

Hana Microelectronics Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2018

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 30 June 2018, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 periods. 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.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 9 August 2018

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	5,296,557	4,756,538	638,385	402,023
Short-term investments	5	3,589,103	4,517,582	100,000	250,000
Current portion of long-term fixed deposits					
with financial institution	9	508,295	465,391	-	-
Trade and other receivables	4, 6	4,146,725	3,904,178	1,545,479	1,320,170
Inventories	7	4,365,701	4,082,874	1,734,939	1,746,911
Other current assets		101,036	166,895	9,901	21,739
Total current assets		18,007,417	17,893,458	4,028,704	3,740,843
Non-current assets					
Investments in subsidiary companies	8	-	-	3,583,449	3,583,449
Other long-term investments	10	149,349	65,459	97	97
Investment property	11	72,304	72,304	72,304	72,304
Property, plant and equipment	12	6,314,209	6,065,872	2,632,802	2,632,563
Land leasehold rights	13	131,396	130,882	-	-
Intangible assets		49,657	49,942	34,104	32,220
Deferred tax assets		20,909	26,710	1,448	1,392
Other non-current assets		26,822	98,471	7,712	3,423
Total non-current assets		6,764,646	6,509,640	6,331,916	6,325,448
Total assets		24,772,063	24,403,098	10,360,620	10,066,291

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 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u> 30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	4, 14	3,109,837	2,920,965	1,100,038	1,080,012
Short-term provisions		331,672	326,809	-	-
Income tax payable		11,888	40,486	4,847	2,103
Other current liabilities		267,997	97,658	24,367	22,002
Total current liabilities		3,721,394	3,385,918	1,129,252	1,104,117
Non-current liabilities					
Provision for long-term employee benefits		345,517	327,302	136,036	128,110
Total non-current liabilities		345,517	327,302	136,036	128,110
Total liabilities		4,066,911	3,713,220	1,265,288	1,232,227
Shareholders' equity					
Share capital					
Registered					
974,403,900 ordinary shares of Baht 1 each		974,404	974,404	974,404	974,404
Issued and fully paid-up					
804,878,860 ordinary shares of Baht 1 each		804,879	804,879	804,879	804,879
Share premium		1,723,219	1,723,219	1,723,219	1,723,219
Retained earnings					
Appropriated - statutory reserve		443,691	443,691	100,000	100,000
Unappropriated		17,522,872	17,504,229	6,467,234	6,205,966
Other components of shareholders' equity		210,491	213,860	-	-
Total shareholders' equity		20,705,152	20,689,878	9,095,332	8,834,064
Total liabilities and shareholders' equity		24,772,063	24,403,098	10,360,620	10,066,291

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

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Directors
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(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2018**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Sales		5,450,241	5,232,292	2,115,720	2,062,025
Interest income		47,639	56,152	1,341	2,822
Dividend income	8	399	35	625,038	420,035
Gain on exchange		-	104,533	67,227	2,146
Other income		81,029	66,205	13,151	9,683
Total revenues		5,579,308	5,459,217	2,822,477	2,496,711
Expenses					
Cost of sales		4,710,859	4,466,944	1,824,085	1,775,430
Selling expenses		42,546	37,729	9,656	9,257
Administrative expenses		275,746	255,086	86,554	83,112
Loss on exchange		236,145	-	-	-
Total expenses		5,265,296	4,759,759	1,920,295	1,867,799
Profit before finance cost and income tax expenses					
		314,012	699,458	902,182	628,912
Finance cost		(1,785)	(1,679)	(601)	(498)
Profit before income tax expenses		312,227	697,779	901,581	628,414
Income tax expenses	15	(42,143)	(22,220)	(3,337)	(2,720)
Profit for the period		270,084	675,559	898,244	625,694
Profit attributable to:					
Equity holders of the Company		270,084	675,559	898,244	625,694
Earnings per share					
16					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)					
		0.34	0.84	1.12	0.78
Weighted average number of 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 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period	<u>270,084</u>	<u>675,559</u>	<u>898,244</u>	<u>625,694</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on change in value of available-for-sale investments	(56,429)	22,225	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	15 <u>512,757</u>	<u>(107,930)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>456,328</u>	<u>(85,705)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>456,328</u>	<u>(85,705)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>726,412</u></u>	<u><u>589,854</u></u>	<u><u>898,244</u></u>	<u><u>625,694</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u><u>726,412</u></u>	<u><u>589,854</u></u>	<u><u>898,244</u></u>	<u><u>625,694</u></u>

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

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2018**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Sales		10,645,097	10,470,065	4,396,212	4,063,398
Interest income		97,527	107,204	2,506	4,935
Dividend income	8	1,307	35	625,038	420,035
Gain on exchange		-	295,405	51,446	-
Other income		170,785	112,712	23,877	16,114
Total revenues		10,914,716	10,985,421	5,099,079	4,504,482
Expenses					
Cost of sales		9,345,966	8,861,177	3,836,772	3,446,512
Selling expenses		78,887	77,063	18,773	18,439
Administrative expenses		544,052	517,530	171,634	165,588
Loss on exchange		47,966	-	-	6,559
Total expenses		10,016,871	9,455,770	4,027,179	3,637,098
Profit before finance cost and income tax expenses					
		897,845	1,529,651	1,071,900	867,384
Finance cost		(3,459)	(3,622)	(1,064)	(1,012)
Profit before income tax expenses		894,386	1,526,029	1,070,836	866,372
Income tax expenses	15	(70,864)	(32,882)	(4,689)	(7,588)
Profit for the period		823,522	1,493,147	1,066,147	858,784
Profit attributable to:					
Equity holders of the Company		823,522	1,493,147	1,066,147	858,784
Earnings per share					
16					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)					
		1.02	1.86	1.32	1.07
Weighted average number of 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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period		<u>823,522</u>	<u>1,493,147</u>	<u>1,066,147</u>	<u>858,784</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale investments	5.2	(128,298)	92,144	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	15	<u>124,929</u>	<u>(491,962)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(3,369)</u>	<u>(399,818)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>(3,369)</u>	<u>(399,818)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>820,153</u>	<u>1,093,329</u>	<u>1,066,147</u>	<u>858,784</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>820,153</u>	<u>1,093,329</u>	<u>1,066,147</u>	<u>858,784</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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	894,386	1,526,029	1,070,836	866,372
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	521,436	541,783	186,388	177,850
Amortisation expenses	6,403	5,493	2,255	1,642
Allowance for doubtful accounts (reversal)	(1,885)	2,712	-	-
Reduction of inventories to net realisable value (reversal)	(11,052)	35,124	(12,104)	28,820
Write-off of obsolete and damaged inventories	(8,918)	(71,147)	(8,918)	(64,885)
Dividend income from subsidiary companies	-	-	(625,000)	(420,000)
Dividend income from other companies	(1,307)	(35)	(38)	(35)
Loss (gain) on disposals/write-off of assets	(1,397)	6,108	(6,932)	(1,623)
Provision for long-term employee benefits	23,582	27,019	11,677	14,839
Gain on sales/redemption of short-term investments	(5,486)	(1,225)	-	-
Revaluation loss (gain) on investments in securities held for trading	337	(3,016)	-	-
Unrealised loss (gain) on exchange	(56,842)	5,765	(20,215)	531
Unrealised loss (gain) on forward contracts	177,865	(179,088)	-	-
Interest income from short-term investments	(67,816)	(78,928)	-	-
Profit from operating activities before changes in operating assets and liabilities	1,469,306	1,816,594	597,949	603,511

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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(187,009)	(112,514)	(167,180)	(269,265)
Inventories	(262,857)	(193,006)	32,994	(105,586)
Other current assets	69,809	24,945	10,348	8,555
Other non-current assets	(2,614)	-	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(38,597)	111,690	(24,840)	1,505
Other current liabilities	23,899	(18,214)	2,365	1,343
Cash from operating activities	1,071,937	1,629,495	451,636	240,063
Cash paid for long-term employee benefits	(5,367)	(6,511)	(3,751)	(2,479)
Cash paid for income tax	(93,530)	(50,752)	(2,001)	(7,285)
Net cash from operating activities	973,040	1,572,232	445,884	230,299
Cash flows from investing activities				
Increase in fixed deposits with financial institutions	(42,904)	-	-	-
Decrease in short-term investments	676,065	130,441	150,000	-
Interest income from short-term investments	105,541	79,278	-	-
Proceeds from sales/redemption of short-term investments	129,265	198,714	-	-
Dividend income from subsidiary companies	-	-	625,000	420,000
Dividend income from other companies	1,307	35	38	35
Increase in other long-term investments	(83,890)	(10,195)	-	-
Acquisitions of plant and equipment	(615,159)	(384,001)	(180,127)	(171,377)
Proceeds from disposals of equipment	9,204	6,322	8,874	2,635
Decrease (increase) in intangible assets	(6,632)	7,641	(4,139)	-
Decrease (increase) in other non-current assets	74,263	(6,410)	(4,289)	(3,183)
Net cash from investing activities	247,060	21,825	595,357	248,110

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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from financing activities				
Dividend paid	<u>(804,879)</u>	<u>(804,879)</u>	<u>(804,879)</u>	<u>(804,879)</u>
Net cash used in financing activities	<u>(804,879)</u>	<u>(804,879)</u>	<u>(804,879)</u>	<u>(804,879)</u>
Increase (decrease) in cash and cash equivalents	415,221	789,178	236,362	(326,470)
Translation adjustment	<u>124,798</u>	<u>(491,754)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	540,019	297,424	236,362	(326,470)
Cash and cash equivalents at beginning of the period	<u>4,756,538</u>	<u>6,347,595</u>	<u>402,023</u>	<u>963,994</u>
Cash and cash equivalents at end of the period				
(Note 3)	<u>5,296,557</u>	<u>6,645,019</u>	<u>638,385</u>	<u>637,524</u>

Supplemental cash flow information

Non-cash related transactions from investing activities

Net increase in accounts payable for				
purchases of plant and equipment	162,421	172,930	8,442	16,988
Revaluation gain (loss) on changes in fair value of				
available-for-sale investments	(128,298)	92,144	-	-
Translation adjustment for deferred tax assets	(131)	207	-	-

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

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

		Consolidated financial statements							
		Other components of shareholders' equity							
		Other comprehensive income							
		Surplus (deficit)							
		on changes in Exchange differences Total other							
		value of on translation of components of Total							
		available-for-sale financial statements shareholders' shareholders'							
		investments in foreign currency equity equity							
Note	Issued and	Share	Retained earnings		value of	Exchange differences	Total other	Total	
	paid up	premium	Appropriated -	Unappropriated	available-for-sale	on translation of	components of	shareholders'	
	share capital		statutory reserve		investments	in foreign currency	shareholders' equity	shareholders' equity	
	Balance as at 31 December 2016	804,879	1,723,219	428,284	16,088,535	104,909	811,939	916,848	19,961,765
	Profit for the period	-	-	-	1,493,147	-	-	-	1,493,147
	Other comprehensive income for the period	-	-	-	-	92,144	(491,962)	(399,818)	(399,818)
	Total comprehensive income for the period	-	-	-	1,493,147	92,144	(491,962)	(399,818)	1,093,329
	Dividend paid	-	-	-	(804,879)	-	-	-	(804,879)
	Unappropriated retained earnings transferred to statutory reserve	-	-	422	(422)	-	-	-	-
	Balance as at 30 June 2017	804,879	1,723,219	428,706	16,776,381	197,053	319,977	517,030	20,250,215
	Balance as at 31 December 2017	804,879	1,723,219	443,691	17,504,229	214,569	(709)	213,860	20,689,878
	Profit for the period	-	-	-	823,522	-	-	-	823,522
	Other comprehensive income for the period	-	-	-	-	(128,298)	124,929	(3,369)	(3,369)
	Total comprehensive income for the period	-	-	-	823,522	(128,298)	124,929	(3,369)	820,153
	Dividend paid	-	-	-	(804,879)	-	-	-	(804,879)
	Balance as at 30 June 2018	804,879	1,723,219	443,691	17,522,872	86,271	124,220	210,491	20,705,152

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

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

Separate financial statements					
	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
Note			Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2016	804,879	1,723,219	100,000	5,819,440	8,447,538
Profit for the period	-	-	-	858,784	858,784
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	858,784	858,784
Dividend paid	-	-	-	(804,879)	(804,879)
Balance as at 30 June 2017	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>5,873,345</u>	<u>8,501,443</u>
Balance as at 31 December 2017	804,879	1,723,219	100,000	6,205,966	8,834,064
Profit for the period	-	-	-	1,066,147	1,066,147
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,066,147	1,066,147
Dividend paid	-	-	-	(804,879)	(804,879)
Balance as at 30 June 2018	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>6,467,234</u>	<u>9,095,332</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 and six-month periods ended 30 June 2018

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 trading of electronic components. The registered office of the Company is at 65/98, Soi Vibhavadi-Rangsit 64, Junction 2, 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 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 2017. There are no changes in the group structure during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

2. 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 2017.

3. Cash and cash equivalents

Cash and cash equivalents as at 30 June 2018 and 31 December 2017 as reflected in the statements of financial position consist of the followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Cash	1,334	1,270	260	287
Bank deposits	3,498,453	3,374,647	438,125	401,736
Fixed deposits with maturity not over 3 months	1,796,770	1,380,621	200,000	-
Total cash and cash equivalents	5,296,557	4,756,538	638,385	402,023

As at 30 June 2018, bank deposits in savings accounts and fixed deposits carried interests between 0.001 and 1.100 percent per annum (31 December 2017: 0.001 and 2.000 percent per annum).

4. 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 30 June		For the six-month periods ended 30 June		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	30	48	68	100	Prices agreed between the parties due to the uniqueness of products sold to each customer
Dividend income	625	420	625	420	Declared rate
Purchase of materials	55	32	98	66	Cost plus mark up
Service fee expenses	2	2	4	4	Rates stipulated in the agreement

(Unaudited but reviewed)

As at 30 June 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Trade and other receivables (Note 6)				
Trade receivables - related parties				
Subsidiary companies	-	-	9,658	7,658
Total trade receivables - related parties	-	-	9,658	7,658
Other receivables - related parties				
Related company (by way of common directors)	76	76	-	-
Total other receivables - related parties	76	76	-	-
Total trade and other receivables	76	76	9,658	7,658
Trade and other payables (Note 14)				
Trade payables - related parties				
Subsidiary companies	-	-	229,975	241,780
Total trade payables - related parties	-	-	229,975	241,780
Total trade and other payables	-	-	229,975	241,780

Directors' and management's benefits

During the three-month and six-month periods ended 30 June 2018 and 2017, 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 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
Short-term employee benefits	23.9	22.8	3.6	3.4
Post-employment benefits	0.3	0.4	0.1	0.2
Total	24.2	23.2	3.7	3.6

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	47.0	45.4	7.0	6.8
Post-employment benefits	0.6	0.8	0.3	0.5
Total	<u>47.6</u>	<u>46.2</u>	<u>7.3</u>	<u>7.3</u>

5. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2018		31 December 2017	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Securities held for trading (Note 5.1)				
Overseas marketable equity securities	165,836	179,264	163,405	177,102
Unsecured subordinated notes	-	-	24,162	24,230
Total	<u>165,836</u>	<u>179,264</u>	<u>187,567</u>	<u>201,332</u>
Add: Gain on changes in fair value of investments	<u>13,428</u>		<u>13,765</u>	
Investments in securities held for trading	<u>179,264</u>		<u>201,332</u>	
Available-for-sale securities (Note 5.2)				
Overseas marketable corporate bonds	746,736	823,886	1,263,322	1,423,490
Local quoted bonds	33,170	33,709	32,683	34,270
Overseas quoted bonds	<u>1,109,668</u>	<u>1,118,250</u>	<u>783,357</u>	<u>836,171</u>
Total	<u>1,889,574</u>	<u>1,975,845</u>	<u>2,079,362</u>	<u>2,293,931</u>
Add: Revaluation surplus on changes in fair value of investments	<u>86,271</u>		<u>214,569</u>	
Investments in available-for-sale securities	<u>1,975,845</u>		<u>2,293,931</u>	
Fixed deposits with financial institution				
Fixed deposits within 1 year	<u>1,433,994</u>	<u>1,433,994</u>	<u>2,022,319</u>	<u>2,022,319</u>
Fixed deposits with financial institutions	<u>1,433,994</u>	<u>1,433,994</u>	<u>2,022,319</u>	<u>2,022,319</u>
Total short-term investments	<u><u>3,589,103</u></u>	<u><u>3,589,103</u></u>	<u><u>4,517,582</u></u>	<u><u>4,517,582</u></u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2018		31 December 2017	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Fixed deposits with financial institution				
Fixed deposits within 1 year	100,000	100,000	250,000	250,000
Fixed deposits with financial institution	100,000	100,000	250,000	250,000
Total short-term investments	100,000	100,000	250,000	250,000

As at 30 June 2018, fixed deposits with financial institutions carried interest between 1.063 and 1.885 percent per annum (31 December 2017: 0.150 and 1.820 percent per annum).

5.1 Securities held for trading

Since the second quarter of 2011, Hana Microelectronics International Company Limited, an overseas subsidiary company, has invested in 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. During 2016, the subsidiary additionally invested in mutual fund (fixed maturity bond fund) of a company listed on the Stock Exchange of Luxembourg through an overseas bank. The subsidiary has classified these investments as held for trading purpose.

During the current quarter, the subsidiary disposed the interest bearing unsecured subordinated notes, resulting in a loss of USD 8 thousand or equivalent to approximately Baht 0.26 million.

As at 30 June 2018, the subsidiary had assessed the fair value of the bond investment trust, and the mutual fund by referring to the value quoted by the banks which are comparable to quoted prices, the result of which was a revaluation surplus on the fair value of USD 0.40 million or equivalent to approximately Baht 13.43 million (31 December 2017: surplus on the fair value of USD 0.42 million or equivalent to approximately Baht 13.77 million). The loss on change in the fair value of approximately Baht 0.34 million (2017: gain of approximately Baht 3.02 million) was recognised in the income statements.

5.2 Available-for-sale securities

In addition, this subsidiary has invested in corporate bonds listed on the overseas stock exchanges and local and overseas quoted bonds through three overseas banks. These investments are classified as available-for-sale investments. During the six-month period ended 30 June 2018, the subsidiary additionally invested in the overseas quoted bonds, and disposed and redeemed some of the listed corporate bonds and some of the overseas quoted bonds, resulting in a gain of USD 0.18 million or equivalent to approximately Baht 5.75 million (2017: gain of USD 0.04 million or equivalent to approximately Baht 1.22 million).

As at 30 June 2018, the subsidiary had assessed the fair value of the bonds by referring to the values quoted by the above three banks which are comparable to quoted prices, the result of which was a revaluation surplus on the fair value of USD 2.6 million or equivalent to approximately Baht 86.27 million (31 December 2017: surplus on the fair value of USD 6.57 million or equivalent to approximately Baht 214.57 million). The loss on change in the fair value of approximately Baht 128.30 million (2017: gain of approximately Baht 92.14 million) was recognised as other comprehensive income in the statements of comprehensive income.

(Unaudited but reviewed)

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
Age of receivable	2018	2017	2018	2017
Trade receivables - subsidiary companies				
Not yet due	-	-	1,697	265
Past due				
Up to 3 months	-	-	7,291	628
3 - 6 months	-	-	428	138
6 - 12 months	-	-	202	1,304
Over 12 months	-	-	40	5,323
Total trade receivables - subsidiary companies (Note 4)	-	-	9,658	7,658
Trade receivables - unrelated parties				
Not yet due	3,426,069	3,065,095	1,212,163	1,010,684
Past due				
Up to 3 months	543,828	647,929	306,668	290,552
3 - 6 months	11,593	14,756	5,558	2,728
6 - 12 months	2,793	681	1,470	94
Over 12 months	11,014	9,130	104	99
Total trade receivables - unrelated parties	3,995,297	3,737,591	1,525,963	1,304,157
Less: Allowance for doubtful accounts	(9,274)	(11,159)	-	-
Total trade receivables - unrelated parties - net	3,986,023	3,726,432	1,525,963	1,304,157
Total trade receivables - net	3,986,023	3,726,432	1,535,621	1,311,815
Input tax receivables	70,950	55,970	2,989	2,947
Other receivables - related parties (Note 4)	76	76	-	-
Other receivables - unrelated parties	89,676	121,700	6,869	5,408
Total other receivables	160,702	177,746	9,858	8,355
Trade and other receivables - net	4,146,725	3,904,178	1,545,479	1,320,170

(Unaudited but reviewed)

7. Adjustment of inventories to net realisable value (Inventory provision)

Movements in the inventory provision to reduce inventories to net realisable value during the six-month period ended 30 June 2018 are summarised below.

Inventory provision	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2017	144,555	72,079
Reduction of inventory value during the period	32,161	15,002
Reversal of reduction of inventory value during the period	(43,420)	(27,106)
Write-off obsolete and damaged inventories during the period	(8,918)	(8,918)
Translation adjustment	207	-
Balance as at 30 June 2018	124,585	51,057

8. Investments in subsidiary companies

Company's name	(Unit: Thousand Baht)							
	Paid up capital		Shareholding percentage		Cost		Dividend received for the six-month periods ended	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June	
			Percent	Percent			2018	2017
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	175,000	420,000
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	450,000	-
Omac Sales Limited	325	325	100	100	273,492	273,492	-	-
Hana Microelectronics (Cambodia) Company Limited	155,947	155,947	100	100	155,947	155,947	-	-
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>3,583,449</u>	<u>3,583,449</u>	<u>625,000</u>	<u>420,000</u>

In July 2017, Hana Microelectronics Enterprise Company Limited, an overseas subsidiary company, has invested in 200,000 shares of Power Master Semiconductor Company Limited, a newly established company located in South Korea and principally engaged in semiconductor business, amounting to USD 0.09 million or equivalent to Baht 2.91 million, representing 100% of the issued and paid-up capital of that company.

In February 2018, the overseas subsidiary company has additionally invested in 1,902,157 shares of Power Master Semiconductor Company Limited, amounting to USD 0.90 million or equivalent to Baht 28.32 million, representing 100% of the issued and paid-up capital of that company.

Subsequently in June 2018, the overseas subsidiary company has additionally invested in 4,442,000 shares of Power Master Semiconductor Company Limited, amounting to USD 2 million or equivalent to Baht 66.33 million, representing 100% of the issued and paid-up capital of that company.

9. Long-term fixed deposits with financial institution

As at 30 June 2018 and 31 December 2017, the long-term fixed deposits with financial institution of an overseas subsidiary, which are portion due within one year, are as follows:

Consolidated financial statements						
Period			Balance as at			
			30 June 2018		31 December 2017	
Interest rate	Effective date	Maturity date	China Yuan	Equivalent to Baht	China Yuan	Equivalent to Baht
(Percent per annum)			(Million Yuan)	(Million Baht)	(Million Yuan)	(Million Baht)
4.55	5 March 2015	5 March 2018	-	-	50.7	254.2
3.75	20 April 2015	19 April 2018	-	-	10.1	50.8
2.10	10 April 2017	10 April 2018	-	-	32.0	160.4
2.90	13 March 2018	13 March 2019	17.3	86.6	-	-
1.95	13 March 2018	13 March 2019	40.4	202.0	-	-
2.10	10 April 2018	10 April 2019	32.7	163.3	-	-
2.24	20 April 2018	20 April 2019	11.3	56.4	-	-
Total			101.7	508.3	92.8	465.4

10. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Cost/Amortised cost		Cost/Amortised cost	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
<u>Other long-term investments</u>				
Available-for-sale securities				
Local marketable equity securities	97	97	97	97
	97	97	97	97
Held-to-maturity debt securities				
Overseas debt securities	66,737	66,737	-	-
Translation adjustment	403	1,375	-	-
	66,334	65,362	-	-
Other investments				
Preferred shares issued by an overseas company	78,080	-	-	-
Overseas equity securities	10,195	10,195	-	-
Total	88,275	10,195	-	-
Less: Allowance for impairment loss	(10,195)	(10,195)	-	-
Translation adjustment	4,838	-	-	-
	82,918	-	-	-
Total other long-term investments - net	149,349	65,459	97	97

During the third quarter of 2017, Hana Microelectronics International Company Limited, an overseas subsidiary company, has invested in a 3-year fund linked capital return note issued by an overseas bank amounting to USD 2 million or equivalent to Baht 62.46 million, with maturity date on 14 July 2020. The parties mutually agreed that the subsidiary will receive the principal amount of USD 2 million at the maturity date and gain from rising of fund price, between the reference price at initial valuation date and the final closing index of the fund upon maturity date at the agreed rate in a case that the closing index of the fund upon maturity date is higher than the initial reference price. This investment is classified as investment in held-to-maturity debt securities.

During the first quarter of 2018, Hana Microelectronics Investment Company Limited, an overseas subsidiary company, has invested in 1,250,000 preferred shares of MAPS, Inc., a company incorporated in South Korea and principally engaged in semiconductor business, amounting to USD 2.5 million or equivalent to Baht 78.08 million, representing 8.7% of issued and paid-up capital of that company.

11. Investment property

The fair value of the investment property, representing land, based on market price as at 30 June 2018 amounted to approximately Baht 96 million (31 December 2017: Baht 96 million).

12. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	6,065,872	2,632,563
Acquisitions during the period - at cost	735,732	188,569
Disposals/write-off during the period - net book value at disposal/write-off date	(7,807)	(1,942)
Depreciation for the period	(521,436)	(186,388)
Translation adjustment	41,848	-
Net book value as at 30 June 2018	<u>6,314,209</u>	<u>2,632,802</u>

13. Land leasehold rights

Movements in land leasehold rights account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2017	130,882
Amortisation for the period	(1,375)
Translation adjustment	1,889
Net book value As at 30 June 2018	<u>131,396</u>

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Trade payables - related parties (Note 4)	-	-	229,975	241,780
Trade payables - unrelated parties	2,179,289	2,242,642	683,983	733,413
Advance received from customers	158,078	175,969	21,377	16,956
Other payables for purchase of machinery	307,898	145,477	68,013	59,571
Accrued expenses	464,572	356,877	96,690	28,292
Total trade and other payables	<u>3,109,837</u>	<u>2,920,965</u>	<u>1,100,038</u>	<u>1,080,012</u>

15. 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 and six-month periods ended 30 June 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	32,914	18,521	3,063	1,689
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>9,229</u>	<u>3,699</u>	<u>274</u>	<u>1,031</u>
Income tax expenses reported in the income statement	<u>42,143</u>	<u>22,220</u>	<u>3,337</u>	<u>2,720</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	64,932	32,908	4,745	5,647
Deferred tax:				
Relating to origination and reversal of temporary differences	5,932	(26)	(56)	1,941
Income tax expenses reported in the income statement	<u>70,864</u>	<u>32,882</u>	<u>4,689</u>	<u>7,588</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	(702)	(31)	-	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	(131)	207	-	-

16. Earnings per share

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

(Unaudited but reviewed)

17. Segment information

The Company and its subsidiaries are organised into business units based on their products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable operating segments.

The following table presents revenue and profit information regarding the Company's and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2018 and 2017.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 30 June												
	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	3,062	2,907	2,146	2,040	242	285	5,450	5,232	-	-	5,450	5,232
Intersegment revenues	934	895	189	242	412	339	1,535	1,476	(1,535)	(1,476)	-	-
Total revenues	<u>3,996</u>	<u>3,802</u>	<u>2,335</u>	<u>2,282</u>	<u>654</u>	<u>624</u>	<u>6,985</u>	<u>6,708</u>	<u>(1,535)</u>	<u>(1,476)</u>	<u>5,450</u>	<u>5,232</u>
Segment profit	417	399	218	257	103	107	738	763	1	2	739	765
Interest income											48	56
Other income											81	66
Selling expenses											(42)	(38)
Administrative expenses											(276)	(255)
Gain (loss) on exchange											(236)	105
Finance cost											(2)	(2)
Income tax expenses											(42)	(22)
Profit for the period											<u>270</u>	<u>675</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements for the six-month periods ended 30 June

	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues from external customers	6,123	5,757	4,051	4,071	471	642	10,645	10,470	-	-	10,645	10,470
Intersegment revenues	1,740	1,807	382	457	705	631	2,827	2,895	(2,827)	(2,895)	-	-
Total revenues	<u>7,863</u>	<u>7,564</u>	<u>4,433</u>	<u>4,528</u>	<u>1,176</u>	<u>1,273</u>	<u>13,472</u>	<u>13,365</u>	<u>(2,827)</u>	<u>(2,895)</u>	<u>10,645</u>	<u>10,470</u>
Segment profit	759	820	352	554	187	232	1,298	1,606	1	3	1,299	1,609
Interest income											98	107
Dividend income											1	-
Other income											171	113
Selling expenses											(79)	(77)
Administrative expenses											(544)	(517)
Gain (loss) on exchange											(48)	295
Finance cost											(4)	(4)
Income tax expenses											(71)	(33)
Profit for the period											<u>823</u>	<u>1,493</u>

18. Dividend paid

During the six-month period ended 30 June 2018 and 2017, the Company and its subsidiary companies had dividend payments as follows:

		Approved by	Total dividends	Dividend per share
			Thousand Baht	Baht
<u>The Company</u>				
<u>For the year 2018</u>				
Dividends on 2017 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 30 April 2018		804,879	1.00
<u>For the year 2017</u>				
Dividends on 2016 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 28 April 2017		804,879	1.00
<u>Subsidiary companies</u>				
Hana Semiconductor (BKK) Company Limited				
<u>For the year 2018</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 27 April 2018		450,000	4.50
Hana Semiconductor (Ayutthaya) Company Limited				
<u>For the year 2018</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 18 April 2018		300,000	2.50
<u>For the year 2017</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 17 April 2017		720,000	6.00

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 30 June 2018, the Company and its subsidiaries had capital commitments relating to acquisitions of machinery totaling USD 22.4 million and CNY 1.6 million or equivalent to Baht 755 million (31 December 2017: USD 4.8 million and CNY 3.7 million or equivalent to Baht 174 million) and the Company only of approximately USD 8.6 million or equivalent to Baht 287 million (31 December 2017: USD 2.8 million or equivalent to Baht 91 million).

19.2 Commitments under operating lease and service agreements

The Company and its subsidiaries have entered into the lease agreements in respect of the lease of equipment and land and the service agreements in respect of building and factory. The terms of the agreements are generally between 1 and 3 years.

Future minimum payments required under these operating lease and service agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Payable:				
In up to 1 year	29.5	45.3	15.5	27.2
In over 1 year and up to 3 years	10.8	17.8	2.3	3.6

19.3 Marketing supportive service agreements

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.

19.4 Sale representative agreements

Since the year 2015, an overseas subsidiary entered into sale representative agreement with an unrelated company with the annual service fees of approximately USD 0.6 million.

19.5 Guarantees

As at 30 June 2018, there were outstanding bank guarantees of approximately Baht 56 million (31 December 2017: Baht 56 million) and the Company only of approximately Baht 26 million (31 December 2017: Baht 26 million) issued by the 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 to guarantee electricity uses, among others.

20. 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 exchange contracts will mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 30 June 2018 and 31 December 2017 are summarised below.

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per foreign currency unit)	
South Korean Won	2,224	43	-	-	0.0296	0.0306
China Yuan	314	319	108	101	5.0014	5.0145
US Dollar	248	229	55	51	33.1672	32.6809
Japan Yen	47	143	14	121	0.2999	0.2898
Indian Rupee	40	40	-	-	0.4839	0.5104
Hong Kong Dollar	5	12	-	1	4.2257	4.1803
Singapore Dollar	2	2	-	1	24.2848	24.4503
Brazilian Real	2	2	-	-	8.5109	9.7400
Euro	1	4	-	-	38.4926	39.0273
Macau Pataca	1	1	-	-	3.8554	3.9891

As at 30 June 2018 and 31 December 2017, the two overseas subsidiary companies had outstanding forward exchange contracts, of which details are presented below.

As at 30 June 2018

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
140	17 July 2018 - 31 October 2018	31.010 - 33.120

As at 31 December 2017

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
140	17 January 2018 - 23 August 2018	32.370 - 33.930

21. Fair value of financial instruments

As of 30 June 2018, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held for trading investments			
Equity instruments	179,264	-	179,264
Available-for-sale investments			
Marketable corporate bonds	823,886	-	823,886
Quoted bonds	1,151,959	-	1,151,959
Financial liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts - loss	-	153,779	153,779

Valuation techniques and inputs to Level 2 valuations

The fair value of derivatives has been determined by 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 and interest rate yield curves.

During the current period, there were no transfers within the fair value hierarchy.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2018.