

Hana Microelectronics Public Company Limited  
and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2019

## **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 September 2019, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in shareholders' equity and cash flows for the nine-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: 13 November 2019

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	3,802,864	4,081,336	358,574	237,904
Short-term investments	5	5,022,620	3,985,334	-	-
Current portion of long-term fixed deposits					
with financial institution	9	-	480,072	-	-
Trade and other receivables	4, 6	3,704,329	3,831,672	1,681,402	1,523,937
Inventories	7	4,514,397	5,222,840	2,329,450	2,459,278
Other current assets		85,234	155,141	55,252	50,434
<b>Total current assets</b>		<b>17,129,444</b>	<b>17,756,395</b>	<b>4,424,678</b>	<b>4,271,553</b>
<b>Non-current assets</b>					
Investments in subsidiary companies	8	-	-	3,583,449	3,583,449
Other long-term investments	10	137,761	146,121	97	97
Investment property	11	72,304	72,304	72,304	72,304
Property, plant and equipment	12	6,870,064	7,179,238	2,711,102	2,637,492
Land leasehold rights	13	117,854	127,128	-	-
Intangible assets		136,487	51,508	31,355	34,666
Deferred tax assets		15,837	13,071	1,442	2,066
Other non-current assets		20,156	22,548	11	11
<b>Total non-current assets</b>		<b>7,370,463</b>	<b>7,611,918</b>	<b>6,399,760</b>	<b>6,330,085</b>
<b>Total assets</b>		<b>24,499,907</b>	<b>25,368,313</b>	<b>10,824,438</b>	<b>10,601,638</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 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	430,000	-	430,000	-
Trade and other payables	4, 15	2,326,825	3,421,409	1,378,748	1,332,899
Short-term provisions		305,919	324,498	-	-
Income tax payable		17,083	37,278	3,969	2,401
Other current liabilities		123,035	130,408	21,956	24,919
<b>Total current liabilities</b>		<b>3,202,862</b>	<b>3,913,593</b>	<b>1,834,673</b>	<b>1,360,219</b>
<b>Non-current liabilities</b>					
Provision for long-term employee benefits	16	411,684	371,590	151,325	142,705
<b>Total non-current liabilities</b>		<b>411,684</b>	<b>371,590</b>	<b>151,325</b>	<b>142,705</b>
<b>Total liabilities</b>		<b>3,614,546</b>	<b>4,285,183</b>	<b>1,985,998</b>	<b>1,502,924</b>
<b>Shareholders' equity</b>					
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		456,463	456,463	100,000	100,000
Unappropriated		18,679,166	18,237,930	6,210,342	6,470,616
Other components of shareholders' equity		(778,366)	(139,361)	-	-
<b>Total shareholders' equity</b>		<b>20,885,361</b>	<b>21,083,130</b>	<b>8,838,440</b>	<b>9,098,714</b>
<b>Total liabilities and shareholders' equity</b>		<b>24,499,907</b>	<b>25,368,313</b>	<b>10,824,438</b>	<b>10,601,638</b>

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 September 2019**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Sales		5,169,663	6,018,072	2,390,867	2,347,950
Interest income		44,405	44,939	-	1,362
Dividend income		388	383	26	25
Gain on exchange		16,522	71,449	17,080	-
Other income		86,331	61,147	8,964	7,149
<b>Total revenues</b>		<b>5,317,309</b>	<b>6,195,990</b>	<b>2,416,937</b>	<b>2,356,486</b>
<b>Expenses</b>					
Cost of sales		4,548,291	4,932,036	2,088,786	1,932,010
Selling and distribution expenses		38,660	41,277	10,529	9,274
Administrative expenses		288,073	288,873	97,937	84,899
Loss on exchange		-	-	-	392
<b>Total expenses</b>		<b>4,875,024</b>	<b>5,262,186</b>	<b>2,197,252</b>	<b>2,026,575</b>
<b>Profit before finance cost and income tax expenses</b>					
		442,285	933,804	219,685	329,911
Finance cost		(4,207)	(1,747)	(3,333)	(495)
<b>Profit before income tax expenses</b>		<b>438,078</b>	<b>932,057</b>	<b>216,352</b>	<b>329,416</b>
Income tax expenses	17	(30,867)	(27,287)	(3,714)	(443)
<b>Profit for the period</b>		<b>407,211</b>	<b>904,770</b>	<b>212,638</b>	<b>328,973</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		407,211	904,770	212,638	328,973
<b>Earnings per share</b>					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)					
		0.51	1.12	0.26	0.41
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 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit for the period</b>	<u>407,211</u>	<u>904,770</u>	<u>212,638</u>	<u>328,973</u>
<b>Other comprehensive income:</b>				
<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	35,860	(128)	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	17 (161,648)	(354,406)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(125,788)	(354,534)	-	-
<b>Other comprehensive income for the period</b>	<u>(125,788)</u>	<u>(354,534)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>281,423</u>	<u>550,236</u>	<u>212,638</u>	<u>328,973</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>281,423</u>	<u>550,236</u>	<u>212,638</u>	<u>328,973</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 nine-month period ended 30 September 2019**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Sales		15,461,935	16,663,169	6,980,826	6,744,162
Interest income		133,838	142,466	362	3,868
Dividend income	8	1,152	1,690	64,067	625,063
Gain on exchange		231,765	23,483	18,669	51,054
Other income		245,225	231,932	25,869	31,026
<b>Total revenues</b>		<b>16,073,915</b>	<b>17,062,740</b>	<b>7,089,793</b>	<b>7,455,173</b>
<b>Expenses</b>					
Cost of sales		13,768,339	14,278,002	6,207,259	5,768,782
Selling and distribution expenses		113,069	120,164	32,509	28,047
Administrative expenses		871,092	832,925	292,334	256,533
<b>Total expenses</b>		<b>14,752,500</b>	<b>15,231,091</b>	<b>6,532,102</b>	<b>6,053,362</b>
<b>Profit before finance cost and</b>					
<b>income tax expenses</b>		<b>1,321,415</b>	<b>1,831,649</b>	<b>557,691</b>	<b>1,401,811</b>
Finance cost		(9,493)	(5,206)	(6,059)	(1,559)
<b>Profit before income tax expenses</b>		<b>1,311,922</b>	<b>1,826,443</b>	<b>551,632</b>	<b>1,400,252</b>
Income tax expenses	17	(65,807)	(98,151)	(7,027)	(5,132)
<b>Profit for the period</b>		<b>1,246,115</b>	<b>1,728,292</b>	<b>544,605</b>	<b>1,395,120</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		1,246,115	1,728,292	544,605	1,395,120
<b>Earnings per share</b>					
Basic earnings per share	18				
Profit attributable to equity holders of the Company (Baht)		1.55	2.15	0.68	1.73
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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit for the period</b>		<u>1,246,115</u>	<u>1,728,292</u>	<u>544,605</u>	<u>1,395,120</u>
<b>Other comprehensive income:</b>					
<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	138,253	(128,426)	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	17	<u>(777,258)</u>	<u>(229,477)</u>	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(639,005)</u>	<u>(357,903)</u>	-	-
<b>Other comprehensive income for the period</b>		<u>(639,005)</u>	<u>(357,903)</u>	-	-
<b>Total comprehensive income for the period</b>		<u>607,110</u>	<u>1,370,389</u>	<u>544,605</u>	<u>1,395,120</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u>607,110</u>	<u>1,370,389</u>	<u>544,605</u>	<u>1,395,120</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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,311,922	1,826,443	551,632	1,400,252
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	848,508	801,257	294,639	283,898
Amortisation expenses	9,985	9,684	3,629	3,462
Allowance for doubtful accounts (reversal)	(15,947)	(2,634)	588	-
Reduction of inventories to net realisable value (reversal)	20,672	(4,118)	(7,689)	(1,356)
Write-off of obsolete and damaged inventories	(13,340)	(8,918)	(8,081)	(8,918)
Dividend income from subsidiary companies	-	-	(64,000)	(625,000)
Dividend income from other companies	(1,152)	(1,690)	(67)	(63)
Loss (gain) on disposals/write-off of equipment	20,631	1,422	866	(6,905)
Reversal of allowance for impairment loss on assets	(999)	-	(999)	-
Provision for long-term employee benefits	75,623	35,319	34,172	17,134
Gain on sales/redemption of short-term investments	(5,201)	(6,325)	-	-
Revaluation gain on investments in securities held for trading	(28,983)	(2,191)	-	-
Unrealised loss (gain) on exchange	(38,700)	(10,222)	(22,018)	27,028
Unrealised gain on forward contracts	(43,756)	(67,332)	-	-
Interest income from short-term investments	(80,240)	(96,839)	-	-
Interest expenses	4,446	-	4,446	-
Profit from operating activities before changes in operating assets and liabilities	2,063,469	2,473,856	787,118	1,089,532

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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	113,284	(255,101)	(192,771)	(311,584)
Inventories	701,111	(557,738)	145,598	(272,408)
Other current assets	110,748	86,949	(6,742)	(29,973)
Other non-current assets	-	(2,560)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(696,297)	69,880	63,086	47,594
Other current liabilities	(8,532)	48,373	(2,963)	712
Cash from operating activities	2,283,783	1,863,659	793,326	523,873
Cash paid for long-term employee benefits	(35,529)	(7,911)	(25,552)	(5,245)
Cash paid for income tax	(88,966)	(124,113)	(4,835)	(6,333)
<b>Net cash from operating activities</b>	<b>2,159,288</b>	<b>1,731,635</b>	<b>762,939</b>	<b>512,295</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in fixed deposits with				
financial institutions	480,072	(13,025)	-	-
Decrease (increase) in short-term investments	(1,002,463)	(833,438)	-	50,000
Interest income from short-term investments	81,018	133,452	-	-
Proceeds from sales/redemption of short-term investments	137,614	370,398	-	-
Dividend income from subsidiary companies	-	-	64,000	625,000
Dividend income from other companies	1,152	1,690	67	63
Decrease (increase) in other long-term investments	8,360	(80,468)	-	-
Acquisitions of property, plant and equipment	(947,267)	(1,108,979)	(327,761)	(288,101)
Proceeds from disposals of equipment	42,010	12,070	800	8,898
Increase in intangible assets	(85,690)	(6,716)	(318)	(7,021)
Decrease in other non-current assets	2,392	77,368	-	2,521
<b>Net cash from (used in) investing activities</b>	<b>(1,282,802)</b>	<b>(1,447,648)</b>	<b>(263,212)</b>	<b>391,360</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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	430,000	-	430,000	-
Interest expenses	(4,178)	-	(4,178)	-
Dividend paid	(804,879)	(804,879)	(804,879)	(804,879)
<b>Net cash used in financing activities</b>	<u>(379,057)</u>	<u>(804,879)</u>	<u>(379,057)</u>	<u>(804,879)</u>
Increase (decrease) in cash and cash equivalents	497,429	(520,892)	120,670	98,776
Translation adjustment	(775,901)	(228,845)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(278,472)</u>	<u>(749,737)</u>	<u>120,670</u>	<u>98,776</u>
Cash and cash equivalents at beginning of the period	4,081,336	4,756,538	237,904	402,023
<b>Cash and cash equivalents at end of the period</b>				
<b>(Note 3)</b>	<u>3,802,864</u>	<u>4,006,801</u>	<u>358,574</u>	<u>500,799</u>

**Supplemental cash flow information**

Non-cash related transactions from investing activities

Net increase (decrease) in accounts payable for

purchases of plant and equipment

	(346,291)	436,965	41,155	(15,105)
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Revaluation gain (loss) on changes in fair value of

available-for-sale investments

	138,253	(128,426)	-	-
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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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Consolidated financial statements								
					Other components of shareholders' equity			
					Other comprehensive income			
					Surplus (deficit)			
					on changes in			Total
					value of	Exchange differences	components of	Total
					available-for-sale	on translation of	shareholders'	shareholders'
					investments	in foreign currency	equity	equity
Note	Issued and paid up share capital	Share premium	Retained earnings Appropriated - Statutory reserve	Unappropriated				
<b>Balance as at 31 December 2017</b>	804,879	1,723,219	443,691	17,504,229	214,569	(709)	213,860	20,689,878
Profit for the period	-	-	-	1,728,292	-	-	-	1,728,292
Other comprehensive income for the period	-	-	-	-	(128,426)	(229,477)	(357,903)	(357,903)
Total comprehensive income for the period	-	-	-	1,728,292	(128,426)	(229,477)	(357,903)	1,370,389
Dividend paid	20	-	-	(804,879)	-	-	-	(804,879)
<b>Balance as at 30 September 2018</b>	<u>804,879</u>	<u>1,723,219</u>	<u>443,691</u>	<u>18,427,642</u>	<u>86,143</u>	<u>(230,186)</u>	<u>(144,043)</u>	<u>21,255,388</u>
<b>Balance as at 31 December 2018</b>	804,879	1,723,219	456,463	18,237,930	68,641	(208,002)	(139,361)	21,083,130
Profit for the period	-	-	-	1,246,115	-	-	-	1,246,115
Other comprehensive income for the period	-	-	-	-	138,253	(777,258)	(639,005)	(639,005)
Total comprehensive income for the period	-	-	-	1,246,115	138,253	(777,258)	(639,005)	607,110
Dividend paid	20	-	-	(804,879)	-	-	-	(804,879)
<b>Balance as at 30 September 2019</b>	<u>804,879</u>	<u>1,723,219</u>	<u>456,463</u>	<u>18,679,166</u>	<u>206,894</u>	<u>(985,260)</u>	<u>(778,366)</u>	<u>20,885,361</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 changes in shareholders' equity (continued)**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

<b>Separate financial statements</b>					
	Issued and paid up share capital	Share premium	Retained earnings		Total Shareholders' equity
Note			Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 31 December 2017</b>	804,879	1,723,219	100,000	6,205,966	8,834,064
Profit for the period	-	-	-	1,395,120	1,395,120
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,395,120	1,395,120
Dividend paid	-	-	-	(804,879)	(804,879)
<b>Balance as at 30 September 2018</b>	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>6,796,207</u>	<u>9,424,305</u>
<b>Balance as at 31 December 2018</b>	804,879	1,723,219	100,000	6,470,616	9,098,714
Profit for the period	-	-	-	544,605	544,605
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	544,605	544,605
Dividend paid	-	-	-	(804,879)	(804,879)
<b>Balance as at 30 September 2019</b>	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>6,210,342</u>	<u>8,838,440</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 nine-month periods ended 30 September 2019**

**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, 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 2018. 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 period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **TFRS 16 Leases**

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on 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 2018, except for the change in the accounting policies regarding revenue recognition due to the adoption of TFRS 15, Revenue from Contracts with Customers, as below.

### **Revenue recognition**

#### ***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and allowances.

### 3. Cash and cash equivalents

Cash and cash equivalents as at 30 September 2019 and 31 December 2018, as reflected in the statements of financial position, consisted of the followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
Cash	1,361	2,306	242	246
Bank deposits	3,438,543	2,114,985	358,332	237,658
Fixed deposits with maturity not over 3 months	362,960	1,964,045	-	-
Total cash and cash equivalents	<u>3,802,864</u>	<u>4,081,336</u>	<u>358,574</u>	<u>237,904</u>

As at 30 September 2019, bank deposits in savings accounts and fixed deposits carried interests between 0.001 and 1.200 percent per annum (31 December 2018: 0.001 and 0.700 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 September		For the nine-month periods ended 30 September		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b>Transactions with subsidiary companies</b> (eliminated from the consolidated financial statements)					
Sales of goods	43	46	116	114	Prices agreed between the parties due to the uniqueness of products sold to each customer
Dividend income	-	-	64	625	Declared rate
Purchase of materials	113	67	311	165	Cost plus mark up
Service fee expenses	3	2	8	6	Rates stipulated in the agreement

(Unaudited but reviewed)

As at 30 September 2019 and 31 December 2018, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2019	2018	2019	2018
<b>Trade and other receivables (Note 6)</b>				
<b>Trade receivables - related parties</b>				
Subsidiary companies	-	-	20,310	23,706
<b>Total trade receivables - related parties</b>	-	-	20,310	23,706
<b>Other receivables - related parties</b>				
Related company (by way of common directors)	77	-	-	-
<b>Total other receivables - related parties</b>	77	-	-	-
<b>Total trade and other receivables</b>	<u>77</u>	<u>-</u>	<u>20,310</u>	<u>23,706</u>
<b>Trade and other payables (Note 15)</b>				
<b>Trade payables - related parties</b>				
Subsidiary companies	-	-	594,459	329,110
<b>Total trade payables - related parties</b>	-	-	594,459	329,110
<b>Total trade and other payables</b>	<u>-</u>	<u>-</u>	<u>594,459</u>	<u>329,110</u>

### **Directors' and management's benefits**

During the three-month and nine-month periods ended 30 September 2019 and 2018, 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	25.3	26.5	4.4	3.6
Post-employment benefits	0.5	0.4	0.2	0.2
<b>Total</b>	<u>25.8</u>	<u>26.9</u>	<u>4.6</u>	<u>3.8</u>

  

	(Unit: Million Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	80.6	73.5	14.0	10.6
Post-employment benefits	1.5	1.0	0.6	0.5
<b>Total</b>	<u>82.1</u>	<u>74.5</u>	<u>14.6</u>	<u>11.1</u>

**5. Short-term investments**

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2019		31 December 2018	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
<b>Securities held for trading (Note 5.1)</b>				
Overseas marketable equity securities	1,223,676	1,278,917	973,495	999,753
Add: Gain on changes in fair value of investments	55,241		26,258	
Investments in securities held for trading	1,278,917		999,753	
<b>Available-for-sale securities (Note 5.2)</b>				
Overseas marketable corporate bonds	998,042	1,169,564	1,123,441	1,198,459
Overseas quoted bonds	630,950	666,323	678,792	672,416
Total	1,628,992	1,835,887	1,802,233	1,870,875
Add: Gain on changes in fair value of investments	206,895		68,642	
Investments in available-for-sale securities	1,835,887		1,870,875	
<b>Fixed deposits with financial institutions</b>				
Fixed deposits within 1 year	1,907,816	1,907,816	1,114,706	1,114,706
Fixed deposits with financial institutions	1,907,816	1,907,816	1,114,706	1,114,706
<b>Total short-term investments</b>	<b>5,022,620</b>	<b>5,022,620</b>	<b>3,985,334</b>	<b>3,985,334</b>

As at 30 September 2019, fixed deposits with financial institutions carried interest between 1.95 and 2.33 percent per annum (31 December 2018: 1.82 and 3.05 percent per annum).

## 5.1 Securities held for trading

Movements of investments in securities held for trading for the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost as at		Translation	Cost as at	Fair value as at	
	31 December	Purchase	adjustment	30 September	30 September	
	2018			2019	2019	
					Revaluation	
					gain	
Overseas marketable equity securities						
Mutual funds	97,350	-	(5,574)	91,776	8,791	100,567
Investment trusts	64,900	-	(3,716)	61,184	12,166	73,350
Supply chain finance funds	811,245	10,000	249,471	1,070,716	34,284	1,105,000
Total investments in securities held for trading	973,495	10,000	240,181	1,223,676	55,241	1,278,917

As at 30 September 2019, the subsidiary assessed the fair value of the above securities held for trading 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 1.8 million or equivalent to approximately Baht 55.24 million (31 December 2018: surplus of USD 0.8 million or equivalent to approximately Baht 26.26 million). The gain on change in the fair value of approximately Baht 28.98 million (2018: Baht 2.19 million) was recognised in the income statements.

## 5.2 Available-for-sale securities

Movements of investments in available-for-sale securities for the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Cost as at		Proceeds			Cost as at		Fair value
	31 December		from sales/	Gain on sales/	Translation	30 September	Revaluation	as at
	2018	Purchase	redemption of	redemption of	adjustment	2019	gain	30 September
		investments	investments					2019
Overseas marketable corporate bonds	1,123,441	61,222	(134,723)	5,201	(57,099)	998,042	171,522	1,169,564
Overseas quoted bonds	678,792	38,191	(2,891)	-	(83,142)	630,950	35,373	666,323
Total investments in available-for-sale securities	<u>1,802,233</u>	<u>99,413</u>	<u>(137,614)</u>	<u>5,201</u>	<u>(140,241)</u>	<u>1,628,992</u>	<u>206,895</u>	<u>1,835,887</u>

As at 30 September 2019, the subsidiary assessed the fair value of the bonds by referring to the values quoted by the three overseas banks which are comparable to quoted prices, the result of which was a revaluation surplus on the fair value of USD 6.76 million or equivalent to approximately Baht 206.89 million (31 December 2018: surplus of USD 2.12 million or equivalent to approximately Baht 68.64 million). The gain on change in the fair value of approximately Baht 138.25 million (2018: loss of approximately Baht 128.43 million) was recognised as other comprehensive income in the statements of comprehensive income.

**6. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Age of receivable</b>				
<b>Trade receivables - subsidiary companies</b>				
Not yet due	-	-	2,042	6,681
Past due				
Up to 3 months	-	-	12,649	14,911
3 - 6 months	-	-	240	2,075
6 - 12 months	-	-	3,387	-
Over 12 months	-	-	1,992	39
Total trade receivables - subsidiary companies (Note 4)	-	-	20,310	23,706
<b>Trade receivables - unrelated parties</b>				
Not yet due	2,850,994	2,869,463	1,212,477	979,957
Past due				
Up to 3 months	697,016	799,019	427,234	477,417
3 - 6 months	20,406	34,940	9,204	22,995
6 - 12 months	9,001	7,737	4,069	3,103
Over 12 months	2,974	1,480	1,742	94
Total trade receivables - unrelated parties	3,580,391	3,712,639	1,654,726	1,483,566
Less: Allowance for doubtful accounts	(5,609)	(21,556)	(588)	-
Total trade receivables - unrelated parties - net	3,574,782	3,691,083	1,654,138	1,483,566
Total trade receivables - net	3,574,782	3,691,083	1,674,448	1,507,272
Other receivables - related parties (Note 4)	77	-	-	-
Other receivables - unrelated parties	71,753	87,711	4,097	10,321
Input tax receivables	57,717	52,878	2,857	6,344
Total other receivables	129,547	140,589	6,954	16,665
Trade and other receivables - net	3,704,329	3,831,672	1,681,402	1,523,937

(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 nine-month period ended 30 September 2019 are summarised below.

Inventory provision	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2018</b>	171,417	89,033
Reduction of inventory value during the period	89,063	36,294
Reversal of reduction of inventory value during the period	(66,101)	(43,983)
Write-off obsolete and damaged inventories during the period	(13,340)	(8,081)
Translation adjustment	(2,290)	-
<b>Balance as at 30 September 2019</b>	<b>178,749</b>	<b>73,263</b>

**8. Investments in subsidiary companies**

Company's name	(Unit: Thousand Baht)							
	Paid up capital		Shareholding percentage		Cost		Dividend received for the nine-month periods ended	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September	
			Percent	Percent			2019	2018
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	-	175,000
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	64,000	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	-	-	-	-
Total investments in subsidiary companies					<u>3,583,449</u>	<u>3,583,449</u>	<u>64,000</u>	<u>625,000</u>

During the current period, Hana Technologies Group Limited, a subsidiary company, and Hana Technologies Investments Limited, a subsidiary company of Hana Technologies Group Limited, registered for dissolution of their business. There was no gain/loss on investments in these subsidiary companies.

(Unaudited but reviewed)

In June 2019, Hana Microelectronics Enterprise Company Limited, an overseas subsidiary company, additionally invested in 5,910,000 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 2.5 million or equivalent to Baht 76.86 million. In September 2019, it additionally invested in 5,922,600 ordinary shares, amounting to USD 2.5 million or equivalent to Baht 76.48 million.

As at 30 September 2019, the overseas subsidiary company has invested in 18,376,757 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 7.99 million or equivalent to Baht 250.45 million, representing 100% of the issued and paid-up share capital of that company.

## 9. Long-term fixed deposits with financial institution

As at 31 December 2018, an overseas subsidiary had long-term fixed deposits with financial institution of China Yuan 101.6 million or equivalent to Baht 480.1 million, carrying interest between 2.10 and 2.24 percent per annum, and due in March and April 2019.

## 10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Cost/Amortised cost		Cost/Amortised cost	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Available-for-sale securities</b>				
Local marketable equity securities	97	97	97	97
	97	97	97	97
<b>Held-to-maturity debt securities</b>				
Overseas debt securities	61,184	64,900	-	-
	61,184	64,900	-	-
<b>Other investments</b>				
Preferred shares issued by an overseas company	78,080	78,080	-	-
Overseas equity securities	9,178	9,735	-	-
Total	87,258	87,815	-	-
Less: Allowance for impairment loss	(9,178)	(9,735)	-	-
Translation adjustment	(1,600)	3,044	-	-
	76,480	81,124	-	-
<b>Total other long-term investments - net</b>	<b>137,761</b>	<b>146,121</b>	<b>97</b>	<b>97</b>

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, 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.

#### 11. Investment property

The fair value of the investment property based on market price as at 30 September 2019 amounted to approximately Baht 96 million (31 December 2018: Baht 96 million).

#### 12. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2018</b>	7,179,238	2,637,492
Acquisitions during the period - at cost	747,174	368,916
Disposals/write-off during the period - net book value at disposal/write-off date	(62,641)	(1,666)
Depreciation for the period	(848,508)	(294,639)
Reversal of allowance for impairment during the period	999	999
Translation adjustment	(146,198)	-
<b>Net book value as at 30 September 2019</b>	<u>6,870,064</u>	<u>2,711,102</u>

(Unaudited but reviewed)

### 13. Land leasehold rights

Movements in land leasehold rights account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Net book value as at 31 December 2018</b>	127,128
Amortisation for the period	(2,036)
Translation adjustment	(7,238)
<b>Net book value as at 30 September 2019</b>	<u>117,854</u>

### 14. Short-term loans from financial institutions

As at 30 September 2019, the Company had short-term loans in form of unsecured promissory notes of Baht 430 million, carrying interests between 2.05 and 2.20 percent per annum.

Movements in short-term loans from financial institutions during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2018</b>	-	-
Add: Increase during the period	1,070,000	1,070,000
Less: Repayment during the period	(640,000)	(640,000)
<b>Balance as at 30 September 2019</b>	<u>430,000</u>	<u>430,000</u>

### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Trade payables - subsidiary companies (Note 4)	-	-	594,459	329,110
Trade payables - unrelated parties	1,519,350	2,466,170	582,334	928,615
Advance received from customers	171,082	159,149	27,806	16,165
Other payables for purchase of machinery	149,988	496,279	68,986	27,831
Accrued expenses	486,405	299,811	105,163	31,178
<b>Total trade and other payables</b>	<u>2,326,825</u>	<u>3,421,409</u>	<u>1,378,748</u>	<u>1,332,899</u>

**16. Provision for long-term employee benefits**

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 66.4 million (the Company only: Baht 25.8 million) as a result.

In addition, during the second quarter of 2019, the Company and its subsidiary made amendment to their post-employment benefit plan, resulting in a decrease in long-term employee benefit liabilities of the Company and its subsidiary of Baht 34.8 million (the Company only: Baht 13.5 million).

As a result of the above change in the law and the post-employment benefits plan amendment, the Company and its subsidiary have net additional long-term employee benefit liabilities of Baht 31.6 million (the Company only: Baht 12.3 million). The Company and its subsidiary reflected the effect of the changes by recognising past service costs as expenses in the income statements for the second quarter of 2019.

**17. Income tax**

Interim corporate income tax is 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 nine-month periods ended 30 September 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	30,632	29,036	3,286	792
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	235	(1,749)	428	(349)
<b>Income tax expenses reported in the income statement</b>	<u>30,867</u>	<u>27,287</u>	<u>3,714</u>	<u>443</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	69,930	93,968	6,403	5,537
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(4,123)</u>	<u>4,183</u>	<u>624</u>	<u>(405)</u>
<b>Income tax expenses reported in the income statement</b>	<u>65,807</u>	<u>98,151</u>	<u>7,027</u>	<u>5,132</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	<u>584</u>	<u>763</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	<u>1,357</u>	<u>632</u>	<u>-</u>	<u>-</u>

## 18. 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.

**19. 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 segments.

The following table presents revenue and profit information regarding the Company's and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 30 September												
	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	3,037	3,279	1,921	2,465	212	274	5,170	6,018	-	-	5,170	6,018
Intersegment revenues	762	944	189	213	236	371	1,187	1,528	(1,187)	(1,528)	-	-
Total revenues	<u>3,799</u>	<u>4,223</u>	<u>2,110</u>	<u>2,678</u>	<u>448</u>	<u>645</u>	<u>6,357</u>	<u>7,546</u>	<u>(1,187)</u>	<u>(1,528)</u>	<u>5,170</u>	<u>6,018</u>
Segment profit	445	582	104	396	71	105	620	1,083	1	3	621	1,086
Interest income											44	45
Dividend income											1	1
Gain on exchange											17	71
Other income											86	61
Selling and distribution expenses											(39)	(41)
Administrative expenses											(288)	(289)
Finance cost											(4)	(2)
Income tax expenses											(31)	(27)
Profit for the period											<u>407</u>	<u>905</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements for the nine-month periods ended 30 September

	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external customers	9,068	9,402	5,732	6,516	662	745	15,462	16,663	-	-	15,462	16,663
Intersegment revenues	2,331	2,684	558	595	800	1,076	3,689	4,355	(3,689)	(4,355)	-	-
Total revenues	<u>11,399</u>	<u>12,086</u>	<u>6,290</u>	<u>7,111</u>	<u>1,462</u>	<u>1,821</u>	<u>19,151</u>	<u>21,018</u>	<u>(3,689)</u>	<u>(4,355)</u>	<u>15,462</u>	<u>16,663</u>
Segment profit	1,136	1,341	340	748	206	292	1,682	2,381	11	4	1,693	2,385
Interest income											134	142
Dividend income											1	2
Gain on exchange											232	23
Other income											245	232
Selling and distribution expenses											(113)	(120)
Administrative expenses											(871)	(833)
Finance cost											(9)	(5)
Income tax expenses											(66)	(98)
Profit for the period											<u>1,246</u>	<u>1,728</u>

**20. Dividend paid**

During the nine-month period ended 30 September 2019 and 2018, the Company and its subsidiary companies had dividend payments as follows:

		Approved by	Total dividends	Dividend per share
			Thousand Baht	Baht
<b><u>The Company</u></b>				
<u>For the year 2019</u>				
Dividends on 2018 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 30 April 2019		804,879	1.00
<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
<b><u>Subsidiary companies</u></b>				
<b>Hana Semiconductor (BKK) Company Limited</b>				
<u>For the year 2019</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 29 April 2019		64,000	0.64
<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
<b>Hana Semiconductor (Ayutthaya) Company Limited</b>				
<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

**21. Commitments and contingent liabilities****21.1 Capital commitments**

As at 30 September 2019, the Company and its subsidiaries had capital commitments relating to acquisitions of machinery totaling USD 5.0 million and CNY 1.8 million or equivalent to Baht 162 million (31 December 2018: USD 6.8 million or equivalent to Baht 230 million) and the Company only of approximately Baht 76 million (31 December 2018: Baht 97 million).

## 21.2 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, lease of land and lease of building and factory and related services. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these operating lease contracts and related services were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Payable:				
In up to 1 year	19.8	44.4	8.9	27.3
In over 1 year and up to 5 years	14.9	23.8	0.1	0.7

## 21.3 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.

## 21.4 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.

## 21.5 Guarantees

As at 30 September 2019, there were outstanding bank guarantees of approximately Baht 28 million (31 December 2018: Baht 27 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company to guarantee electricity uses, among others.

## 22. Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises 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.

(Unaudited but reviewed)

The balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2019 and 31 December 2018 are summarised below.

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per foreign currency unit)	
South Korean Won	3,401	196	-	9	0.0255	0.0290
Cambodian Riel	327	127	-	-	0.0075	0.0080
US Dollar	232	240	43	69	30.5919	32.4498
China Yuan	204	232	86	110	4.2932	4.7237
Indian Rupee	40	40	-	-	0.4348	0.4647
Hong Kong Dollar	3	10	-	-	3.9037	4.1416
Singapore Dollar	2	2	-	-	22.1459	23.6943
Brazilian Real	2	2	-	-	7.3538	8.5200
Japan Yen	2	54	22	16	0.2834	0.2931
Macau Pataca	1	1	-	-	3.8150	4.0164
Euro	1	-	-	-	33.4265	37.1252

As at 30 September 2019 and 31 December 2018, the two overseas subsidiary companies had outstanding forward exchange contracts, of which details are presented below.

As at 30 September 2019

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	18 October 2019 - 28 February 2020	30.400 - 30.816

As at 31 December 2018

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	15 January 2019 - 25 February 2019	32.700 - 33.210

**23. Fair value of financial instruments**

As of 30 September 2019, 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
<b>Financial assets measured at fair value</b>			
Held for trading investments			
Equity instruments	1,278,917	-	1,278,917
Available-for-sale investments			
Marketable corporate bonds	1,169,564	-	1,169,564
Quoted bonds	666,323	-	666,323
<b>Financial liabilities measured at fair value</b>			
Derivatives			
Forward exchange contracts - loss	-	10,408	10,408

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

**24. Event after the reporting period**

On 10 October 2019, the Meeting of the Board of Directors of the Company No. 5/2019 passed a resolution approving the payment of interim dividend from the profit for the first six-month period of 2019 to the Company's shareholders at Baht 0.65 per share or a total of approximately Baht 523 million. The dividends were paid to the shareholders on 8 November 2019.

**25. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2019.