



**HANA Microelectronics Public Co., Ltd.**

65/98 Soi Vibhavadi-Rangsit 64, Junction 2, Kwang Talad Bangkhen, Khet Laksi, Bangkok 10210  
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**MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS NO. 28/2021**

Held at the Company's Headquarters  
65/98 Soi Vibhavadi-Rangsit 64, Junction 2, Kwang Talad Bangkhen, Khet Laksi, Bangkok  
On 30 April 2021  
14.00 hrs. - 14.47 hrs.

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**Directors and executives presented:**

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|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Mr. John Thompson,          | Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee and Proxy of shareholders                                                          |
| 2) Mr. Richard David Han,      | Executive Director, Executive Vice Chairman, Chief Executive Officer and the Nomination Committee                                                                            |
| 3) Mr. Winson Moong Chu Hui,   | Executive Director, President and Chief Operating Officer                                                                                                                    |
| 4) Mr. Terrence Philip Weir,   | Executive Director, Executive Vice President and Chief Financial Officer, Chairman of the Corporate Governance Committee and Chairman of the Risk Management Committee       |
| 5) Mrs. Salakchitt Preedaporn, | Independent Director, the Audit Committee, the Nomination Committee, the Corporate Governance Committee, the Risk Management Committee and Proxy of shareholders             |
| 6) Mr. Yingsak Jenratha,       | Independent Director, the Audit Committee, the Corporate Governance Committee, the Risk Management Committee, Chairman of the Nomination Committee and Proxy of shareholders |
| 7) Ms. Achara Chaicharncheep,  | Senior Manager of Finance and Accounting                                                                                                                                     |

**External auditors:**

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| 8) Ms. Kamontip Lertwitworatep | Partner, EY Office Limited |
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### **Assistant to the Chairman and translator:**

- 9) Mrs. Tappawong Na Tarlang, Director of Corporate HR Business Partners, Training & Administration

### **Independent Inspector:**

- 10) Mr. Somchai Aiemrod, A lawyer license no. 972/2539 who acted as an independent inspector to verify the vote count and oversee that the meeting was held transparently and pursuant to the applicable regulations and the Company's articles of association.

### **Preliminary Proceedings:**

The Annual General Meeting was opened by Mr. John Thompson, the Chairman of the Board of Directors and the Chairman of the Meeting. The Chairman introduced the directors and executives, sub-committees present in the Meeting including the representatives from the Company's external auditor and the Meeting inspector. The Chairman also informed that the Company had 6 directors, and all were in attendance at the meeting. The Chairman of each sub-committee attended the Meeting. The sub-committees consisted of the Audit Committee, the Nomination Committee, the Corporate Governance Committee, and the Risk Management Committee (no any other sub-committee of the Board). In order to prevent the spread of Covid-19, some directors were seated in the separate meeting rooms for social distancing and attended the meeting by Zoom application. All directors, executives and external auditors were welcome for shareholders' questions and ready to provide responding to inquiry and any clarification to the Meeting.

### **Quorum Announcement:**

There were shareholders attending the meeting in person 13 shareholders holding 7,539,270 shares and 948 proxies holding 626,533,476 shares. Those total 961 shareholders holding 634,072,737 shares are equivalent to 78.78% of 804,878,860 voting shares, which is more than one-third (1/3) of voting shares. Therefore, a quorum was constituted in accordance with the Company's Articles of Association.

Before starting the agenda, the assistance to the Chairman was appointed to inform the Meeting for the vote method and the vote counting system as follows:

### **Vote Method:**

- Each shareholder has one vote for each share.
- To cast a vote for each agenda, shareholders who attend the meeting in person who would like to vote disagree or abstain are required to complete the voting cards being given. Shareholders are to hand over the voting cards for the disagreed and abstained votes to the Company's representative for counting the votes. Except for the Agenda to appoint the directors, the voting card will be collected from every shareholder. Shareholders who do not submit the voting card will be assumed to approve the agenda as proposed by the Company, and the votes will be counted according to the number of shares they hold. In regard to votes

by proxy, the Company shall record the votes for each Agenda from the respective shareholder proxies.

- Except for custodian, shareholders must vote with all of their shareholding registered at the meeting for each agenda to approve, disapprove or abstain as they can not split the votes.
- The vote is invalid if the proxy holder does not vote according to the voting intention made by shareholders, shareholders or proxy holders fill the voting cards/proxy form in a manner that makes the voter’s decision unclear, no marking (blank), more than one box marked, no signature when make any change, or there are split votes (except for the case of custodian).

**Vote counting system:**

- The objection or abstention shall be deducted from the agreed votes concerning each agenda.
- The resolution of all proposed agendas shall be passed when receiving the majority vote of the eligible shareholders present at the meeting including proxies.
- In case of a tie vote, the Chairman shall be entitled to a casting vote.
- The barcode system is used in the registration and vote-counting processes for transparent, accurate and fast results as previous years.

After explaining the voting procedures, the Chairman called the meeting to order and announced that the meeting was held pursuant to the prior written Meeting Notice given to shareholders in advance.

**Agenda 1: To approve the Minutes of the Annual General Meeting of Shareholders No. 27/2020 which was held on 30 April 2020**

The Chairman proposed the Meeting to certify the Minutes of the Annual General Meeting of Shareholders No. 27/2020, which was enclosed in the Notice of the Meeting sent to shareholders in advance.

The Chairman opened for questions or comments. As there was no question from shareholders, the Chairman asked the Meeting to vote on this agenda item.

**Vote result:** The result of the vote count was as follows.

Approve	634,072,737 Votes;	100 %
Disapprove	0 Votes;	0 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %

**Resolution:** The Meeting approved the Minutes of the Annual General Meeting No. 27/2020 that was held on 30 April 2020.

**Agenda 2: To acknowledge the operation’s results of the Company in 2020**

The Chairman invited Mr. Richard Han to report the operation’s results of the Company for the year 2020 including Management Discussion and Analysis (MD&A). Mr. Richard presented to the Meeting as follows.

Hana's key financial performance figures for the year 2020 compared to 2019 were:-

- Revenues down 5% from THB 20,384 million in 2019 to THB 19,282 million in 2020
- Operating income up 23% from THB 1,408 million in 2019 to THB 1,725 million in 2020
- EBITDA income up 14% from THB 2,546 million in 2019 to THB 2,900 million in 2020
- NPAT up 6% from THB 1,804 million in 2019 to THB 1,908 million in 2020
- Cash and financial investments up from THB 8.5 billion at YE 2019 to THB 9.7 billion at year ending 2020
- Gross dividend payout up 7.7% from THB 1.30/share for 2019 to THB 1.40/share for 2020

### **Revenue Analysis: Group Sales Revenues reduced by 5.0% YoY**

In 2020 there was only one story – the impact of the COVID-19 pandemic on the Hana Group. Overall we saw steep drops in revenue as the world locked down in the first half with a recovery in Q4 as the global economy started to improve.

China was the first to lockdown during the Chinese New Year as the virus began to spread hitting our Jiaying plant which was closed for over five weeks. When we include all the knock-on effects and the disruption to the supply chain, plus pre-planned relocation of certain product lines to LPN, the IC sales dropped 17% YoY and PCBA sales dropped 7% YoY.

Due to the pandemic in LPN, we saw a drop of 5% and in AYT, a drop of 2% YoY. A weak second & third quarter was supported by a recovery in the final quarter as strong demand for semiconductors gathered pace towards the year-end. For Hana Technologies Inc., we suffered a 18% drop YoY as the US was hit hard with lock downs. Our Cambodian unit actually saw an increase of 26% YoY due to the increase in our remote assembly in the first half of 2020 which then was abruptly stopped for second half of the year.

The implementation of SAP S/4 in LPN was done successfully and without any major issues.

### **Operating profit analysis: Operating profits increase 23% YoY**

Operating profits increased year on year from THB 1.4 billion in 2019 to THB 1.7 billion in 2020. The main reasons were due to the strengthening of the THB by ~8% in the first half of the year coupled with a positive impact relating to written back inventory taken in Q4/19. Overall the lockdown caused a top line reduction of 5% however a weakening of the US\$ later in the year reversed some of the first half gains.

## **Group Net profit analysis: Net Profit increased by 6% YoY**

Net Profit increased by 6% to THB 1.9 billion in 2020 from THB 1.8 billion in 2019 supported predominately by the strength in operating profits whilst the US\$/THB rate swung significantly during the year. Our hedging activities netted a gain of THB136 million compared to a gain of THB 334 million in 2019.

## **Cash reserve analysis**

The group generated THB 2.9 billion in EBITDA in 2020 up 14% over 2019 and has no interest bearing debt. Cash reserves (and financial investments) were THB 9.7 billion at year ended 2020 up from THB 8.5 billion at year ended 2019. The group's capital expenditure in 2020 was THB 1.05 billion a slight decrease compared to 2019. This included no cut backs on our R&D expenditure which we believe are vital for our future growth and an interim dividend payout of THB 523 million. The group generated approximately THB 1.35 billion in free cash flow during 2020.

## **2021 Outlook and the company strategies**

2021 has started with a second wave of global lockdowns as the winter months and lax attention to health guidelines took their toll. However, the economic impacts have been better overseen with central banks support and better health management. Finally, the arrival of various vaccines has heralded what is believed to be finally the beginning of the end of Covid-19. That said, with various mutations and the enormous logistical issues with implantation, it will take more than a year to see the overall positive impact. However global economic growth is expected to accelerate from what was a historically low 2020 and the electronics industry which overall rode the pandemic better than most, is anticipated to benefit from the anticipated economic rebound. The acceleration in the launch of 5G will positively impact Hana's biggest industrial exposure of smartphone, and autos have unexpectedly recovered quickly, (especially in China) to the point whereby some have been caught off-guard with their inventory management.

Whilst it is still uncertain how the new US administration will interact with China, it seems that the decoupling theme and competitive rivalry will continue with so far no indications to any changes on the tariff issue. Further we should be aware that tensions in the South China Sea may become a flash point as tensions do not seem to be subsiding.

Hana will expand our investment in 2021 and we project to invest about THB 2.2 billion which is in excess of 100% increase over 2020. This is mainly to expand our capacity for the IC industry where there is currently a shortage of capacity and large demand and further continue with our power management R&D development.

As in the past we will continue with our core strategic philosophies in order to grow our top-line and improve margins whilst endeavoring not to over expose the group to any significant economic challenges.

We endeavor to achieve this by:

1. Maintaining good diversity so as not to rely on any one customer or industry.
2. Continue to invest in automation both in IT software and manufacturing equipment to improve productivity and quality to enhance our competitiveness.
3. Increase productivity through automation and innovation
4. Identify and invest in future high growth activities
5. Keep a strong balance sheet to ensure we can overcome any prolonged downturn should it happen and invest when the opportunity arises to support new opportunities.
6. Monitor possible M&A targets with a disciplined focus on value and synergy.

The Chairman further reported the Company's anti-corruption policy and status to the meeting as follows.

#### **Hana Anti-corruption Policy and Status**

The Board of Directors realizes the importance of the anti-corruption. Hana has a zero tolerance of bribery and corruption. The Company prohibits the Board of Directors, management, employees or third parties in their relationship with the Company, being involved in any act of corruption in any form in all business transactions to benefit directly or indirectly and shall comply with the applicable laws and regulations in all the countries in which the Company operates.

The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption since 2015.

The Chairman opened for questions or comments. As there was no further question from shareholders, the Chairman then announced that the Meeting acknowledged the operation's results of the Company for the year 2020.

#### **Agenda 3: To approve the financial statements for the year ended 31 December 2020**

The Chairman proposed the meeting to approve the financial statements for the financial period year ended 31 December 2020 and the auditor's report, all of which have been reviewed by the Audit Committee.

The Chairman opened for questions or comments. As there was no further question from shareholders, the Chairman proposed the Meeting to vote on this agenda item.

**Vote result:** The result of the vote count was as follows.

Approve	634,072,737 Votes;	100 %
Disapprove	0 Votes;	0 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %

**Resolution:** The Meeting approved the financial statements for the year ended 31 December 2020.

**Agenda 4: To approve the dividend payment for the year 2020**

The Chairman informed that the dividend policy of the Company is 30% to 100% of its consolidated net income after deduction of all specified reserves, subject to the Company and its subsidiaries' cash flow and investment plans, including justifications and other considerations as deemed appropriate.

In consideration of the dividend policy and performance in 2020, the Board recommends to pay the final dividend for the financial year ended 2020 at Baht 0.75 per share which is paid from the net profit and retained earnings as at 31 December 2020 by setting the Record Date on 12 March 2021. The dividend payment will be made on 17 May 2021. The final dividend of Baht 0.75 per share is paid from the net profit and retained earnings from BOI promoted businesses which has the tax exemption.

On 9 November 2020, the Company paid an interim dividend from the net profit of the first six months period of 2020 at the rate of Baht 0.65 per share. The dividend of Baht 0.45 per share was paid from BOI promoted businesses which has the tax exemption and another Baht 0.20 was paid from Non-BOI businesses which is subjected to 10% withholding tax so the interim dividend paid was Baht 0.63 per share net. Therefore, the total dividend payment for the financial year ended 31 December 2020 will be Baht 1.40 per share gross or Baht 1.38 per share net.

The Chairman opened for questions or comments. As there was no question, the Chairman proposed the Meeting to vote on this agenda item.

**Vote result:** The result of the vote count was as follows.

Approve	634,072,737 Votes;	100 %
Disapprove	0 Votes;	0 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %

**Resolution:** The Meeting acknowledged the interim payment at the rate of Baht 0.65 per share that was paid on 9 November 2020 and approved the annual dividend payment for the year 2020 at the rate of Baht 0.75 per share to be paid on 17 May 2021. The final dividend of Baht 0.75 per share is paid from the net profit and retained earnings as at 31 December 2020 from BOI promoted businesses which has the tax exemption.

The total 2020 dividend would be Baht 1.40 per share gross or Baht 1.38 per share net which was composed of interim dividend Baht 0.65 per share paid on 9 November 2020 and the final dividend Baht 0.75 per share gross to be paid on 17 May 2021.

**Agenda 5: To approve the re-appointment of directors in place of those retired by rotation**

The Chairman informed the Meeting that Mr. Richard David Han and Mr. Yingsak Jenratha were the interested directors to be re-appointed at this year so they therefore expressed the intent to leave the room.

The Chairman informed the Meeting that one-third of the directors, who have served the longest term, must retire by rotation at every Annual General Meeting according to the Company's Articles of Association. The Company invited shareholders to propose candidates to be elected as directors since October - December 2020 and there were no proposals given. Therefore, the Chairman proposed the Meeting to consider the directors whose tenure has ended. This year, directors whose tenure has ended are:

- 1) Mr. Richard David Han – be appointed as an executive director
- 2) Mr. Yingsak Jenratha – be appointed as an independent director

The Chairman further advised that those two directors were proposed by the Nomination Committee to be re-elected due to the satisfaction with their performance, effectiveness and commitment to the roles. Both of them have qualifications suitable to the Company's business and have qualifications as prescribed by relevant laws and regulations. The brief profile of those directors had been distributed to shareholders for consideration.

The Chairman opened for questions or comments. As there was no question, the Chairman proposed the Meeting to re-appoint by individual director as follows:

**5.1 Appoint Mr. Richard David Han as an executive director for another term**

**Vote result:** The result of the vote count was as follows.

Approve	608,129,737 Votes;	95.9085 %
Disapprove	24,903,000 Votes;	3.9275 %
Abstain	1,040,000 Votes;	0.1640 %
Invalid	0 Votes;	0 %

**5.2 Appoint Mr. Yingsak Jenratha as an independent director for another term**

**Vote result:** The result of the vote count was as follows.

Approve	625,193,137 Votes;	98.5996 %
Disapprove	8,879,600 Votes;	1.4004 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %



**Resolution:** The Meeting approved the appointment of Mr. Richard David Han as an executive director and Mr. Yingsak Jenratha as an independent director for another term.

**Agenda 6: To approve the directors’ remuneration for 2021**

The Chairman proposed the meeting to consider and approve the remuneration of the Board of Directors for the year 2021 at the below rates not exceeding Baht 5,000,000.

<b>Position</b>	<b>Meeting Allowance</b>	<b>Bonus</b>	<b>Other benefits</b>
Chairman of the Board of Directors	92,000 Baht	Minimum one time of meeting allowance depending on the Company’s performance	None
Independent Directors	55,000 Baht	Minimum one time of meeting allowance depending on the Company’s performance	None
Executive Directors*	None	None	None

\*There is no remuneration for executive directors as they receive the remuneration as the Company’s management/employees, not as the Board of Directors.

The Chairman opened for questions or comments. As there was no question, the Chairman proposed the Meeting to vote on this agenda item.

**Vote result:** The result of the vote count was as follows.

Approve	633,590,937 Votes;	99.9240 %
Disapprove	481,800 Votes;	0.0760 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %

**Resolution:** The Meeting approved the Board of Directors’ remuneration for 2021 at the rate proposed but not exceeding Baht 5,000,000.

**Agenda 7: To approve the appointment of the Company’s auditors for the year 2021 and to fix the auditors’ remuneration**

The Chairman proposed the Meeting to consider and approve the appointment of the following auditors for the fiscal year 2021.

1. Ms. Kamontip Lertwitworatep C.P.A. Registration No. 4377 and/or
2. Mrs. Sarinda Hirunprasurtwutti C.P.A. Registration No. 4799 and/or
3. Mr. Wichart Lokatekrawee C.P.A. Registration No. 4451

of EY Office Limited to be the auditors of the Company with the remuneration of not exceeding Baht 2,450,000 (excluding out-of-pocket expenses). In the event

those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place.

The Chairman opened for questions or comments. As there was no question, the Chairman proposed the Meeting to vote on this agenda item.

**Vote result:** The result of the vote count was as follows.

Approve	631,953,737 Votes;	99.6658 %
Disapprove	2,119,000 Votes;	0.3342 %
Abstain	0 Votes;	0 %
Invalid	0 Votes;	0 %

**Resolution:** The Meeting approved the appointment of Ms. Kamontip Lertwitworatep and/or Mrs. Sarinda Hirunprasurtwutti and/or Mr. Wichart Lokatekrawee of EY Office Limited as the auditors of Hana Microelectronics Public Co., Ltd. for the year 2021 with the total remuneration not exceeding Baht 2,450,000 (excluding out-of-pocket expenses).

**Agenda 8: Other business**

The Chairman informed the Meeting that all the business agenda items had completed. The Chairman asked if any shareholders desired other matters to be discussed, or any questions to ask.

As there was no any other item brought up, the Chairman expressed his thanks and appreciation to shareholders who attended the meeting. The Chairman then declared the Meeting adjourned at 14:47 hrs.

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 (Mr. John Thompson)  
 Chairman of the Board of Directors