

Hana Microelectronics Public Company Limited  
and its subsidiaries  
Report and interim financial statements  
For the three-month period ended 31 March 2013

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Hana Microelectronics Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Hana Microelectronics Public Company Limited and its subsidiaries as at 31 March 2013, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Hana Microelectronics Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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

### **Emphasis of matter**

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. My conclusion is not qualified in respect of this matter.

**Other matter**

The consolidated statement of financial position of Hana Microelectronics Public Company Limited and its subsidiaries, and the separate statement of financial position of Hana Microelectronics Public Company Limited as at 31 December 2012, presented as comparative information, were audited by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 27 February 2013. The consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2012 of Hana Microelectronics Public Company Limited and its subsidiaries, and the separate financial statements of Hana Microelectronics Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under her report dated 14 May 2012, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok: 14 May 2013

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 March	31 December	1 January	31 March	31 December	1 January
		2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	4	3,686,335	3,111,181	3,824,147	275,021	94,145	520,425
Short-term investments	6	2,207,110	2,370,090	2,014,320	-	-	-
Trade and other receivables	5, 7	2,378,027	2,764,216	2,568,516	1,121,822	1,261,697	1,275,015
Insurance claim receivable	16	-	-	300,000	-	-	-
Inventories	8	2,552,420	2,847,768	2,646,579	817,642	915,062	993,410
Other current assets		151,661	162,931	154,071	55,359	49,327	58,846
<b>Total current assets</b>		<b>10,975,553</b>	<b>11,256,186</b>	<b>11,507,633</b>	<b>2,269,844</b>	<b>2,320,231</b>	<b>2,847,696</b>
<b>Non-current assets</b>							
Investments in subsidiary companies	9	-	-	-	3,427,502	3,427,502	3,427,502
Other long-term investment		97	97	97	97	97	97
Property, plant and equipment	10	6,520,641	6,621,701	6,372,590	1,871,819	1,701,265	1,630,984
Intangible assets		14,848	15,957	14,541	3,921	4,088	4,756
Deferred tax assets	3	19,783	14,967	15,801	10,297	4,682	3,762
Other non-current assets		21,576	20,724	16,851	1,329	1,329	1,329
<b>Total non-current assets</b>		<b>6,576,945</b>	<b>6,673,446</b>	<b>6,419,880</b>	<b>5,314,965</b>	<b>5,138,963</b>	<b>5,068,430</b>
<b>Total assets</b>		<b>17,552,498</b>	<b>17,929,632</b>	<b>17,927,513</b>	<b>7,584,809</b>	<b>7,459,194</b>	<b>7,916,126</b>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 March	31 December	1 January	31 March	31 December	1 January
		2013	2012	2012	2013	2012	2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institution	11	21,640	24,435	38,821	-	-	-
Trade and other payables	5, 12	1,888,129	2,087,840	2,506,443	805,387	775,390	1,004,751
Short-term provisions	18.5	444,341	448,350	368,474	214,575	214,575	150,466
Income tax payable		56,477	60,052	15,155	12,209	7,870	5,450
Other current liabilities		44,443	38,072	65,341	29,752	23,148	23,278
<b>Total current liabilities</b>		<b>2,455,030</b>	<b>2,658,749</b>	<b>2,994,234</b>	<b>1,061,923</b>	<b>1,020,983</b>	<b>1,183,945</b>
<b>Non-current liabilities</b>							
Provision for long-term employee benefits		397,497	376,361	352,899	185,652	167,074	154,851
<b>Total non-current liabilities</b>		<b>397,497</b>	<b>376,361</b>	<b>352,899</b>	<b>185,652</b>	<b>167,074</b>	<b>154,851</b>
<b>Total liabilities</b>		<b>2,852,527</b>	<b>3,035,110</b>	<b>3,347,133</b>	<b>1,247,575</b>	<b>1,188,057</b>	<b>1,338,796</b>
<b>Shareholders' equity</b>							
Share capital							
Registered							
974,403,900 ordinary shares of Baht 1 each							
(31 December 2012: 974,403,900 ordinary shares of Baht 1 each)							
(1 January 2012: 1,000,000,000 ordinary shares of Baht 1 each)							
	13	<u>974,404</u>	<u>974,404</u>	<u>1,000,000</u>	<u>974,404</u>	<u>974,404</u>	<u>1,000,000</u>
Issued and fully paid-up							
804,878,860 ordinary shares of Baht 1 each							
(31 December 2012: 804,878,860 ordinary shares of Baht 1 each)							
(1 January 2012: 830,474,960 ordinary shares of Baht 1 each)							
	13	804,879	804,879	830,475	804,879	804,879	830,475
Share premium		1,723,219	1,723,219	1,723,219	1,723,219	1,723,219	1,723,219
Retained earnings							
Appropriated - statutory reserve							
		375,919	352,497	320,218	100,000	100,000	100,000
Appropriated - reserve for treasury shares							
	13	-	-	262,987	-	-	262,987
Unappropriated							
		12,315,539	12,194,644	11,798,452	3,709,136	3,643,039	3,923,636
Other components of shareholders' equity		(519,585)	(180,717)	(91,984)	-	-	-
<b>Total shareholders' equity</b>		<b>14,699,971</b>	<b>14,894,522</b>	<b>14,843,367</b>	<b>6,337,234</b>	<b>6,271,137</b>	<b>6,840,317</b>
Treasury shares	13	-	-	(262,987)	-	-	(262,987)
<b>Total shareholders' equity</b>		<b>14,699,971</b>	<b>14,894,522</b>	<b>14,580,380</b>	<b>6,337,234</b>	<b>6,271,137</b>	<b>6,577,330</b>
<b>Total liabilities and shareholders' equity</b>		<b>17,552,498</b>	<b>17,929,632</b>	<b>17,927,513</b>	<b>7,584,809</b>	<b>7,459,194</b>	<b>7,916,126</b>
		-	-	-	-	-	-

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

Directors

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(Unaudited but reviewed)

## Hana Microelectronics Public Company Limited and its subsidiaries

## Income statement

For the three-month period ended 31 March 2013

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Revenues</b>					
Sales		3,621,866	3,987,617	1,540,691	1,857,004
Interest income		35,244	43,235	37	2,154
Gain on exchange		72,132	89,620	-	-
Others income	16	96,828	115,408	12,981	18,375
<b>Total revenues</b>		<b>3,826,070</b>	<b>4,235,880</b>	<b>1,553,709</b>	<b>1,877,533</b>
<b>Expenses</b>					
Cost of sales		3,447,416	3,640,796	1,408,690	1,584,736
Selling expenses		29,057	34,493	6,360	6,611
Administrative expenses		198,955	259,536	61,276	44,703
Loss on exchange		-	-	11,923	1,492
Other expenses		5,185	6,342	-	-
<b>Total expenses</b>		<b>3,680,613</b>	<b>3,941,167</b>	<b>1,488,249</b>	<b>1,637,542</b>
<b>Profit before finance cost and income tax expenses</b>					
Finance cost		(1,839)	(1,789)	(578)	(567)
<b>Profit before income tax expenses</b>		<b>143,618</b>	<b>292,924</b>	<b>64,882</b>	<b>239,424</b>
Income tax expenses	14	699	(18,190)	1,215	(7,221)
<b>Profit for the period</b>		<b>144,317</b>	<b>274,734</b>	<b>66,097</b>	<b>232,203</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		144,317	274,734	66,097	232,203
<b>Earnings per share</b>					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)	15	0.18	0.34	0.08	0.29
Number of weighted average ordinary shares					
(Thousand shares)		804,879	804,879	804,879	804,879

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

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Profit for the period</b>		<u>144,317</u>	<u>274,734</u>	<u>66,097</u>	<u>232,203</u>
<b>Other comprehensive income:</b>					
Gain (loss) on change in value of available-for-sale investments	6.2	(7,512)	47,319	-	-
Exchange differences on translation of financial statements in foreign currency		<u>(331,356)</u>	<u>(193,576)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income (loss) for the period</b>		<u>(338,868)</u>	<u>(146,257)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (loss) for the period</b>		<u>(194,551)</u>	<u>128,477</u>	<u>66,097</u>	<u>232,203</u>
<b>Total comprehensive income (loss) attributable to:</b>					
Equity holders of the Company		<u>(194,551)</u>	<u>128,477</u>	<u>66,097</u>	<u>232,203</u>

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

(Unaudited but reviewed)

## Hana Microelectronics Public Company Limited and its subsidiaries

## Statement of cash flows

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit before tax	143,618	292,924	64,882	239,424
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	303,004	290,828	71,401	71,550
Amortisation expenses	1,003	801	167	167
Reversal allowance for doubtful accounts	(2,298)	(6,085)	-	-
Reduction of inventories to net realisable value	2,114	30,249	21,336	33,172
Loss (gain) on disposals/write-off equipment	(294)	(6,683)	469	39
Reversal for impairment loss on assets	(783)	-	-	-
Provision for product warranty	5,185	6,342	-	-
Provision for vacation	539	-	539	-
Provision for long-term employee benefits	27,126	19,539	18,603	6,530
Gain on sales of short-term investments	(4,642)	(9,167)	-	-
Gain on redemption of swap contracts	(104)	-	-	-
Revaluation gain on investments in securities held for trading	(720)	(3,962)	-	-
Unrealised loss (gain) on exchange	(4,008)	6,916	(2,105)	11,008
Unrealised gain on forward contracts	(28,199)	(23,169)	-	-
Unrealised loss on swap contract	-	228	-	-
Interest income from short-term investments	(26,627)	(28,151)	-	-
Interest expenses	202	87	-	-
Profit from operating activities before changes in operating assets and liabilities	415,116	570,697	175,292	361,890
Operating assets (increase) decrease				
Trade and other receivables	359,760	(364,292)	126,810	(70,699)
Insurance claim receivable	-	300,000	-	-
Inventories	293,233	116,957	76,084	82,743
Other current assets	39,680	35,509	(6,032)	5,877
Other non-current assets	32	8,693	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(139,109)	(153,930)	16,156	(82,966)
Other current liabilities	5,833	7,184	6,065	1,425
Provision for long-term employee benefits	(5,990)	(7,054)	(25)	(936)
Cash from operating activities	968,555	513,764	394,350	297,334
Cash paid for redemption of swap contracts	(195)	-	-	-
Cash paid for income tax	(8,246)	(2,859)	(221)	(102)
<b>Net cash from operating activities</b>	<b>960,114</b>	<b>510,905</b>	<b>394,129</b>	<b>297,232</b>

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

(Unaudited but reviewed)

## Hana Microelectronics Public Company Limited and its subsidiaries

## Statement of cash flows (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from investing activities</b>				
Increase (decrease) in short-term investments	70,765	(153,473)	-	-
Interest income from short-term investments	26,039	26,928	-	-
Proceeds from sales of short-term investments	90,066	274,217	-	-
Acquisitions of property, plant and equipment	(245,631)	(433,590)	(213,346)	(132,815)
Proceeds from disposals of equipment	8,538	46,774	93	411
Decrease (increase) in intangible assets	107	(15)	-	-
Increase in other non-current assets	(884)	(13,105)	-	-
<b>Net cash used in investing activities</b>	<b>(51,000)</b>	<b>(252,264)</b>	<b>(213,253)</b>	<b>(132,404)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institution	(2,795)	16,128	-	-
Cash paid for interest expenses	(202)	(87)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(2,997)</b>	<b>16,041</b>	<b>-</b>	<b>-</b>
Increase in cash and cash equivalents	906,117	274,682	180,876	164,828
Translation adjustment	(330,963)	(193,267)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>575,154</b>	<b>81,415</b>	<b>180,876</b>	<b>164,828</b>
Cash and cash equivalents at beginning of period	3,111,181	3,824,147	94,145	520,425
<b>Cash and cash equivalents at end of period (Note 4)</b>	<b>3,686,335</b>	<b>3,905,562</b>	<b>275,021</b>	<b>685,253</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash related transactions from investing activities				
Net increase (decrease) in accounts payable				
for purchase of plant and equipment	(36,225)	66,387	29,170	(2,732)
Revaluation surplus (deficit) on changes in fair value of				
available-for-sale investments	(7,512)	13,473	-	-
Translation adjustment for deferred tax assets	393	309	-	-

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



(Unaudited and reviewed)

## Hana Microelectronics Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

<b>Separate financial statements</b>									
	Note	Issued and paid up share capital	Share premium	Retained earnings			Total equity attributable to		Total
				Appropriated		Unappropriated	owners of the Company	Treasury shares	
				Statutory reserve	Reserve for treasury shares				
<b>Balance as at 1 January 2012 - as previously reported</b>		830,475	1,723,219	100,000	262,987	3,919,874	6,836,555	(262,987)	6,573,568
Cumulative effect of change in accounting policy for deferred tax	3	-	-	-	-	3,762	3,762	-	3,762
<b>Balance as at 1 January 2012 - as restated</b>		830,475	1,723,219	100,000	262,987	3,923,636	6,840,317	(262,987)	6,577,330
Total comprehensive income for the period (restated)		-	-	-	-	232,203	232,203	-	232,203
Write-off treasury shares	13	(25,596)	-	-	(262,987)	25,596	(262,987)	262,987	-
<b>Balance as at 31 March 2012</b>		<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>-</u>	<u>4,181,435</u>	<u>6,809,533</u>	<u>-</u>	<u>6,809,533</u>
<b>Balance as at 1 January 2013 - as previously reported</b>		804,879	1,723,219	100,000	-	3,638,357	6,266,455	-	6,266,455
Cumulative effect of change in accounting policy for deferred tax	3	-	-	-	-	4,682	4,682	-	4,682
<b>Balance as at 1 January 2013 - as restated</b>		804,879	1,723,219	100,000	-	3,643,039	6,271,137	-	6,271,137
Total comprehensive income for the period		-	-	-	-	66,097	66,097	-	66,097
<b>Balance as at 31 March 2013</b>		<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>-</u>	<u>3,709,136</u>	<u>6,337,234</u>	<u>-</u>	<u>6,337,234</u>

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

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2013**

**1. General information**

**1.1 Corporate information**

Hana Microelectronics Public Company Limited (“the Company”) was incorporated as a limited company under Thai law and transformed to be a public limited company under the Public Limited Companies Act on 27 January 1993. The Company operates its business in Thailand and is principally engaged in the manufacture and sales of electronic components. Its registered address is at 10/4, Moo 3, Vibhavadi-Rangsit Road, Kwang Talad Bangkhen, Khet Laksi, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 Basis of consolidation**

These consolidated interim financial statements include the financial statements of Hana Microelectronics Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2012. There are no changes in the group structure during the current period.

#### 1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

TAS 20 (revised 2009), TSIC 10, TSIC 21, TSIC 25 and Accounting Treatment Guidance for Transfers of Financial Assets are not relevant to the business of the Company and TAS 21 (revised 2009) and TFRS 8 do not have any significant impact on the financial statements for the current period, except for TAS 12 as follow.

##### **TAS 12 Income Taxes**

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

## 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policy due to the adoption of TAS 12 *Income Taxes* as follow:

### **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 Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 Company and its subsidiaries review and reduce 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## 2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which have been published in the Royal Gazette, during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiaries have assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that these are not relevant to the business of the Company and its subsidiaries, except TFRIC 10 for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

### 3. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position, income statement and the statement of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
<b>Statement of financial position</b>						
Increase in deferred tax assets	19,783	14,967	15,801	10,297	4,682	3,762
Increase in unappropriated retained earnings	20,176	15,242	15,378	10,297	4,682	3,762
Decrease in other components of shareholders' equity	(393)	(275)	423	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended			
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Income statement</b>				
Increase (decrease) in income tax	(5,209)	347	(5,615)	211
Increase (decrease) in profit attributable to equity holders of the Company	5,209	(347)	5,615	(211)
Decrease in basic earnings per share (Baht)	(0.01)	-	(0.01)	-
<b>Statement of comprehensive income:</b>				
Decrease in exchange differences on translation of financial statements in foreign currency	393	309	-	-

(Unaudited but reviewed)

#### 4. Cash and cash equivalents

Cash and cash equivalents as at 31 March 2013 and 31 December 2012 as presented in the statement of financial position consisted of the following:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Cash	729	926	187	140
Bank deposits	3,365,340	1,841,953	174,834	94,005
Bills of exchange	280,000	180,000	100,000	-
Fixed deposits with maturity not over 3 months	40,266	1,088,302	-	-
Total cash and cash equivalents	<u>3,686,335</u>	<u>3,111,181</u>	<u>275,021</u>	<u>94,145</u>

#### 5. Related party transactions

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

(Unit: Million Baht)

	Separate financial statements		Pricing policies
	For the three-month periods ended 31 March		
	<u>2013</u>	<u>2012</u>	
<b>Transactions with subsidiaries</b> (eliminated from the consolidation)			
Sales	4	4	Prices agreed between the parties due to the uniqueness of products sold to each customer
Rental income	1	2	Contract price
Purchase of materials	35	104	Cost plus margin
Purchase of fixed assets	3	46	Cost plus margin
Service fee expenses	-	2	Rates stipulated in the agreement

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2013 and 31 December 2012 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
31 March 2013	31 December 2012	31 March 2013	31 December 2012	
<b>Trade and other receivables (Note 7)</b>				
<b>Trade receivables - related parties</b>				
Subsidiaries	-	-	23,398	26,824
<b>Total trade receivables - related parties</b>	-	-	23,398	26,824
<b>Other receivables - related parties</b>				
Subsidiary	-	-	315	3,780
Related company (by way of common directors)	32	32	-	-
<b>Total other receivables - related parties</b>	32	32	315	3,780
<b>Total trade and other receivables</b>	32	32	23,713	30,604
<b>Trade payables - related parties (Note 12)</b>				
Subsidiaries	-	-	235,247	224,226
<b>Total trade payables - related parties</b>	-	-	235,247	224,226

### **Directors' and management's remuneration**

During the three-month periods ended 31 March 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
financial statements		financial statements		
2013	2012	2013	2012	
Short-term employee benefits	14.5	17.4	2.6	2.6
Post-employment benefits	1.6	0.1	0.2	0.1
<b>Total</b>	16.1	17.5	2.8	2.7

**6. Short-term investments**

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2013		31 December 2012	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
<b>Securities held for trading</b>				
Overseas marketable equity				
securities	87,925	96,700	91,896	100,091
Unsecured subordinated notes	29,018	30,470	30,154	31,465
Total	116,943	127,170	122,050	131,556
Add: Revaluation surplus on changes				
in value of investments	10,227	-	9,506	-
Investments in securities held for trading	127,170	127,170	131,556	131,556
<b>Available-for-sale securities</b>				
Overseas marketable corporate				
bonds	1,020,095	1,145,349	1,080,730	1,213,375
Local quoted bonds	29,311	30,788	30,634	31,661
Overseas quoted bonds	822,078	897,917	910,962	987,372
Total	1,871,484	2,074,054	2,022,326	2,232,408
Add: Revaluation surplus on changes				
in value of investments	202,570	-	210,082	-
Investments in available-for-sale securities	2,074,054	2,074,054	2,232,408	2,232,408
<b>Fixed deposit with financial institution</b>				
Fixed deposit within 1 year	5,886	5,886	6,126	6,126
Investment in fixed deposit with financial institution	5,886	5,886	6,126	6,126
<b>Total short-term investments</b>	<b>2,207,110</b>	<b>2,207,110</b>	<b>2,370,090</b>	<b>2,370,090</b>

## **6.1 Securities held for trading**

Since the third quarter of 2008, Hana Microelectronics International Company Limited, an overseas subsidiary company, has invested in mutual fund of a company listed on the Stock Exchange of Cayman Island, bond investment trust of an overseas bank, and during 2012 additionally invested in interest bearing unsecured subordinated notes of a company listed on the Stock Exchange of Australia. The subsidiary classified these investments as held for trading purpose.

As at 31 March 2013, the subsidiary had assessed the fair value of the equity securities for mutual fund, the bond investment trust from an overseas bank and the interest bearing unsecured subordinated notes by referring to the latest bid price as quoted on the Stock Exchanges, in which the fair value had increased by USD 0.04 million or equivalent to approximately Baht 0.7 million (2012: increased by USD 0.1 million or equivalent to approximately Baht 4 million). The changes in the fair value of these investments were recognised in the income statements.

## **6.2 Available-for-sale securities**

In addition, this subsidiary has invested in private corporate bonds issued by various companies listed on the overseas Stock Exchanges and quoted bonds through the three overseas banks. These investments are classified as available-for-sale investments. During the three-month period ended 31 March 2013, the subsidiary additionally invested in an overseas quoted bond, and disposed some of the overseas quoted bonds, resulting in gain of USD 0.2 million or equivalent to approximately Baht 4.6 million (2012: gain of USD 0.3 million or equivalent to approximately Baht 9.2 million).

As at 31 March 2013, the subsidiary had assessed the fair value of the bonds by referring to the value quoted by the banks in which the fair value had decreased by USD 0.05 million or equivalent to approximately Baht 7.5 million (2012: increased by USD 1.6 million or equivalent to approximately Baht 47.3 million). The changes in the fair value of such bonds are shown as other comprehensive income in the statements of comprehensive income.

As at 31 March 2013, part of short-term investments were used as security for short-term loans from financial institution as discussed in Note 11.

(Unaudited but reviewed)

**7. Trade and other receivables**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
<b><u>Age of receivable</u></b>	2013	2012	2013	2012
Trade receivables - subsidiary companies				
Not yet due	-	-	1,095	997
Past due				
Up to 3 months	-	-	4,343	3,114
3 - 6 months	-	-	2,932	12,916
6 - 12 months	-	-	13,453	8,175
Over 12 months	-	-	1,575	1,622
Total trade receivables - subsidiary companies (Note 5)	-	-	23,398	26,824
Trade receivables - unrelated parties				
Not yet due	1,838,461	2,057,526	921,104	1,003,769
Past due				
Up to 3 months	417,151	596,354	169,458	217,752
3 - 6 months	29,584	23,758	130	3,418
6 - 12 months	16,321	16,349	718	286
Over 12 months	2,575	3,173	3	3
Total trade receivables - unrelated parties	2,304,092	2,697,160	1,091,413	1,225,228
Less: Allowance for doubtful accounts	(4,606)	(6,904)	-	-
Total trade receivables - unrelated parties - net	2,299,486	2,690,256	1,091,413	1,225,228
Total trade receivables - net	2,299,486	2,690,256	1,114,811	1,252,052
Other receivables - related parties (Note 5)	32	32	315	3,780
Other receivables - unrelated parties	78,509	73,928	6,696	5,865
Total other receivables	78,541	73,960	7,011	9,645
Trade and other receivables - net	2,378,027	2,764,216	1,121,822	1,261,697

## 8. Reduction of inventories to net realisable value

Movements in the adjustment to reduce inventories to net realisable value during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2012</b>	399,285	284,149
Reduction of inventory value during the period	90,876	39,338
Reversal of reduction of inventory value during the period	(70,760)	-
Write-off obsolete and damaged inventories during the period	(18,002)	(18,002)
<b>Balance as at 31 March 2013</b>	<b>401,399</b>	<b>305,485</b>

## 9. Investments in subsidiary companies

Company's name	(Unit: Thousand Baht)					
	Separate financial statements					
	Paid up capital		Shareholding percentage		Cost	
	31 March 2013	31 December 2012	31 March 2013  Percent	31 December 2012  Percent	31 March 2013	31 December 2012
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100
Omac Sales Limited	325	325	100	100	273,492	273,492
Hana Microelectronics International Company Limited	-	-	100	100	-	-
Hana Microelectronics Investment Company Limited	-	-	100	100	-	-
Hana Technologies Group Limited	-	-	100	100	-	-
Total investments in subsidiary companies					<u>3,427,502</u>	<u>3,427,502</u>

**10. Property, plant and equipment**

Movements in the property, plant and equipment account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2012</b>	6,621,701	1,701,265
Acquisitions during the period - at cost	286,146	242,517
Disposals/write-off during the period - net book value at disposal/write-off date	(8,244)	(562)
Depreciation for the period	(303,004)	(71,401)
Allowance for impairment reversed during the period	783	-
Translation adjustment	(76,741)	-
<b>Net book value as at 31 March 2013</b>	<b>6,520,641</b>	<b>1,871,819</b>

**11. Short-term loans from financial institution**

The balances of short-term loans from financial institution of an overseas subsidiary as at 31 March 2013 and 31 December 2012 are summarised below.

	(Unit: Million)	
	31 March 2013	31 December 2012
	AUD	USD
Principal loan balance	0.71	0.80
Interest rate per annum (percent)	3.57	1.00 - 1.35

These loans are secured by the pledge of the short-term investments held under the accounts of the lender by the subsidiary company.

**12. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade payables - related parties (Note 5)	-	-	235,247	224,226
Trade payables - unrelated parties	1,379,208	1,552,396	445,677	475,785
Advance received from customers	111,484	120,315	22,161	26,524
Other payables for purchase of machineries	155,477	191,702	51,993	22,823
Accrued expenses	241,960	223,427	50,309	26,032
Total trade and other payables	<u>1,888,129</u>	<u>2,087,840</u>	<u>805,387</u>	<u>775,390</u>

**13. Treasury shares**

A resolution of a meeting of the Company's Board of Directors No. 4/2551 held on 7 October 2008 approved the repurchase of shares of the Company in order to manage its excess cash, increase earnings per share and to maximise shareholder benefits, with a budget of not more than Baht 1,600 million. The repurchase shall not more than 83 million shares, equivalent to 9.99% of total issued and paid-up shares of the Company. The period of repurchase of shares is from 22 October 2008 to 22 April 2009 and these shares are to be sold after 6 months from the date of completing the repurchase of shares, but not more than 3 years.

Under the Notification of the Office of the Securities and Exchange Commission No. Gor Lor Tor. Chor. Sor. (Wor) 2/2548 and the Notification of the Federation of Accounting Professions No. Sor. Sor Wor Bor Chor. 016/2548, public limited company is required to set aside retained earnings in an amount equal to the amount paid for treasury shares until either the shares are sold or paid-up capital is reduced by cancellation of any remaining unsold shares. As at 31 December 2011, the Company set aside approximately Baht 262.99 million as reserve for treasury shares.

A resolution of the meeting of the Company's Board of Directors No. 3/2554 held on 10 August 2011 approved the resale of 25,596,100 treasury shares, or equivalent to 3.08 percent of total issued and paid-up shares of the Company. The treasury shares will be sold through the Stock Exchange of Thailand. The period of the resale of these shares is from 25 August 2011 to 2 September 2011, and the resale price shall not less than 85 percent of the average closing price of the last 5 trading days. However, no treasury shares were sold until the ending resale period on 2 September 2011.

(Unaudited but reviewed)

On 28 February 2012, the meeting of the Board of Directors of the Company No. 1/2012 passed resolutions approving to write off all 25,596,100 treasury shares with a par value of Baht 1 each which remain unsold, and approving to decrease the Company's registered, issued and paid-up share capital, resulting from treasury shares written off. As a result, the Company's registered share capital was reduced from Baht 1,000,000,000 (1,000,000,000 ordinary shares of Baht 1 each) to Baht 974,403,900 (974,403,900 million ordinary shares of Baht 1 each), and its issued and paid-up share capital was reduced from Baht 830,474,960 (830,474,960 ordinary shares of Baht 1 each) to Baht 804,878,860 (804,878,860 ordinary shares of Baht 1 each). The Company registered the share capital decrease with the Ministry of Commerce on 5 March 2012.

#### 14. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
<b>Current income tax:</b>				
Interim corporate income tax charge	4,510	17,843	4,400	7,010
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(5,209)	347	(5,615)	211
<b>Income tax expense reported in</b>				
<b>the income statement</b>	<u>(699)</u>	<u>18,190</u>	<u>(1,215)</u>	<u>7,221</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	393	309	-	-

## 15. Earnings per share

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

## 16. Insurance claims from flood event

The plant of Hana Semiconductor (Ayutthaya) Co., Ltd., a subsidiary of the Company, which is located in Hi-tech Industrial Estate in Ayutthaya province, was inundated in early October 2011 as a result of the extensive flooding in Thailand during the fourth quarter of 2011. The subsidiary suffered major damages to its property and business interruption losses. The subsidiary investigated the damages and recorded losses from flood event of Baht 399 in profit or loss for the year 2011 which consisted of the damages to fixed assets of Baht 191 million, damages to inventories of Baht 153 million and other damages of Baht 55 million, including full provision for net book value of the damaged property which is to be replaced.

The subsidiary is in the process of claiming insurance compensation for its property damages and business interruption losses resulting from the flood. The subsidiary received an initial compensation payment on its property damages of Baht 300 million in February 2012.

During the second quarter and the third quarter of 2012, the subsidiary received the compensation payments on its business interruption losses of Baht 204 million and Baht 196 million, respectively, and recognised these compensations as other income in the income statements for the year ended 31 December 2012.

In addition, during the first quarter of 2013, the subsidiary received the compensation payment on its property damages of Baht 30 million, and recognised this compensation as other income in the income statement for the three-month period ended 31 March 2013.

## **17. 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.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services and have two reportable segments as follows:

1. The Print Circuit Board (PCBA) Segment, which produces and sells Print Circuit Board (PCBA).
2. The Integrated Circuit (IC) Segment, which produces and sells Integrated Circuit (IC).

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

Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2013 and 2012:

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 31 March										
	Print Circuit		Integrated Circuit		Other		Eliminations		Total	
	Board (PCBA)		(IC)							
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue from external customers	2,559	3,042	1,020	837	43	109	-	-	3,622	3,988
Intersegment revenues	731	950	209	177	252	370	(1,192)	(1,497)	-	-
Total revenues	<u>3,290</u>	<u>3,992</u>	<u>1,229</u>	<u>1,014</u>	<u>295</u>	<u>479</u>	<u>(1,192)</u>	<u>(1,497)</u>	<u>3,622</u>	<u>3,988</u>
Segment profit	208	417	(45)	(85)	11	15	-	-	174	347
Other income									132	158
Gain on exchange									72	90
Selling expenses									(29)	(35)
Administrative expenses									(199)	(259)
Other expenses									(5)	(6)
Finance cost									(2)	(2)
Profit before income tax									143	293
Income tax expenses									1	(18)
Profit for the period									<u>144</u>	<u>275</u>

## **18. Commitments and contingent liabilities**

### **18.1 Capital commitments**

As at 31 March 2013, the Company and its subsidiaries had capital commitments relating to acquisitions of machinery of approximately USD 6 million or equivalent to a total of Baht 174 million. (31 December 2012: USD 3 million or equivalent to Baht 96 million) and the Company only of approximately Baht 121 million (31 December 2012: Baht 20 million).

During the period, the Company entered into a construction agreement with an unrelated company to build a new manufacturing plant located in Saha Pathana Industrial Estate in Lumphun Province. The agreement is for the period from January 2013 to 31 March 2014 during which the Company is to make payments of approximately Baht 47 million each month.

### **18.2 Operating lease commitments**

The Company operates its business in Bangkok on a leased premise, the lease agreement of which is made between the landlord and the Company. The lease is for a period from the year 1986 up to the year 2014 with the annual lease payment of approximately Baht 0.2 million in the year 1992 and subject to an increase at the rate of 10% per annum. The lease payment rate has been changed to Baht 0.1 million per month since March 2011.

In addition, an overseas subsidiary entered into the factory lease agreement with an unrelated company. The lease is for a period from the year 2012 up to the year 2015 with the annual lease payment of approximately RMB 0.8 million.

### **18.3 Marketing supportive service agreement**

Since the year 2001, the Company and three subsidiary companies entered into marketing supportive service agreement with an overseas subsidiary company. Under that agreement, the Company and the three subsidiary companies have to pay service fees to that subsidiary company at the rates stipulated in the agreement.

#### **18.4 Guarantees**

As at 31 March 2013, there were outstanding bank guarantees of approximately Baht 256 million (31 December 2012: Baht 256 million) and the Company only: Baht 223 million (31 December 2012: Baht 223 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and the subsidiaries. These included letters of guarantee amounting to Baht 208 million (31 December 2012: Baht 208 million) to be security for the tax assessments of the Company made by the Revenue Department (as discussed in Note 18.5) and Baht 48 million to guarantee electricity uses, among others (31 December 2012: Baht 48 million).

#### **18.5 Tax assessments**

During the year 2003, the Company received a notification of a corporate income tax assessment for the year 1997 from the Revenue Department for not allocating interest expenses and loss on exchange rate of loans to the promoted operations, causing the under recording of corporate income tax for the year 1997, which together with related penalty and surcharge amounted to Baht 150 million. The Company did not agree with the assessment and appealed it to the Tax Tribunal. In November 2007, the Tax Tribunal rejected the appeal. Currently, the Company is in the process of appealing to the Supreme Court and expects that the Supreme Court will reverse the judgment of the Central Tax Court, which will not result in any tax payment to the Company.

During the second quarter and the third quarter of 2012, the Company received the notifications of corporate income tax assessments for the year 2001 and 2002 from the Revenue Department for the excess of the allocated administrative expenses, interest expenses and loss on exchange rate to the promoted operations, and over utilised of loss carried forward, causing the under recording of corporate income tax for the year 2001 and 2002, which together with related penalty and surcharge amounted to approximately Baht 20 million and Baht 44 million, respectively. The Company did not agree with the assessments and appealed them to the Board of Appeals on 28 June 2012 and 28 September 2012. The Company expects that the Board of Appeals will reverse the assessment of the Revenue Department, which will not result in any tax payment to the Company.

However, the Company has recorded provision for loss on tax assessments of approximately Baht 215 million as at 31 March 2013 (31 December 2012: Baht 215 million) and has placed the bank guarantees as securities against the assessments.

## 19. Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arise mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts will mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2013 and 31 December 2012 are summarised below.

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	31 March	31 December	31 March	31 December	31 March	31 December
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per foreign currency unit)	
China Yuan	288	318	82	102	4.7284	4.9164
US Dollar	178	165	136	59	29.3085	30.6316
Japan Yen	64	64	30	5	0.3115	0.3545
Indian Rupee	44	45	-	-	0.5406	0.5597
Euro	9	9	-	-	37.5712	40.5563
Pound Sterling	3	3	-	-	44.5630	49.3458
Hong Kong dollar	2	3	1	1	3.7754	3.9510
Australia dollar	2	2	1	1	30.5162	31.7757
Singapore Dollar	2	2	-	-	23.6285	25.0340
Brazilian real	2	2	-	-	14.6000	15.1800

As at 31 March 2013 and 31 December 2012, an overseas subsidiary company had outstanding forward exchange contracts, of which details are presented below.

As at 31 March 2013		
Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
10	5 June 2013	29.86
10	26 September 2013	29.48
20	13 June 2013	29.91
20	13 June 2013	29.91
20	28 June 2013	29.43
(Million Euro)		(USD per Euro)
5	20 May 2013	1.28

(Unaudited but reviewed)

As at 31 December 2012

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
10	4 March 2013	31.57
10	26 March 2013	31.17
20	13 March 2013	30.80
20	13 March 2013	30.80
20	28 March 2013	31.22
(Million Euro)		(USD per Euro)
5	20 May 2013	1.28

In addition, the subsidiary company entered into the linked asset swap agreement with an overseas bank. The details of the swap agreement outstanding as at 31 December 2012 are as follows:

As at 31 December 2012

Swap agreement	Notional amount	Contractual maturity date	Yield to maturity	Fair value gain (loss)
	(Million USD)		(Percent)	(Million Baht)
Credit default swap - quoted bonds	2	20 June 2013	1.43	(0.75)

During the current period, the subsidiary redeemed the linked asset swap agreement and recognised gain from the redemption in the income statement for the three-month period ended 31 March 2013.

## 20. Prior year's adjustment

In April 2013, the subsidiary received information for the claims on its property damage from the insurance company, causing it to reconsider and recompute the corporate income tax for the year 2012. In this regard, the subsidiary recorded additional income tax expenses of Baht 50.2 million. The Company therefore restated the consolidated financial statements as at 31 December 2012 to reflect the adjustment of income tax of the subsidiary. The adjustment resulted in a Baht 6.7 million decrease in other current assets, a Baht 43.5 million increase in corporate income tax payable and a Baht 50.2 million decrease in unappropriated retained earnings. The cumulative effect of the prior year's adjustment has been presented under the heading of "Cumulative effect of the prior year's adjustment" in the statement of changes in shareholders' equity.

**21. Event after the reporting period**

On 30 April 2013, the Annual General Meeting of the shareholders of the Company No. 20/2013 passed a resolution approving the dividend payment for the year 2012 to the Company's shareholders at Baht 1 per share or a total of approximately Baht 805 million. The dividend will be paid to the shareholders on 15 May 2013.

**22. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2013.