

Hana Microelectronics Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

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 (the Group) as at 30 June 2022, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, 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 interim consolidated financial statements. I have also reviewed the separate financial information of Hana Microelectronics Public Company Limited for the same periods (collectively "interim financial information"). 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: 11 August 2022

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2022</u>	<u>31 December 2021</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents		3,382,096	3,304,173	725,173	245,587
Trade and other receivables	2, 3	4,846,356	4,552,783	2,051,563	1,630,771
Inventories	4	8,254,871	6,856,572	3,681,246	3,518,228
Other current financial assets	5	1,448,488	2,694,695	-	-
Other current assets		234,418	161,612	19,392	39,995
Total current assets		18,166,229	17,569,835	6,477,374	5,434,581
Non-current assets					
Investments in subsidiaries	6	-	-	3,583,449	3,583,449
Investment property		72,304	72,304	72,304	72,304
Property, plant and equipment	7	10,249,987	9,662,666	2,162,591	2,203,638
Intangible assets		415,942	421,906	50,929	55,232
Other non-current financial assets		97	154	97	97
Deferred tax assets		11,370	10,069	2,379	1,556
Other non-current assets		117,186	116,033	10	10
Total non-current assets		10,866,886	10,283,132	5,871,759	5,916,286
Total assets		29,033,115	27,852,967	12,349,133	11,350,867

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 June 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)	As at 30 June 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	8	300,000	-	300,000	-
Short-term loan from related party	2	-	-	200,000	-
Trade and other payables	2, 9	4,332,084	3,505,876	1,794,123	1,544,125
Current portion of lease liabilities		6,459	7,965	-	-
Short-term provisions		352,970	334,199	-	-
Income tax payable		29,045	20,528	8,003	7,148
Derivative liabilities		64,754	-	-	-
Other current liabilities		171,292	160,410	28,131	25,534
Total current liabilities		5,256,604	4,028,978	2,330,257	1,576,807
Non-current liabilities					
Lease liabilities - net of current portion		635	2,884	-	-
Deferred income		66,955	-	-	-
Deferred tax liabilities		33,396	44,160	-	-
Provision for long-term employee benefits		728,950	718,851	320,478	332,488
Total non-current liabilities		829,936	765,895	320,478	332,488
Total liabilities		6,086,540	4,794,873	2,650,735	1,909,295
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		514,958	514,958	100,000	100,000
Unappropriated		19,149,028	19,343,953	7,070,300	6,813,474
Other components of shareholders' equity		754,491	671,085	-	-
Total shareholders' equity		22,946,575	23,058,094	9,698,398	9,441,572
Total liabilities and shareholders' equity		29,033,115	27,852,967	12,349,133	11,350,867

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

Directors

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2022**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales		6,389,637	6,064,693	2,635,856	2,736,724
Dividend income	6	548	713	200,046	280,046
Gain on exchange		-	-	51,591	33,642
Gain on derivatives		-	47,818	-	-
Other income		119,918	117,168	18,916	7,078
Total revenues		6,510,103	6,230,392	2,906,409	3,057,490
Expenses					
Cost of sales		5,511,715	5,048,385	2,153,160	2,244,192
Selling and distribution expenses		51,950	50,148	14,926	15,431
Administrative expenses		348,817	323,243	71,958	68,952
Loss on exchange		325,875	79,536	-	-
Loss on derivative		26,804	-	-	-
Impairment loss on financial assets (reversal)		(519)	1,456	-	-
Loss on FVTPL equity instrument		5,731	-	-	-
Total expenses		6,270,373	5,502,768	2,240,044	2,328,575
Operating profit		239,730	727,624	666,365	728,915
Finance income		22,876	28,594	175	377
Finance cost		(2,663)	(1,758)	(1,591)	(692)
Profit before income tax expenses		259,943	754,460	664,949	728,600
Income tax expenses	10	(14,984)	(17,684)	(5,433)	(4,540)
Profit for the period		244,959	736,776	659,516	724,060
Profit attributable to:					
Equity holders of the Company		244,959	736,776	659,516	724,060
Earnings per share					
11					
Basic earnings per share					
Profit attributable to equity holders of					
the Company (Baht)					
		0.30	0.92	0.82	0.90
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 interim 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 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period		<u>244,959</u>	<u>736,776</u>	<u>659,516</u>	<u>724,060</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of debt instruments designated at fair value through other comprehensive income		(116,589)	29,752	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	10	<u>428,918</u>	<u>307,868</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>312,329</u>	<u>337,620</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>312,329</u>	<u>337,620</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>557,288</u></u>	<u><u>1,074,396</u></u>	<u><u>659,516</u></u>	<u><u>724,060</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u><u>557,288</u></u>	<u><u>1,074,396</u></u>	<u><u>659,516</u></u>	<u><u>724,060</u></u>

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

(Unaudited but reviewed)

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

Income statement

For the six-month period ended 30 June 2022

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales		12,496,897	11,279,168	5,444,394	5,140,802
Dividend income	6	1,013	1,123	200,046	280,046
Gain on exchange		-	-	72,346	76,568
Other income		227,430	193,350	33,109	15,534
Total revenues		12,725,340	11,473,641	5,749,895	5,512,950
Expenses					
Cost of sales		10,956,395	9,641,648	4,508,133	4,320,346
Selling and distribution expenses		103,839	99,492	29,185	31,523
Administrative expenses		676,912	585,855	140,690	137,713
Loss on exchange		296,841	10,052	-	-
Loss on derivatives		83,919	120,139	-	-
Reversal of allowance for impairment loss					
on financial assets		(646)	(1,295)	-	-
Loss on FVTPL equity instrument		11,694	14,736	-	-
Total expenses		12,128,954	10,470,627	4,678,008	4,489,582
Operating profit		596,386	1,003,014	1,071,887	1,023,368
Finance income		47,376	57,658	176	388
Finance cost		(4,116)	(3,192)	(2,143)	(1,208)
Profit before income tax expenses		639,646	1,057,480	1,069,920	1,022,548
Income tax expenses	10	(29,692)	(19,509)	(8,215)	(10,387)
Profit for the period		609,954	1,037,971	1,061,705	1,012,161
Profit attributable to:					
Equity holders of the Company		609,954	1,037,971	1,061,705	1,012,161
Earnings per share					
11					
Basic earnings per share					
Profit attributable to equity holders of					
the Company (Baht)		0.76	1.29	1.32	1.26
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 interim 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 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period		609,954	1,037,971	1,061,705	1,012,161
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on changes in value of debt instruments designated at fair value through other comprehensive income		(301,511)	(34,503)	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	10	384,917	763,070	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		83,406	728,567	-	-
Other comprehensive income for the period		83,406	728,567	-	-
Total comprehensive income for the period		<u>693,360</u>	<u>1,766,538</u>	<u>1,061,705</u>	<u>1,012,161</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>693,360</u>	<u>1,766,538</u>	<u>1,061,705</u>	<u>1,012,161</u>

The accompanying notes are an integral part of the interim 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 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Other components of shareholders' equity									
Other comprehensive income									
Exchange differences Total other									
components of Total									
shareholders' equity shareholders' equity									
Issued and Retained earnings Fair value reserve on translation of components of Total									
paid up Share Appropriated - of financial assets financial statements shareholders' equity									
share capital premium Statutory reserve Unappropriated at FVOCI in foreign currency equity equity									
Note									
	Balance as at 1 January 2021	804,879	1,723,219	456,463	19,239,560	283,699	(894,207)	(610,508)	21,613,613
	Profit for the period	-	-	-	1,037,971	-	-	-	1,037,971
	Other comprehensive income for the period	-	-	-	-	(34,503)	763,070	728,567	728,567
	Total comprehensive income for the period	-	-	-	1,037,971	(34,503)	763,070	728,567	1,766,538
	Dividend paid	-	-	-	(603,659)	-	-	-	(603,659)
13	Balance as at 30 June 2021	<u>804,879</u>	<u>1,723,219</u>	<u>456,463</u>	<u>19,673,872</u>	<u>249,196</u>	<u>(131,137)</u>	<u>118,059</u>	<u>22,776,492</u>
	Balance as at 1 January 2022	804,879	1,723,219	514,958	19,343,953	214,535	456,550	671,085	23,058,094
	Profit for the period	-	-	-	609,954	-	-	-	609,954
	Other comprehensive income for the period	-	-	-	-	(301,511)	384,917	83,406	83,406
	Total comprehensive income for the period	-	-	-	609,954	(301,511)	384,917	83,406	693,360
	Dividend paid	-	-	-	(804,879)	-	-	-	(804,879)
13	Balance as at 30 June 2022	<u>804,879</u>	<u>1,723,219</u>	<u>514,958</u>	<u>19,149,028</u>	<u>(86,976)</u>	<u>841,467</u>	<u>754,491</u>	<u>22,946,575</u>

The accompanying notes are an integral part of the interim 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 2022

(Unit: Thousand Baht)

Separate financial statements					
	Issued and paid up share capital	Share premium	<u>Retained earnings</u>		Total Shareholders' equity
Note			Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2021	804,879	1,723,219	100,000	6,430,923	9,059,021
Profit for the period	-	-	-	1,012,161	1,012,161
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,012,161	1,012,161
Dividend paid	-	-	-	(603,659)	(603,659)
Balance as at 30 June 2021	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>6,839,425</u>	<u>9,467,523</u>
Balance as at 1 January 2022	804,879	1,723,219	100,000	6,813,474	9,441,572
Profit for the period	-	-	-	1,061,705	1,061,705
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,061,705	1,061,705
Dividend paid	-	-	-	(804,879)	(804,879)
Balance as at 30 June 2022	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>7,070,300</u>	<u>9,698,398</u>

The accompanying notes are an integral part of the interim 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 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	639,646	1,057,480	1,069,920	1,022,548
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	714,359	612,761	177,405	190,562
Amortisation	26,624	20,817	4,303	4,301
Allowance for expected credit losses (reversal)	6,988	(1,662)	-	-
Reduction of inventories to net realisable value (reversal)	(2,836)	4,924	4,976	8,231
Dividend income from subsidiary companies	-	-	(200,000)	(280,000)
Dividend income from other companies	(1,013)	(1,123)	(46)	(46)
Loss on disposals/write-off of equipment and intangible assets	4,866	24,230	1,170	5,963
Provision for long-term employee benefits	38,533	39,229	12,739	13,396
Loss (gain) on sales of debt instruments at fair value through other comprehensive income	1,120	(21,188)	-	-
Loss on fair value adjustments of financial instruments	11,694	14,736	-	-
Reversal of impairment loss on financial assets	(646)	(1,295)	-	-
Unrealised loss (gain) on exchange	2,899	44,631	(18,720)	19,394
Unrealised loss on derivatives	83,919	120,139	-	-
Finance income	(47,376)	(57,658)	(176)	(388)
Finance cost	551	50	656	-
Profit from operating activities before changes in operating assets and liabilities	1,479,328	1,856,071	1,052,227	983,961

The accompanying notes are an integral part of the interim 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 2022**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(339,219)	(772,809)	(434,617)	(180,968)
Inventories	(1,395,463)	(973,927)	(167,994)	(333,077)
Other current assets	(76,367)	(53,571)	19,058	1,337
Operating liabilities increase (decrease)				
Trade and other payables	800,508	1,011,180	283,578	372,957
Other current liabilities	10,882	(818)	2,597	(2,362)
Deferred Income	66,955	-	-	-
Cash from operating activities	546,624	1,066,126	754,849	841,848
Cash paid for long-term employee benefits	(28,434)	(23,525)	(24,749)	(10,144)
Cash paid for income tax	(33,985)	(10,418)	(8,183)	(6,702)
Net cash from operating activities	484,205	1,032,183	721,917	825,002
Cash flows from investing activities				
Decrease (increase) in other current financial assets	739,069	(103,069)	-	-
Decrease in other non-current financial assets	57	-	-	-
Interest received	60,343	63,469	183	385
Proceeds from sales of financial instruments	174,294	161,184	-	-
Dividend income from subsidiary companies	-	-	200,000	280,000
Dividend income from other companies	1,013	1,123	46	46
Acquisitions of property, plant and equipment and intangible assets	(1,263,956)	(1,735,821)	(143,030)	(56,922)
Proceeds from disposals of equipment	7,023	4,990	5,349	4,300
Increase in other non-current assets	(1,153)	(13,528)	-	-
Net cash from (used in) investing activities	(283,310)	(1,621,652)	62,548	227,809

The accompanying notes are an integral part of the interim 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 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from financing activities				
Increase in short-term loans from financial institutions	300,000	-	300,000	-
Increase in short-term loans from related party	-	-	200,000	-
Payment of principal portion of lease liabilities	(4,019)	(7,451)	-	-
Dividend paid	(804,879)	(603,659)	(804,879)	(603,659)
Net cash used in financing activities	<u>(508,898)</u>	<u>(611,110)</u>	<u>(304,879)</u>	<u>(603,659)</u>
Increase (decrease) in cash and cash equivalents	(308,003)	(1,200,579)	479,586	449,152
Translation adjustment	385,926	766,229	-	-
Net increase (decrease) in cash and cash equivalents				
cash equivalents	77,923	(434,350)	479,586	449,152
Cash and cash equivalents at beginning of the period	3,304,173	5,400,261	245,587	642,883
Cash and cash equivalents at end of the period	<u>3,382,096</u>	<u>4,965,911</u>	<u>725,173</u>	<u>1,092,035</u>

Supplemental cash flow information

Non-cash related transactions from investing activities

Net increase (decrease) in accounts payable for

purchases of plant and equipment

70,273 217,813 (153) 58,353

Revaluation loss on changes in fair value of

debt instruments at FVOCI

(301,511) (34,503) - -

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

Hana Microelectronics Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2022

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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to impact most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 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.

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Hana Microelectronics Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021. There are no changes in the group structure during the current period.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021. During the current period, the Group has applied the accounting policies for the new transactions as below.

Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received, and all attached conditions will be complied.

Grants related to assets are presented as deferred income and are recognised as income in the income statement on a straight-line basis over the useful lives of the assets.

Grants related to income are recognised as other income in the income statement.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

During the periods, the Group 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		For the six-month periods ended		
	30 June		30 June		
	2022	2021	2022	2021	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	34	55	83	98	Prices agreed between the parties due to the uniqueness of products sold to each customer
Dividend income	200	280	200	280	Declared rate
Purchase of materials	107	132	207	213	Cost plus mark up
Service fee expenses	3	3	6	5	Rates stipulated in the agreement

(Unaudited but reviewed)

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Trade receivables (Note 3)				
Trade receivables - related parties				
Subsidiaries	-	-	39,733	24,100
Total trade receivables - related parties	-	-	39,733	24,100
Trade and other payables (Note 9)				
Trade payables - related parties				
Subsidiaries	-	-	686,538	519,073
Total trade payables - related parties	-	-	686,538	519,073
Other payables - related parties				
Subsidiaries	-	-	3,059	2,115
Total other payables - related parties	-	-	3,059	2,115
Total trade and other payables	-	-	689,597	521,188

Short-term loan from related party

As at 30 June 2022, the Company had short-term loan from the subsidiary of Baht 200 million, bearing interest at a rate of 0.50 percent per annum and due for repayment in November 2022.

Directors' and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	37.0	27.4	3.6	4.5
Post-employment benefits	0.6	0.4	0.2	0.1
Total	37.6	27.8	3.8	4.6

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	66.5	51.4	7.1	9.0
Post-employment benefits	1.2	0.8	0.4	0.3
Total	<u>67.7</u>	<u>52.2</u>	<u>7.5</u>	<u>9.3</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
<u>Age of receivable</u>				
Trade receivables - subsidiaries				
Not yet due	-	-	11,510	16,662
Past due				
Up to 3 months	-	-	21,404	2,711
3 - 6 months	-	-	967	1,908
6 - 12 months	-	-	3,339	444
Over 12 months	-	-	2,513	2,375
Total trade receivables - subsidiaries (Note 2)	-	-	39,733	24,100
Trade receivables - unrelated parties				
Not yet due	3,890,464	3,614,000	1,560,203	1,207,027
Past due				
Up to 3 months	725,221	638,339	384,069	324,128
3 - 6 months	5,106	52,465	1,161	27,357
6 - 12 months	5,868	5,720	3,344	459
Over 12 months	14,920	5,408	2,941	2,790
Total trade receivables - unrelated parties	4,641,579	4,315,932	1,951,718	1,561,761
Less: Allowance for expected credit losses	(18,102)	(11,114)	(2,492)	(2,492)
Total trade receivables - unrelated parties - net	4,623,477	4,304,818	1,949,226	1,559,269
Total trade receivables - net	4,623,477	4,304,818	1,988,959	1,583,369
Receivables from the Revenue Department	45,346	113,967	5,314	11,308
Other receivables - unrelated parties	177,533	133,998	57,290	36,094
Total other receivables	222,879	247,965	62,604	47,402
Trade and other receivables - net	<u>4,846,356</u>	<u>4,552,783</u>	<u>2,051,563</u>	<u>1,630,771</u>

(Unaudited but reviewed)

4. Reduction 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 2022 are summarised below.

	(Unit: Thousand Baht)	
Inventory provision	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2021	199,734	82,465
Reduction of inventory value during the period	100,217	44,818
Reversal of reduction of inventory value during the period	(103,758)	(39,842)
Write-off obsolete and damaged inventories during the period	(14,294)	(13,859)
Translation adjustment	705	-
Balance as at 30 June 2022	182,604	73,582

5. Other current financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2022	31 December 2021 (Audited)
<u>Debt instruments at amortised cost</u>		
Fixed deposits	7,059	831,535
Total debt instruments at amortised cost	7,059	831,535
<u>Debt instruments at FVOCI</u>		
Overseas marketable corporate bonds	776,670	1,023,889
Overseas quoted bonds	609,493	758,192
Total	1,386,163	1,782,081
Less: Allowance for expected credit losses	(24,338)	(24,984)
Total debt instruments at FVOCI - net	1,361,825	1,757,097
<u>Financial assets at FVTPL</u>		
Overseas securities	79,604	86,898
Derivative assets	-	19,165
Total financial assets at FVTPL	79,604	106,063
Total other current financial assets - net	1,448,488	2,694,695

(Unaudited but reviewed)

6. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid up capital		Shareholding percentage		Cost		Dividend received for the three-month and six-month periods ended 30 June	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	2022	2021
			Percent	Percent				
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	-	280,000
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	200,000	-
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	-	-	-	-
Hana Microelectronics Investment Company Limited	-	-	-	100	-	-	-	-
Total investments in subsidiary companies					<u>3,583,449</u>	<u>3,583,449</u>	<u>200,000</u>	<u>280,000</u>

In March 2022, Hana Microelectronics Enterprise Company Limited, an overseas subsidiary, additionally invested in 17,388,000 ordinary shares of Power Master Semiconductor Company Limited, in total amount of USD 7.0 million or equivalent to Baht 233.08 million.

As at 30 June 2022, the overseas subsidiary has invested in 119,094,697 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 50.99 million or equivalent to Baht 1,646.73 million (31 December 2021: 101,706,697 ordinary shares, amounting to USD 43.99 million or equivalent to Baht 1,413.65 million), representing 100% of the issued and paid-up share capital of that company.

In June 2022, Hana Microelectronics Enterprise Company Limited, an overseas subsidiary, additionally invested in ordinary shares of Hana Microelectronics (Jiaxing) Company Limited, in total amount of USD 10.0 million or equivalent to Baht 352.97 million.

As at 30 June 2022, the overseas subsidiary has invested in ordinary shares of Hana Microelectronics (Jiaxing) Company Limited, amounting to USD 65.0 million or equivalent to Baht 2,345.68 million (31 December 2021: USD 55.0 million or equivalent to Baht 1,992.71 million), representing 100% of the issued and paid-up share capital of that company.

(Unaudited but reviewed)

7. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2021	9,662,666	2,203,638
Acquisitions during the period - at cost	1,388,868	142,877
Write-off during the period - net book value at write-off date	(11,889)	(6,519)
Depreciation for the period	(714,359)	(177,405)
Translation adjustment	(75,299)	-
Net book value as at 30 June 2022	<u>10,249,987</u>	<u>2,162,591</u>

8. Short-term loans from financial institutions

As at 30 June 2022, the Company had short-term loans in form of unsecured promissory notes of Baht 300 million, bearing interest at a rate of 1.25 percent per annum and due for repayment in August 2022.

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Trade payables - subsidiaries (Note 2)	-	-	686,538	519,073
Trade payables - unrelated parties	3,113,311	2,610,024	863,539	865,418
Other payables - subsidiaries (Note 2)	-	-	3,059	2,115
Advance received from customers	421,114	294,510	90,427	63,195
Other payables for purchases of assets	292,552	222,279	57,883	58,036
Accrued expenses	505,107	379,063	92,677	36,288
Total trade and other payables	<u>4,332,084</u>	<u>3,505,876</u>	<u>1,794,123</u>	<u>1,544,125</u>

10. 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 six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	30,551	18,240	5,438	4,334
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(15,567)</u>	<u>(556)</u>	<u>(5)</u>	<u>206</u>
Income tax expenses reported in the income statement	<u>14,984</u>	<u>17,684</u>	<u>5,433</u>	<u>4,540</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	42,502	26,298	9,038	10,587
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(12,810)</u>	<u>(6,789)</u>	<u>(823)</u>	<u>(200)</u>
Income tax expenses reported in the income statement	<u>29,692</u>	<u>19,509</u>	<u>8,215</u>	<u>10,387</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	810	1,076	-	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	745	2,210	-	-

11. 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)

12. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments from the last annual financial statements.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	3,471	3,432	2,576	2,374	342	259	6,389	6,065	-	-	6,389	6,065
Intersegment revenues	765	749	220	195	321	194	1,306	1,138	(1,306)	(1,138)	-	-
Total revenues	<u>4,236</u>	<u>4,181</u>	<u>2,796</u>	<u>2,569</u>	<u>663</u>	<u>453</u>	<u>7,695</u>	<u>7,203</u>	<u>(1,306)</u>	<u>(1,138)</u>	<u>6,389</u>	<u>6,065</u>
Segment profit	630	630	279	351	(33)	34	876	1,015	2	2	878	1,017
Dividend income											1	1
Other income											120	117
Selling and distribution expenses											(52)	(50)
Administrative expenses											(349)	(323)
Loss on exchange											(326)	(80)
Gain (loss) on derivatives											(27)	48
Reversal of impairment loss on financial assets (loss)											1	(2)
Loss on FVTPL equity instrument											(6)	-
Finance income											23	29
Finance cost											(3)	(2)
Income tax expenses											(15)	(18)
Profit for the period											<u>245</u>	<u>737</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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from external customers	6,978	6,385	4,872	4,446	646	448	12,496	11,279	-	-	12,496	11,279
Intersegment revenues	1,508	1,313	428	337	794	398	2,730	2,048	(2,730)	(2,048)	-	-
Total revenues	<u>8,486</u>	<u>7,698</u>	<u>5,300</u>	<u>4,783</u>	<u>1,440</u>	<u>846</u>	<u>15,226</u>	<u>13,327</u>	<u>(2,730)</u>	<u>(2,048)</u>	<u>12,496</u>	<u>11,279</u>
Segment profit	1,184	1,047	432	538	(78)	50	1,538	1,635	3	3	1,541	1,638
Dividend income											1	1
Other income											228	193
Selling and distribution expenses											(104)	(99)
Administrative expenses											(677)	(586)
Loss on exchange											(297)	(10)
Loss on derivatives											(84)	(120)
Reversal of impairment loss on financial assets											1	1
Loss on FVTPL equity instrument											(12)	(15)
Finance income											47	58
Finance cost											(4)	(3)
Income tax expenses											(30)	(20)
Profit for the period											<u>610</u>	<u>1,038</u>

13. Dividend paid

During the six-month periods ended 30 June 2022 and 2021, the Company and its subsidiaries had dividend payments as follows:

		Approved by	Total dividends	Dividend per share
			Thousand Baht	Baht
<u>The Company</u>				
<u>For the year 2022</u>				
Dividends on 2021 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 29 April 2022		804,879	1.00
<u>For the year 2021</u>				
Dividends on 2020 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 30 April 2021		603,659	0.75
<u>Subsidiaries</u>				
Hana Semiconductor (BKK) Company Limited				
<u>For the year 2022</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 28 April 2022		200,000	2.00
Hana Semiconductor (Ayutthaya) Company Limited				
<u>For the year 2021</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 7 April 2021		480,000	4.00

14. Commitments and contingent liabilities**14.1 Capital commitments**

As at 30 June 2022, the Group had capital commitments relating to acquisitions of machinery totaling USD 4 million, CNY 43 million and Baht 201 million or equivalent to Baht 555 million (31 December 2021: USD 11 million, CNY 12 million and Baht 123 million or equivalent to Baht 563 million) and the Company only of approximately Baht 201 million (31 December 2021: Baht 123 million).

14.2 Commitments under service agreements

The Group has future payments required under the service contracts as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
Payable:				
In up to 1 year	90.7	67.9	17.2	33.6
In over 1 year and up to 5 years	100.8	10.6	3.9	8.4

14.3 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.

14.4 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.

14.5 Guarantees

As at 30 June 2022, there were outstanding bank guarantees of approximately Baht 27 million (31 December 2021: Baht 27 million) and the Company only of approximately Baht 26 million (31 December 2021: 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 businesses to guarantee electricity uses, among others.

15. Financial instruments

15.1 Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward exchange contracts will mature within one year.

(Unaudited but reviewed)

As at 30 June 2022 and 31 December 2021, the two overseas subsidiary companies had outstanding forward exchange contracts, of which details are presented below.

As at 30 June 2022		
Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	11 July 2022 - 27 September 2022	33.4100 - 35.3500

As at 31 December 2021		
Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	31 January 2022 - 21 March 2022	33.2475 - 33.5500

15.2 Fair value of financial instruments

Since most of the Group's financial instruments are classified as short-term or carrying interests at rates close to the market rates, their fair value is estimated to approximate the carrying amount presented in the statement of financial position.

As of 30 June 2022, the Group had the 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
Assets measured at fair value			
Financial assets at FVTPL			
Overseas marketable equity securities	79,604	-	79,604
Debt instruments at FVOCI			
Marketable corporate bonds	776,670	-	776,670
Quoted bonds	585,155	-	585,155
Local marketable equity securities	97	-	97
Liabilities measured at fair value			
Derivatives			
Forward exchange contracts - loss	-	64,754	64,754

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Financial assets at FVOCI			
Local marketable equity securities	97	-	97

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

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2022.