position

- Independent Director (Appointment Date : 2 April 2018)
- Audit Committee Member

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant No. 6870
- Tax Auditor No. 000111

Training

- Senior Executive Program by London Business School
- Anti-Money Laundering Program by US International Revenue Service
- Development of Management Skills and Leaderships Program by National Graduate Institute for Policy Studies (Japan)
- International Taxation Course by The Japanese National Tax Agency (Japan)
- Transfer Pricing And Tax Audit for Multinational Companies Program by Australian Taxation Office
- Director Certification Program (DCP), Thai Institute of Directors Association, Year 2019
- IT Governance and Cyber Resilience Program), Thai Institute of Directors Association, Year 2020

Work Experience in 5 years

Listed Company

- 2018-Present • Independent Director/ Audit Committee Member, Delta Electronics (Thailand) Pcl.

Non-Listed Company

- 2019-Present • Independent Director, SREIT Management Co., Ltd.
- 2014-Sep 17 • Director of Large Business Tax Administration Division, The Thai Revenue Department



Profile of Management Team

Mr. Chang Tsai – hsing (Jackie)

Age : 53 Years

Mr. Yu Po-wen

Age : 60 Years

Shareholding in the Company

As of 31 Dec 2020

-None-

(0.00% of the voting rights)

Family Relationship among Directors and Executives :

-None-

Mr. Vichai Saksuriya

Age : 58 Years

Shareholding in the Company

As of 31 Dec 2020

-None-

(0.00% of the voting rights)

Family Relationship among Directors and Executives :

-None-

Mr. Chen Chin-ming

Age : 51 Years

Shareholding in the Company

As of 31 Dec 2020

-None-

(0.00% of the voting rights)

Family Relationship among Directors and Executives :

-None-

Position

- President
- (For further details, please refer to his profile in the Board of Director)

Position

- Chief Financial Officer (CFO)

Education/

Training

- M.B.A, University of South Australia
- B.A (Accounting), Chinese Culture University (Taipei)
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2019
- CFO's Orientation Course, Thailand Securities Institute (TSI)

Work Experience in 5 years

Listed Company

2020-Present

- Risk Management Committee Member, Delta Electronics (Thailand) Pcl.

2019-Present

- Chief Financial Officer (CFO), Delta Electronics (Thailand) Pcl.
- Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl.

1991-Feb 2016

- Chief Financial Officer (CFO), Delta Electronics (Thailand) Pcl.

1999-2016

- Executive Committee Member, Delta Electronics (Thailand) Pcl.

2009-2016

- Risk Management Committee Member, Delta Electronics (Thailand) Pcl.

2015-2016

- Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl.

Position

- Vice President of Administration and HR

Education/

Training

- EMBA, National Taiwan University of Technology, Taiwan
- B.E. Electrical Engineering, National Taipei Institute of Technology, Taiwan
- Director Accreditation Program (DAP) Thai Institute of Directors Association Year 2014

Work Experience in 5 years

Listed Company

2021-Present

- Vice President of Administration and HR

2020-Present

- Corporate Governance Committee Member, Delta Electronics (Thailand) Pcl.

2019-Present

- Anti Corruption Committee Member, Delta Electronics (Thailand) Pcl.

2015-Present

- Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl.

2009-Present

- Risk Management Committee Member, Delta Electronics (Thailand) Pcl.

2020

- Human Resources Director, Delta Electronics (Thailand) Pcl.

2011-Dec 2020

- Operations Vice President, Delta Electronics (Thailand) Pcl.

Position

- Chief Information Officer (CIO)

Education/

Training

- EMBA, National Taipei University of Technology, Taiwan
- EMBA of Information Management, National Taiwan University of Science and Technology
- Industrial Management, National United University

Work Experience in 5 years

Listed Company

2018-Present

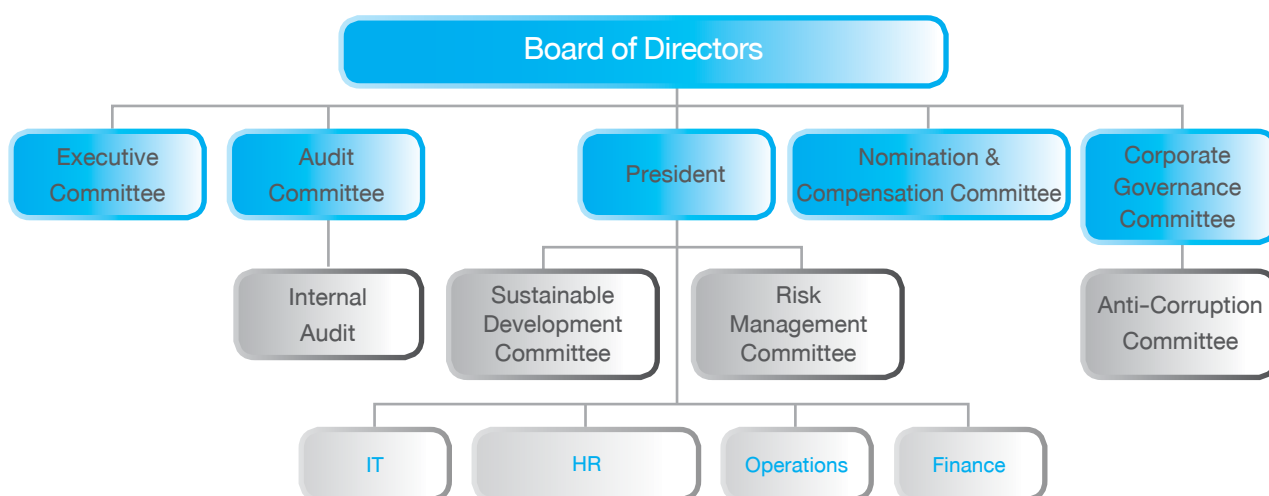
- Sustainability Development Committee Member, Delta Electronics (Thailand) Pcl.

2011-Present

- Chief Information Officer (CIO), Delta Electronics (Thailand) Pcl.
- Risk Management Committee Member, Delta Electronics (Thailand) Pcl.

Managerial Structure

The Company's Managerial Structure as of 31 December 2020



Board of Directors

The company's Board of Directors is now composed of 9 members, 3 executive directors, 2 non-executive and 4 independent directors. As reported in the Ministry of Commerce's certification dated January 5, 2021, list of the members of the Board of Director is shown below.

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

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

* Executive director

Authorized Directors

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

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) by observing the following four main practices:
 - Performing its duties with responsibility and all due circumspection and caution (duty of care).
 - Performing its duties with faithfulness and honesty (duty of loyalty).



- 1.3 Performing its duties in compliance with laws, objectives, the Company's Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (duty of obedience).
- 1.4 Disclosing information to shareholders accurately, completely, and transparently with verifiability and timeliness. (duty of disclosure)
2. To determine the vision, mission, objectives and target of the Company and review them every year and communication across the organization to drive the same direction.
3. To supervise and support the innovation of social and environmental responsibility including ensure that the management adheres to the Company's mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" in operation.
4. 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 and targets with suitable allocation of resources and the use of technology innovation.
5. 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 annually to ensure that operations are in line with policies, plan and the budget.
6. 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.
7. To supervise and monitoring IT management, risks and the implementation of the IT security system.
8. To supervise having good internal control system that suitable and assigned the Audit Committee to monitor the internal control regularly. Assess the effectiveness and adequacy of internal control over time and reports to the Board of Directors. To communicate and encourage employees at all levels to have a sense of ethics, moral and ethical conduct on corporate governance and anti-corruption policy.
9. To specifying risk management policies, process, report and overseeing to ensure effective risk management systems together with reviewing and assessing the systems periodically and in the wake of a change in risk levels and cover all risks.
10. To Supervise the Company having a sufficient system to ensure that the Company complies with the Securities and Exchange Act and other securities and exchange laws e.g. SEC rules and regulations and the SET regulations. This includes any law governing the Company's business such as: regulations concerning the entry into connected transactions and regulations concerning the substantial acquisition of assets It also complies with the laws relating to the business of the Company, the Articles of Association, resolutions of the shareholders' meeting, policies or guidelines.
11. 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.
12. Monitoring and managing any potential conflicts of interest between the Company, the Management, the Board of Directors, or shareholders as well as overseeing to prevent misuse of the Company's assets and involve with into inappropriate transactions with related parties according to laws and other regulations.
13. To arrange for the preparation and submission of the audited balance sheet and profit/loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval.
14. To monitor the adequacy and timeliness of the Company's disclosure of information. Information technology is used to disseminate information. It also regulates the management to have a unit or an investor relations officer to communicate with shareholders and other stakeholders, such as investors, analysts, to be equally appropriate.
15. 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.

For this purpose, no authorization will enable a grantee under power-of-attorney to consider and approve a transaction which may cause a conflict of interest between himself, any related person or interested person as one party and the Company as the other party, unless it is granted following approved policies and criteria previously set out by the Board of Directors.

Responsibilities of the Chairman of the Board

1. 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.
2. To ensure that all directors contribute to the Company's ethical culture and good corporate governance.
3. To consider the agenda of the Board of Directors, and may discuss with the Executive Chairman and supervise the important matters to be included in the agenda.
4. To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting, allocate sufficient time to carefully consider key issues and encourage directors to exercise discretion, comment freely.
5. To have a casting vote in case the Board of Directors' meeting has a tie vote
6. To promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the Board and management.
7. Perform the Chairman's duty as specified by law.

Management Team

The management team of the company consists of 4 members as follows;

Name	Position
1. Mr. Chang Tsai-hsing	President
2. Mr. Yu Po-wen	Chief Financial Officer
3. Mr. Vichai Saksuriya	Vice President of Administration and HR
4. Mr. Chen Chin-ming	Chief Information Officer

Scope of Responsibilities of the President:

1. To manage, control and responsible for the operation of the company in accordance with the directions set out in the company's budget as approved by the Board of Directors and/or the executive committee of the company including taking care, advising and improving the operation continuously.
2. To propose policies, strategy of the company and of the business unit of the company to the Board of Directors for acknowledgement and approval and to be responsible for applying such strategy with its operation.
3. To be jointly responsible with the executive committee for preparation of the annual budget and the operational plan of the company, reviewing the annual budget quarterly and proposing the amended budget to the Board of Directors.
4. To report the operational result to the Board of Directors quarterly.
5. To have the authorization to approve the payment in accordance with the Approval Authorization Instruction of the company, which had already been copied to all directors for consideration. However, with respect to the matters other than the normal course of business, the president shall have the authorization to approve such payment only upon receipt of the Board's approval
6. Undertakes its duties and responsibilities to ensure that systems are established, supports are provided and supervision of good corporate governance and anti-corruption is carries out to ensure that all employees and concerned parties' practices are fully in compliance with policy. Also include reviews on suitability of the systems and measures to accommodate changes in business, regulations and Law requirements.
7. To be eligible in appointing and managing any working groups or any persons for benefit of the company and efficient management, transparency, or empowering to any person or assigning any person to do any specific tasks in such authorization complies must be within the scope of the power-of-attorney and/or regulations, notifications or orders as determined or approved by the Board of Directors and/or the company.



For this purpose, no authorization will be enable the president to approve the transaction which may cause a conflict of interest between himself/his assignee and any related person (as defined in the SEC Notification) as the one party and the company or its subsidiary as the other party, unless it is granted in accordance with the company's normal course of business as clearly identified.

8. To do any acts as assigned by the Board of Directors.

Company Secretary

The Board of Directors appointed Ms. Wilailak Funghanakun 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 2020, the Company Secretary attended the work related training courses as follows:

- IOD Company Secretary Forum: Virtual Board Meeting & the Evolving Role of Corporate Secretary
- ASEAN CG Scorecard Coaching
- Guideline for Personal Data Protection Act (PDPA)
- Director's Briefing 10 # Driving Organizational Culture from the Boardroom, Thai Institute of Directors Association

Compensation of Director and Management

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

1. Policy and Guidelines for Director and Sub-Committee Compensation
 - 1.1 Compensation package must be reasonable in order to attract and retain competent directors. Major factors to determine director compensation include:
 - Scope of work and responsibilities
 - Current market rate
 - The company's overall performance
 - Others factors specified by the Compensation Committee or the Board
 - 1.2 Chairman of the Board and chairman of Sub-committees would receive higher compensation in accordance with their responsibilities
 - 1.3 Non-executive directors would receive a competitive compensation which would be higher than that of executive director. This is to attract knowledgeable and capable persons to be non-executive director or independent director
 - 1.4 Compensation may be entirely fixed or partially fixed with some variable amount such as meeting allowance or other incentives
2. Policy and Guidelines for Top Executive's Compensation
 - 2.1 The nomination & compensation committee is assigned to determine that the compensation principle and structure for the President and the Executive level (11 and up) is in accordance with policies made by the Board of Directors and in line with the Company's operating result and individual performance.
 - 2.2 Compensation packages must be reasonable in order to attract, retain and motivate executives to do their best at work.
 - 2.3 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.

- 2.4 Compensation including annual salary increment, bonus and other compensation (if any) of the management is to be considered by the President based on each individual KPI achievement.
- 2.5 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.

Compensation of Directors and Management in 2020 are listed as follows;

1. Compensation

1.1 Compensation of Directors

The Annual General Meeting of Shareholders approved the compensation of the directors for the year 2020 with details shown below;

(Unit: Baht)	Annual Compensation	Attendance Fee
Chairman of the Board	1,650,000	10,000
Non-Executive Director	1,150,000	10,000
Executive Director	500,000	-
Independent Director/AC Chairman	1,250,000	10,000
Independent Director/NCC Chairman	1,250,000	10,000
Independent Director/Audit Committee	1,150,000	10,000

- Remark : 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. Other compensation : None

The Compensation of the Directors for the year 2020 as follow;

Name of Director	Compensation		Meeting Fee		Other		Total Amount	
Unit : Baht	2020	2019	2020	2019	2020	2019	2020	2019
Mr. Ng Kong Meng	1,650,000	1,650,000	60,000	80,000	-	-	1,710,000	1,730,000
Mr. Cheng Ping	500,000	-	-	-	-	-	500,000	-
Mr. Ko Tzu-shing	500,000	-	-	-	-	-	500,000	-
Mr. Chang Tsai-hsing	500,000	-	-	-	-	-	500,000	-
Mr. Anusorn Muttaraid	1,150,000	1,150,000	130,000	140,000	-	-	1,280,000	1,290,000
Mr. Chu Chih-yuan	1,150,000	1,150,000	120,000	160,000	-	-	1,270,000	1,310,000
Mr. Boonsak Chiempriha	1,250,000	1,250,000	100,000	120,000	-	-	1,350,000	1,370,000
Dr. Witoon Simachokedee	1,250,000	1,250,000	110,000	120,000	-	-	1,360,000	1,370,000
Mrs. Tipawan Chayutimand	1,150,000	1,150,000	100,000	120,000	-	-	1,250,000	1,270,000
Total	9,100,000	7,600,000	620,000	740,000	-	-	9,720,000	8,340,000

Remarks : The company has no other compensation such as bonuses, pension and other benefits

1.2 Compensation of the Management

Compensation of the 4 members of the management team including salary and bonus in 2020 amounted to 32,428,050 baht as compared to that of last year (2019) of 46,623,525 baht to 5 members.

2. Other Compensation

- None -



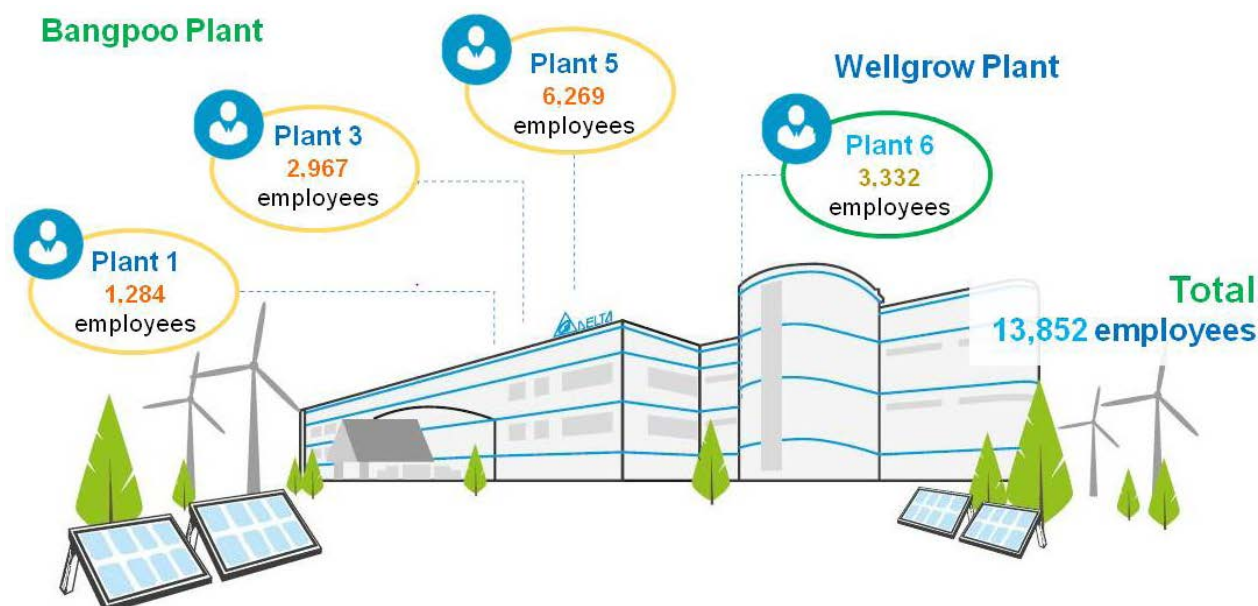
Share/Warrant Holdings of Directors

Name of Director	Holding DELTA (Shares)							
	Self				Spouse & Minor child			
	31 Dec 20	% holding	31 Dec 19	Inc (Dec)	31 Dec 20	% holding	31 Dec 19	Inc (Dec)
Mr. Ng Kong Meng	56,000	0.004	80,000	(24,000)	-	-	-	-
Mr. Cheng Ping	-	-	-	-	-	-	-	-
Mr. Ko Tzu-shing	-	-	-	-	-	-	-	-
Mr. Chang Tsai-hsing	-	-	-	-	-	-	-	-
Mr. Anusorn Muttaraid	-	-	-	-	-	-	-	-
Mr. Chu Chih-yuan	-	-	-	-	-	-	-	-
Mr. Boonsak Chiempricha	-	-	-	-	-	-	-	-
Dr. Witoon Simachokedee	-	-	-	-	-	-	-	-
Mrs. Tipawan Chayutimand	-	-	-	-	-	-	-	-
Mr. Yu Po-wen	-	-	-	-	-	-	-	-
Mr. Vichai Saksuriya	-	-	42,100	(42,100)	-	-	-	-
Mr. Chen Chin-ming	-	-	-	-	-	-	-	-



Human Resource

In 2020, the company and its subsidiaries had a total number of employees of 17,968 and the total compensation including salary, bonus and provident fund paid to employees was Baht 9,343 million. In Thailand, there were 13,852 employees with Baht 5,983 million paid for compensation including salary, bonus and provident fund. Employees in Thailand are divided by plant as follows.



The Company and its Subsidiaries

Year	2016	2017	2018	2019	2020
No. of Employee (person)	12,800	12,965	15,630	15,247	17,968
Compensation (million Baht)	8,034	7,501	7,984	8,447	9,343

The Company Only

Year	2016	2017	2018	2019	2020
No. of Employee (person)	10,377	10,691	11,314	11,297	13,852
Compensation (million Baht)	4,429	4,521	4,869	5,375	5,983

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.

Human Resource Development

The company committed and gave priority to develop its personnel in terms of both education and quality. There was cooperative program with various education institutions to enhance employees' knowledge continuously.



Program to improve the potential of employees, in particular on English, Chinese and Thai language has continued for many years. This year we enhance the program by online learning course. It is a 4-month on-line learning program, which employee can freely arrange based on their own availability. Employees who enroll in the course will receive a textbook and pursue a certain time for self-study to complete the lesson with a pretest and posttest to compare the result. The standard to benchmark the skill of language for English is TOEIC while Chinese is HSK3.

Potential Development

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



Internal Training Hour Average (hours/person)

Year	2016	2017	2018	2019	2020
Staff	17.63	8.60	24.00	22.15	37.6
Operator	8.82	11.80	7.20	12.25	11.1

Future Talent Cultivation and Development

Hiring and retaining outstanding and exceptional employees is the key objective of Delta Thailand. We source and hire employees through multiple channel and open selection procedure. We strictly prohibit any employment discrimination based on race, age, gender, sexual orientation, disability, pregnancy, politics, or religion of employees. According to Delta Thailand's recruitment strategy, we recruit professionals and elites with diversity around the world via various channels to attract and retain talent. Delta Thailand contributes to corporate social responsibility by cooperating with top Thailand and Taiwan universities. To develop the future talent, we develop the cross-regional talent project by offering students the international study and internship opportunities and donating Automation Lab to support students in advanced technology learning.



Succession Plan and Talent Development

Delta Thailand values the importance of talent learning and development. With a view to fulfilling the commitment of developing Delta leaders who develop Delta's future, the SEA Leadership and Talent Development Committee has been established to discuss the talent development and succession plan since 2020. The structural and diversified learning resources have been offered to the employees via internal and external learning resources, such as leadership program, professional competency development, language learning and EMBA Scholarship. Meanwhile, e-learning and mobile learning platform – Delta Academy has been introduced to build up the agile learning environment for employees to learn anytime and anywhere. The SEA Leadership and Talent Development Committee will continuously dedicate to cultivate and develop high potential talents across SEA region. These efforts will continue to ensure SEA's talent pool and pipeline is sufficient to meet the needs of future business growth and challenges.



Delta Thailand received the Award for Excellence in Training at the Thailand Best Employer Brand Awards 2021 online ceremony by World HRD Congress.



Digital Enterprise

Delta Thailand dedicated to optimize the internal system process under the era of digital transformation. We focus on eliminating manual and paper work by introducing system flow, mobile OA and applying QR code for simultaneous interaction and information sharing. In addition, we optimize the on-line system by integrating recruitment system, introducing performance management system and building up the training system and e-payroll process. Meanwhile, we implement the Decision Support System by integrating regional data into electronic dashboard for the management team to make decision quickly and efficiently. We aim to build up the agile working environment by offering on-line and mobile communication tools for employee to work, communicate and learn without the limitation of distance, location and time.

Employee Engagement

During the COVID-19 period, in order to engage employees to create a harmonious working environment, Delta Thailand hosts different types of events such as Virtual Town Hall, Coffee Talk and Delta Share to improve the cohesiveness of the employees. To increase diversified communication channel, we set up the company LINE account, Facebook, LinkedIn company page and 360 e-magazine for direct, clear and transparent communication. We also endeavor to improve the company premises and facilities by changing company chair, setting up free Wi-Fi area, coffee corner in every department, improving parking spaces and greening the working environment.



DELTA Line official

Coffee Talk with President

Corporate Governance

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 we review the content at least once a year. In 2020, the Board of Directors Meeting No.5/2020 held on October 26, 2020 approved the amendment of the company's Corporate Government Policy to be appropriate to the current situation. This Policy has been reviewed by Corporate Governance Committee in detail. Further details of the company's Corporate Government Policy can be found on the company website and internally on the Delta intranet as a guideline to the directors, management and employees.

Our commitment and strict compliance with good corporate governance has earned the company high evaluation grades and awards in 2020 as follows:

- S&P Global SAM Silver Class sustainability award 2021 in "Electronic Equipment, Instruments & Components" sector for the 2nd consecutive year
- MSCI Global Standard Indexes 2020, rating by Morgan Stanley Capital International (MSCI)
- FTSE4Good Emerging Index, rating by FTSE Russell for the 4th consecutive year
- Thailand Sustainability Investment (THSI) 2020 from The Stock Exchange of Thailand for the 6th consecutive year.
- "Excellent" grade on the 2020 Corporate Governance Rating Survey (CGR) conducted by Thai Institute of Directors Association (IOD) for the 5th consecutive year.
- "Excellent" grade for the standard of its annual general meeting of shareholders (AGM Assessment) conducted in the year 2020 from the Thai Investors Association for the 6th consecutive year.
- ESG100 for 2020, rating by Thaipat Institute for the 6th consecutive year.
- 2020 CSR-DIW Continuous Awards from the Department of Industrial Works (DIW), Ministry of Industry for the 9th consecutive year.

The implementation of our good corporate governance policy during the year 2020 can be summarized as follows:

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 2020, the AGM was held on March 31, 2020, at 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 16, 2020, 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 February 28, 2020). All information was made available and easily accessible to provide shareholders adequate time to review the agenda.

The meeting invitation clearly indicated the matters to be tabled at the meeting, for acknowledgment, approval or consideration. In addition, it enclosed the Board's opinions and supporting documents to ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the company provided a list of necessary documents that attendees were required to present to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate shareholders who could not attend the meeting and thus wished to appoint as proxy an Independent director or another representative.

In addition, the company informed and invited institutional investors to join the meeting and facilitated them by arranging proxy and related document collection in the case of nonparticipation.

On the Meeting Date

Due to the COVID situation during this period, the company arranged the meeting in strict accordance with guidelines for preventing the spread of COVID-19. We provided social distancing, screening, thermo-scan, and the attendees wear masks at all times. The company provided shuttle services near the BTS (Phraek Sa Station) for shareholders who wished to attend the Meeting. 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 attendance registration and vote count. Duty stamps were made available to shareholders without charge.

In the meeting, all six directors of the Board were in attendance. Another 3 directors are abroad unable to attend the meeting due to the COVID situation., the Chairman of the Board, Chairman of Audit Committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were present to listen to the shareholders' opinions or suggestions and also answer any questions. The company implemented its 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. In order to expedite the voting process, only the ballots voting for objections and abstentions were collected and deducted from the total votes of shareholders who attended the meeting and were eligible to vote. With regards to the agenda on compensation to directors, the company notified shareholders the amount that each director received in the form of compensation and meeting allowances.

There was no any objection or request for re-inspection from shareholders on such arrangements. The meeting proceeded according to the agenda with no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A Legal Adviser and Representative from, the Hunton Andrews Kurth (Thailand) joined the meeting via telephone. 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 20 November–31 December 2019. 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 2020 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 2020 Minutes of Annual General Meeting of Shareholders posted on the company website)

2. Equitable Treatment of Shareholders

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

Appoint a Proxy to Attend and Vote at the Meeting

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

Proposing Additional Agenda and Nominating Directors

In addition, the company opened the floor for shareholders to propose additional agenda items and to nominate candidates to be directors of the company in advance. Procedures and details were disclosed on the company website www.deltathailand.com/en/shareholder-meeting during 20 November - 31 December 2019. 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 2020, 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 2021 Annual General Meeting of Shareholders during the period of 17 November-31 December 2020.

3. Roles of 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 2020, dividend payout ratio averaged over 50% 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.

In 2020, the company received the Supplier Performance Excellence Award by Mercedes-Benz Manufacturing (Thailand) Limited and has not received any lawsuits from customers in the past year.

Employees:

The company treats employees fairly, respects human rights, and allows competitive compensation in line with the labor market's mechanisms. Benefits are also in line with the company's operating results, both short term and long term, such as annual bonus and setting the rate that the company contributes to provident funds according to work length. We take care of employee health and safety at work and provide equal career opportunities on the basis of 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
- Remuneration 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.

Creditors:

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

Society and Environment:

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

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

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

4. Disclosure and Transparency

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

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

The IR manager represents our management in regional conferences several times a year to provide updated information on the company's operation and business outlook. In 2020, the company organized various activities as followed;

Meeting with Foreign Investor	8 Times	Meeting with Local Investors	10 Times
Meeting with Analyst	12 Times	Opportunity Day organized by SET	4 Times
International Conference	8 Times	Domestic Conference	6 Times



Prevention of Conflict of Interest

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. In accordance with the recent Securities and Exchange Act, 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, 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 (Form 56-1 : www.deltathailand.com/en/form-56-1).

Anti-Corruption and Bribery Policy

- **Announcement Policy:** The company has established a policy to prevent our directors, management and employees from acting or consenting, directly or indirectly, in any form of corruption. This Anti-Corruption Policy is adopted to benefit stakeholders and the company's business operations by setting a clear business operation direction consistent with the company Corporate Governance, Code of Conduct, rules, regulations and related laws. The company commits to integrity and fairness for our sustainable development. The Board of Directors has approved the adoption of an Anti-Corruption Policy in order to establish principles, set practice guidelines, arrange communication and provide training in the area of anti-corruption and signed on declaration of intent in establishing Thailand's Private Sector Collective Action against Corruption (CAC) on 16 July 2018 and was certified in the Collective Action against Corruption on February, 7 2020.
- **Operations:** The company established an Anti-Corruption Procedure to guidelines to work against corruption 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. All employees were required to sign the Anti-Corruption Commitment on-line.
- **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 on normal business.

The agreement is an acknowledgment by both parties to do business with integrity and without bribery or any unwarranted returns.

- The Delta Annual Partner Meeting, the company covered the topic of anti-corruption to educate suppliers about our anti-corruption policies and stance against corruption. As well as inviting business partners to sign a declaration of intent in establishing Thailand's Private Sector Collective Action against Corruption (CAC) in combating corruption together.
- 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.
- We regularly organize training and campaigns for employees to realize the importance of our efforts. In the year 2020, we organized a training on "Code of Conduct and Anti-Corruption". All employees are required to sign for an acknowledgement and conformity form in the Code of Conduct and Anti-Corruption Policy.

To: All Valued Business Partners and Friends
Subject: No Gift Campaign

As the year 2020 comes to a close, it gives me great pleasure to represent the company in expressing our sincere gratitude for your support and assistance throughout the year.

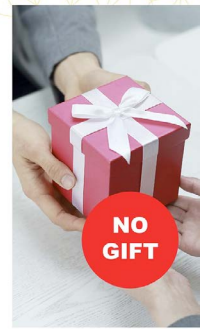
Delta Electronics (Thailand) Public Company Limited is committed to serving our customers and working with our partners with the highest standards of integrity. As part of this commitment, we would like to remind you not to send any gift/ gratuity to the company, management, employees or to family members of the employees during New Year and other festive occasions.

We greatly appreciate your understanding of Delta's policy to promote good corporate governance practice.

We look forward to working with you in exceeding our stakeholders' expectations, as we strive to continuously improve our quality and competitiveness in the global market. Your kind cooperation and support are highly appreciated.

Finally, let me take this opportunity to wish you a Merry Christmas and a Prosperous New Year.

Sincerely yours,



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

Intellectual Property and Copy Rights Policy

The company realizes the importance of intellectual property and copyrights. Therefore, the company prohibits all employees from obtaining trade secrets or confidential information of other parties through espionage, theft, coercion, enticement or other illicit means; or in any way stealing or plagiarizing papers, works, research reports, patents, proprietary technology, design drawings or other technological findings that result in the infringement of intellectual property rights.



Whistleblowing and Complaints

The company has a 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) Email: HR.GRIEVANCE.SEA@deltaww.com
 - (3) Suggestion box
- Communication channel for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280);
 - (2) Email: whistleblow@deltathailand.com

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

At the Board of Directors Meeting No. 1/2021, the company secretary informed the meeting that in the year 2020, the company receive 3 complaints for code of conduct but did not receive any complaint for anti-corruption and anti-trust and fair competition.

5. Responsibilities of the Board

Structure of the Board

Board of Directors

The Board of Directors comprises nine directors; three are executive directors. The remaining six are non-executive directors, including four independent directors who comprise over one-third of the Board. Qualifications of independent directors have been consistent and stricter than the requirements set by the SEC criteria. 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 management transparency. (Please find the Board member's details and scope of duties in the Managerial Structure section).

Sub-Committee

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

- **Executive Committee**

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

Name	Position
1. Mr. Chang Tsai-hsing	Executive Committee Chairman
2. Mr. Yu Po-wen	Executive Committee Member
3. Mr. Vichai Saksuriya	Executive Committee Member
4. Mr. Sim Kuik Keong	Executive Committee Member

Scope of Responsibilities of Executive Committee

1. 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.
2. To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the company including the organization chart in order to propose to the Board of Directors for its consideration and approval as well as to monitor and follow up the results of company operations to be in accordance with policies.
3. To be eligible to do the following bank transactions and to report these transactions to the Board of Directors at the next board meeting following execution.
 - (a) Open or close bank accounts.
 - (b) Enter into any contract which is part of the company's normal course of business and/or any other transactions with banks or other financial institution for a total combined amount not exceeding USD 50 million or the equivalent in any other currencies per bank. In cases where there is a need to use any company assets as collateral to support banking facilities, approval by the Board of Directors must be obtained.
 - (c) Issue corporate guarantee to support banking facilities granted to subsidiaries for a total amount not exceeding USD 50 million or the equivalent in any other currencies per company.
 - (d) Renew banking facilities without any limit.
4. To be eligible to approve investment in subsidiary companies for amounts not exceeding USD 5 million or the equivalent in any other currencies per company, per project. Approvable aggregate investment amount, after combining all investments, will not exceed USD 20 million or equivalent in any other currencies within a calendar year. Such investment transactions are required to be reported to the Board of Directors at the next board meeting.
5. To be eligible to appoint, promote, transfer or discharge directors and/or executives of subsidiary companies.
6. To authorize any one or more persons to perform any action under the supervision of the Executive Committee, or grant the power-of-attorney to such person(s) to perform any action within the specified time as the Executive Committee may see fit. However, the Executive Committee has sole discretion to revoke or modify such designated person or power-of-attorney as they may see fit.

For this purpose, no authorization will enable a member of the Executive Committee under the power-of-attorney and/or their sub power-of-attorney to approve a transaction which may cause a conflict of interest between such power-of-attorney or any related person (as defined in the SEC Notification) as the one party and the company or its subsidiary as the other party. An exception would be if it is granted in accordance with the company's normal course of business as clearly defined.
7. To perform any other duties assigned by the Board of Directors.



- **Audit Committee**

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

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

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

Qualifications of the Audit Committee:

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

Scope of Responsibilities of Audit Committee:

1. To review the company's financial reporting to ensure that it is accurate and disclosure is adequate;
2. To review that the company employs appropriate and an efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
3. To review that the company complies to the law on securities and exchange, the regulations of the SET and other laws related to the company business;
4. 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 attend a non-management meeting with the auditor at least once a year;
5. To review any related transactions or transactions that may lead to conflicts of interests to ensure that they comply with the SEC laws and regulations, are reasonable and yield the highest benefit for the company;
6. To report the governance activities of the Audit Committee in the company annual report, which must be signed by the chairman of the Audit Committee. The report must consist of at least the following information:
 - (a) An opinion on the accuracy, completeness and reliability of the company financial reports.
 - (b) An opinion on the adequacy of the company's internal control system.
 - (c) An opinion on the company's compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or laws relating to company business.
 - (d) An opinion on the suitability of the external auditor.

- (e) An opinion on the related transactions or transactions that may lead to conflicts of interest.
 - (f) The number of Audit Committee meetings and attendance of such meetings by each committee member.
 - (g) An overall opinion or comment regarding the Audit Committee's performance of duties as specified in the audit committee charter.
 - (h) Other transactions that the Audit Committee believes should be known to shareholders and general investors, under the scope of duties and responsibilities assigned by the company Board of Directors.
7. To do any other agreed upon matters assigned by the Board of Directors.

• Nomination and Compensation Committee

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

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

Remark : *Having been appointed by resolutions of the Board of Directors Meeting No.5/2020 held on October 26, 2020

Scope of Responsibilities of Nomination and Compensation Committee:

- Appraise the performances of the President and Executives in Level 11 and up annually.
- Determine the compensation and package structure of the company directors and sub-committee members with fair and reasonable principles and submit it to the Board of Directors and shareholders for approval. This would include monthly compensation, meeting allowance, annual bonus and other financial and non-financial benefits.
- Determine the compensation policy and package structure of the company's President and Executives in Level 11 and up with fair and reasonable principles and submit it to the Board of Directors for approval. This includes short-term and long-term compensation such as salary, annual bonus and other financial or non-financial benefits.
- Review the compensation policy of directors, committee President and Executives in Level 11 and up based on personal performance, the company's performance and best practice in the market and/or among listed companies in Thailand's stock exchange.

The Committee shall have the following duties and responsibilities regarding nomination:

- Define the qualifications of that the Board members, Sub-committee and Top management must have and aid in identifying and attracting qualified candidates for the Board of Directors' consideration.
- Assess the structure, size and composition of the Board of Directors/Sub-committee and recommend any improvements to the Board of Directors.
- Conduct an annual evaluation of the performance and achievements of the Board of Directors, Sub-committee and individual members and report the evaluation to the Board of Directors.



8. Assist in the establishment of a succession plan and/or talent management pool development in order to fulfill the requirements for medium to top key management positions.
9. Perform any other duties assigned by the Board. The Nomination and Compensation Committee may seek advice or opinion from relevant independent professionals as necessary and appropriate to perform the assigned job. The Committee may also need to attend company sponsored training or seminar to enhance knowledge and capability in performing their job.

This Committee has other duties and responsibilities as follows:

10. Review the roles and responsibilities of the President and the Executives in Level 11 and up as well as review their Key Performance Indicator (KPI) and provide an opinion for consideration if expedient. In addition, it has the right to review and evaluate the KPI of the Employees with positions lower than Level 11 to ensure the determination of the indicators and/or the evaluation of that person is fair and reasonable.
11. In the event that the Committee considers that a case may result in or has caused a conflict or dispute between Management and Employees or the Labour Union, or in any case where Management and the Labour Union cannot find a solution, it may submit an Employment Conditions Agreement as proposed by either the Employer representative (Management) or the Labour Union. This action will be taken on an individual case basis. The Committee has the duties and responsibilities as follows:
 - (1) Invite the Management or the Employees who are involved, or may be involved, in the issue to discuss and inquire details about the cases and request related documents to review for suggestion and opinion as considered expedient.
 - (2) Invite the Management and the Employees involved, or who may be involved, in the issue to attend meetings to jointly discuss ways to prevent or resolve conflicts or disputes, as well as to seek settlement for both parties. In order to avoid submitting an Employment Conditions Agreement in the above issues, the roles and responsibilities of the President and the Executives in Level 11 and up include the right to request the Key Performance Indicator (KPI) and the evaluation of the performance form which is related to the issue.

Invite the Management and the Employees involved, or who may be involved, in the issue to attend meetings to jointly discuss ways to prevent or resolve such conflicts or disputes, as well as to seek settlement for both parties to avoid submitting an Employment Conditions Agreement regarding the issue.

• Corporate Governance Committee

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

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

Remark : * Having appointed on October 19, 2020.

Scope of Responsibilities of the Corporate Governance Committee:

1. 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.
2. 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.
3. 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.
4. Reviews the Corporate Governance Committee Charter regularly.
5. Responsible for other tasks assigned by the Board of Directors.

- **Risk Management Committee**

The Risk Management Committee consists of 13 members as follows;

Name	Position
1. Mr. Chang Tsai-hsing	Risk Management Committee Chairman
2. Mr. Vichai Saksuriya	Risk Management Committee Member
3. Mr. Sim Kuik-keong	Risk Management Committee Member
4. Mr. Yu Po-wen	Risk Management Committee Member
5. Mr. Chen Chin-ming	Risk Management Committee Member
6. Mr. Youngyut Pakdounjan	Risk Management Committee Member
7. Ms. Lin Jui-chuan	Risk Management Committee Member
8. Mr. See Kai Mun	Risk Management Committee Member
9. Mr. Ku Kuo-hung	Risk Management Committee Member
10. Ms. Xue Li	Risk Management Committee Member
11. Mr. Peter Ide	Risk Management Committee Member
12. Mr. Om Prakash	Risk Management Committee Member
13. Mr. Lai Min-chou	Risk Management Committee Member

Scope of Responsibilities of the Risk Management Committee:

1. Establish risk management procedures.
2. Implement risk management and delegate risk management to respective managers.
3. Develop and review strategic risk management plans.
4. Report to the Board or the Audit Committee quarterly, annually and/or any time that is necessary as assigned by the Board.
5. Monitor and continuously improve risk management.
6. The committee may seek advice from relevant professional consultants in certain cases.

- **Sustainable Development Committee**

The Sustainable Development Committee consists of four members as follows

Name	Position
1. Mr. Chang Tsai-hsing	Sustainable Development Committee Chairman
2. Mr. Yo Po-wen	Sustainable Development Committee Member
3. Mr. Vichai Saksuriya	Sustainable Development Committee Member
4. Mr. Chen Chin-ming	Sustainable Development Committee Member



Scope of Responsibilities of the Sustainable Development Committee:

1. The Committee shall annually review the Sustainable Development Policy and associated frameworks, processes and practices of the company and make appropriate recommendations to the Board.
2. The Committee shall ensure that the company is taking the appropriate measures to undertake and implement Sustainable Development projects successfully and shall monitor the Sustainable Development Policy from time to time.
3. The Committee will coordinate with the company for implementing programs and executing initiatives as per Sustainable Development policy and shall review the performance of each Sustainable Development project at least once per quarter.
4. The Committee shall provide counsel and support appropriate resources and persons to promote the sustainable development strategy to the entire organization in the same direction.
5. The Committee may form and delegate authority to subcommittees or working groups when appropriate.
6. The Committee shall review and reassess the adequacy of its responsibilities annually and recommend any proposed changes to the Board for approval.

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. The committee selections are considered on the basis of whether that person is knowledgeable and experienced in areas (Board Matrix) such as accounting, finance, management, strategy and possess individual skill and expertise in line with the company's business and strategies without restrictions on gender, race or nationality. This is in order to have board diversity and a solid company structure to achieve business objectives under management according to the principles of good corporate governance standards. Currently, the company has provided the opportunity to the shareholders to nominate candidates to be company directors with basic qualifications set forth on the company website. The Board will consider and approve the selected candidate by majority votes of the board meeting. After selection, the Board shall nominate such candidate to the shareholders' meeting for approval.

• Qualifications of a Director

1. A director shall have qualifications and shall not have characteristics prohibited in the law on public limited companies, or characteristics indicating a lack of appropriateness in respect to trust in managing a business with public shares as specified in the notification of the SEC.
2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics; telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participate in all Board meetings and shareholders' meetings (except in the case of an emergency).
5. Other qualifications that the Board may later consider appropriate or are required by law.

• Qualifications of Independent Director

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

1. Not holding shares exceeding 0.5% of the total voting right shares of the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest with any shares held by Related Persons taken into account.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company. A person with a potential conflict of interest with the company. An exception would be if he/she has no such status for at least two years before becoming an independent director.

3. Not a person related by blood or by registration under the law as father, mother, spouse, sibling or child. This includes the spouse of a child of an executive, major shareholder, controlling person, or person who will be nominated to be an executive or controlling person of the company or its subsidiary.
4. Not having nor having had any business relationship with the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest that may interfere with his/her use of independent discretion. This includes not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the company, its parent company, its subsidiary, its associated company. A person with a potential conflict of interest. An exception would be if he/she has no such status for at least two years before becoming an independent director. Details of business relations are summarized as follows:
 - 4.1 Professional advisor
 - 4.1.1 An auditor for any related case.
 - 4.1.2 Advisor (such as legal advisor, financial advisor, appraiser) for transactions with a value of over 2 million Baht per year.
 - 4.2 Other business relationship
 - 4.2.1 Scope of business covers normal business transactions, rental or lease of immovable property transactions, asset or service transactions, and financial assistance transactions.
 - 4.2.2 Having business relationships with either the transaction value of 20 million Baht or more, or 3% or more of its net tangible assets, whichever is lower (including transactions with the same person within 6 months).
 - 4.2.3 The Board of Directors may exempt any transaction by an independent director with a unanimous resolution which exceeds the above value if the case is deemed to be necessary, appropriate and irregular. In such a case, the business transaction is required to be disclosed in the registration statement (Form 56-1) and the annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.
5. Not a director who is not appointed as a representative to safeguard the interests of the company's directors, majority shareholders or shareholders who are related to the company's major shareholders.
6. Having any other characteristics which make it impossible to express an independent opinion with regards to the company's operations.
7. An independent director who satisfies the qualifications specified in 1 to 6 above may be empowered by the Board to make decisions in normal business operations, provided that the decision process is collective.

Directorship

• Appointment of Directors

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



- **Dismissal of Directors**

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

- **Director's Term of Office**

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate their office. A director who vacates their office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation with a vote by no less than three-fourths (3/4) of the number of shareholders attending the meeting who have the right to vote and hold shares in aggregate of no less than half of the total voting shares held by attending shareholders. Shareholders may limit the number of terms which an individual may serve as an independent director to a maximum of three consecutive terms.

- **The Board of Directors' Authorization**

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

- **The 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.

- **Directorship in other Companies**

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

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

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

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) with at least 90% minimum attendance for all members of the Board of Director. 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 2020 was as follows;

Unit: Times

Name	Board of Directors	Audit Committee	Nomination & Compensation Committee	Corporate Governance Committee	Executive Committee	AGM
No. of total meetings held	5	4	5	2	1	1
Mr. Ng Kong Meng	5/5	n/a	n/a	n/a	n/a	1/1
Mr. Cheng Ping	5/5	n/a	n/a	n/a	n/a	0/1
Mr. Ko Tzu-shing	5/5	n/a	n/a	n/a	n/a	0/1
Mr. Chang Tsai-hsing	5/5	n/a	n/a	2/2	1/1	1/1
Mr. Anusorn Muttaraid	5/5	n/a	5/5	2/2	n/a	1/1
Mr. Boonsak Chiempricha	5/5	4/4	n/a	n/a	n/a	1/1
Mr. Chu Chih-yuan	5/5	4/4	4/5	n/a	n/a	0/1
Dr. Witoon Simachokedee	5/5	n/a	5/5	n/a	n/a	1/1
Mrs. Tipawan Chayutimand	5/5	4/4	n/a	n/a	n/a	1/1

The Quorum for Voting

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

The Meeting without Attendance of Management

The independent directors may hold a meeting without the attendance of management as it sees appropriate. Normally, meetings of the Audit Committee is held without executive participation. The company's auditor generally attends the Audit Committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the Audit Committee may request an executive to clarify an issue as it sees fit. In the year 2020, 1 meeting was held on December 1, 2020 to consider and review management issues.

Assessment of the Board of Director and Sub-Committee

The Board generally arranges five 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 and Corporate Governance 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, if any, for deliberation and onward submission to the Board.



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

Over 85%	=	Excellent
Over 75%	=	Very good
Over 65%	=	Good
Over 50%	=	Fair
Below 50%	=	Need improvement

Board of Director Self-Assessment

Overall Board Self-Assessment consists of 6 items as below;

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

The results indicated excellent/ most suitable overall performance, with an average score of 96.7%.

Individual Board Self-Assessment consists of 3 items as below;

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

The results indicated excellent/ most suitable overall performance, with an average score of 97.8%.

Sub-Committee Self-Assessment

Executive Committee consists of 2 items as below;

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

The results indicated excellent/ most suitable overall performance, with an average score of 93.1%.

Audit Committee Assessment consists of 5 items as below;

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

The results indicated excellent/ most suitable overall performance, with an average score of 91.5%.

Nomination and Compensation Committee Assessment consists of 4 items as below;

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

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

Corporate Governance Committee Assessment consists of 4 items as below;

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

The results indicated excellent/ most suitable overall performance, with an average score of 91.7%.

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 2 parts: 1. Corporate Governance Indicators (CG) and 2. Production Management Indicators (Manufacturing). The KPIs must be approved by the Board and be reviewed annually.

Training for the Board and Management

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

In 2020, Mr. Chang Tsai-hsing attended Director's Briefing 10 # Driving Organizational Culture from the Boardroom by Thai Institute of Directors Association (IOD). and Mrs. Tipawan Chayutimand attended IT Governance and Cyber Resilience Program (ITG) by Thai Institute of Directors Association (IOD)

Succession plan/ Talent Pool Management

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

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.



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 to ensure employee's awareness. This also includes the prohibition of trading activity by a director 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.

In 2020, there was no offense by directors, management or employees concerning insider information.

Compliance with Other Good Corporate Governance Principles

The Company has adopted the Good Corporate Governance Principles for Listed Companies 2012 of the Stock Exchange of Thailand and the Good Corporate Governance Principles for Listed Companies 2017 or the CG Code of the Securities and Exchange Commission as a continuous practice guideline. It is applied in accordance with the business context of the company and consider and reviewed for suitability at least once a year. At the Board of Directors Meeting No. 5/2020 on October 26, 2020, the Board of Directors approved the revision of the content of the Corporate Governance Policy about duties of the Nomination and Compensation Committee to be appropriate in the current situation. The Corporate Governance Committee has considered adjusting the qualifications of the independent directors regarding the Company's shareholding proportion. Their holding shall not exceed 0.5%, which is stricter than the regulations set by the Securities and Exchange Commission.

In addition, the company has been certified in the Collective Action Coalition Against Corruption (CAC) on February 7, 2020.

Matters that have not yet complied with the principles of good corporate governance according to the CG Code

1. Chairman of the Board of Directors is not an independent director.
2. The Chairman of the Nomination and Compensation Committee is not an independent director due to the addition of duties that are adjusted for suitability.

Audit Fee

• Fee for Audit

The audit fee paid in the year 2020 to the company auditor was Baht 4,910,000 and review of group reporting package amount Baht 500,000, excluding all actual out of pocket expenses (the Audit fee in 2019 was Baht 4,910,000, review of group reporting package amount Baht 500,000 and actual out of pocket amount Baht 286,102). In addition, audit fees for 4 subsidiaries a total amount of Baht 1,485,000

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 -

SUSTAINABILITY



Sustainability Development

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.

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 (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. Our RMC's 2021 survey results from Delta Thailand major entities including Delta Thailand, India and Slovakia were reported to the Board of Director on 17 February 2020. In addition, the committee has revisited the risks on key megatrends from both our internal and external stakeholder engagement, to ensure Delta's megatrend related products and solutions are still on the right track. The below illustration identifies both the risks and opportunities identified.

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.



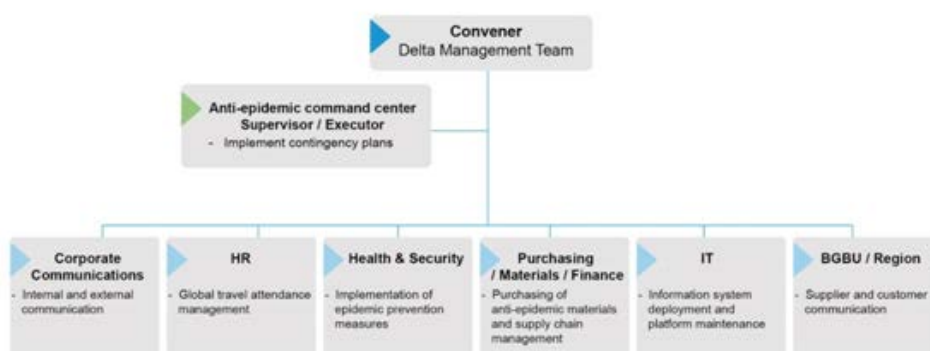
In 2020, the COVID-19 pandemic revealed more opportunities in business growth while accelerating our sustainable development process to mitigate socio-economic impacts. Delta's COVID-19 global command center is led by our top management team and also includes satellite teams led by regional heads from our key regions including China, North East Asia, South East Asia, EMEA (Europe, Middle East & Africa) and the Americas.

With regards to our employees in China, our company has requested employees returning from locations other than their workplace city to submit themselves to quarantine measures for 14 days, in line with local regulations. In addition, our company has tightened standards for business travel and favored the utilization of audio-visual conferencing equipment for cross-region, cross-team meetings.

Moreover, all employees and visitors at Delta's major operation sites in epidemic regions are required to comply with body temperature inspections, sanitizer use and self-health declarations. Further measures involve the constant sanitizing of our building facilities and epidemic prevention materials preparation.

Our target for Zero COVID-19 cases in Delta Thailand's factory is a key driver leading us to maintain our operations, employee well-being and ensure good returns to our shareholders amid the global shock of the pandemic.

Delta Anti-epidemic Taskforces



To maintain our business competence and outstanding performance amid the global economic fluctuation, Delta diagnosed and reviewed its expenditure spending and investment strategy. We proposed three financial measurements; Operating Procedures of Fund Lending, Operating Procedures of Acquisition or Disposal of Assets and Operating Procedures of Acquisition or Disposal of Assets, to the Annual General Meeting dated 31 March 2020. The meeting approved this agenda with a 100% consensus.

Corporate communications and IT infrastructure played an even more significant role in our business process than ever. Since 2017, the company has upgraded its IT infrastructure to create a flexible working environment in the event of any possible emergencies. With our ISO27001 IT security certification, 100% of Delta's non-production workers can work anywhere with their laptops and a VPN and mobile app to fulfill our stakeholders' security requirements.



Critical work functions have been identified by our COVID-19 committee, and non-location specific staff are eligible for work from home leave. For faster communication of our company policy and faster response to any possible situations, we established an official Delta Thailand LINE account to reduce the digital divide between our office and production employees.

We also have information security and a code of conduct commitment for all our staff to follow and physical security assurance for our company data center. Our company will complete the implementation of a data breach insurance by 2021. In addition to more frequent direct communication to our customers and suppliers, our Corporate Communications unit initiated a special web page for external parties to keep updated on our COVID-19 situation.

Close collaboration with our business partners helps in the implementation of our business plan, supply chain ethics and on-time delivery during the global lockdowns related to COVID. According to our Central Purchasing Committee policy, critical suppliers have been identified in our normal process. The percentage of spending allocated to each supplier is limited to prevent supply shock in emergency cases. Meanwhile, optional and local sources are prepared.

Although Delta's business deals with our suppliers are within a B2B scope and a planned agreement scheme, hiccups in the supply chain during global quarantines happened for some commodities in our supply chain. To minimize raw material shortage, Delta invested in setting up two new consignment warehouses in the Bangpoo Industrial Estate. With these new warehouses, suppliers are allowed to apply milk run or full-truck-load concepts for improved transportation and implement just-in-time delivery to meet Delta's requirements.

In addition to all the events of this new rapidly communicated disease, the year 2020 continues to be a challenging one for the global economy due to the ongoing trade tensions and US policy fluctuations resulting from the Presidential election. However, it was also a year with two important milestones reached for our SD team. Delta Thailand not only won the Best Sustainability Excellence Award organized by SET, but we were also ranked number two on the globally recognized Dow Jones Sustainability Index (DJSI) assessment.

In addition, Delta Thailand was awarded the prestigious S&P Global Silver Class distinction for excellent sustainability performance. We are the only Thailand-based company in the Sustainability Yearbook 2021 "Electronic Equipment, Instruments & Components" sector for two years in a row. 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.

Sustainability Award **Silver Class 2021**

S&P Global

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.

For the complete SD report 2021(2020 performance), please download at https://www.deltathailand.com/en/pdf/sustainable/SDR2021_EN.pdf

Sustainability Development Report

Sustainability Development Implementation

The company operates CSR with emphasize on issues affecting its stakeholders in accordance with the principles set by the Stock Exchange of Thailand as listed below.

1. Corporate Governance

The Board of Directors of Delta Electronics (Thailand) Public Company Limited recognizes and continues to conduct its business operation with good corporate governance in an attempt to promote sustainable growth and development. Details of these policies can be found on the company's website www.deltathailand.com, and on our company intranet.

Commitment and strict compliance to good corporate government policy helped our company earn an "Excellent" rating on the 2020 Corporate Governance Rating Survey for the 5th consecutive year, conducted by Thai Institute of Directors Association (IOD) in collaboration with The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

Details of the company's corporate governance policies are disclosed on the company's website www.deltathailand.com/en/corporate-governance-policy and a report on compliance with good corporate governance each year are also published in the company's annual reports.

2. Corporate Ethics

The company operates business in an ethical, transparent and responsible manner. In this regards, the Board of Directors has developed the company's Code of Conduct, in which integrates the Responsible Business Alliance (RBA) formerly the EICC, as an operational standards for its directors, management and employees to follow. The company's Code of Conduct has been published on our intranet and our company website www.deltathailand.com/en/Code_of_Conduct.

New employees will receive training to understand company's Code of Conduct. Human Resources Department is responsible for ensuring that all employees are aware of and comply with the company's Code of Conduct while Internal Audit Department is responsible for monitoring and reporting significant non-compliance incidents to the company's management.

Additionally, the company has established the following communication channels to allow all stakeholders to provide their feedback or file complaints concerning this issue

- Communication channels for employees
 - (1) Head of the unit where the employee belongs to
 - (2) Email: HR.GRIEVANCE.SEA@deltaww.com
 - (3) Suggestion box
- Communication channels for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280);
 - (2) Email: Whistleblow@deltathailand.com

Depending on the relevance of 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. 1/2021, the company secretary informed the meeting that in the year 2020, the company receive 3 complaints for code of conduct, but did not receive any complaint for anti-corruption, and anti-trust and fair competition.

3. Anti-Corruption

To affirm the company's genuine commitment to transparent and auditable business dealings, in the meeting of the company's Board of Directors No.4/2013 held on 6 November 2013, the company approved in principle an anti-corruption measures and assigned the company's Audit Committee to establish or review policy, set procedures and follow-up mechanism in accordance with the anti-corruption policy. In February 2020, the company was certified in Thailand' Private Sector Collective Action Coalition against Corruption. We joined this group of leading Thai companies to create an ethical business ecosystem with effective policy, certification program and anti-corruption compliance standards.

As a global corporate citizen, Delta has a Code of Conduct and an Anti-corruption Policy for all employees and business partners to adhere to as a core part of our sustainable development strategy. Delta's Anti-corruption Policy supports the Thai government's initiative to stamp out corruption and underpins the company's aim to help create a more fair and prosperous society in Thailand. The company continuously provides training in both Code of Conduct and Anti-corruption policy to existing and new employees including promulgate the Anti-corruption policy to the business partner.



4. Human Rights Protection

The company sets policy in regards to respect human rights by defining wrong doing practices and mistreatment. It has introduced a non-discrimination policy which governs equitable treatment towards all genders, race and physical disabilities including immunodeficiency, HIV/AIDS and tuberculosis (TB). 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.

5. Equitable Treatments of Employees

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.

In 2020, Delta Thailand received the outstanding workplace safety and occupational health practice awards from the Labor Safety Division, the Department of Labor Protection and Welfare under the Ministry of Labor:

- Delta Plant 5: Best Model Establishment Award for Safety, Occupational Health and Work Environment 2020 (Diamond level). This is the fifth consecutive year for Delta to receive this national-level award.
- Delta Plant 6: Outstanding Model Establishment Award for Occupational Safety, Health and Work Environment (Gold Level). This is the third consecutive year in a row for Delta to receive this award.



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. The injury case please refer to the 2020 Sustainability Development Report www.deltathailand.com/en/Download-sd-report



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 through a variety of activities such as drawing contests and quizzes.



Safety Week 2020 at Bangpoo Industrial Estate plant

Employee Welfare

Delta set up a welfare committee to take care the benefits of employees. Our Labor Relations policy is also established to ensure fair treatment to all employees. As concrete evidence of its achievement, the company has been awarded Outstanding Entrepreneur on Labor Relations and Labor Welfare Awards for eleven consecutive years from Department of Labor Protection and Welfare, Ministry of Labor.

- **Breastfeeding Corner**

As 84% of the company's employees are female, we pay special attention to our pregnant employees by setting up working corners for pregnant staff and providing them with antenatal training. Our breastfeeding corner was established in 2008 to facilitate expressing and storing breast milk during work hours. This is regarded as a way to improve the quality of life of the company's employees and their families.

- **Happy 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 conducted in coordination with the Thai Health Promotion Foundation and the Association of Thai Electrical & Electronic Industries.

This program has positively enhanced quality of life of employees and, as a results, the company had been selected by the program's runner to supervise another four operational agents. The company had also been recognized as role model for another work place to adopt "Happy 8 Workplace" program.

- **Alternative Career after Retirement Project**

Delta has organized an "Alternative Career after Retirement" project to support employees who are going to retire. The company strives to ensure our retired employees have knowledge and skills for life after retirement by organizing a trip to study a project at the Sufficiency Economy Learning Center, Suan Lom Sririn Ang Thong Province. Here they learn about life after retirement, and self-sufficiency skills, which enables them to lead a smooth, happy, healthy life that benefits society.



6. Responsibility to Consumers

Our company strives to bring the highest level of satisfaction to its customers by offering high quality products and excellent services. For this reason, our company applies various international standards to our operations to raise consumer confidence and we are 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/IEC 27001 - Information security management certification
- ISO 13485 - Quality management system for medical device
- IECQ QC 080000 - Hazardous Substance Process Management System

Delta is concerned 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.

Our company actively communicates with customers in every segment to ensure maximum reach as well as help fulfill their needs. Customers can learn more about our company and the products from www.deltathailand.com. Feedback can also be emailed to info@deltathailand.com as displayed on the Delta Thailand company website. Feedback and comments will be presented to our company's management for analysis and solution findings for further development.

7. Environmental Protection

Delta Thailand focuses on importance in setting up an environmental management system in order to drive business operation on the back of PDCA principle (Plan / Do / Check / Action). The system determines to cope with various context of social and environmental management that employees at all level can continue applying as part of their daily activities. At present, our company has been certified with various standards, both national and international level, as follows;

- ISO14001 – Standard of Environmental Management System
- ISO14067 – Standard of Product Carbon Footprint Assessment



- ISO14064-1 – Standard of Management System for Quantification and Reporting of Greenhouse Gas Emissions.
- IECQ QC08000 - Standard of Hazardous Substance Process Management
- ISO50001 – Standard of Energy Management System
- OHSAS18001 - Standard of Occupational Health and Safety Management

Delta is the first manufacturer in Thailand to be certified ISO14064-1 and ISO50001 and the first factory in Thailand to receive the LEED (Leadership in Energy and Environmental Design) Gold Certification in the EBOM (Existing Buildings: Operations and Maintenance) category, developed by the non-profit U.S. Green Building Council (USGBC).

Delta participated in the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) also known as COP24 Katowice 2018, Katowice, Poland.

Delta has joined the activity as part of the corporate effort to reduce the impact of global warming according to our commitment to the UN SDG17-Partnership for the Goals. Our company will incorporate the latest data and technology for our SD strategy and environmental activity development. Delta's motto: Smarter. Greener. Together. This underpins our successful implementation of green building solutions and sustainable development strategy. We remain committed to the standards in order to further enhance our competencies towards businesses of the future.

Green Industry

Our company participated in the Ministry of Industry's "Green Industry" program to showcase our serious commitment to following environmentally-friendly practice and adapt our production and environmental management processes to be greener. This displays greater social responsibility internally and externally throughout our supply chain and supports our sustainable development. Delta Thailand's two plants at Bangpoo Industrial Estate and Wellgrow Industrial Estate are certified to Green Culture, Level 4. Our company has also received a number of awards and certification relating to environmental management and will keep improving its operations to reach the levels of Green Culture and Green Network.

Delta promotes and supports production operation under Green Label standards that emphasizes environmentally-friendly processes embracing waste management, pollution reduction and efficient usage of resources. Production activities are recorded and measured for a monthly assessment on environmental impact. Employee training is also arranged to enrich knowledge of employees.

Our company's products and packaging are unique and comply with international environmental standards, such as EU RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment). These measures provide guidelines to control pollution and waste from electronic products. On our company's products, there are labels informing environmental certification obtained such as Energy Star and 80 PLUS.

Energy Management

Delta values energy conservation and promotes efficient usage of resources according to our established energy management policy. Our commitment extends to ongoing promotion and communication to our employees at all levels within organization. Our company outlined procedures to monitor, follow-up and improve all our energy-related projects, and sponsored training for employees to gain more knowledge and awareness of the importance of energy conservation.

Energy management concepts have been implemented for improving air conditioning system and lighting system in our plants. Solar panels have been installed to generate electricity for usage inside factories and this program has been carried on with gradual development.

In 2020, Delta Thailand received the Prime Minister's Industry Award 2020 in the Energy Management award category in recognition of excellence in energy saving and renewable energy from H.E. General Prayut Chan-o-cha, Prime Minister of the Kingdom of Thailand. This is another recognition of Delta's leadership in Thailand for industrial energy management and renewable energy as an energy-efficient solutions provider.



Delta Thailand Wins Minister's Industry Award 2020 in the Energy Management Category

In addition, Delta Plant 6 at Wellgrow Industrial Estate received the ASEAN Energy Awards 2020, in the Large Industry-Energy Management for Industry Category, from the ASEAN Centre for Energy (ACE). Previously, Delta Thailand received 1st Runner Up for the ASEAN Energy Award 2019 in the ASEAN Energy Efficiency and Conservation Best Practices category and the Green Building sub-category for its green factory headquarters.

8. Participation in Community and Social Development

Delta has been involved in various joint-community development projects to promote activities among education, charity, public health and other community developments such as signing MOU with colleges and universities, to help develop student's working skills. In the year 2020, our company has organized activities through various projects as follows:

Social Development Projects

- "Innovation Engineering Co-working Space" project to create innovative engineering learning for KMITL staff and students, Faculty of Engineering King Mongkut's University Ladkrabang (KMITL)
- Delta Automation Academy project organized in collaboration with leading universities.
- Big Brother Project by Ministry of Industry to support the development of Thai SMEs.
- Delta Angel Fund for Startups in collaboration with the Ministry of Industry, Department of Industrial Promotion (DIP)
- Delta Energy Education Program to educate primary school students on energy.
- Cooperation project to develop personnel training in the Eastern Special Development Zone (EEC) with Burapha University





“Innovation Engineering Co-working Space” project and donation of Delta industrial automation to the Delta Industrial Automation Lab at the KMITL Faculty of Engineering.



Delta Angel Fund for Startups in collaboration with DIP



Signing an MOU with Burapha University to Develop English Language for EEC Workforce Development

Social Contribution Project

- Donates 10,500 DC Blowers to Help Develop Critical Protective Equipment for Thailand’s COVID-19 Medical Workers
- Northern Thailand Scholarship 2020 Awards for Rural Academic Development
- Donate Blood to Help the Thai Red Cross Society Save Lives During COVID-19 Crisis



Donating 10,500 DC Blowers to Help Develop Critical Protective Equipment for Medical Workers



Northern Thailand Scholarship 2020 Awards for Rural Academic Development

9. Green Innovations and Promotion

Our company missions is “to provide innovative, clean and energy-efficient solutions for a better tomorrow.” Therefore, we work to develop clean and energy-efficient products. Our key lines of green products are listed below:

1. Products with energy-efficiency or reduction of energy lose – such as high-efficiency power supplies with energy efficiency of 90% especially telecom power supplies with energy efficiency of 98%, and other products such as power supplies for automotive and DC fans.
2. Energy saving solutions and products which comprise the majority of industrial automation add-on devices that help equipment efficiently use energy
3. Clean energy products or products that reduce environmental impact such as solar inverters, EV charger and inverters for wind turbines

These three product lines not only create economic growth for our company as key revenue generators, but they are also helping to conserve the environment.

Promotion of Green Innovations

Delta is the first company in Thailand certified with the ISO50001 standard on energy management and has continued to be successful in carrying out energy conservation campaigns in our factories. We also organized Delta sharing activities to disseminate information to communities, schools and institutions about energy conservation innovations, best practices and latest technologies which can be applied in different organizations and communities.



Communities, schools and institutions visit Delta



In 2020, Delta Thailand welcomed Minister of Industry, Mr. Suriya Juangroongruangkit and the Ministry of Industry delegation to its smart factory and green building headquarters in Bangpoo for an in-depth view of the company's community work, innovative solutions and to meet local enterprises supported by Delta and the ministry's Department of Industrial Promotion (DIP).



Mr. Suriya Juangroongruangkit, Minister of Industry visited the company

In addition, our company organized the “Engineer Innovation Showcase 2020” to showcase industrial automation solutions used to train students in the Delta Automation Academy program. This program supports Industry 4.0 manufacturing development at King Mongkut’s University of Technology North Bangkok. The Delta Future Industry Summit 2020 was held to inspire innovation for a resilient business and society in Thailand’s “Next Normal”. The event was a unique platform for stakeholders to connect and discuss the latest trends and drivers of Thailand’s COVID-19 recovery and innovation-driven resilient businesses in the next normal.



*“Engineer Innovation Showcase 2020”
at King Mongkut’s University of Technology North Bangkok*



*“Delta Future Industry Summit 2020”
at the Hyatt Regency Bangkok Sukhumvit Hotel*

For more information, please refer to the Delta 2020 Sustainability Development Report or download previous reports: www.deltathailand.com/en/download-sd-report

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 and updated continuously to in line with the regulation of the Securities and Exchange Commission of Thailand (SEC).

According to the Board of Director Meeting No.1/2021 held on 19 February 2021, the Audit committee reported the audit result and evaluation that current company's internal control system is sufficient and efficient.



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

1. Sales of Goods/Raw Materials

In order to manage trade constraints in certain countries for either the company or its customers e.g. local content requirements, Delta group has established its trade network in local area for better service to customers as well as to enhance its business opportunities in those countries. The transactions are made based on certain trade agreement or with reference to market price. Sales of raw material are normally due to the urgent need of some raw materials from the related companies and the selling prices are based on the market price or cost of the materials sold.

2. Purchase of Goods/Raw Materials

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

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

3. Commissions

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

4. Service Fee

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

5. Design and Engineering Cost

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.



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 of Thailand (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 2020, 2019, 2018 and has been prepared on consolidated basis.

Consolidated Financial Information		2020	2019	2018
Total Assets	million baht	57,219	46,255	49,045
Total Liabilities	million baht	19,611	13,073	14,936
Total Shareholders' Equity	million baht	37,607	33,182	34,108
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	2.47	2.98	3.07
Quick Ratio	times	1.62	2.04	2.26
Cash Ratio	times	0.51	0.44	0.43
Receivable Turnover	times	5.30	4.75	4.71
Average Collection Period	days	68	76	76
Inventory Turnover	times	4.44	4.45	4.74
Average Inventory Turnover Period	days	81	81	76
Account Payable Turnover	times	4.62	4.80	5.03
Average Payment Period	days	78	75	72
Cash Conversion Cycle	days	71	82	81
Financial Data and Profitability Ratios				
Sales Revenues	million baht	63,208	52,047	53,067
% Change	(%)	21.4%	(1.9%)	7.8%
Gross Profit	million baht	15,119	10,636	12,123
Gross Profit Margin	(%)	23.92%	20.44%	22.84%
Operating Expense (include Research and Development)	million baht	8,762	8,314	7,445
Operating Expenses (include Research and Development) to Sales	(%)	13.86%	15.97%	14.03%
Operating Profit Margin	(%)	10.06%	4.46%	8.81%
Other Income to Total Revenues	(%)	1.42%	0.89%	1.09%
Net Profit for Equity Holders of the Company	million baht	7,102	2,960	5,137
% Change of Net Profit	(%)	139.92%	(42.26%)	4.18%
Net Profit Margin *	(%)	11.24%	5.69%	9.68%
Net Profit to Total Revenues *	(%)	11.08%	5.64%	9.53%
Return on Equity *	(%)	19.80%	9.02%	15.43%

* Base on net profit for equity holders of the company

Consolidated financial information (cont'd)		2020	2019	2018
Efficiency Ratios				
Return on Assets *	(%)	13.37%	6.42%	10.81%
Return on Fixed Assets *	(%)	76.06%	46.88%	82.27%
Asset Turnover	times	1.24	1.12	1.14
Financial Policy Ratios				
Debt to Equity	times	0.52	0.39	0.44
Interest Coverage	times	4,918	2,924	545
Dividend Payout *	(%)	58.00%**	75.86%	55.96%

* Base on net profit for equity holders of the company

** Pending for approval from the 2021 annual shareholders' meeting

Operating Results for the year 2020, 2019, and 2018

Unit: Baht million

	2020	%	2019	%	Increased (Decrease)	%	2018	%	Increased (Decrease)	%
Revenue and Services Income	63,208.0	100.00	52,046.7	100.00	11,161.3	21.44	53,066.6	100.00	10,141.4	19.11
Cost of Sales and Services	48,089.1	76.08	41,411.0	79.56	6,678.2	16.13	40,944.0	77.16	7,145.2	17.45
Gross Profit	15,118.9	23.92	10,635.7	20.44	4,483.1	42.15	12,122.7	22.84	2,996.2	24.72
Operating Expenses	8,762.4	13.86	8,314.0	15.97	448.4	5.39	7,444.9	14.03	1,317.5	17.70
Operating Profit	6,356.4	10.06	2,321.7	4.46	4,034.7	173.78	4,677.8	8.81	1,678.7	35.89
Other Income	895.4	1.42	460.9	0.89	434.5	94.27	577.6	1.09	317.9	55.03
Other Expenses	164.7	0.26	48.8	0.09	115.9	237.54	213.4	0.40	(48.7)	(22.81)
Finance Income	111.4	0.18	238.0	0.46	(126.5)	(53.17)	240.3	0.45	(128.9)	(53.63)
Investment Gain	60.8	0.10	24.8	0.05	36.0	144.85	52.7	0.10	8.1	15.39
Profit before Income Tax	7,259.4	11.48	2,996.7	5.76	4,262.8	142.25	5,335.0	10.05	1,924.4	36.07
Income Tax expenses	207.6	0.33	22.9	0.04	184.7	805.19	208.6	0.39	(1.0)	(0.46)
Net Profit for the Period	7,051.8	11.16	2,973.7	5.71	4,078.1	137.14	5,126.4	9.66	1,925.4	37.56
Non-controlling Interest of the Subsidiary	0.4	0.00	8.3	0.02	(7.9)	(94.83)	10.6	0.02	(10.2)	(95.95)
Shareholders of Subsidiary before Combination	49.4	0.08	(22.1)	(0.04)	71.5	(323.69)	0.0	-	49.4	N/A
Net Profit for Equity Holders of the Company	7,101.6	11.24	2,960.0	5.69	4,141.7	139.92	5,137.0	9.68	1,964.6	38.24

Breakdown of Sales Revenues by Business Group

Unit: Baht million

Product Group	2020		2019		2018	
	revenue	%	revenue	%	revenue	%
Power Electronics Group	45,020	71.2%	32,296	62.0%	34,404	64.8%
Infrastructure Group	16,252	25.7%	17,463	33.6%	16,394	30.9%
Automation Group	1,811	2.9%	2,120	4.1%	1,826	3.4%
Others	125	0.2%	168	0.3%	443	0.8%
Total Sales Revenues	63,208	100.0%	52,047	100.0%	53,067	100.0%

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



In 2020, consolidated sales revenues amount 63,208 million baht were increased 21.4% and 19.1% from 2019 and 2018 respectively, this was mainly due to the boost up in sales of Power Electronic business group, especially the sales in Cloud Computing, Data Center and Electric Vehicle Solutions

Sales Revenues Breakdown by Geographic Location



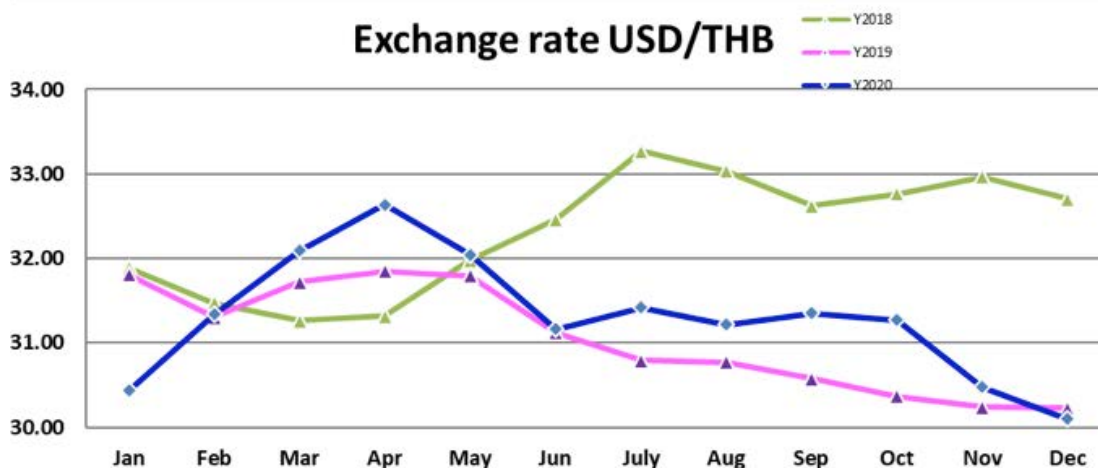
In 2020, sales revenues in the North America markets was remarkable increased from 26% to be 36% , on the other hand, the Asia market was decreased from 41% to be 36% of total sales, while the Europe markets remained in the average range over the past 3 years.

Other Income

Other income worth 895 million baht in 2020 consists of the following key items;

- Foreign exchange gain of 388 million baht, an increase of 356 and 211 million baht from 2019 and 2018 respectively due to the baht against USD more stable in 2020, however, the company still follows a prudent policy to hedge the net position of each currency to minimize potential impact from exchange rate fluctuation.

Exchange rate USD/THB



Cost of Sales and Expenses

Cost of Sales

In 2020, cost of sales accounted for 76.1% of total sales, lower than that of 2019 and 2018 of 79.6% and 77.2%, respectively, major contribute from product mixed different, after the boost up of Cloud Computing, Data Center and Electric Automotive business in this year.

Selling and Administrative Expenses

Selling and administrative expenses (including research and development) in 2020, an increase of 5.4% from 2019 and 14.0% from 2018 respectively due to a significant increase in Sales Revenue as previously mentioned

Net Profit

The company's Operating Profit in 2020 was 10.1%, rose up from 4.5% in 2019 and 8.8% in 2018 respectively caused by higher revenue and lower cost of production. Consequently, net profit in 2020 was 11.2% or 7,102 million baht compare to 5.7% and 9.7% in 2019 and 2018 Earnings per share was 5.69 baht in 2020 compare to 2.37 baht in 2019 and 4.12 baht in 2018.

Assets and Liabilities

Assets

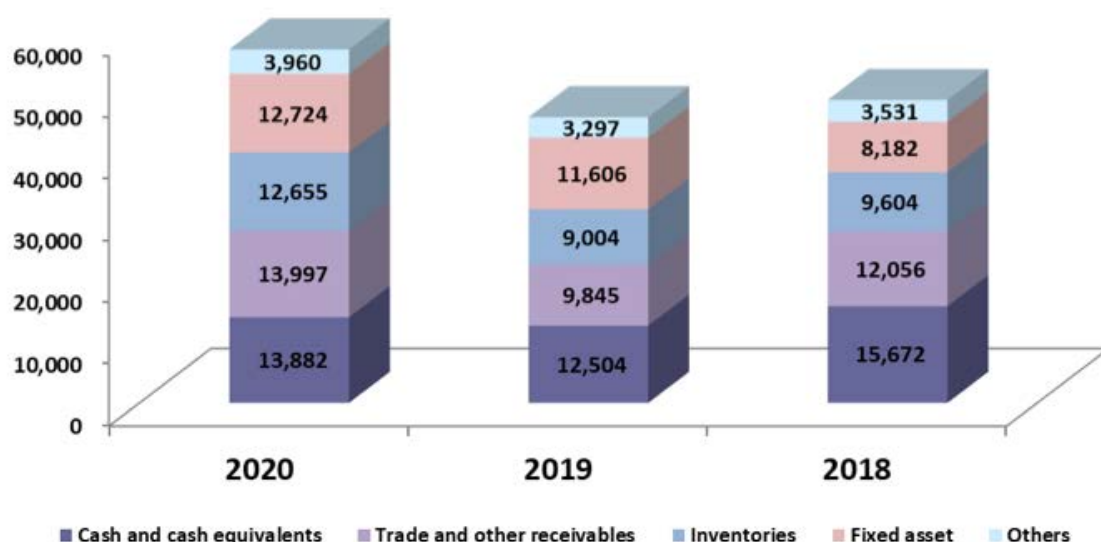
As at 31 December 2020, the company had total assets worth 57,219 million baht, increase of 23.7% from 2019 and 16.7% from 2018. Return on asset was 13.8% in 2020 increase from 6.3% and 10.9% in 2019 and 2018 respectively. Some of the changes in key assets are summarized below.

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

	31 December 2020	31 December 2019	31 December 2018	2020 VS 2019 Increase (Decrease)	2020 VS 2018 Increase (Decrease)
Cash and Cash Equivalents	13,882	12,504	15,672	11.0%	(11.4%)
Current Investments	0	2	223	(100.0%)	(100.0%)
Trade and Other Receivables	13,997	9,845	12,056	42.2%	16.1%
Inventories	12,655	9,004	9,604	40.6%	31.8%
Other Current Assets	1,917	1,292	1,165	48.4%	64.6%
Investments in Associated	0	464	536	(100.0%)	(100.0%)
Consolidation Goodwill	437	418	438	4.5%	(0.3%)
Property, Plant and Equipment	12,724	11,606	8,182	9.6%	55.5%
Other Assets	1,606	1,121	1,168	43.3%	37.4%
Total Assets	57,219	46,255	49,045	23.7%	16.7%



Breakdown of Assets in 2020, 2019 and 2018



- Cash and bank deposits as at 31 December 2020 amounted to 13,882 million baht, increase 11.0% from 2019 and decrease 11.4% from 2018, due to an increase in current year Net Profit and construction delays in India from the Covid-19 pandemic.
- Net trade receivables as at 31 December 2020 of 13,997 million baht an increase of 42.2% and 16.1% from 2019 and 2018 respectively. Resulting from an increase in Sales Revenue
- Inventories as at 31 December 2020 amounted to 12,655 million baht, an increase of 40.6% from 2019 and 31.8% from 2018 respectively. Reflected to the strong customer demand and tight supply in key electronics component from Covid-19 pandemic and worldwide demand increase
- Property, plant and equipment amounted to 12,724 million baht, an increase of 9.7% from 2019 and 55.6% from 2018 due to investments in Research & Development center and new factories in India and Thailand.

Liabilities and Liquidity

As at 31 December 2020, the company had total liabilities of 19,611 million baht, an increase of 50.0% from 2019 and 31.3% from 2018 due to an increase in raw material purchasing and trade payable.

Breakdown of Major Liabilities

	31 December 2020	31 December 2019	31 December 2018	2020 VS 2019	2020 VS 2018
				Increase (Decrease)	Increase (Decrease)
Trade and Other Payables	16,181	10,255	12,432	57.8%	30.2%
Liabilities and Provision from Tax Assessments	258	239	239	7.9%	7.9%
Other Current Liabilities	731	458	350	59.6%	108.8%
Provision for Long-term Employee benefit	1,542	1,427	1,234	8.0%	25.0%
Other Non-Current Liabilities	899	694	681	29.6%	32.0%
Total liabilities	19,611	13,073	14,936	50.0%	31.3%

Return on equity

As at 31 December 2020, shareholders' equity amounted to 37,607 million baht, go up 13.3% from 2019 and 10.8% from 2018 contribute from an increase in current year Net Profit. At the same time, return on equity base on net profit for equity holders of the company in 2020 go up to 20.1%, compare to 8.8% in 2019 and 15.4% in 2018 resulting from above mentioned issues

Responsibility of the Board of Directors to the Financial Statements

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

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



Ng Kong Meng (James)
Chairman of the Board
On behalf of Board of Directors



Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, 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 2020, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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

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 10 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 and patents

As at 31 December 2020, the Group had goodwill and patents amounting to Baht 437 million and Baht 256 million, respectively. I have focused on the consideration of the impairment of the goodwill and patents because the assessment of impairment of goodwill and patents 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 and patents.

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

Other Information

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



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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 19 February 2021



Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019
			(Restated)			
Assets						
Current assets						
Cash and cash equivalents	8	13,881,848,304	12,503,550,506	15,672,384,510	8,405,730,877	6,233,096,752
Current investments		-	1,698,291	222,745,162	-	-
Trade and other receivables	9	13,997,068,882	9,844,557,547	12,055,561,936	14,147,453,559	9,467,964,951
Inventories	10	12,655,361,505	9,003,852,766	9,603,867,537	8,536,087,510	5,745,784,778
Other current financial assets	11, 34.1	354,397,180	-	-	148,964,927	-
Other current assets	12	1,563,053,284	1,292,479,456	1,164,774,243	403,684,552	307,190,209
Total current assets		42,451,729,155	32,646,138,566	38,719,333,388	31,641,921,425	21,754,036,690
Non-current assets						
Deposits at bank with restrictions		51,051,970	49,713,553	55,047,683	-	-
Investments in associated companies	13	-	464,294,219	536,334,270	-	-
Investments in subsidiary companies	14	-	-	-	14,088,146,222	14,085,115,632
Investment properties	15	233,116,145	218,445,219	236,735,082	-	-
Property, plant and equipment	16	12,724,465,674	11,408,273,772	7,962,183,623	6,895,756,473	6,647,546,003
Land-use rights		-	197,730,522	220,027,996	-	-
Right-of-use assets	21	376,638,347	-	-	-	-
Goodwill	17	436,913,946	417,964,026	438,413,314	-	-
Other intangible assets	18	495,955,145	413,753,297	476,225,161	61,711,479	633,148
Deferred tax assets	27	289,012,579	282,950,925	264,879,085	-	-
Other non-current assets		160,044,829	156,090,282	135,505,166	3,279,842	3,417,111
Total non-current assets		14,767,198,635	13,609,215,815	10,325,351,380	21,048,894,016	20,736,711,894
Total assets		57,218,927,790	46,255,354,381	49,044,684,768	52,690,815,441	42,490,748,584

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

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2020	31 December 2019	1 January 2019	31 December 2020	31 December 2019
			(Restated)			
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	19	16,181,006,985	10,254,597,886	12,431,825,100	13,744,597,031	8,473,884,409
Income tax payable		188,697,947	50,621,512	89,618,118	49,174,299	-
Current portion of lease liabilities	21	72,788,807	-	-	-	-
Short-term provisions	23	76,372,926	92,157,542	13,391,589	-	-
Liabilities and provision from tax assessments	32.5.1	258,172,754	239,367,866	239,367,866	258,172,754	239,367,866
Derivative liabilities	33	674,961	-	-	-	-
Other current liabilities	20	392,650,219	315,421,642	247,144,817	168,819,218	110,487,997
Total current liabilities		17,170,364,599	10,952,166,448	13,021,347,490	14,220,763,302	8,823,740,272
Non-current liabilities						
Lease liabilities, net of current portion	21	107,791,790	-	-	-	-
Deferred tax liabilities	27	114,184,020	114,013,746	144,452,338	-	-
Provision for long-term employee benefits	22	1,542,246,168	1,427,499,000	1,234,247,093	465,244,322	444,707,410
Long-term provisions	23	420,587,558	388,761,256	512,118,709	302,036,053	288,553,746
Other non-current liabilities		256,325,004	190,752,886	24,246,916	1,356,203	1,085,000
Total non-current liabilities		2,441,134,540	2,121,026,888	1,915,065,056	768,636,578	734,346,156
Total liabilities		19,611,499,139	13,073,193,336	14,936,412,546	14,989,399,880	9,558,086,428
Shareholders' equity						
Share capital						
Registered						
1,259,000,000 ordinary shares of Baht 1 each		1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000	1,259,000,000
Issued and fully paid						
1,247,381,614 ordinary shares of Baht 1 each		1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614	1,247,381,614
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Difference from business combination under common control	14	(1,339,694,088)	(1,004,027,399)	(1,004,027,399)	-	-
Retained earnings						
Appropriated - Statutory reserve	24	125,900,000	125,900,000	125,900,000	125,900,000	125,900,000
Unappropriated		39,216,330,187	34,359,240,011	34,432,010,815	34,836,221,447	30,067,468,042
Other components of shareholders' equity		(3,130,090,313)	(3,210,182,797)	(2,356,674,090)	-	-
Equity attributable to owners of the Company		37,611,739,900	33,010,223,929	33,936,503,440	37,701,415,561	32,932,662,156
Non-controlling interests of the subsidiary		(4,311,249)	(3,881,845)	4,416,522	-	-
Equity attributable to shareholders of subsidiary before business combination under common control	14	-	175,818,961	167,352,260	-	-
Total shareholders' equity		37,607,428,651	33,182,161,045	34,108,272,222	37,701,415,561	32,932,662,156
Total liabilities and shareholders' equity		57,218,927,790	46,255,354,381	49,044,684,768	52,690,815,441	42,490,748,584
		-	-	-	-	-

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



Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
		(Restated)		
Profit or loss:				
Revenues				
Sales	62,341,159,107	51,150,868,814	53,700,304,852	40,083,739,037
Service income	866,851,060	895,832,599	61,451,065	38,164,553
Other income				
Gain on exchange	387,979,698	31,864,073	367,520,440	92,429,033
Others	507,435,992	429,059,272	229,066,406	333,583,660
Total revenues	64,103,425,857	52,507,624,758	54,358,342,763	40,547,916,283
Expenses				
Cost of sales	47,244,199,937	40,833,458,598	39,680,428,319	31,581,614,290
Cost of services	844,937,682	577,496,840	50,640,046	22,554,782
Selling and distribution expenses	32.3.1 4,281,288,560	3,811,647,888	3,494,046,696	2,698,062,090
Administrative expenses	1,860,600,002	1,757,122,274	1,248,709,043	989,297,471
Research and development expenses	32.3.2 2,620,546,923	2,745,251,778	2,784,848,226	2,800,489,702
Loss on sales of investments in associated companies	13 95,125,078	-	-	-
Other expenses	68,405,643	46,819,035	56,721,720	132,303,253
Total expenses	57,015,103,825	49,771,796,413	47,315,394,050	38,224,321,588
Operating profit	7,088,322,032	2,735,828,345	7,042,948,713	2,323,594,695
Share of profit from investments in associated companies	13 60,845,793	24,849,891	-	-
Finance income	111,437,887	237,971,248	39,084,114	95,527,873
Finance cost	(1,167,766)	(1,974,468)	(13,330)	-
Profit before income tax expenses	7,259,437,946	2,996,675,016	7,082,019,497	2,419,122,568
Income tax expenses	27 (188,809,535)	(22,936,073)	(49,174,299)	-
Income tax expenses resulting from tax assessments	32.5.1 (18,804,888)	-	(18,804,888)	-
Profit for the year	7,051,823,523	2,973,738,943	7,014,040,310	2,419,122,568

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

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
			(Restated)		
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of					
financial statements in foreign currency		111,515,519	(807,098,774)	-	-
Share of other comprehensive income from investments					
in associated companies	13	(4,120,121)	(25,024,541)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		107,395,398	(832,123,315)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Actuarial losses - net of income tax		(19,467,721)	(163,750,063)	-	(40,687,554)
Share of other comprehensive income from investments					
in associated companies	13	(6,358,191)	(34,995,630)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(25,825,912)	(198,745,693)	-	(40,687,554)
Other comprehensive income for the year		81,569,486	(1,030,869,008)	-	(40,687,554)
Total comprehensive income for the year		7,133,393,009	1,942,869,935	7,014,040,310	2,378,435,014
Profit attributable to:					
Equity holders of the Company		7,101,638,109	2,959,960,371	7,014,040,310	2,419,122,568
Non-controlling interests of the subsidiary		(429,404)	(8,298,367)		
Shareholders of subsidiary before business combination					
under common control		(49,385,182)	22,076,939		
		7,051,823,523	2,973,738,943		
Total comprehensive income attributable to:					
Equity holders of the Company		7,182,469,565	1,942,701,601	7,014,040,310	2,378,435,014
Non-controlling interests of the subsidiary		(429,404)	(8,298,367)		
Shareholders of subsidiary before business combination					
under common control		(48,647,152)	8,466,701		
		7,133,393,009	1,942,869,935		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		5.69	2.37	5.62	1.94

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



(Unit: Baht)

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

Statement of changes in shareholder's equity (continued)

For the year ended 31 December 2020

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to shareholders of the Company											
	Other components of shareholders' equity											
	Other comprehensive income											
	Share of other											
	Exchange differences on translation of financial statements in foreign currency											
	Share of other comprehensive income from investments in associated companies											
	Total other components of shareholders' equity											
	Total equity attributable to owners of the Company											
	Equity attributable to non-controlling interests of the subsidiary											
	Equity attributable to shareholders of subsidiary before business combination under common control											
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The accompanying notes are an integral part of the financial statements.



Statement of changes in shareholder's equity (continued)

For the year ended 31 December 2020

	Separate financial statements					(Unit: Baht)
	Issued and fully paid share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated	Unappropriated		
Balance as at 1 January 2019	1,247,381,614	1,491,912,500	125,900,000	30,558,014,140	33,423,208,254	
Profit for the year	-	-	-	2,419,122,568	2,419,122,568	
Other comprehensive income for the year	-	-	-	(40,687,554)	(40,687,554)	
Total comprehensive income for the year	-	-	-	2,378,435,014	2,378,435,014	
Dividend paid (Note 25)	-	-	-	(2,868,981,112)	(2,868,981,112)	
Balance as at 31 December 2019	1,247,381,614	1,491,912,500	125,900,000	30,067,468,042	32,932,662,156	
Balance as at 1 January 2020	1,247,381,614	1,491,912,500	125,900,000	30,067,468,042	32,932,662,156	-
Profit for the year	-	-	-	7,014,040,310	7,014,040,310	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	7,014,040,310	7,014,040,310	
Dividend paid (Note 25)	-	-	-	(2,245,286,905)	(2,245,286,905)	
Balance as at 31 December 2020	1,247,381,614	1,491,912,500	125,900,000	34,836,221,447	37,701,415,561	-

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

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	2020	2019 (Restated)	2020	2019
Cash flows from operating activities:				
Profit before tax	7,259,437,946	2,996,675,016	7,082,019,497	2,419,122,568
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	2,074,517,773	1,629,946,708	1,598,359,426	1,332,987,656
Amortisation	131,801,134	104,980,164	1,662,867	881,978
Recording of allowance for expected credit losses (reversal)	(64,762,351)	61,747,356	27,702,114	(25,194,400)
Reduction of inventory to net realisable value (reversal)	15,615,521	470,064,134	(121,606,571)	328,152,744
Reversal of the reduction to net realisable value of the obsolete and damaged inventories	(185,762,757)	(263,311,297)	(148,543,957)	(122,736,270)
Increase in provision for long-term employee benefits	84,131,368	185,130,052	53,539,033	144,174,989
Recording of the increase in provisions	38,316,878	144,233,924	34,869,958	44,726,852
Share of profit from investments in associated companies	(60,845,793)	(24,849,891)	-	-
Loss on sales of investments in associated companies	95,125,078	-	-	-
(Gain) loss from disposal/write-off of property, plant and equipment	(2,232,111)	7,639,441	(2,529,852)	14,158,219
Loss from write-off of other intangible assets	272,305	1,854,733	-	-
Impairment loss on property, plant and equipment (reversal)	388,091	(85,951,413)	-	(85,951,413)
Unrealised gain on exchange	(35,744,272)	(31,070,333)	(95,955,115)	(25,001,622)
Interest income	(111,437,887)	(237,971,248)	(39,084,114)	(95,527,873)
Interest expenses	1,167,766	1,974,468	13,330	-
Profit from operating activities before changes in operating assets and liabilities	9,239,988,689	4,961,091,814	8,390,446,616	3,929,793,428
Decrease (increase) in operating assets:				
Trade and other receivables	(4,343,980,196)	2,025,057,655	(4,958,900,207)	1,644,310,304
Inventories	(3,481,361,503)	393,261,934	(2,520,152,204)	(143,581,786)
Other current assets	(293,524,835)	(168,665,992)	(127,703,710)	(21,394,531)
Other non-current assets	15,105,222	(11,983,179)	137,269	(842,506)
Increase (decrease) in operating liabilities:				
Trade and other payables	6,056,588,355	(2,197,407,955)	5,389,054,400	(821,099,626)
Other current liabilities	82,355,659	79,473,462	60,437,065	4,623,313
Provision for long-term employee benefits	(87,543,418)	(69,816,748)	(33,002,121)	(21,818,144)
Provisions	(27,317,914)	(38,968,979)	(22,447,248)	(23,012,474)
Other non-current liabilities	65,572,118	166,505,970	271,203	(155,400)
Cash flows from operating activities	7,225,882,177	5,138,547,982	6,178,141,063	4,546,822,578
Cash received from interest income	99,608,269	232,549,198	39,084,114	96,729,623
Cash paid for interest expenses	(1,489,555)	(1,837,119)	(13,330)	-
Cash paid for corporate income tax	(90,909,440)	(133,038,970)	(1,123,617)	(593,192)
Net cash flows from operating activities	7,233,091,451	5,236,221,091	6,216,088,230	4,642,959,009

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



Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Cash flows from investing activities:				
Decrease (increase) in deposits at bank with restrictions	(1,338,417)	5,334,130	-	-
Decrease (increase) in fixed deposits with maturity over 3 months	(203,733,962)	221,046,871	-	-
Increase in investments in subsidiary company	-	-	(3,030,590)	(2,203,423,640)
Cash received for sales of investment in associated companies	457,140,076	-	-	-
Cash paid for purchase of investment in subsidiary under common control	(462,838,498)	-	-	-
Cash received from capital reduction in associated company	-	161,325,677	-	-
Acquisition of property, plant and equipment	(3,208,365,736)	(5,312,876,123)	(1,845,978,742)	(3,123,405,530)
Proceeds from disposal of property, plant and equipment	14,676,366	45,876,257	7,290,782	2,065,445
Increase in investment properties	(5,207,699)	(13,773,958)	-	-
Increase in other intangible assets	(199,966,000)	(75,844,926)	(62,741,200)	-
Net cash flows used in investing activities	(3,609,633,870)	(4,968,912,072)	(1,904,459,750)	(5,324,763,725)
Cash flows from financing activities:				
Payment of lease liabilities	(85,162,488)	-	(5,375,966)	-
Dividend paid	(2,245,286,905)	(2,868,981,112)	(2,245,286,905)	(2,868,981,112)
Net cash flows used in financing activities	(2,330,449,393)	(2,868,981,112)	(2,250,662,871)	(2,868,981,112)
Increase (decrease) in translation adjustments	41,545,889	(601,629,938)	-	-
Net increase (decrease) in cash and cash equivalents before effect from currency translation	1,334,554,077	(3,203,302,031)	2,060,965,609	(3,550,785,828)
Effect from currency translation of cash and cash equivalents	43,743,721	34,468,027	111,668,516	30,886,646
Net increase (decrease) in cash and cash equivalents	1,378,297,798	(3,168,834,004)	2,172,634,125	(3,519,899,182)
Cash and cash equivalents at beginning of year	12,503,550,506	15,672,384,510	6,233,096,752	9,752,995,934
Cash and cash equivalents at end of year	13,881,848,304	12,503,550,506	8,405,730,877	6,233,096,752
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transaction				
Transfer investment properties to property, plant and equipment	-	1,642,976	-	-

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

Notes to consolidated financial statements

For the year ended 31 December 2020

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.

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	
			2020 Percent	2019 Percent
DET International Holding Limited	Holding business	The Cayman Islands	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	-

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2020 Percent	2019 Percent
DET Logistics (USA) Corporation	Trading of electronic products	USA	100	100
Delta Electronics (Slovakia) s.r.o.	Manufacture and trading of electronic products	Slovakia	100	100
Delta Energy Systems (Germany) GmbH	Research, development, marketing and trading of electronic products	Germany	100	100
Delta Energy Systems Property (Germany) GmbH (owned by Delta Energy Systems (Germany) GmbH)	Property rental	Germany	100	100
Delta Energy Systems (India) Pvt. Ltd.	Manufacture and trading of electronic products	India	100	100
Delta Energy Systems (Romania) S.R.L.	Research and development of electronic products	Romania	100	100

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

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2020 Percent	2019 Percent
Delta Electronics (Australia) Pty. Ltd.	Marketing and after sales services	Australia	100	100
Eltek Australia Pty Ltd.	Trading of electronic products	Australia	100	-
Delta Greentech (Netherlands) Cooperaties UA	Holding business	The Netherlands	100	100
Delta Greentech (Netherlands) B.V. (owned by Delta Greentech (Netherlands) Cooperaties UA)	Holding business	The Netherlands	100	100
Delta Energy Systems LLC (owned by Delta Greentech (Netherlands) B.V.)	Trading of electronic products	Russia	100	100
Eltek s.r.o. (owned by Delta Greentech (Netherlands) B.V.)	Manufacture and trading of electronic products	Slovakia	100	100
Delta Electronics (Automotive) Americas Inc. (owned by Delta Greentech (Netherlands) B.V.)	Research and development of electronic products	USA	100	100
Delta Electronics India Pvt. Ltd.	Manufacture, research and development and trading of electronic products	India	100	100
Delta Electronics (Myanmar) Co., Ltd.	Manufacture and trading of electronic products	Myanmar	100	100
Delta PBA Engineering Solutions Co., Ltd.	Manufacture, assembly and provision of automation	Thailand	51	51
Delta Energy Systems (UK) Limited	Research and development of electronic products	Scotland	100	100

- 2.2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 2.2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17, Leases, together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	The effect of		
	31 December 2019 (Restated)	Financial reporting standards related to financial instruments	1 January 2020
Statement of financial position			
Assets			
Current assets			
Current investments	2	(2)	-
Other current financial assets	-	36	36
Other current assets	1,292	(34)	1,258
Non-current assets			
Land-use rights	198	-	(198)
Right-of-use assets (Note 21)	-	-	314
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	-	61
Derivative liabilities	-	1	1
Other current liabilities	315	(1)	314
Non-current liabilities			
Lease liabilities, net of current portion	-	-	55

(Unit: Million Baht)

	Separate financial statements		
	The effect of		
	31 December 2019	Financial reporting standards related to financial instruments	1 January 2020
Statement of financial position			
Assets			
Current assets			
Other current financial assets	-	33	33
Other current assets	307	(33)	274
Non-current assets			
Right-of-use assets (Note 21)	-	-	5
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	-	5

4.1 Financial instruments

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	The former carrying amounts	Classification and measurement in accordance with TFRS 9	
		Fair value through profit or loss	Amortised cost
Financial assets as at 1 January 2020			
- restated			
Cash and cash equivalents	12,504	-	12,504
Trade and other receivables	9,845	-	9,845



(Unit: Million Baht)

Consolidated financial statements				
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Other current financial assets	36	34	2	36
Other current assets	1,258	-	1,258	1,258
Deposits at bank with restrictions	50	-	50	50
Other non-current assets	156	-	156	156
Total financial assets	23,849	34	23,815	23,849

(Unit: Million Baht)

Separate financial statements				
	The former carrying amounts	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	6,233	-	6,233	6,233
Trade and other receivables	9,468	-	9,468	9,468
Other current financial assets	33	33	-	33
Other current assets	274	-	274	274
Other non-current assets	3	-	3	3
Total financial assets	16,011	33	15,978	16,011

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 1 million (Separate financial statements: Nil).

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019		
- restated	210	6
Less: Short-term leases and leases of low-value assets	(92)	(1)
Less: Deferred interest expenses	(2)	-
Lease liabilities as at 1 January 2020	116	5
Weighted average incremental borrowing rate (percent per annum)	1.19	1.19
Comprise of:		
Current lease liabilities	61	5
Non-current lease liabilities	55	-
	116	5

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 - restated are summarised below:

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Buildings	90	5
Machinery and equipment	1	-
Motor vehicles	25	-
Total adjustment of right-of-use assets	116	5
Classification of land-use rights to right-of-use assets	198	-
Total right-of-use assets	314	5

5. Significant accounting policies

5.1 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.

5.2 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.



5.3 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.

5.4 Investments in subsidiaries and associates

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.5 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.

5.6 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 asset 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.

5.7 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 a systematic 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 and 20 years
Computer software	3 years
Customer relationship	10 years

5.8 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.

5.9 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

Accounting policies adopted since 1 January 2020

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, 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 less any lease incentives received.

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss 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.

5.10 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 associated companies, 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 with authority in the planning and direction of the operations of the Group.

5.11 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.

5.12 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 asset, 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.

5.13 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 Group and its employees have jointly established the provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the contributions of the Group 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 recognised restructuring-related costs.

5.14 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.

5.15 Research and development expenses

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

5.16 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.

5.17 Financial instruments

Accounting policies adopted since 1 January 2020

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 neither transferred nor retained substantially all the risks and rewards of the asset but 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). 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. It is 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.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.18 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.

5.19 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.

6. 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.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to

complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

Allowance for impairment loss of investments

The Company treats investment in subsidiaries in the separate financial statements as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

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.

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.

7. Related party transactions

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



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		(Unit: Million Baht)
	2020	2019 (Restated)	2020	2019	Transfer pricing policy
<u>Transactions with the parent company*</u>					
Sales of goods and raw materials	98	120	94	112	With reference to market price
Purchase of goods and raw materials	358	438	65	22	With reference to market price
Royalty paid (Note 32.3.1)	1,698	1,215	1,698	1,215	Contract price
Services paid	122	93	122	93	Contract price
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods and raw materials	-	-	20,539	15,689	With reference to market price
Purchase of goods and raw materials	-	-	1,282	677	With reference to market price
Commission paid	-	-	220	220	Contract price
Design and engineering fee paid (Note 32.3.2)	-	-	1,934	1,924	Contract price
Distribution fee paid	-	-	43	103	Contract price
Administrative expenses	-	-	88	87	Contract price
<u>Transactions with associated companies**</u>					
Sales of goods and raw materials	43	15	39	11	With reference to market price
Commission paid	53	46	43	33	Contract price
<u>Transactions with related companies</u>					
Sales of goods and raw materials	8,347	6,027	4,113	1,942	With reference to market price
Purchase of goods and raw materials	3,419	3,716	1,387	697	With reference to market price
Commission paid	746	524	737	521	Contract price
Commission received	107	77	-	-	Contract price
Services income	208	130	-	-	Contract price
Other income	14	12	9	11	Contract price

* Delta Electronics Inc. has changed its status to the Company's parent company on 2 April 2019.

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

The balances of the accounts as at 31 December 2020 and 2019 between the Group and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
Trade receivables, related parties (Note 9)				
Parent company*	26	36	21	31
Subsidiary companies	-	-	6,407	4,827
Associated companies**	-	10	-	4
Other related companies (under common control)	1,660	1,198	777	428
Total trade receivables, related parties	1,686	1,244	7,205	5,290
Other receivables, related parties (Note 9)				
Parent company*	-	1	-	1
Subsidiary companies	-	-	49	29
Other related companies (under common control)	3	24	3	24
Total other receivables, related parties	3	25	52	54
Amounts due from related parties (Note 9)				
Subsidiary companies	-	-	1	3
Total amounts due from related parties	-	-	1	3

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019 (Restated)	2020	2019
Trade payables, related parties (Note 19)				
Parent company*	74	88	41	2
Subsidiary companies	-	-	370	342
Associated companies**	-	1	-	-
Other related companies (under common control)	1,298	793	328	192
Total trade payables, related parties	1,372	882	739	536
Other payables, related parties (Note 19)				
Parent company*	210	158	208	157
Subsidiary companies	-	-	214	361
Associated companies**	-	12	-	10
Other related companies (under common control)	367	126	366	126
Total other payables, related parties	577	296	788	654
Accrued expenses, related parties (Note 19)				
Parent company*	166	90	166	90
Subsidiary companies	-	-	1	-
Other related companies (under common control)	118	107	118	107
Total accrued expenses, related parties	284	197	285	197

* Delta Electronics Inc. has changed its status to the Company's parent company on 2 April 2019.

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

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	86	104	39	54
Post-employment benefits	9	27	8	25
Total	95	131	47	79

8. Cash and cash equivalents

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019 (Restated)	2020	2019
Cash in hand	1	-	-	-
Bank deposits in current accounts	1,544	1,160	2	2
Bank deposits in saving accounts	9,415	8,413	8,404	6,231
Fixed deposits with maturity not over 3 months	2,922	2,931	-	-
Total	13,882	12,504	8,406	6,233

As at 31 December 2020, the above bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 8.00 percent per annum (2019: between 0.00 and 8.25 percent per annum) (The Company only: between 0.00 and 0.55 percent per annum, 2019: between 0.00 and 1.20 percent per annum).



9. Trade and other receivables

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019 (Restated)	2020	2019
<u>Trade receivables, related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	1,669	1,233	6,964	4,134
Past due				
Up to 3 months	17	10	230	1,148
3 - 6 months	-	1	-	3
6 - 12 months	-	-	-	5
Over 12 months	-	-	11	-
Total	1,686	1,244	7,205	5,290
<u>Trade receivables, unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	10,546	7,000	5,593	3,326
Past due				
Up to 3 months	872	996	475	388
3 - 6 months	57	105	39	2
6 - 12 months	29	153	-	1
Over 12 months	70	48	8	-
Total	11,574	8,302	6,115	3,717
Total trade receivables	13,260	9,546	13,320	9,007
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(129)	(194)	(32)	(4)
Total trade receivables - net	13,131	9,352	13,288	9,003
<u>Other receivables</u>				
Amounts due from related parties (Note 7)	-	-	1	3
Other receivables - related parties (Note 7)	3	25	52	54
Other receivables - unrelated parties	863	468	806	408
Total other receivables	866	493	859	465
Trade and other receivables - net	13,997	9,845	14,147	9,468

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

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
	(194)	(4)
As at 1 January 2020	(194)	(4)
Provision for expected credit losses	(33)	(28)
Reversal during the year	98	-
As at 31 December 2020	(129)	(32)

10. Inventories

	(Unit: Million Baht) Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019 (Restated)	2020	2019 (Restated)	2020	2019 (Restated)
Finished goods	5,581	4,603	(471)	(487)	5,110	4,116
Work in process	1,834	997	-	-	1,834	997
Raw materials	5,570	3,738	(776)	(930)	4,794	2,808
Goods in transit	917	1,083	-	-	917	1,083
Total	13,902	10,421	(1,247)	(1,417)	12,655	9,004

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	2,756	2,989	(83)	(176)	2,673	2,813
Work in process	1,417	778	-	-	1,417	778
Raw materials	4,145	2,492	(400)	(578)	3,745	1,914
Goods in transit	701	241	-	-	701	241
Total	9,019	6,500	(483)	(754)	8,536	5,746

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Balance at beginning of year	(1,417)	(1,210)	(754)	(549)
Increase during the year	(146)	(529)	-	(328)
Reversal of the reduction to net realisable value of the obsolete and damaged inventories written off during the year	186	263	149	123
Reversal during the year	130	59	122	-
Balance at end of year	(1,247)	(1,417)	(483)	(754)

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.

11. Other current financial assets

	31 December 2020	
	Consolidated financial statements	Separate financial statements
	2020	2019
<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 33)	149	149
Total financial assets at FVTPL	149	149
Total other current financial assets	354	149

12. Other current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Input tax refundable	358	306	205	91
Advance payments	846	666	163	141
Prepaid expenses	271	204	28	32
Prepaid tax	26	57	-	-
Forward contracts receivable (Note 33)	-	34	-	33
Others	62	25	8	10
Total other current assets	1,563	1,292	404	307



13. Investments in associated companies

13.1 Details of associates

Company's name	Nature of business	Country of incorporation	Consolidated financial statements				(Unit: Million Baht)	
			Shareholding percentage		Cost			Carrying amounts based on equity method
			2020 (%)	2019 (%)	2020	2019		
Delta Electronics (Switzerland) AG (owned by Delta Greentech (Netherlands) B.V.)	Holding business, trading, research and development of electronic products	Switzerland	-	49	-	287	-	432
Delta Greentech Electronics Industry LLC (owned by Delta Greentech (Netherlands) B.V.)	Marketing and distribution of electronic products	Turkey	-	49	-	117	-	99
Translation adjustment					-	(60)	-	(67)
Total					-	344	-	464

13.2 Share of comprehensive income and dividend received

During the year, 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:

	Consolidated financial statements				(Unit: Million Baht)
	For the year ended 31 December				
	Share of profit (loss) from investments in associated companies		Share of other comprehensive income from investments in associated companies		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Associates					
Delta Electronics (Switzerland) AG	89	44	(10)	(60)	
Delta Greentech Electronics Industry LLC	(28)	(19)	-	-	
Total	61	25	(10)	(60)	

No dividend was received from the above associated companies during the year ended 31 December 2020 and 2019.

13.3 Summarised financial information about material associates

Summarised information about financial position

	Delta Electronics (Switzerland) AG		Delta Greentech Electronics Industry LLC	
	(Unit: Million Baht)			
	2020	2019	2020	2019
Current assets	-	1,628	-	291
Non-current assets	-	95	-	25
Current liabilities	-	(974)	-	(196)
Non-current liabilities	-	(193)	-	(12)
Net assets	-	556	-	108
Shareholding percentage (%)	-	49	-	49
Share of net assets	-	272	-	53
Goodwill	-	92	-	-
Translation adjustment	-	16	-	31
Carrying amounts of associates based on equity method	-	380	-	84

Summarised information about comprehensive income

	Delta Electronics (Switzerland) AG		Delta Greentech Electronics Industry LLC	
	(Unit: Million Baht)			
	For the year ended 31 December			
	2020	2019	2020	2019
Revenue	-	3,712	-	540
Profit (loss)	-	91	-	(39)
Other comprehensive income	-	(122)	-	-
Total comprehensive income	-	(31)	-	(39)

13.4 Significant events during the current year

Sales of investments in associated companies

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. On 28 September 2020, the subsidiary received payment for the sale of these investments in associated companies, amounting to approximately USD 14.44 million or approximately Baht 457 million, and agreed to transfer those shares to the buyers on 1 October 2020. A loss on the sale of these investments under the equity method, amounting to approximately USD 3 million or approximately Baht 95 million, was recorded in the consolidated statement of comprehensive income.



14. Investments in subsidiary companies

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

Company's name				(Unit: Million Baht)	
	Paid-up capital			Cost	
	Foreign currency	2020 (Million)	2019 (Million)	2020	2019
DET International Holding Limited	USD	264	264	9,450	9,450
Delta Green Industrial (Thailand) Company Limited	THB	206	206	206	206
Delta Energy Systems (Singapore) Pte. Ltd.	USD	173	173	5,573	5,573
Delta Electronics (Vietnam) Company Limited	USD	0.1	-	3	-
Subtotal				15,232	15,229
Less: Allowance for impairment loss of investments in subsidiary companies				(1,144)	(1,144)
Investments in subsidiary companies - net				14,088	14,085

14.2 Significant events during the current year

14.2.1 Subsidiaries directly owned by the Company

a) Establishment of new subsidiaries

On 31 March 2020, a meeting of the Board of Directors of the Company passed the following significant resolutions:

- Proceed with the incorporation of a subsidiary, Delta Electronics (Vietnam) Company Limited, to engage in the trading of electronics products. The subsidiary was incorporated in Vietnam with a registered capital of USD 100,000, and the Company having a 100% shareholding.

In the fourth quarter of the current year, Delta Electronics (Vietnam) Company Limited called up 100 percent of the par value of the shares and already received payment of share capital of USD 100,000, or approximately Baht 3 million, on 23 December 2020.

- 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.

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

b) Dividend received during the year

No dividend was received from the above subsidiary companies during the year ended 31 December 2020 and 2019.

14.2.2 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.

The above purchase of investment in the subsidiary was considered to be a business combination under common control, and the difference between the cost of this business combination under common control and the net book value of the equity of Eltek Australia Pty Ltd., amounting to approximately USD 10.6 million, or approximately Baht 336 million, was therefore recorded as "Difference from business combination under common control" and separately presented in the consolidated statements of changes in shareholders' equity.

The net book values of assets and liabilities as at 1 October 2020 (acquisition date) and the cash payment made to purchase the investment in Eltek Australia Pty Ltd. are as follows:

	(Unit: Million Baht)
	Consolidated
	<u>financial statements</u>
Net book values of assets and liabilities as at the acquisition date	
Cash and cash equivalents	97
Trade and other receivables	54
Inventories	104
Other current assets	14
Property, plant and equipment	2
Deferred tax assets	23
Trade and other payables	(142)
Other current liabilities	(13)
Long-term provisions	(12)
Total net assets	127
Plus: Difference from business combination under common control	336
Cash payment for purchase of investment in subsidiary	463

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. Therefore, the consolidated statements of comprehensive income for



the year ended 31 December 2020 included the operating results of Eltek Australia Pty Ltd. as from 1 January 2020, ignoring the actual date of the business combination under common control (the date the shares of the subsidiary were acquired).

The Company has restated the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, which are presented herein for comparative purposes, as if Eltek Australia Pty Ltd. had always been the Company's subsidiary. The Company has also presented the consolidated statement of financial position as at 1 January 2019 for comparative purposes.

The amounts of adjustments affecting the consolidated statement of financial position as at 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase in consolidated statements of financial position

Assets

Cash and cash equivalents	110
Trade and other receivables	105
Inventories	40
Other current assets	12
Property, plant and equipment	6
Deferred tax assets	23
Other non-current assets	1

Liabilities

Trade and other payables	104
Other current liabilities	10
Long-term provisions	7

Shareholders' equity

Equity attributable to shareholders of subsidiary before business combination under common control	176
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The amounts of adjustments affecting the consolidated statement of comprehensive income for the year ended 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase (decrease) in consolidated statements of comprehensive income

Profit or loss

Sales	709
Service income	166
Gain on exchange	(2)
Cost of sales	683
Cost of services	31
Selling and distribution expenses	77
Administrative expenses	24
Research and development expenses	32

(Unit: Million Baht)

Increase (decrease) in consolidated statements of comprehensive income

Income tax expenses	4
Profit for the year	22
Profit attributable to shareholders of subsidiary before business combination under common control	22
Other comprehensive income	
Exchange differences on translation of financial statements in foreign currency	(14)
Other comprehensive income for the year	(14)
Total comprehensive income attributable to shareholders of subsidiary before business combination under common control	8

The amounts of adjustments affecting the consolidated statement of cash flows for the year ended 31 December 2019 were summarised below.

(Unit: Million Baht)

Increase (decrease) in consolidated statements of cash flows

Net cash flows from operating activities	71
Net cash flows used in investing activities	2
Translation adjustments	(23)

b) Dividend received during the year

On 28 September 2020, Delta Greentech (Netherlands) Cooperaties UA received dividend amounting to approximately USD 14.44 million, or approximately Baht 457 million from Delta Greentech (Netherlands) B.V.. Then, Delta Greentech (Netherlands) Cooperaties UA paid dividend amounting to approximately USD 14.44 million, or approximately Baht 457 million, to Delta Energy Systems (Singapore) Pte. Ltd. on the same day. Delta Energy Systems (Singapore) Pte. Ltd. received the dividend during the third quarter of the current year (31 December 2019: No dividend received).

15. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2020:			
Cost	44	322	366
Less: Accumulated depreciation	-	(69)	(69)
Translation adjustment	(11)	(53)	(64)
Net book value	33	200	233



	(Unit: Million Baht)		
	Consolidated financial statements		
	Land for rent	Office building for rent	Total
31 December 2019:			
Cost	44	317	361
Less: Accumulated depreciation	-	(59)	(59)
Less: Transfer out due to change in type of use of assets	(3)	(10)	(13)
Translation adjustment	(11)	(60)	(71)
Net book value	<u>30</u>	<u>188</u>	<u>218</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	218	237
Acquisition of assets	5	14
Depreciation charged	(10)	(9)
Transfer out due to change in type of use of assets (Note 16)	-	(2)
Translation adjustment	20	(22)
Net book value at end of year	<u>233</u>	<u>218</u>

The additional information of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
The fair value of land and office building for rent	261	228

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.

16. Property, plant and equipment

	Consolidated financial statements							(Unit: Million Baht)	
	Machinery and equipment			Assets under installation and under construction					
	Land	Buildings	Mold	Installation	Computer	Others	Total		
Cost:									
1 January 2019 - restated	815	3,622	7,442	1,316	1,705	708	476	546	16,630
Purchase/transfer in	268	320	2,093	225	534	3,882	152	68	7,542
Disposal/write-off/transfer out	(8)	(17)	(302)	(89)	(46)	(2,169)	(26)	(98)	(2,755)
Transfer in due to change in type of use of assets (Note 15)	1	1	-	-	-	-	-	-	2
Translation adjustment	(46)	(191)	(131)	(1)	(28)	(32)	(18)	(33)	(480)
31 December 2019 - restated	1,030	3,735	9,102	1,451	2,165	2,389	584	483	20,939
Purchase/transfer in	-	136	1,209	150	143	3,167	51	24	4,880
Disposal/write-off/transfer out	-	-	(206)	(170)	(7)	(1,683)	(60)	(22)	(2,148)
Translation adjustment	(10)	121	112	1	30	(51)	10	7	220
31 December 2020	1,020	3,992	10,217	1,432	2,331	3,822	585	492	23,891
Accumulated depreciation:									
1 January 2019 - restated	-	897	4,840	1,183	946	-	351	346	8,563
Depreciation for the year	-	85	1,056	141	204	-	90	45	1,621
Depreciation - disposal/write-off	-	(3)	(294)	(89)	(44)	-	(26)	(15)	(471)
Translation adjustment	-	(35)	(107)	(2)	(12)	-	(17)	(28)	(201)
31 December 2019 - restated	-	944	5,495	1,233	1,094	-	398	348	9,512
Depreciation for the year	-	93	1,261	200	268	-	99	46	1,967
Depreciation - disposal/write-off	-	-	(198)	(179)	(5)	-	(59)	(20)	(461)
Translation adjustment	-	19	84	(1)	12	-	7	9	130
31 December 2020	-	1,056	6,642	1,253	1,369	-	445	383	11,148



16. Property, plant and equipment (continued)

(Unit: Million Baht)

	Consolidated financial statements								
	Land	Buildings	Machinery and equipment	Mold	Installation	Assets under installation and under construction	Computer	Others	Total
Allowance for impairment loss:									
1 January 2019	-	100	1	-	3	-	-	1	105
Reversal allowance for impairment during the year	-	(83)	(1)	-	(1)	-	-	(1)	(86)
31 December 2019	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2019 - restated	1,030	2,774	3,607	218	1,069	2,389	186	135	11,408
As at 31 December 2020	1,020	2,919	3,575	179	960	3,822	140	109	12,724
Depreciation for the year									
Year 2019 (Baht 1,296 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,621
Year 2020 (Baht 1,570 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,967

16. 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 2019	313	1,526	5,979	1,307	1,397	359	277	186	11,344
Purchase/transfer in	101	296	1,727	226	458	2,288	90	16	5,202
Disposal/write-off/transfer out	-	(16)	(276)	(89)	(44)	(1,988)	(7)	(92)	(2,512)
31 December 2019	414	1,806	7,430	1,444	1,811	659	360	110	14,034
Purchase/transfer in	-	18	785	149	121	2,271	32	1	3,377
Disposal/write-off/transfer out	-	-	(182)	(170)	(3)	(1,541)	(40)	(2)	(1,938)
31 December 2020	414	1,824	8,033	1,423	1,929	1,389	352	109	15,473
Accumulated depreciation:									
1 January 2019	-	514	3,699	1,175	805	-	181	78	6,452
Depreciation for the year	-	33	912	140	181	-	61	6	1,333
Depreciation - disposal/write-off	-	(6)	(268)	(89)	(42)	-	(8)	(5)	(418)
31 December 2019	-	541	4,343	1,226	944	-	234	79	7,367
Depreciation for the year	-	37	1,055	199	230	-	66	6	1,593
Depreciation - disposal/write-off	-	-	(178)	(180)	(3)	-	(40)	(1)	(402)
31 December 2020	-	578	5,220	1,245	1,171	-	260	84	8,558



16. 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 2019	-	100	1	-	3	-	-	1	105
Reversal allowance for impairment during the year	-	(83)	(1)	-	(1)	-	-	(1)	(86)
31 December 2019	-	17	-	-	2	-	-	-	19
31 December 2020	-	17	-	-	2	-	-	-	19
Net book value:									
As at 31 December 2019	414	1,248	3,087	218	865	659	126	31	6,648
As at 31 December 2020	414	1,229	2,813	178	756	1,389	92	25	6,896
Depreciation for the year									
Year 2019 (Baht 1,145 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,333
Year 2020 (Baht 1,389 million include in manufacturing cost, and the balance in selling, administrative and research and development expenses)									1,593

As at 31 December 2020, 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 6,413 million (2019 - restated: Baht 5,607 million) (The Company only: Baht 4,719 million, 2019: Baht 4,151 million).

17. Goodwill

The net book value of goodwill as at 31 December 2020 and 2019 is presented below.

	(Unit: Million Baht)
	Consolidated
	financial statements
Net book value as at 1 January 2019	438
Translation adjustment	(20)
Net book value as at 31 December 2019	418
Translation adjustment	19
Net book value as at 31 December 2020	437

As at 31 December 2020, the net book value of the goodwill as above included the goodwill of approximately Baht 215 million from Power electronics segment related to DES products and the goodwill of approximately Baht 222 million from Delta Greentech (Netherland) B.V.'s acquisition of Eltek s.r.o. ("Eltek SK") in 2017.

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

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

	(Unit: Percent per annum)	
	Power electronics segment related to DES products	Eltek s.r.o.
Terminal growth rates	2%	2%
Pre-tax discount rates	12%	12%

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.



18. Other intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				
	Patent rights	Computer software	Customer relationship	Others	Total
Cost:					
1 January 2019	1,065	299	131	3	1,498
Purchase	-	76	-	-	76
Disposals	-	(11)	-	-	(11)
Translation adjustment	(75)	(20)	(12)	(1)	(108)
31 December 2019	990	344	119	2	1,455
Purchase	63	137	-	-	200
Disposals	-	(3)	-	-	(3)
Translation adjustment	(4)	21	11	-	28
31 December 2020	1,049	499	130	2	1,680
Accumulated amortisation:					
1 January 2019	749	248	22	3	1,022
Amortisation for the year	51	41	13	-	105
Disposals	-	(9)	-	-	(9)
Translation adjustment	(55)	(19)	(2)	(1)	(77)
31 December 2019	745	261	33	2	1,041
Amortisation for the year	53	66	13	-	132
Disposals	-	(2)	-	-	(2)
Translation adjustment	(5)	16	2	-	13
31 December 2020	793	341	48	2	1,184
Net book value:					
31 December 2019	245	83	86	-	414
31 December 2020	256	158	82	-	496

(Unit: Million Baht)

	Separate financial statements		
	Patent rights	Computer software	Total
Cost:			
1 January 2019	-	85	85
31 December 2019	-	85	85
Purchase	63	-	63
Disposals	-	(1)	(1)
31 December 2020	63	84	147
Accumulated amortisation:			
1 January 2019	-	83	83
Amortisation for the year	-	1	1
31 December 2019	-	84	84

(Unit: Million Baht)

	Separate financial statements		
	Patent rights	Computer software	Total
Amortisation for the year	1	1	2
Disposals	-	(1)	(1)
31 December 2020	1	84	85
Net book value:			
31 December 2019	-	1	1
31 December 2020	62	-	62

19. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
Trade payables - related parties (Note 7)	1,372	882	739	536
Trade payables - unrelated parties	9,940	5,853	8,981	5,212
Other payables - related parties (Note 7)	577	296	788	654
Other payables - unrelated parties	1,084	889	1,003	746
Accrued expenses - related parties (Note 7)	284	197	285	197
Accrued expenses - unrelated parties	2,352	1,826	1,592	1,041
Advance received	572	312	357	88
Total trade and other payables	16,181	10,255	13,745	8,474

20. Other current liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
Forward contracts payable (Note 33)	-	1	-	-
Withholding tax payable	189	136	133	89
Value added tax payable	103	97	8	5
Others	101	81	28	16
Total other current liabilities	393	315	169	110

21. 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

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements					Separate financial statements
			Machinery and equipment	Motor Vehicles	Total	Buildings
1 January 2020 (Note 4)	198	90	1	25	314	5
Additions	-	134	9	5	148	-
Depreciation for the year	(2)	(78)	(3)	(15)	(98)	(5)
Translation adjustment	(6)	18	2	(1)	13	-
31 December 2020	190	164	9	14	377	-

b) Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
	<u>2020</u>	<u>2020</u>
Lease payments	184	-
Less: Deferred interest expenses	(3)	-
Total	181	-
Less: Portion due within one year	(73)	-
Lease liabilities - net of current portion	108	-

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

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

(Unit: Million Baht)

For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	98	5
Interest expense on lease liabilities	2	-
Expense relating to short-term leases and leases of low-value assets	69	14

d) Other

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 150 million, including the cash outflow related to short-term lease and leases of low-value assets.

22. 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		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Defined benefit obligation	(1,602)	(1,474)	(465)	(445)
Fair value of plan assets	60	47	-	-
Provisions for long-term employee benefits				
as at 31 December	(1,542)	(1,427)	(465)	(445)

The change in the defined benefit obligation is as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Defined benefit obligation at beginning of year	(1,474)	(1,273)	(445)	(282)
Included in profit or loss:				
Current service cost	(64)	(50)	(42)	(33)
Interest cost	(23)	(28)	(11)	(9)
Past service costs and gains or losses on settlement	-	(110)	-	(102)
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	(17)	(142)	-	(22)
Financial assumptions changes	-	(11)	-	(11)
Experience adjustments	(2)	(11)	-	(8)
Benefits paid during the year	77	61	33	22
Translation adjustments	(99)	90	-	-
Defined benefit obligation at end of year	(1,602)	(1,474)	(465)	(445)

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

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Fair value of plan assets at beginning of year	47	39	-	-
Included in profit or loss:				
Interest income on plan assets	3	3	-	-
Contributions by employer	14	11	-	-
Benefits paid during the year	(3)	(2)	-	-
Translation adjustments	(1)	(4)	-	-
Fair value of plan assets at end of year	60	47	-	-

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



	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Government bonds	35	28	-	-
Debentures	20	16	-	-
Others	5	3	-	-

The Group expects to pay Baht 92 million of long-term employee benefits during the next year (The Company only: Baht 24 million) (2019: Baht 72 million, the Company only: Baht 10 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group is 9 - 21 years (The Company only: 14 years) (2019: 9 - 22 years, the Company only: 14 years).

Significant actuarial assumptions are summarised below:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	2020	2019	2020	2019
Discount rate	0.7 - 6.7	0.8 - 7.7	2.5	2.5
Future salary increase rates (depending on age)	2.3 - 9.0	2.3 - 9.0	2.3 - 9.0	2.3 - 9.0
Pension increase rate	1.5	1.5	-	-
Turnover rate	0.8 - 15.0	0.8 - 15.0	3.5 - 15.0	3.5 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2020			
	Consolidated		Separate	
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 1%-10%	Decrease 1%-10%
Discount rate	Decrease 122	Increase 138	Decrease 46	Increase 54
Future salary increase rates (depending on age)	Increase 61	Decrease 54	Increase 56	Decrease 50
Pension increase rate	Increase 67	Decrease 61	-	-
Turnover rate	Decrease 24	Increase 27	Decrease 20	Increase 21

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	Increase 0.5%-10%	Decrease 0.5%-10%	Increase 1%-10%	Decrease 1%-10%
Discount rate	Decrease 92	Increase 147	Decrease 23	Increase 71
Future salary increase rates (depending on age)	Increase 73	Decrease 24	Increase 69	Decrease 22
Pension increase rate	Increase 61	Decrease 56	-	-
Turnover rate	Decrease 1	Increase 44	Increase 2	Increase 40

23. Provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Warranty	Other provisions	Total	Warranty	Other provisions	Total
Balance as at 1 January 2019						
- restated	485	40	525	271	8	279
Recognition during year	251	88	339	102	7	109
Decrease during year	(34)	(5)	(39)	(23)	-	(23)
Reversal during year	(117)	(78)	(195)	(64)	-	(64)
Translation adjustment/unrealised gain on exchange rate	(146)	(3)	(149)	(12)	-	(12)
Balance as at 31 December 2019						
- restated	439	42	481	274	15	289
Recognition during year	209	75	284	103	-	103
Decrease during year	(8)	(19)	(27)	(8)	(15)	(23)
Reversal during year	(168)	(78)	(246)	(68)	-	(68)
Translation adjustment/unrealised loss on exchange rate	3	2	5	1	-	1
Balance as at 31 December 2020	475	22	497	302	-	302
Short-term provisions	67	25	92	-	-	-
Long-term provisions	372	17	389	274	15	289
Balance as at 31 December 2019						
- restated	439	42	481	274	15	289
Short-term provisions	57	19	76	-	-	-
Long-term provisions	418	3	421	302	-	302
Balance as at 31 December 2020	475	22	497	302	-	302

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.

24. 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.

25. Dividends

Dividends declared in 2020 and 2019 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 2019	Annual General Meeting of the shareholders on 31 March 2020	2,245	1.80
Final dividend for year 2018	Annual General Meeting of the shareholders on 2 April 2019	2,869	2.30

26. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Salaries, wages and other employee benefits	9,343	8,610	5,983	5,375
Raw materials used and purchase of finished goods	40,230	33,087	32,918	25,242
Changes in finished goods and work in progress	(1,815)	(733)	(406)	(674)
Depreciation	2,075	1,630	1,598	1,333
Amortisation	132	105	2	1
Commission expenses	843	667	1,058	836
Marketing fee	48	12	125	97
Design and engineering fee	6	51	1,943	1,924
Services paid	122	96	122	96
Royalty paid	1,698	1,215	1,698	1,215

27. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	(230)	(86)	(49)	-
Adjustment in respect of income tax of previous year	26	2	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	6	49	-	-
Translation adjustment	9	12	-	-
Income tax expenses reported in profit or loss	(189)	(23)	(49)	-

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
Accounting profit before tax	7,259	2,997	7,082	2,419
Income tax at Thai corporate income tax rate of 20%	(1,452)	(599)	(1,416)	(483)
Adjust in respect of income tax of previous years	26	2	-	-
Effect of elimination entries on the consolidated financial statements	(161)	24	-	-
Tax effect of:				
Difference in tax rates of overseas subsidiaries	(35)	(26)	-	-
Tax savings from the tax privileges granted by the government	1,336	506	1,335	498
Loss for the current year	(17)	(11)	-	(7)
Non-deductible expenses	(4)	(14)	-	(1)
Unrecognised deferred tax assets on temporary differences	(48)	46	(7)	(7)
Utilisation of previously unrecognised deferred tax asset on tax losses	80	45	38	-
Exemption of income	75	-	-	-
Others	11	4	1	-
Total	1,398	550	1,367	483
Income tax expenses reported in profit or loss	(189)	(23)	(49)	-

The tax rates enacted at the end of the reporting period of the subsidiaries in overseas countries are 0% to 35%.

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	24	54	-	-
Allowance for diminution in value of inventories	190	168	-	-
Bonus payable	-	11	-	-
Provision for warranty	10	8	-	-
Tax loss brought forward	2	3	-	-
Others	63	39	-	-
Total	289	283	-	-
Deferred tax liabilities				
Difference depreciation for tax purpose	114	114	-	-
Total	114	114	-	-



As at 31 December 2020 the Group has deductible temporary differences and unused tax losses totaling Baht 3,628 million, INR 276 million or approximately Baht 112 million and EUR 38 million or approximately Baht 1,404 million (2019: Baht 4,382 million, INR 316 million or approximately Baht 133 million, EUR 43 million or approximately Baht 1,458 million, RUB 49 million or approximately Baht 24 million and MMK 74 million or approximately Baht 1 million). No deferred tax assets have been recognised on these amounts as the Company has been granted tax privileges by the Board of Investment and the subsidiaries have determined that they may not be able to utilise the deductible temporary difference and unused tax losses because they do not yet have any taxable profits and they are unable to estimate the benefit they would generate from utilisation of such deductible temporary difference and unused tax losses.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
The five-year limitation period				
31 December 2020	-	1	-	-
31 December 2021	5	5	-	-
31 December 2022	193	539	177	523
31 December 2023	22	46	-	-
31 December 2024	24	-	14	-
The eight-year limitation period				
31 March 2020	-	17	-	-
31 March 2021	33	34	-	-
31 March 2022	21	22	-	-
31 March 2023	13	13	-	-
31 March 2024	15	15	-	-
No expiry date	1,435	1,490	-	-
Total	<u>1,761</u>	<u>2,182</u>	<u>191</u>	<u>523</u>

As at 31 December 2020, the total amount of temporary differences associated with investments in subsidiaries and associates for which deferred tax liability has not been recognised, is Baht 309 million (2019: Baht 230 million).

28. 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. 2. Promotional privileges for	1494(2)/2552 Manufacturing of DC FAN	2061(1)/2553 Manufacturing of telecommunication equipment and electronics products for vehicle	1732(2)/2557 Manufacturing of electro - magnetic products	1158(2)/2558 Manufacturing of electro - magnetic products	1888(2)/2558 Manufacturing of DC FAN	61-1505-1-00-1-0 Manufacturing of electro - magnetic products	62-0076-1-00-0-0 Manufacturing of Ventilation Fan.	63-0114-1-00-1-0 Manufacturing of telecommunication equipment	63-0340-1-00-1-0 Manufacturing of electric vehicle equipment	
3. The significant privileges are	8 years (Maximum amount Baht 298,170,000)	8 years	7 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)	Non-granted	6 years (Maximum amount Baht 397,000,000)	8 years (Maximum amount Baht 1,547,250,000)	
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	
3.2 Exemption from import duty on machinery as approved by the board.	Granted	Non - granted	Granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	
3.3 Exemption from import duty on raw materials and significant supplies used in export production.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	
3.4 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	
3.5 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	
3.6 Permission to deduct cost of public utilities at the rate of twenty-five percent in addition to normal depreciation charges.	Non - granted	Granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	Non - granted	
4. Date of first earning operating income	15 March 2013	10 January 2015	5 January 2018	5 January 2017	1 December 2017	Not yet commenced operation	27 July 2019	8 January 2020	Not yet commenced operation	
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	-	-	-	-	-	



The Company's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Separate financial statements</u>						
Sales and service income						
Domestic sales	337	365	337	73	674	438
Export sales	51,085	36,222	1,942	3,424	53,027	39,646
Service income	-	-	61	38	61	38
Total Sales and service income	<u>51,422</u>	<u>36,587</u>	<u>2,340</u>	<u>3,535</u>	<u>53,762</u>	<u>40,122</u>

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

- Delta Green Industrial (Thailand) Company Limited was granted promotional privileges by the Board of Investment for the manufacture of Inverters, pursuant to the promotion certificate No. 1813(2)/2554 issued on 10 May 2011, and the manufacture of electric light bulbs and display monitors, pursuant to the promotion certificate No. 1814(2)/2554 issued on 24 May 2011. Subject to certain imposed conditions, the privileges include the followings:-
 - 1) An exemption from corporate income tax on all profit from the promoted operations for a period of seven years from the date those operations commence generating revenues, with the exemption capped at 100 percent of investment, excluding land costs and working capital, or maximum amounts of Baht 182 million for the promotion certificate No. 1813(2)/2554 and Baht 202 million for the promotion certificate No. 1814(2)/2554.
 - 2) An exemption from import duty on machinery as approved by the Board of Investment.
 - 3) An exemption from import duty on raw materials and significant supplies used in export production.

Delta Green Industrial (Thailand) Company Limited has not yet commenced the operations under promotional privileges.

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.

29. 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.

30. 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.

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 year ended 31 December 2020 and 2019, respectively.

	(Unit: Million Baht)									
	Power electronics segment ¹⁾		Infrastructure segment ²⁾		Automation segment ³⁾		Others		Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Revenue										
Sales from external customers	44,912	32,228	15,660	16,896	1,718	1,901	51	126	62,341	51,151
Service income from external customers	108	68	592	567	93	219	74	42	867	896
Total revenue	<u>45,020</u>	<u>32,296</u>	<u>16,252</u>	<u>17,463</u>	<u>1,811</u>	<u>2,120</u>	<u>125</u>	<u>168</u>	<u>63,208</u>	<u>52,047</u>
Segment profit (loss)	5,776	2,544	1,710	552	(11)	216	(1,118)	(990)	6,357	2,322
Unallocated income (expenses):										
Gain on exchange rate									388	32
Other income									507	429
Loss on sales of investments in associated companies									(95)	-
Other expenses									(68)	(47)
Share of profit from investments in associated companies									61	25
Finance income									111	238
Finance cost									(1)	(2)
Profit before income tax expenses									7,260	2,997
Income tax expenses for the year									(189)	(23)
Income tax expenses resulting from tax assessments									(19)	-
Profit for the year									<u>7,052</u>	<u>2,974</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>2020</u>	<u>2019</u>
		(Restated)
United States	22,041	13,032
China	8,722	7,833
Germany	5,705	5,274
India	4,641	6,274
Ireland	3,947	2,464
Singapore	3,640	2,958
Norway	1,952	1,962
Taiwan	1,850	1,254
Netherlands	1,367	1,250
Others	9,343	9,746
Total	<u>63,208</u>	<u>52,047</u>

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

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
		(Restated)
Thailand	6,958	6,651
Slovakia	1,559	1,460
India	3,986	3,090
Germany	989	743
Others	338	294
Total	<u>13,830</u>	<u>12,238</u>

Major customer

For the year 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

31. 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 7 percent of basic salary (2019: 7 percent of basic salary). The fund, which is managed by TMB Bank Public Company Limited, will be paid to employees upon termination or when employees are promoted to a manager post, in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 121 million (2019: Baht 111 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.

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2020, the Group had significant capital commitments amounting to 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 in respect of the building construction, purchase of machinery and equipment (2019: Baht 723 million, EUR 1 million or approximately Baht 35 million, USD 1 million or approximately Baht 42 million and INR 7,931 million or approximately Baht 3,334 million) (The Company only: Baht 113 million, 2019: Baht 723 million).

32.2 Lease commitments

As at 31 December 2020 and 2019, future minimum lease payments required under these operating lease commitments were as follows.

		As at 31 December 2020		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million in foreign currency)	(Million Baht)	(Million Baht)	(Million Baht)
Euro	2	21	37	29
	Total	21	37	29

		As at 31 December 2019		
		Payable		
Foreign currency	Amount	In up to 1 year	In over 1 and up to 5 years	In over 5 years
	(Million in foreign currency)	(Million Baht)	(Million Baht)	(Million Baht)
Indian rupee	202	44	41	-
Euro	2	39	37	7
US dollar	1	8	9	-
Australian dollar	1	7	9	-
	Total	98	96	7



32.3 Long-term service commitments

32.3.1 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. For the year 2020, the Company has recorded royalty expenses of approximately Baht 1,698 million (2019: Baht 1,215 million) under this agreement.

32.3.2 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 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. This agreement matures annually.

The Company has recorded the design and engineering fees as “Research and development expenses” in the statements of comprehensive income. For the year 2020, the Company has recorded design and engineering expenses of approximately Baht 1,934 million (2019: Baht 1,924 million) under this agreement.

32.4 Guarantee obligations

As at 31 December 2020, the Group had the following significant outstanding letters of guarantee required in the ordinary course of their businesses:

- 32.4.1 Outstanding letters of guarantee totaling approximately Baht 373 million (2019: Baht 369 million) have been issued by banks to meet requirements of the Company (including a letter of guarantee for approximately Baht 335 million (2019: 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 32.5.1 to the financial statements).
- 32.4.2 Outstanding letters of guarantee for totals of approximately 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 have been issued by banks to meet requirements of the subsidiaries (2019: INR 1,156 million or approximately Baht 486 million, EUR 0.3 million or approximately Baht 12 million).

32.5 Tax assessment

- 32.5.1 a. In 2015, the Company received tax assessment notices for the year 2005 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 1.96 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 0.06 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee. In addition, the Company received tax assessment notices for the year 2006 from the Revenue Department in 2016, assessing corporate income tax amounting to approximately Baht 168 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 2 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- b. On 23 August 2017, the Company received tax assessment notices for the year 2007 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 79 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 3 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- c. On 21 August 2018, the Company received tax assessment notices for the year 2008 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 49 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 4 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.
- d. On 20 August 2019, the Company received tax assessment notices for the year 2009 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 23 million (including penalties and surcharges) and specific business tax amounting to approximately Baht 5 million (including penalties and surcharges). The Company has submitted letter appealing the assessments to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the Committee.

During the current year, the Company has recorded provisions for tax assessments totaling approximately Baht 19 million under the caption of "Income tax expenses resulting from tax assessments" in the statement of comprehensive income.



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

- 32.5.2 The Indian tax authorities assessed corporate income tax of approximately INR 232 million or approximately Baht 94 million, covering the years 2003 - 2016, and sales tax and excise duties of approximately INR 256 million or approximately Baht 104 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.

33. Fair value hierarchy

As at 31 December 2020 and 2019, 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 5.19 to the financial statements) as follows:

	(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 11)	-	149	-	149
Liabilities measured at fair value				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 15)	-	-	261	261

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 12)	-	34	-	34
Liabilities measured at fair value				
Foreign currency forward contracts (Note 20)	-	1	-	1
Assets for which fair value are disclosed				
Investment properties (Note 15)	-	-	228	228

	(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 11)	-	149	-	149

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts (Note 12)	-	33	-	33

34. Financial instruments

34.1 Derivatives

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign currency forward contracts	149	34	149	33
Total derivative assets	<u>149</u>	<u>34</u>	<u>149</u>	<u>33</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign currency forward contracts	1	1	-	-
Total derivative liabilities	<u>1</u>	<u>1</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.

34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, other accounts receivable, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

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



Trade receivables

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

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography, product type, 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 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 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. 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 2020 and 2019, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
US dollar	263	165	106	189	466	320	326	189
Euro	6	6	2	2	6	5	11	16
Japanese yen	177	201	124	246	177	201	367	244

(Unit: Baht per 1 foreign currency unit)

Foreign currency	Average exchange rate as at 31 December	
	2020	2019
US dollar	30.0371	30.1540
Euro	36.8764	33.7311
Japanese yen	0.2907	0.2759

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 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)
US dollar	+3	141
	- 3	(141)
Euro	+4	6
	-4	(6)
Japanese yen	+2	0.3
	-2	(0.3)

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

As at 31 December 2020 and 2019, the outstanding forward contracts are summarised below.

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
Consolidated financial statements						
As at 31 December 2019						
Amount				Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	122	million	30.0900 - 30.5300	THB/USD	January - April 2020
Forward contracts to “Buy”						
USD/INR	USD	17	million	70.9694 - 71.9917	INR/USD	January 2020
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



Separate financial statements						
As at 31 December 2019						
Amount				Forward rate		Maturity date
Forward contracts to “Sell”						
USD/THB	USD	122	million	30.0900 - 30.5300		THB/USD
						January - April 2020

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks. 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 2020 and 2019, 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)

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(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2019 - restated							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				(% p.a.)
Financial assets							
Cash and cash equivalents	2,931	-	-	8,377	1,196	12,504	0.00 - 8.25
Current investments	2	-	-	-	-	2	4.00
Trade and other receivables	-	-	-	-	9,845	9,845	-
Deposits at bank with restrictions	1	47	-	-	2	50	5.25 - 8.17
Total	2,934	47	-	8,377	11,043	22,401	
Financial liabilities							
Trade and other payables	-	-	-	-	10,255	10,255	-
Total	-	-	-	-	10,255	10,255	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2020							
	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	-	-	-	8,404	2	8,406	0.00 - 0.55
Trade and other receivables	-	-	-	-	14,147	14,147	-
Total	-	-	-	8,404	14,149	22,553	
Financial liabilities							
Trade and other payables	-	-	-	-	13,745	13,745	-
Total	-	-	-	-	13,745	13,745	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2019							
	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	-	-	-	6,195	38	6,233	0.00 - 1.20
Trade and other receivables	-	-	-	-	9,468	9,468	-
Total	-	-	-	6,195	9,506	15,701	
Financial liabilities							
Trade and other payables	-	-	-	-	8,474	8,474	-
Total	-	-	-	-	8,474	8,474	

The Group only exposure to interest rate risk related to cash at bank. Since the interest rates on savings accounts are considered low and fluctuate only slightly, the management believes that the impact of interest rate risk is immaterial.

Liquidity risk

Approximately 88% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 84%) (the Company only: 95%, 2019: 92%) The Group has assessed the liquidity risk and concluded it to be low. The Group believes that it has ability to pay its debts and accessibility to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:



	(Unit: Million Baht)			
	Consolidated financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	16,181	-	16,181
Lease liabilities	-	73	108	181
Total non-derivatives	-	16,254	108	16,362
Derivatives				
Derivative liabilities: net settled	-	1	-	1
Total	-	1	-	1
	(Unit: Million Baht)			
	Separate financial statements			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Trade and other payables	-	13,745	-	13,745
Total non-derivatives	-	13,745	-	13,745

34.3 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 to counterparty credit risk when determining the fair value of derivatives.

35. 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 2020, the Group's debt-to-equity ratio was 0.52:1 (2019 - restated: 0.39:1) and the Company's was 0.40:1(2019: 0.29:1).

36. Events after the reporting period

On 19 February 2021, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 3.3 per share, a total of Baht 4,116 million. The dividend will be paid from the Company's operating results for the year 2020.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.