

Hana Microelectronics Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of Hana Microelectronics Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Hana Microelectronics Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Hana Microelectronics Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hana Microelectronics Public Company Limited and its subsidiaries and of Hana Microelectronics Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Revenue from sales are the accounting transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the Group. The majority of the Group's sales transactions are conducted with a number of major overseas customers under a variety of arrangements and conditions which may impact the recognition of revenue of the Group causing risks with respect to the amount and timing of such revenue recognition.

I examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales to assess whether revenue recognition was consistent with the conditions or arrangement made with the customers, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Requesting for confirmations of consignment inventory balances located at customers' hubs at the end of the accounting period and on a sampling basis, examining supporting documents whether the consignment inventories were correctly excluded from sales for the year.
- Reviewing of credit notes that the Group issued after the end of the accounting period.
- Performing analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### *Inventories*

Estimating the net realisable value of inventory, as disclosed in the related accounting policies in Note 4.3 and Note 5.1 to the financial statements, is an area requiring significant management judgement, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the high-technology industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the Group's internal controls relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operations of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.
- Comparing historical data of actual losses on sales and write-offs of inventory during each of the previous years with the provision for diminution in value of inventory recorded at the preceding year-end.

### *Provision for long-term employee benefits*

The valuation of long-term employee benefit obligations is one of significant accounting estimates to the financial statements because the Group has a large number of employees and has defined benefit plans as discussed in the related accounting policies in Note 4.13 and Note 5.3 to the financial statements. In addition, the calculation of long-term employee benefit obligations requires the management to select the calculation method and exercise a high degree of judgement in determining appropriate assumptions such as discount rates, future salary increases, mortality rates and staff turnover rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. There is therefore a risk with respect to the amounts of the provision for long-term employee benefits.

I assessed and tested the Group's internal controls with respect to the assessment of provision for long-term employee benefits by making enquiry of responsible executives, gaining an understanding of internal controls and testing the method and significant assumptions both demographic and financial aspects used by the management to calculate the long-term employee benefit obligations and considering the impact of changes in key assumptions on the valuation of long-term employee benefit obligations. In addition, I reviewed the disclosure in the notes to the financial statements with respect to the provision for long-term employee benefits.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kamontip Lertwitworatep  
Certified Public Accountant (Thailand) No. 4377

EY Office Limited  
Bangkok: 27 February 2024

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	6,954,416,159	2,374,707,590	4,986,595,129	239,247,683
Trade and other receivables	7, 8	5,178,140,817	4,981,040,956	2,540,679,369	2,101,776,357
Inventories	9	8,969,347,441	9,456,927,941	3,896,501,970	4,199,807,992
Other current financial assets	10	1,938,097,168	1,259,382,804	-	-
Other current assets		119,368,279	171,171,278	18,038,937	25,279,694
<b>Total current assets</b>		<b>23,159,369,864</b>	<b>18,243,230,569</b>	<b>11,441,815,405</b>	<b>6,566,111,726</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	4,129,629,264	3,583,449,264
Investment property	12	72,303,750	72,303,750	72,303,750	72,303,750
Property, plant and equipment	13	11,701,474,654	10,853,453,227	2,134,006,492	2,185,609,253
Intangible assets	14	328,983,403	403,129,123	41,264,281	46,615,510
Other non-current financial assets	15	150,000	151,800	97,000	97,000
Deferred tax assets	27	18,653,072	10,643,216	12,391,098	4,673,322
Other non-current assets		25,022,161	120,496,046	516,905	10,000
<b>Total non-current assets</b>		<b>12,146,587,040</b>	<b>11,460,177,162</b>	<b>6,390,208,790</b>	<b>5,892,758,099</b>
<b>Total assets</b>		<b>35,305,956,904</b>	<b>29,703,407,731</b>	<b>17,832,024,195</b>	<b>12,458,869,825</b>

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



Hana Microelectronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	1,076,407,950	-	-	-
Short-term loan from related party	7	-	-	-	200,000,000
Trade and other payables	7, 17	3,390,545,998	4,160,840,943	1,168,669,146	1,492,683,675
Current portion of long-term loans from					
financial institution	20	24,035,500	-	-	-
Current portion of lease liabilities	18	4,990,258	273,842,643	-	-
Short-term provisions	19	342,233,000	345,624,000	-	-
Income tax payable		50,816,390	68,760,559	16,590,626	9,607,761
Derivative liabilities		-	17,213,734	-	-
Other current liabilities		145,024,991	161,054,933	32,489,322	32,731,312
<b>Total current liabilities</b>		<b>5,034,054,087</b>	<b>5,027,336,812</b>	<b>1,217,749,094</b>	<b>1,735,022,748</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institution					
- net of current portion	20	203,340,330	-	-	-
Lease liabilities - net of current portion	18	732,858	480,545	-	-
Deferred income		124,586,707	59,874,606	-	-
Deferred tax liabilities	27	30,570,404	44,180,452	-	-
Provision for long-term employee benefits	21	765,952,019	709,393,316	368,265,776	348,390,532
<b>Total non-current liabilities</b>		<b>1,125,182,318</b>	<b>813,928,919</b>	<b>368,265,776</b>	<b>348,390,532</b>
<b>Total liabilities</b>		<b>6,159,236,405</b>	<b>5,841,265,731</b>	<b>1,586,014,870</b>	<b>2,083,413,280</b>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Shareholders' equity</b>					
Share capital					
Registered	22				
885,366,746 ordinary shares of Baht 1 each (2022: 974,403,900 ordinary shares of Baht 1 each)		<u>885,366,746</u>	<u>974,403,900</u>	<u>885,366,746</u>	<u>974,403,900</u>
Issued and fully paid-up					
885,366,660 ordinary shares of Baht 1 each (2022: 804,878,860 ordinary shares of Baht 1 each)		885,366,660	804,878,860	885,366,660	804,878,860
Share premium		6,230,535,782	1,723,218,982	6,230,535,782	1,723,218,982
Capital reserve for share-based payment transactions					
	23	40,449,982	-	-	-
Retained earnings					
Appropriated - statutory reserve	24	541,627,153	536,312,739	100,000,000	100,000,000
Unappropriated		21,130,039,200	20,234,096,439	9,030,106,883	7,747,358,703
Other components of shareholders' equity		<u>318,701,722</u>	<u>563,634,980</u>	-	-
<b>Total shareholders' equity</b>		<u>29,146,720,499</u>	<u>23,862,142,000</u>	<u>16,246,009,325</u>	<u>10,375,456,545</u>
<b>Total liabilities and shareholders' equity</b>		<u>35,305,956,904</u>	<u>29,703,407,731</u>	<u>17,832,024,195</u>	<u>12,458,869,825</u>

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

Directors

Hana Microelectronics Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Revenues</b>					
Sales	29, 30	26,152,116,286	27,167,162,849	12,474,673,507	11,272,767,989
Dividend income	11	83,250	2,252,452	240,083,230	440,071,968
Gain on exchange		41,283,448	-	67,838,102	64,087,755
Gain on derivatives		-	30,253,082	-	-
Other income		438,666,051	455,838,992	53,120,268	66,829,956
<b>Total revenues</b>		<b>26,632,149,035</b>	<b>27,655,507,375</b>	<b>12,835,715,107</b>	<b>11,843,757,668</b>
<b>Expenses</b>					
Cost of sales	26	23,172,094,053	23,506,161,074	10,343,192,926	9,313,890,455
Selling and distribution expenses		210,411,575	211,836,640	65,320,335	63,031,825
Administrative expenses		1,420,777,686	1,482,755,910	299,898,294	290,742,411
Loss on exchange		-	319,832,105	-	-
Loss on derivatives		49,418,425	-	-	-
Reversal of impairment loss on financial assets	10	(21,456,192)	(3,528,531)	-	-
Loss on FVTPL equity instruments		-	10,185,735	-	-
<b>Total expenses</b>		<b>24,831,245,547</b>	<b>25,527,242,933</b>	<b>10,708,411,555</b>	<b>9,667,664,691</b>
<b>Operating profit</b>		<b>1,800,903,488</b>	<b>2,128,264,442</b>	<b>2,127,303,552</b>	<b>2,176,092,977</b>
Finance income	25	96,965,468	93,695,610	19,150,386	422,228
Finance cost		(51,833,631)	(12,508,918)	(3,429,793)	(4,824,985)
<b>Profit before income tax expenses</b>		<b>1,846,035,325</b>	<b>2,209,451,134</b>	<b>2,143,024,145</b>	<b>2,171,690,220</b>
Income tax expenses	27	(85,468,004)	(107,379,729)	(19,594,973)	(15,529,069)
<b>Profit for the year</b>		<b>1,760,567,321</b>	<b>2,102,071,405</b>	<b>2,123,429,172</b>	<b>2,156,161,151</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		<u>1,760,567,321</u>	<u>2,102,071,405</u>	<u>2,123,429,172</u>	<u>2,156,161,151</u>
<b>Earnings per share</b>					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>2.14</u>	<u>2.61</u>	<u>2.59</u>	<u>2.68</u>
Number of weighted average ordinary shares (shares)		<u>821,196,935</u>	<u>804,878,860</u>	<u>821,196,935</u>	<u>804,878,860</u>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit for the year</b>		<u>1,760,567,321</u>	<u>2,102,071,405</u>	<u>2,123,429,172</u>	<u>2,156,161,151</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency -					
net of income tax	27	(259,191,109)	116,378,766	-	-
Gain (loss) on changes in value of debt instruments designated					
at fair value through other comprehensive income					
- net of income tax		<u>14,257,851</u>	<u>(223,829,171)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods -					
net of income tax		<u>(244,933,258)</u>	<u>(107,450,405)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	21, 27	<u>(14,187,386)</u>	<u>16,745,868</u>	<u>4,441,768</u>	<u>(14,958,188)</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods -					
net of income tax		<u>(14,187,386)</u>	<u>16,745,868</u>	<u>4,441,768</u>	<u>(14,958,188)</u>
<b>Other comprehensive income for the year</b>		<u>(259,120,644)</u>	<u>(90,704,537)</u>	<u>4,441,768</u>	<u>(14,958,188)</u>
<b>Total comprehensive income for the year</b>		<u><u>1,501,446,677</u></u>	<u><u>2,011,366,868</u></u>	<u><u>2,127,870,940</u></u>	<u><u>2,141,202,963</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<u><u>1,501,446,677</u></u>	<u><u>2,011,366,868</u></u>	<u><u>2,127,870,940</u></u>	<u><u>2,141,202,963</u></u>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements										
	Note	Other components of shareholders' equity								
		Issued and paid up share capital	Share premium	Capital reserve for share-based payment	Retained earnings		Fair value reserve of financial assets at FVOCI	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated - Statutory reserve	Unappropriated				
<b>Balance as at 1 January 2022</b>		804,878,860	1,723,218,982	-	514,957,656	19,343,952,539	214,535,272	456,550,113	671,085,385	23,058,093,422
Profit for the year		-	-	-	-	2,102,071,405	-	-	-	2,102,071,405
Other comprehensive income for the year		-	-	-	-	16,745,868	(223,829,171)	116,378,766	(107,450,405)	(90,704,537)
Total comprehensive income for the year		-	-	-	-	2,118,817,273	(223,829,171)	116,378,766	(107,450,405)	2,011,366,868
Dividend paid	32	-	-	-	-	(1,207,318,290)	-	-	-	(1,207,318,290)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	21,355,083	(21,355,083)	-	-	-	-
<b>Balance as at 31 December 2022</b>		804,878,860	1,723,218,982	-	536,312,739	20,234,096,439	(9,293,899)	572,928,879	563,634,980	23,862,142,000
<b>Balance as at 1 January 2023</b>		804,878,860	1,723,218,982	-	536,312,739	20,234,096,439	(9,293,899)	572,928,879	563,634,980	23,862,142,000
Profit for the year		-	-	-	-	1,760,567,321	-	-	-	1,760,567,321
Other comprehensive income for the year		-	-	-	-	(14,187,386)	14,257,851	(259,191,109)	(244,933,258)	(259,120,644)
Total comprehensive income for the year		-	-	-	-	1,746,379,935	14,257,851	(259,191,109)	(244,933,258)	1,501,446,677
Share capital increase	22	80,487,800	4,507,316,800	-	-	-	-	-	-	4,587,804,600
Recognition of expenses against capital reserve for share-based payment transactions	23	-	-	40,449,982	-	-	-	-	-	40,449,982
Dividend paid	32	-	-	-	-	(845,122,760)	-	-	-	(845,122,760)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	5,314,414	(5,314,414)	-	-	-	-
<b>Balance as at 31 December 2023</b>		885,366,660	6,230,535,782	40,449,982	541,627,153	21,130,039,200	4,963,952	313,737,770	318,701,722	29,146,720,499

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: 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 1 January 2022</b>	804,878,860	1,723,218,982	100,000,000	6,813,474,030	9,441,571,872
Profit for the year	-	-	-	2,156,161,151	2,156,161,151
Other comprehensive income for the year	-	-	-	(14,958,188)	(14,958,188)
Total comprehensive income for the year	-	-	-	2,141,202,963	2,141,202,963
Dividend paid	-	-	-	(1,207,318,290)	(1,207,318,290)
<b>Balance as at 31 December 2022</b>	<b>804,878,860</b>	<b>1,723,218,982</b>	<b>100,000,000</b>	<b>7,747,358,703</b>	<b>10,375,456,545</b>
<b>Balance as at 1 January 2023</b>	804,878,860	1,723,218,982	100,000,000	7,747,358,703	10,375,456,545
Profit for the year	-	-	-	2,123,429,172	2,123,429,172
Other comprehensive income for the year	-	-	-	4,441,768	4,441,768
Total comprehensive income for the year	-	-	-	2,127,870,940	2,127,870,940
Share capital increase	80,487,800	4,507,316,800	-	-	4,587,804,600
Dividend paid	-	-	-	(845,122,760)	(845,122,760)
<b>Balance as at 31 December 2023</b>	<b>885,366,660</b>	<b>6,230,535,782</b>	<b>100,000,000</b>	<b>9,030,106,883</b>	<b>16,246,009,325</b>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,846,035,325	2,209,451,134	2,143,024,145	2,171,690,220
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	1,636,406,249	1,528,085,900	360,345,314	356,938,694
Amortisation expenses	65,889,637	101,741,414	8,676,009	8,678,965
Allowance for expected credit losses	2,674,872	2,174,515	-	-
Reduction of inventories to net realisable value	404,020,094	26,361,971	116,753,636	38,901,032
Write-off obsolete and damaged inventories	30,279,573	39,286,370	30,279,573	39,286,369
Dividend income from subsidiaries	-	-	(239,999,980)	(439,999,968)
Dividend income from other companies	(83,250)	(2,252,452)	(83,250)	(72,000)
Loss (gain) on disposals/write-off of equipment and intangible assets	25,935,249	1,315,022	3,180,159	(1,263,308)
Allowance for impairment loss on assets (reversal)	-	(1,292,586)	-	-
Expenses for share-based payment transactions	40,449,982	-	-	-
Provision for vacation (reversal)	477,141	(3,891,331)	(333,641)	(1,740,974)
Provision for long-term employee benefits	64,402,195	59,854,193	32,810,659	29,029,717
Loss on sales of debt instruments at fair value through other comprehensive income	709,351	56,987,291	-	-
Loss on fair value adjustments of financial instruments	-	10,185,735	-	-
Reversal of allowance for impairment loss on other current financial assets	(21,456,192)	(3,528,531)	-	-
Unrealised loss on exchange	18,138,576	93,391,621	7,722,394	77,640,998
Unrealised loss (gain) on derivatives	49,418,425	(30,253,082)	-	-
Finance income	(96,965,468)	(93,695,610)	(19,150,386)	(422,228)
Finance cost	44,218,230	3,808,787	661,370	1,666,986
Profit from operating activities before changes in operating assets and liabilities	4,110,549,989	3,997,730,361	2,443,886,002	2,280,334,503

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Operating assets (increase) decrease				
Trade and other receivables	(195,781,567)	(536,317,247)	(433,791,913)	(555,225,639)
Inventories	53,280,833	(2,666,003,833)	156,272,813	(759,766,852)
Other current assets	51,013,400	(4,611,502)	7,238,256	13,171,696
Operating liabilities increase (decrease)				
Trade and other payables	(670,729,953)	598,177,354	(317,377,629)	(69,573,671)
Other current liabilities	(16,507,083)	4,536,240	91,651	8,937,947
Deferred income	64,712,101	59,874,606	-	-
Cash from operating activities	3,396,537,720	1,453,385,979	1,856,319,180	917,877,984
Cash paid for long-term employee benefits	(21,946,054)	(52,700,308)	(8,408,822)	(28,219,990)
Cash paid for income tax	(124,300,595)	(58,970,280)	(20,414,709)	(16,051,681)
<b>Net cash from operating activities</b>	<b>3,250,291,071</b>	<b>1,341,715,391</b>	<b>1,827,495,649</b>	<b>873,606,313</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in other current financial assets	(2,037,345,416)	562,685,815	-	-
Cash paid for investment in subsidiary	-	-	(546,180,000)	-
Decrease in long-term fixed deposit	1,800	1,800	-	-
Interest received	90,621,328	108,486,911	10,077,993	427,284
Proceeds from sales of financial instruments	1,327,003,584	632,619,062	-	-
Dividend income from subsidiaries	-	-	239,999,980	439,999,968
Dividend income from other companies	83,250	2,252,452	83,250	72,000
Acquisitions of property, plant and equipment and intangible assets	(2,653,934,812)	(2,491,394,839)	(328,930,923)	(325,944,832)
Acquisition of asset under lease agreement	(269,496,094)	-	-	-
Proceeds from disposals of equipment	34,974,544	20,852,401	3,515,877	14,232,997
Decrease (increase) in other non-current assets	95,473,885	(4,462,794)	(506,905)	-
<b>Net cash from (used in) investing activities</b>	<b>(3,412,617,931)</b>	<b>(1,168,959,192)</b>	<b>(621,940,728)</b>	<b>128,787,417</b>

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



Hana Microelectronics Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	1,945,416,600	-	-	-
Repayment of short-term loans from financial institutions	(803,881,750)	-	-	-
Increase (decrease) in short-term loan from related party	-	-	(200,000,000)	200,000,000
Cash receipt from long-term loans	238,734,740	-	-	-
Repayment of long-term loans	(2,403,550)	-	-	-
Payment of principal portion of lease liabilities	(9,548,960)	(10,078,568)	-	-
Proceeds from share capital increase	4,587,804,600	-	4,587,804,600	-
Interest paid	(37,988,036)	(934,932)	(889,315)	(1,414,383)
Dividend paid	(845,122,760)	(1,207,318,290)	(845,122,760)	(1,207,318,290)
<b>Net cash from (used in) financing activities</b>	<b>5,073,010,884</b>	<b>(1,218,331,790)</b>	<b>3,541,792,525</b>	<b>(1,008,732,673)</b>
Increase (decrease) in cash and cash equivalents	4,910,684,024	(1,045,575,591)	4,747,347,446	(6,338,943)
Translation adjustment	(330,975,455)	116,110,479	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,579,708,569</b>	<b>(929,465,112)</b>	<b>4,747,347,446</b>	<b>(6,338,943)</b>
Cash and cash equivalents at beginning of year	2,374,707,590	3,304,172,702	239,247,683	245,586,626
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>6,954,416,159</b>	<b>2,374,707,590</b>	<b>4,986,595,129</b>	<b>239,247,683</b>
<b>Supplemental cash flow information</b>				
Non-cash related transactions from investing activities				
Net increase (decrease) in accounts payable				
for purchases of plant and equipment	(124,184,189)	58,092,789	(10,167,554)	25,996,976
Revaluation gain (loss) on changes in fair value of				
debt instruments at FVOCI	14,257,851	(223,829,170)	-	-
Increase in right-of-use assets from lease agreements	7,330,763	273,225,277	-	-

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

**Hana Microelectronics Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2023**

**1. General 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.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Hana Microelectronics Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
<b><u>Held by the Company</u></b>				
Hana Semiconductor (Ayutthaya) Company Limited	Manufacture and trading of electronic components	Thailand	58	58
Hana Semiconductor (BKK) Company Limited	Holding company	Thailand	100	100
Omac Sales Limited	Purchasing of electronic components and equipment	Hong Kong	100	100
Hana Microelectronics International Company Limited	Holding company	British Virgin Islands	100	100
Hana Microelectronics Investments Company Limited	Holding company	British Virgin Islands	100	100
Hana Microelectronics (Cambodia) Company Limited	Manufacture and trading of electronic components	Cambodia	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
<b><u>Held through the subsidiaries</u></b>				
Hana Semiconductor (Ayutthaya) Company Limited	Manufacture and trading of electronic components	Thailand	42	42
Hana Semiconductor International Limited	Trading of electronic components	British Virgin Islands	100	100
Hana Microelectronics Enterprises Company Limited	Holding company	British Virgin Islands	100	100
Hana Technologies, Inc.	Manufacture and trading of electronic components	USA	100	100
Hana Microelectronics, Inc.	Agent and customer services	USA	100	100
Hana Macao Commercial Offshore Limited	Customer services	Macao	100	100
Hana Microelectronics (Jiaxing) Company Limited	Manufacture and trading of electronic components	China	100	100
Power Master Semiconductor Company Limited	Manufacture and trading of electronic components	South Korea	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Thai Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. 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 Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### *Sales of goods*

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon 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 returns, discounts, allowances.

##### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Raw materials, work in process, and finished goods are valued at the lower of cost (under weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost. Cost of finished goods and work in process include direct materials, direct labour, and factory overheads.

Allowance for diminution in inventory value is set up for obsolete, slow-moving or deteriorated inventories.

## **4.4 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

## **4.5 Investment property**

Investment property in land is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less allowance for loss on impairment (if any).

## **4.6 Property, plant and equipment and depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvements	period of lease
Buildings	10 - 39 years
Fixtures	10 - 22 years
Other assets	3 - 33 years

Depreciation is included in determining income. No depreciation is provided on land, construction in progress and machinery under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

#### **4.7 Intangible assets**

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the commercial and technical feasibility of completing the intangible asset and the availability to measure reliably the expenditure during the development. The cost will be amortised when the related products are commercially produced.

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years
Development costs	10 years

#### **4.8 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets is measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	50 years
Buildings	2 - 28 years
Machinery and equipment	3 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as property, plant and equipment in the statement of financial position.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.9 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.10 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use assets, investment property and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.



#### **4.12 Equity-settled share-based payments**

The Group recognises equity-settled share-based payment transactions when services are rendered by employees, based on the fair value of the stock grants at the grant date. The expenses, together with a corresponding increase in “Capital reserve for share-based payment transactions” in shareholders’ equity, are recognised over the service period as specified in the plan.

The fair value of the share-based payment transactions is determined by taking into consideration performance conditions. At the end of each reporting period, the Group reassesses its estimates of the number of stock grants that will ultimately vest.

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Group and its employees have jointly established a provident fund. The fund is monthly contributed to by the employees and the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the restructuring-related costs are recognised.

##### ***Provision for vacation***

The Group has set up provision for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

#### **4.14 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

##### **Provision for product warranty**

The Group records provision for product warranty, which is estimated by reference to obligation for product warranty under manufacturing contract.

#### **4.15 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.

#### **4.16 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.17 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

##### ***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the income statement.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to the income statement.

Dividends are recognised as other income in the income statement, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statement.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **4.18 Derivatives**

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments, other than for managing the foreign currency risk by entering into forward exchange contracts to mitigate such exposure.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value, which is determined by reliable financial institutions. Gains on losses arising from changes in the fair value of the contracts are recognised in the income statement.

### **4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **5.1 Allowance for diminution in inventory value**

The determination of allowance for diminution in inventory value requires management to make judgements and estimates of potential inventory losses. The allowance for declining in net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sale; and allowance for obsolete, slow-moving and deteriorated inventories is estimated based on the approximate aging of each type of inventories and the prevailing market condition.

### **5.2 Property plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.3 Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **5.4 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

## 6. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2023 and 2022 as reflected in the statements of financial position and cash flows consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	1,533	1,463	257	363
Bank deposits	2,499,454	2,335,226	936,338	238,885
Fixed deposits with maturity				
not over 3 months	4,453,429	38,019	4,050,000	-
Total cash and cash equivalents	<u>6,954,416</u>	<u>2,374,708</u>	<u>4,986,595</u>	<u>239,248</u>

As at 31 December 2023, bank deposits in savings accounts and fixed deposits carried interests between 0.010 and 5.240 percent per annum (2022: 0.001 and 3.300 percent per annum).

## 7. Related party transactions

During the years, the Company had significant business transactions with 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		Transfer pricing policy
	financial statements		
	<u>2023</u>	<u>2022</u>	
<b><u>Transactions with subsidiary companies</u></b>			
(eliminated from the consolidated financial statements)			
Sales of goods	163	152	Prices agreed between the parties due to the uniqueness of products sold to each customer
Sales of assets	4	5	Cost plus mark up
Dividend income	240	440	Declared rate
Guarantee fee income	2	-	0.5 percent per annum
Purchase of materials	321	406	Cost plus mark up
Purchase of assets	2	1	Cost plus mark up
Marketing service fee expenses	9	10	Rates stipulated in the agreement
Service fee expenses	2	2	Cost plus mark up



As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Trade and other receivables (Note 8)</b>				
<u>Trade receivables - related parties</u>				
Subsidiaries	-	-	72,721	26,793
Total trade receivables - related parties	-	-	72,721	26,793
<u>Other receivables - related parties</u>				
Subsidiaries	-	-	5,908	4,443
Total other receivables - related parties	-	-	5,908	4,443
<b>Total trade and other receivables</b>	<b>-</b>	<b>-</b>	<b>78,629</b>	<b>31,236</b>
<b>Trade and other payables (Note 17)</b>				
<u>Trade payables - related parties</u>				
Subsidiaries	-	-	47,003	236,579
Total trade payables - related parties	-	-	47,003	236,579
<u>Other payables - related party</u>				
Subsidiary	-	-	375	583
Total other payables - related party	-	-	375	583
<b>Total trade and other payables</b>	<b>-</b>	<b>-</b>	<b>47,378</b>	<b>237,162</b>

#### **Short-term loan from related party**

Movements in short-term loan from related party during the year ended 31 December 2023 are summarised below.

	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
	31 December	Increase	Decrease	31 December
	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
<b>Short-term loan from related party</b>				
Hana Semiconductor (BKK) Company Limited	200,000	-	(200,000)	-
<b>Total short-term loan from related party</b>	<b>200,000</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>

As at 31 December 2022, short-term loan from related party carried interest at the rate of 0.80 percent per annum and was due for repayment in May 2023.

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

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	146.3	149.6	19.3	16.6
Post-employment benefits	3.6	3.8	1.4	1.1
Total	<u>149.9</u>	<u>153.4</u>	<u>20.7</u>	<u>17.7</u>

## **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related party, as described in Note 33.5 to the financial statements.

## **8. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b><u>Age of receivable</u></b>				
<b>Trade receivables - subsidiaries</b>				
Not yet due	-	-	34,627	19,650
Past due				
Up to 3 months	-	-	37,758	1,136
3 - 6 months	-	-	58	1,628
6 - 12 months	-	-	278	163
Over 12 months	-	-	-	4,216
Total trade receivables - subsidiaries (Note 7)	<u>-</u>	<u>-</u>	<u>72,721</u>	<u>26,793</u>
<b>Trade receivables - unrelated parties</b>				
Not yet due	3,523,315	3,828,540	1,651,895	1,482,372
Past due				
Up to 3 months	1,322,803	925,471	718,582	514,816
3 - 6 months	45,888	31,736	35,107	19,174
6 - 12 months	20,445	97	13,560	352
Over 12 months	8,950	3,418	2,605	2,880
Total trade receivables - unrelated parties	<u>4,921,401</u>	<u>4,789,262</u>	<u>2,421,749</u>	<u>2,019,594</u>
Less: Allowance for expected credit losses	<u>(15,964)</u>	<u>(13,289)</u>	<u>(2,492)</u>	<u>(2,492)</u>
Total trade receivables - unrelated parties - net	<u>4,905,437</u>	<u>4,775,973</u>	<u>2,419,257</u>	<u>2,017,102</u>
Total trade receivables - net	<u>4,905,437</u>	<u>4,775,973</u>	<u>2,491,978</u>	<u>2,043,895</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Other receivables</b>				
Receivables from the Revenue				
Department	62,012	65,335	7,237	10,367
Other receivables - subsidiaries (Note 7)	-	-	5,908	4,443
Other receivables - unrelated parties	210,692	139,733	35,556	43,071
Total other receivables	<u>272,704</u>	<u>205,068</u>	<u>48,701</u>	<u>57,881</u>
Trade and other receivables - net	<u>5,178,141</u>	<u>4,981,041</u>	<u>2,540,679</u>	<u>2,101,776</u>

The normal credit term is 30 to 60 days.

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	1,154,250	1,083,072	(67,434)	(38,307)	1,086,816	1,044,765
Work in process	1,233,426	1,051,116	(226,585)	-	1,006,841	1,051,116
Raw materials	7,116,070	7,386,172	(336,097)	(187,789)	6,779,973	7,198,383
Goods in transit	95,717	162,664	-	-	95,717	162,664
Total	<u>9,599,463</u>	<u>9,683,024</u>	<u>(630,116)</u>	<u>(226,096)</u>	<u>8,969,347</u>	<u>9,456,928</u>

  

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	647,011	750,041	(35,761)	(29,197)	611,250	720,844
Work in process	248,295	272,066	-	-	248,295	272,066
Raw materials	3,224,887	3,250,624	(202,359)	(92,169)	3,022,528	3,158,455
Goods in transit	14,429	48,443	-	-	14,429	48,443
Total	<u>4,134,622</u>	<u>4,321,174</u>	<u>(238,120)</u>	<u>(121,366)</u>	<u>3,896,502</u>	<u>4,199,808</u>

Detailed movements of the reduction of cost to net realisable value are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	(226,096)	(199,734)	(121,366)	(82,465)
Add: Increase during the year	(664,533)	(269,320)	(323,064)	(154,991)
Less: Reversal during the year	259,390	242,917	206,310	116,090
Add: Translation adjustment	1,123	41	-	-
Balance at the end of the year	<u>(630,116)</u>	<u>(226,096)</u>	<u>(238,120)</u>	<u>(121,366)</u>

#### 10. Other current financial assets

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
<u>Debt instruments at amortised cost</u>		
Fixed deposits	703,078	14,658
Total debt instruments at amortised cost	<u>703,078</u>	<u>14,658</u>
<u>Debt instruments at FVOCI</u>		
Overseas marketable corporate bonds	1,235,019	859,086
Overseas quoted bonds	-	340,462
Total	1,235,019	1,199,548
Less: Allowance for expected credit losses	-	(21,455)
Total debt instruments at FVOCI - net	<u>1,235,019</u>	<u>1,178,093</u>
<u>Financial assets at FVTPL</u>		
Derivative assets (Note 35)	-	66,632
Total financial assets at FVTPL	<u>-</u>	<u>66,632</u>
Total other current financial assets - net	<u>1,938,097</u>	<u>1,259,383</u>

As at 31 December 2023, fixed deposits with financial institutions carried interests between 0.95 and 5.80 percent per annum (2022: 0.10 and 1.45 percent per annum).

In 2023, the Group reversed provision of Baht 21.5 million for expected credit losses on its debt instruments at FVOCI (2022: Baht 3.5 million).

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			Percent	Percent				
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	140,000	140,000
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	100,000	300,000
Omac Sales Limited	325	325	100	100	273,492	273,492	-	-
Hana Microelectronics (Cambodia) Company Limited	702,127	155,947	100	100	702,127	155,947	-	-
Hana Microelectronics International Company Limited	-	-	100	100	-	-	-	-
Hana Microelectronics Investment Company Limited	-	-	100	100	-	-	-	-
Total investments in subsidiaries					<u>4,129,629</u>	<u>3,583,449</u>	<u>240,000</u>	<u>440,000</u>

In September 2023, the Company additionally invested in 15,000 ordinary shares of Hana Microelectronics (Cambodia) Company Limited, in amount of USD 15 million or equivalent to Baht 546.18 million.

As at 31 December 2023, the Company invested in 20,000 ordinary shares of Hana Microelectronics (Cambodia) Company Limited, amounting to USD 20 million or equivalent to Baht 702.13 million (2022: 5,000 ordinary shares, amounting to USD 5 million or equivalent to Baht 155.95 million), representing 100% of the issued and paid-up share capital of the subsidiary.

## 12. Investment property

The net book value of investment property, representing land, as at 31 December 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cost	72,304	72,304	72,304	72,304
Net book value	<u>72,304</u>	<u>72,304</u>	<u>72,304</u>	<u>72,304</u>

As at 31 December 2023, the fair value of the investment property based on market price amounted to approximately Baht 96 million (2022: Baht 96 million).

## 13. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Net book value</b>				
Property, plant and equipment	11,533,940	10,410,887	2,134,006	2,185,609
Right-of-use assets (Note 18)	167,535	442,566	-	-
Total	<u>11,701,475</u>	<u>10,853,453</u>	<u>2,134,006</u>	<u>2,185,609</u>

Movements of property, plant and equipment for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements									
	Land	Buildings	Leasehold improvement	Fixtures	Machinery and equipment	Office furniture and equipment	Vehicles	Construction in progress and machinery under installation	Total
<b>Cost</b>									
As at 1 January 2022	501,928	4,251,594	158,190	1,034,498	17,300,632	792,803	55,782	1,908,866	26,004,293
Additions	-	273,120	11,779	33,803	1,424,942	47,949	9,962	1,074,496	2,876,051
Disposals	-	-	-	-	(288,539)	(9,565)	(7,206)	-	(305,310)
Transfer in (out)	-	217,612	(5,522)	146,740	1,752,459	74,025	-	(2,185,314)	-
Translation adjustment	4,981	(32,527)	(4,733)	(178)	(183,305)	(3,864)	(341)	(55,421)	(275,388)
As at 31 December 2022	506,909	4,709,799	159,714	1,214,863	20,006,189	901,348	58,197	742,627	28,299,646
Additions	53,142	51,608	8,911	31,808	642,819	36,302	1,782	1,862,299	2,688,671
Disposals	-	(4,459)	-	(232,814)	(462,473)	(29,698)	-	-	(729,444)
Transfer in (out)	-	73,280	9,545	14,099	627,880	26,298	-	(751,102)	-
Translation adjustment	(1,478)	(43,527)	(4,258)	(179)	(202,323)	(4,703)	(298)	(18,061)	(274,827)
As at 31 December 2023	558,573	4,786,701	173,912	1,027,777	20,612,092	929,547	59,681	1,835,763	29,984,046
<b>Accumulated depreciation</b>									
As at 1 January 2022	23,509	2,296,205	126,376	815,714	12,297,528	677,271	45,514	-	16,282,117
Depreciation for the year	3,061	201,822	10,472	60,515	1,180,115	67,137	4,964	-	1,528,086
Accumulated depreciation for disposed assets	-	-	-	-	(266,885)	(9,051)	(7,206)	-	(283,142)
Translation adjustment	748	(25,281)	(5,901)	(6)	(105,543)	(2,836)	(335)	-	(139,154)
As at 31 December 2022	27,318	2,472,746	130,947	876,223	13,105,215	732,521	42,937	-	17,387,907
Depreciation for the year	3,033	206,880	12,564	61,386	1,277,040	70,488	5,015	-	1,636,406
Accumulated depreciation for disposed assets	-	(4,144)	-	(232,750)	(428,930)	(23,254)	-	-	(689,078)
Translation adjustment	(317)	(21,309)	(3,551)	(14)	(82,661)	(2,801)	(277)	-	(110,930)
As at 31 December 2023	30,034	2,654,173	139,960	704,845	13,870,664	776,954	47,675	-	18,224,305
<b>Allowance for impairment loss</b>									
As at 1 January 2022	-	-	-	150	59,344	16	-	-	59,510
Decrease during the year	-	-	-	-	(1,293)	-	-	-	(1,293)
Translation adjustment	-	-	-	-	69	-	-	-	69
As at 31 December 2022	-	-	-	150	58,120	16	-	-	58,286
Translation adjustment	-	-	-	-	(20)	-	-	-	(20)
As at 31 December 2023	-	-	-	150	58,100	16	-	-	58,266
<b>Net book value</b>									
As at 31 December 2022	479,591	2,237,053	28,767	338,490	6,842,854	168,811	15,260	742,627	10,863,453
As at 31 December 2023	528,539	2,132,528	33,952	322,782	6,683,328	152,577	12,006	1,835,763	11,701,475
<b>Depreciation for the year</b>									
2022 (Baht 1,420 million included in manufacturing cost, and the balance in administrative expenses)									1,528,086
2023 (Baht 1,486 million included in manufacturing cost, and the balance in administrative expenses)									1,636,406

Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings	Fixtures	Machinery and equipment	Office furniture and equipment	Vehicles	Construction in progress and machinery under installation	Total
<b>Cost</b>								
As at 1 January 2022	249,865	2,009,653	418,622	3,517,274	281,505	12,599	69,210	6,558,728
Additions	-	3,492	3,540	22,246	14,460	5,007	303,134	351,879
Disposals	-	-	-	(67,997)	(4,907)	-	-	(72,904)
Transfer in (out)	-	46,008	6,667	182,354	30,178	-	(265,207)	-
As at 31 December 2022	249,865	2,059,153	428,829	3,653,877	321,236	17,606	107,137	6,837,703
Additions	-	-	9,790	5,750	24,276	-	275,601	315,417
Disposals	-	(2,248)	(23,989)	(218,703)	(19,387)	-	-	(264,327)
Transfer in (out)	-	-	14,098	231,026	12,865	-	(257,989)	-
As at 31 December 2023	249,865	2,056,905	428,728	3,671,950	338,990	17,606	124,749	6,888,793
<b>Accumulated depreciation</b>								
As at 1 January 2022	-	1,066,399	277,770	2,741,794	224,536	10,291	-	4,320,790
Depreciation for the year	-	84,033	27,407	220,939	23,718	842	-	356,939
Accumulated depreciation for disposed assets	-	-	-	(55,142)	(4,793)	-	-	(59,935)
As at 31 December 2022	-	1,150,432	305,177	2,907,591	243,461	11,133	-	4,617,794
Depreciation for the year	-	85,515	28,089	215,654	29,191	1,896	-	360,345
Accumulated depreciation for disposed assets	-	(2,248)	(23,926)	(212,218)	(19,260)	-	-	(257,652)
As at 31 December 2023	-	1,233,699	309,340	2,911,027	253,392	13,029	-	4,720,487
<b>Allowance for impairment loss</b>								
As at 31 December 2022	-	-	-	34,300	-	-	-	34,300
As at 31 December 2023	-	-	-	34,300	-	-	-	34,300
<b>Net book value</b>								
As at 31 December 2022	249,865	908,721	123,652	711,986	77,775	6,473	107,137	2,185,609
As at 31 December 2023	249,865	823,206	119,388	726,623	85,598	4,577	124,749	2,134,006
<b>Depreciation for the year</b>								
2022 (Baht 334 million included in manufacturing cost, and the balance in administrative expenses)								356,939
2023 (Baht 334 million included in manufacturing cost, and the balance in administrative expenses)								360,345



As at 31 December 2023, certain plant and equipment were fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation and allowance for impairment loss, of those assets amounted to approximately Baht 12,347 million (2022: Baht 15,004 million) and for the Company amounted to approximately Baht 2,786 million (2022: Baht 2,760 million).

#### 14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Computer software	Development costs	Total	Computer software	Total
<b>Cost</b>					
As at 1 January 2022	191,221	346,244	537,465	104,869	104,869
Additions	68,927	18,767	87,694	63	63
Translation adjustment	4,733	(11,011)	(6,278)	-	-
As at 31 December 2022	264,881	354,000	618,881	104,932	104,932
Additions	23,166	-	23,166	3,345	3,345
Write-off	(33)	(20,523)	(20,556)	(33)	(33)
Translation adjustment	(3,276)	(11,628)	(14,904)	-	-
As at 31 December 2023	284,738	321,849	606,587	108,244	108,244
<b>Accumulated amortisation</b>					
As at 1 January 2022	115,559	-	115,559	49,637	49,637
Amortisation for the year	30,508	71,233	101,741	8,679	8,679
Translation adjustment	(2,006)	458	(1,548)	-	-
As at 31 December 2022	144,061	71,691	215,752	58,316	58,316
Amortisation for the year	35,457	30,433	65,890	8,676	8,676
Accumulated amortisation for write-off assets	(12)	-	(12)	(12)	(12)
Translation adjustment	(1,590)	(2,436)	(4,026)	-	-
As at 31 December 2023	177,916	99,688	277,604	66,980	66,980
<b>Net book value</b>					
As at 31 December 2022	120,820	282,309	403,129	46,616	46,616
As at 31 December 2023	106,822	222,161	328,983	41,264	41,264

## 15. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	53	55	-	-
Total debt instruments at amortised cost	53	55	-	-
<u>Equity instruments designated at FVOCI</u>				
Local marketable equity securities	97	97	97	97
Total equity instruments designated at FVOCI	97	97	97	97
Total other non-current financial assets	150	152	97	97

## 16. Short-term loans from financial institutions

Movements in short-term loans from financial institutions during the year ended 31 December 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2023	-	-
Add: Increase during the year	1,945,417	-
Less: Repayment during the year	(803,882)	-
Translation adjustment	(65,127)	-
Balance as at 31 December 2023	1,076,408	-

As at 31 December 2023, the overseas subsidiaries had short-term loans from commercial banks of USD 31.5 million or equivalent to Baht 1,076.4 million, which carry interest between 6.37 and 7.48 percent per annum and are due for repayment during February to March 2024.

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - subsidiaries (Note 7)	-	-	47,003	236,579
Trade payables - unrelated party	2,154,622	3,000,144	878,633	1,029,496
Other payables - subsidiaries (Note 7)	-	-	375	583
Advance received from customers	722,366	487,885	134,085	109,138
Other payables for purchase of machinery	156,188	280,372	73,866	84,033
Accrued expenses	357,370	392,440	34,707	32,855
Total trade and other payables	<u>3,390,546</u>	<u>4,160,841</u>	<u>1,168,669</u>	<u>1,492,684</u>

## 18. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 and 50 years.

### a) Right-of-use assets (Note 13)

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Buildings	Machinery and equipment	Total
1 January 2022	122,171	48,123	7,953	178,247
Additions	-	269,629	3,596	273,225
Depreciation for the year	(3,061)	(5,259)	(6,724)	(15,044)
Translation adjustment	4,233	1,510	395	6,138
31 December 2022	123,343	314,003	5,220	442,566
Additions	-	4,567	2,763	7,330
Write-off during the year - net book value at write-off date	-	(315)	-	(315)
Transfer out	-	(265,153)	-	(265,153)
Depreciation for the year	(3,033)	(4,705)	(4,949)	(12,687)
Translation adjustment	(1,160)	(3,075)	29	(4,206)
31 December 2023	<u>119,150</u>	<u>45,322</u>	<u>3,063</u>	<u>167,535</u>

The overseas subsidiary has mortgaged the land use right and buildings with the net book value as at 31 December 2023 of approximately CNY 32.5 million or equivalent to approximately Baht 156.4 million as collateral for long-term loans from financial institution as described in Note 20.

**b) Lease liabilities**

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
Lease payments	5,796	274,460
Less: Deferred interest expenses	(73)	(136)
Total	5,723	274,324
Less: Portion due within one year	(4,990)	(273,843)
Lease liabilities - net of current portion	<u>733</u>	<u>481</u>

Movements of the lease liabilities during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	274,324	10,849
Additions	8,710	273,225
Accretion of interest	172	2,926
Payments during the year	(9,721)	(13,004)
Transfer	(269,496)	-
Translation	1,734	328
Balance at end of year	<u>5,723</u>	<u>274,324</u>

A maturity analysis of lease payments is disclosed in Note 35.1 under the liquidity risk.

**c) Expenses relating to leases that are recognised in income statements**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	12,687	15,044	-	-
Interest expense on lease liabilities	172	2,926	-	-
Expense relating to short-term leases	10,738	10,658	188	176
Expense relating to leases of low-value assets	541	492	433	349

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 21 million (2022: Baht 21 million) and for the Company amounting to Baht 0.6 million (2022: Baht 0.5 million) including the cash outflows related to short-term leases and leases of low-value assets.

**19. Short-term provisions**

(Unit: Thousand Baht)

	Consolidated
	financial statements
	Provision for product warranty
As at 1 January 2022	334,199
Translation adjustment	11,425
As at 31 December 2022	345,624
Translation adjustment	(3,391)
As at 31 December 2023	342,233

## 20. Long-term loans from financial institution

Movements in long-term loans from financial institution during the year ended 31 December 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	-	-
Add: Increase during the year	238,735	-
Less: Repayment during the year	(2,404)	-
Translation adjustment	(8,955)	-
Balance as at 31 December 2023	227,376	-
Less: Portion due within one year	(24,036)	-
Long-term loans from financial institution - net of current portion	<u>203,340</u>	<u>-</u>

As at 31 December 2023, the overseas subsidiary had long-term loans from financial institution of CNY 47.3 million or equivalent to Baht 227.4 million, which carry a floating interest rate benchmarked to one-year lending rate of People's Bank of China (PBOC) throughout the period of the agreement and are repayable within 2026.

The long-term credit facilities of the overseas subsidiary which have not yet been drawn amounted to CNY 82.3 million or equivalent to Baht 395.6 million.

The above loans are secured by the land use right and buildings of the subsidiary.

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	709,393	718,851	348,391	332,488
Included in the income statement:				
Current service cost	45,902	45,409	22,830	22,358
Interest cost	18,500	14,445	9,981	6,672
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(35,673)	(31,847)	(46,943)	3,021
Financial assumptions changes	37,239	9,170	8,455	(2,463)
Experience adjustments	12,537	6,065	33,961	14,535
Benefits paid during the year	<u>(21,946)</u>	<u>(52,700)</u>	<u>(8,409)</u>	<u>(28,220)</u>
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>765,952</u>	<u>709,393</u>	<u>368,266</u>	<u>348,391</u>

The Group expects to pay Baht 23 million of long-term employee benefits during the next year (the Company only: Baht 21 million) (2022: Baht 21 million, the Company only: Baht 19 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 12 years (the Company only: 14 years) (2022: 13 years, the Company only: 15 years).

Significant actuarial assumptions are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.7 - 2.9	2.7 - 3.1	2.9	3.1
Future salary increase rate	4.0 - 5.0	4.0 - 5.0	4.0 - 5.0	4.0 - 5.0
Staff turnover rate (depending on age)	6.4 - 29.5	6.0 - 28.1	6.4 - 16.1	6.0 - 17.6

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2023 and 2022 are summarised below.

(Unit: Million Baht)

	31 December 2023			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(81)	97	(45)	54
Salary increase rate	96	(82)	53	(45)
	Increase 5%	Decrease 5%	Increase 5%	Decrease 5%
Staff turnover rate	(134)	183	(87)	123

(Unit: Million Baht)

	31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(79)	95	(45)	54
Salary increase rate	94	(80)	53	(45)
	Increase 5%	Decrease 5%	Increase 5%	Decrease 5%
Staff turnover rate	(127)	168	(76)	104

## 22. Share capital

22.1 On 28 April 2023, the Annual General Meeting of the Company's shareholders passed the following resolutions relating to the Company's share capital.

- a) Approving to decrease the Company's registered share capital from Baht 974,403,900 (974,403,900 ordinary shares of Baht 1.00 each) to Baht 804,878,860 (804,878,860 ordinary shares of Baht 1.00 each) by cancelling 169,525,040 unissued shares, at the par value of Baht 1.00 per share. The Company registered the capital decrease with the Ministry of Commerce on 2 June 2023.
- b) Approving to increase the Company's registered share capital from Baht 804,878,860 (804,878,860 ordinary shares of Baht 1.00 each) to Baht 885,366,746 (885,366,746 ordinary shares of Baht 1.00 each) by issuing 80,487,886 new ordinary shares, at the par value of Baht 1.00 per share. The Company registered the capital increase with the Ministry of Commerce on 6 June 2023.

22.2 On 16 October 2023, the Meeting of the Company's Board of Directors passed a resolution approving the Company to issue and allocate the newly-issued ordinary shares by means of a general mandate in the amount of 80,478,800 shares, at the par value of Baht 1.00 per share for the purposes of offering for sale in the private placement at the offering price of Baht 57.00 each or a total of Baht 4,587.80 million. The Company received payment for such shares and registered the increase of its paid-up capital with the Ministry of Commerce on 19 October 2023.



### 23. Equity-settled share-based payments

On 15 December 2022, an overseas subsidiary issued stock grants of its shares to directors, executives and employees of the Group, with significant details as follows:

Number of stock grants issued: 41,113,486 units (16% of ordinary shares of the subsidiary)

Vesting conditions: Employees must remain in service for a granting period. The 20% of stock grants shall become vested and exercisable on the date of the subsidiary's Initial Public Offering (IPO date) and 20% of stock grants on the first, second, third and fourth anniversary of the IPO date.

There were no modifications to the share-based payment arrangement during the year.

During the year 2023, the Group recognised equity-settled share-based payment transactions amounting to Baht 40.4 million as expenses in profit or loss, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

### 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has fully been set aside.

### 25. Finance income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income on bank deposits	39,420	14,193	19,150	422
Interest income on debt instruments measured at FVOCI	<u>57,545</u>	<u>79,503</u>	-	-
Total	<u>96,965</u>	<u>93,696</u>	<u>19,150</u>	<u>422</u>

## 26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Raw materials and consumables used	17,287,871	17,447,885	8,519,236	7,496,120
Changes in inventories of finished goods and work in process	2,224	(503,233)	133,365	(110,141)
Salaries and wages and other employee benefits	4,034,743	4,291,546	1,233,614	1,248,285
Management benefit expenses	149,904	153,426	20,728	17,716
Depreciation and amortisation expenses	1,702,296	1,629,827	369,021	365,618

## 27. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Current income tax charge	107,733	113,563	27,457	17,486
Adjustment in respect of income tax of previous year	(1,376)	(6,359)	(59)	1,026
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(20,889)	176	(7,803)	(2,983)
<b>Income tax expenses reported in the income statements</b>	<u>85,468</u>	<u>107,380</u>	<u>19,595</u>	<u>15,529</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to actuarial gain (loss)	85	(134)	85	(134)
Deferred tax relating to exchange differences from translating foreign currency financial statements	(816)	(596)	-	-
	<u>(731)</u>	<u>(730)</u>	<u>85</u>	<u>(134)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	<u>1,846,035</u>	<u>2,209,451</u>	<u>2,143,024</u>	<u>2,171,690</u>
Applicable tax rate	0 - 25%	0 - 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	329,214	430,550	428,605	434,338
Adjustment in respect of income tax of previous year	(1,376)	(6,359)	(59)	1,026
Effects of:				
Promotional privileges (Note 30)	(447,004)	(502,007)	(350,541)	(327,581)
Dividend income not subject to tax	(17)	(14)	(48,017)	(88,014)
Income not subject to tax	(1,242)	(438)	-	-
Unrecognised temporary differences and unused tax losses as deferred tax assets	227,279	199,800	-	-
Non-deductible expenses	3,923	5,282	131	94
Additional expense deductions allowed	(12,064)	(12,747)	(3,532)	(1,308)
Others	(13,245)	(6,687)	(6,992)	(3,026)
Total	<u>(242,370)</u>	<u>(316,811)</u>	<u>(408,951)</u>	<u>(419,835)</u>
Income tax expenses reported in the income statements	<u>85,468</u>	<u>107,380</u>	<u>19,595</u>	<u>15,529</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,328	1,179	47	22
Allowance for diminution in value of inventories	5,787	2,449	4,462	1,080
Allowance for asset impairment	643	305	643	305
Provision for long-term employee benefits	6,901	3,102	6,901	3,102
Provision for vacation	1,461	644	338	164
Accrued expenses	22,298	20,596	-	-
Others	52,860	25,682	-	-
<b>Total</b>	<b>91,278</b>	<b>53,957</b>	<b>12,391</b>	<b>4,673</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation - plant and equipment	(103,195)	(87,494)	-	-
<b>Total</b>	<b>(103,195)</b>	<b>(87,494)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (liabilities) - net</b>	<b>(11,917)</b>	<b>(33,537)</b>	<b>12,391</b>	<b>4,673</b>
<b>Statements of financial position</b>				
Deferred tax assets	18,653	10,643	12,391	4,673
Deferred tax liabilities	(30,570)	(44,180)	-	-
<b>Deferred tax assets (liabilities) - net</b>	<b>(11,917)</b>	<b>(33,537)</b>	<b>12,391</b>	<b>4,673</b>

As at 31 December 2023, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 2,747 million (2022: Baht 1,851 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses will expire by the year 2038.

## 28. Earnings per share

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

### 28.1 Weighted average number of ordinary shares

	(Unit: Thousand shares)	
	<u>2023</u>	<u>2022</u>
Balance brought forward	804,879	804,879
Add: The weighted average number of ordinary shares issued during the year	<u>16,318</u>	<u>-</u>
Weighted average number of ordinary shares	<u>821,197</u>	<u>804,879</u>

### 28.2 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year (Thousand Baht)	1,760,567	2,102,071	2,123,429	2,156,161
Weighted average number of ordinary shares (Thousand shares)	821,197	804,879	821,197	804,879
Basic earnings per share (Baht)	2.14	2.61	2.59	2.68

## 29. Promotional privileges

The Group has received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment.

Subject to certain imposed conditions, significant promotional privileges received with respect to tax are as follows:

Particulars	The Company												
	2138(2)/2550	1887(1)/2552	1234(1)/2555	2620(1)/2555	2199(2)/2557	59-0178-0-00-1-0	60-1432-1-00-1-0	63-1072-1-00-1-0	64-0816-1-00-1-0	64-0104-1-00-1-0	65-0289-1-00-1-0	66-0309-1-04-1-0	66-0115-1-00-1-0
1. Certificate No.	2138(2)/2550	1887(1)/2552	1234(1)/2555	2620(1)/2555	2199(2)/2557	59-0178-0-00-1-0	60-1432-1-00-1-0	63-1072-1-00-1-0	64-0816-1-00-1-0	64-0104-1-00-1-0	65-0289-1-00-1-0	66-0309-1-04-1-0	66-0115-1-00-1-0
2. Promotional privileges for	Production of PCBA	Production of Semiconductor i.e. Wireless Sensor	Production of Integrated Circuit (IC) and Die Testing	Production of Electronic Control Unit	Production of PCBA	Production of PCBA	Production of Telecommunication and Wafer Die Test	Production of Semiconductor i.e. Integrated Circuit	Production of Electro-Magnetic	Production of Semiconductor i.e. Wafer Testing and Wafer Sawing	Production of parts for electronic control and measurement instruments for automotive industry	Production of PCBA	Integrated circuit (IC) and Continuous products
3. The significant privileges are													
3.1 Exemption from corporate income tax on net income derived from the promoted operation and exemption from income tax on dividends paid from the promoted operations which are tax exempted throughout the period in which the corporate income tax is exempted.	8 years (expired) (tax exempted according to investment)	8 years (expired) (tax exempted according to investment)	8 years	8 years	8 years (tax exempted according to investment)	8 years (tax exempted according to investment)	6 years (tax exempted according to investment)	6 years (tax exempted according to investment)	4 years (tax exempted according to investment)	6 years (tax exempted according to investment)	8 years (tax exempted according to investment)	-	6 years (tax exempted according to investment)
3.2 50 % reduction of the normal corporate income tax rate for net income derived after the expiry date in 3.1	5 years	5 years	5 years	5 years	5 years	5 years	-	-	-	-	-	3 years (50 percent of investment in improvement of machines exclude land or working capital)	-
3.3 Exemption from import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted	Granted
3.4 2 times deduction of transportation, electricity and water expenses from the first earning operating income	10 years	10 years	10 years	10 years	10 years	10 years	-	-	-	-	-	-	-
4. Date of first earning operating income	3 December 2007	2 December 2009	26 February 2016	3 January 2014	3 April 2015	4 February 2020	1 January 2018	Has not yet started utilising the privileges	8 October 2021	Has not yet started utilising the privileges	6 July 2023	29 April 2023	Has not yet started utilising the privileges

Particulars	Subsidiary					
	Hana Semiconductor (Ayutthaya) Company Limited					
1. Certificate No.	1034(2)/2552	2371(1)/2553	2687(1)/2556	60-0686-1-00-1-0	61-1275-1-00-1-0	64-0682-1-00-1-0
2. Promotional privileges for	Production of Wafer Saw, Integrated Circuit (IC) and Integrated Circuit Tested (IC Tested)	Production of Integrated Circuit (IC)	Production of Semiconductor	Production of Integrated Circuit (IC), Wafer sawing, Wafer Grinding and Wafer Testing	Production of Integrated Circuit (IC)	Production of Integrated Circuit (IC) and Integrated Circuit Tested (IC Tested)
3. The significant tax privileges are						
3.1 Exemption from corporate income tax on net profit from promoted operations and exemption from income tax on dividends paid from the promoted operations which are tax exempted throughout the period in which the corporate income tax is exempted	8 years (Until 1 January 2022)	8 years (Until 27 November 2022)	8 years (Until 2 January 2026)	6 years (Until 31 December 2026)	6 years (Until 2 January 2029)	6 years
3.2 50 % reduction of the normal corporate income tax rate for net income derived after the expiry date in 3.1	5 years	5 years	5 years	-	-	-
3.3 Exemption from import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted	Granted
3.4 2 times deduction of transportation, electricity and water expenses from the first earning operating income	10 years	10 years	10 years	-	-	-
4. Date of first earning operating income	2 January 2013	28 November 2014	3 January 2018	1 January 2021	3 January 2023	Has not yet started utilising the privileges

The Group's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Sales</b>						
Domestic sales	202,127	281,764	68	345	202,195	282,109
Export sales	19,334,385	19,829,066	6,615,536	7,055,988	25,949,921	26,885,054
Total sales	<u>19,536,512</u>	<u>20,110,830</u>	<u>6,615,604</u>	<u>7,056,333</u>	<u>26,152,116</u>	<u>27,167,163</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Sales</b>						
Domestic sales	155,676	225,521	68	345	155,744	225,866
Export sales	12,225,071	10,998,601	93,859	48,301	12,318,930	11,046,902
Total sales	<u>12,380,747</u>	<u>11,224,122</u>	<u>93,927</u>	<u>48,646</u>	<u>12,474,674</u>	<u>11,272,768</u>

### 30. Segments information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and have two reportable segments as follows:

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

No operating segments have been aggregated to form the above reportable operating segments.



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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2023 and 2022.

(Unit: Million Baht)

	Printed Circuit			Total reportable segments	Eliminations	Total
	Board Assembly (PCBA)	Integrated Circuit (IC)	Others			
<b>For the year ended 31 December 2023</b>						
Revenue from external customers	15,956	8,235	1,961	26,152	-	26,152
Inter-segment revenue	3,513	752	1,093	5,358	(5,358)	-
Total revenue	19,469	8,987	3,054	31,510	(5,358)	26,152
<b>Segment profit</b>	2,859	473	(368)	2,964	16	2,980
Gain on exchange rate						41
Other income						439
Selling and distribution expenses						(210)
Administrative expenses						(1,421)
Loss on derivatives						(49)
Reversal of impairment loss on financial assets						21
Finance income						97
Finance cost						(52)
Income tax expenses						(85)
<b>Profit for the year</b>						<u>1,761</u>
<b>Segment total assets</b>						
Additions to property, plant and equipment	552	332	1,805	2,689	-	2,689

(Unit: Million Baht)

	Printed Circuit			Total reportable segments	Eliminations	Total
	Board Assembly (PCBA)	Integrated Circuit (IC)	Others			
<b>For the year ended 31 December 2022</b>						
Revenue from external customers	15,129	10,354	1,684	27,167	-	27,167
Inter-segment revenue	3,699	1,027	1,439	6,165	(6,165)	-
Total revenue	18,828	11,381	3,123	33,332	(6,165)	27,167
<b>Segment profit</b>	2,719	999	(63)	3,655	6	3,661
Dividend income						2
Gain on derivatives						30
Other income						456
Selling and distribution expenses						(212)
Administrative expenses						(1,483)
Loss on exchange rate						(320)
Reversal of impairment loss on financial assets						4
Loss on FVTPL equity instruments						(10)
Finance income						94
Finance cost						(13)
Income tax expenses						(107)
<b>Profit for the year</b>						<b>2,102</b>
<b>Segment total assets</b>						
Additions to property, plant and equipment	464	1,296	1,116	2,876	-	2,876

Geographic information

Revenue from external customers is based on locations of the customers as below.

(Unit: Million Baht)

	<u>2023</u>	<u>2022</u>
<b>Revenue from external customers</b>		
Singapore	6,432	6,889
United States of America	6,260	5,823
China	3,175	3,395
Malaysia	3,063	2,930
Germany	1,128	634
Others	6,094	7,496
Total	26,152	27,167

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
<b>Non-current assets (other than deferred tax assets)</b>		
Korea	4,567	3,469
Thailand	4,471	5,083
China	2,012	1,935
United States of America	638	501
Cambodia	376	391
Hong Kong	53	57
Others	8	14
Total	<u>12,125</u>	<u>11,450</u>

Major customers

For the year 2023, the Group has revenue from 5 major customers in amount of Baht 12,059 million, arising from sales by the Printed Circuit Board Assembly (PCBA) segment and the Integrated Circuit (IC) segment (2022: 12,583 million).

**31. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rates of 3.0 - 7.5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon terminating in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 91 million (2022: Baht 91 million) and for the Company amounting to approximately Baht 46 million (2022: Baht 45 million) were recognised as expenses.

## 32. Dividend paid

During the years 2023 and 2022, the Group had dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>The Company</u></b>			
<b><u>For the year 2023</u></b>			
Dividends on 2022 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 28 April 2023	402	0.50
Interim dividends in respect of the income for the period from 1 January 2023 to 30 September 2023	Board of Directors' Meeting on 13 November 2023	443	0.50
Total for the year 2023		<u>845</u>	<u>1.00</u>
<b><u>For the year 2022</u></b>			
Dividends on 2021 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 29 April 2022	805	1.00
Interim dividends in respect of the income for the period from 1 January 2022 to 30 June 2022	Board of Directors' Meeting on 14 November 2022	402	0.50
Total for the year 2022		<u>1,207</u>	<u>1.50</u>
<b><u>Subsidiaries</u></b>			
<b><u>Hana Semiconductor (Ayutthaya) Company Limited</u></b>			
<b><u>For the year 2023</u></b>			
Interim dividends in respect of 2022 income and unappropriated retained earnings	Board of Directors' Meeting on 5 April 2023	240	2.00
Total for the year 2023		<u>240</u>	<u>2.00</u>
<b><u>For the year 2022</u></b>			
Interim dividends in respect of the income for the period from 1 January 2022 to 30 September 2022 and unappropriated retained earnings	Board of Directors' Meeting on 24 November 2022	240	2.00
Total for the year 2022		<u>240</u>	<u>2.00</u>

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>Subsidiaries</u></b>			
<b>Hana Semiconductor (BKK) Company Limited</b>			
<b><u>For the year 2023</u></b>			
Interim dividends in respect of income for the period from 1 January 2023 to 30 April 2023	Board of Directors' Meeting on 18 May 2023	100	1.00
Total for the year 2023		100	1.00
<b><u>For the year 2022</u></b>			
Dividends on 2021 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 28 April 2022	200	2.00
Interim dividends in respect of the income for the period from 1 January 2022 to 30 September 2022 and unappropriated retained earnings	Board of Director's Meeting on 7 December 2022	100	1.00
Total for the year 2022		300	3.00

### 33. Commitments and contingent liabilities

#### 33.1 Capital commitments

As at 31 December 2023, the Group had capital commitments relating to the acquisitions of machinery totaling Baht 37 million (2022: Baht 165 million) and the Company only of approximately Baht 17 million (2022: Baht 52 million).

#### 33.2 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	
	2023	2022	2023	2022
Payable:				
In up to 1 year	103.5	97.7	23.2	33.7
In over 1 year and up to 5 years	22.1	69.2	1.1	0.1

### 33.3 Marketing supportive service agreement

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

### 33.4 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.

### 33.5 Guarantees

- a) As at 31 December 2023, the Company and a subsidiary have jointly guaranteed bank credit facilities of a subsidiary amounting to USD 65 million or equivalent to Baht 2,235.19 million (2022: Nil), the Company amounting to USD 35 million or equivalent to Baht 1,197.82 million (2022: Nil).
- b) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 29 million (2022: Baht 27 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group to guarantee electricity uses, among others, and the Company of approximately Baht 28 million (2022: Baht 26 million).

## 34. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	31 December 2023		
	Consolidated financial statements		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVOCI			
Marketable corporate bonds	1,180,575	54,444	1,235,019
Local marketable equity securities	97	-	97
<b>Assets for which fair value was disclosed</b>			
Investment property	-	96,405	96,405

(Unit: Thousand Baht)

31 December 2022

Consolidated financial statements		
Level 1	Level 2	Total
<b>Assets measured at fair value</b>		
Financial assets measured at FVTPL		
Derivatives assets	-	66,632
Financial assets measured at FVOCI		
Marketable corporate bonds	859,086	-
Quoted bonds	319,007	-
Local marketable equity securities	97	-
<b>Assets for which fair value was disclosed</b>		
Investment property	-	96,405
<b>Liabilities measured at fair value</b>		
Derivatives liabilities	-	17,214

(Unit: Thousand Baht)

31 December 2023

Separate financial statements		
Level 1	Level 2	Total
<b>Assets measured at fair value</b>		
Financial assets measured at FVOCI		
Local marketable equity securities	97	-
<b>Assets for which fair value was disclosed</b>		
Investment property	-	96,405

(Unit: Thousand Baht)

31 December 2022

Separate financial statements		
Level 1	Level 2	Total
<b>Assets measured at fair value</b>		
Financial assets measured at FVOCI		
Local marketable equity securities	97	-
<b>Assets for which fair value was disclosed</b>		
Investment property	-	96,405

## **35. Financial instruments**

### **35.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments and trade and other payables. The financial risks associated with these financial instruments and how they are managed are described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

#### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.



## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at financial institutions and investments. Most of its financial assets and liabilities bear floating interest rates, or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity dates, or the re-pricing date if this occurs before the maturity date.

Consolidated financial statements as at 31 December 2023					
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	4,453	2,478	23	6,954	0.010 - 5.240
Trade and other receivables	-	-	5,178	5,178	-
Other current financial assets	1,688	250	-	1,938	0.950 - 7.400
	<u>6,141</u>	<u>2,728</u>	<u>5,201</u>	<u>14,070</u>	
<b>Financial liabilities</b>					
Short-term loans from					
financial institutions	1,025	51	-	1,076	6.370 - 7.480
Trade and other payables	-	-	3,391	3,391	-
Long-term loans from					
financial institution	-	227	-	227	3.750 - 3.850
	<u>1,025</u>	<u>278</u>	<u>3,391</u>	<u>4,694</u>	
Consolidated financial statements as at 31 December 2022					
	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	153	1,671	551	2,375	0.001 - 3.300
Trade and other receivables	-	-	4,981	4,981	-
Other current financial assets	1,193	-	66	1,259	0.100 - 9.750
	<u>1,346</u>	<u>1,671</u>	<u>5,598</u>	<u>8,615</u>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	4,161	4,161	-
	<u>-</u>	<u>-</u>	<u>4,161</u>	<u>4,161</u>	

Separate financial statements as at 31 December 2023

	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	4,050	929	8	4,987	0.10 - 2.00
Trade and other receivables	-	-	2,541	2,541	-
	<u>4,050</u>	<u>929</u>	<u>2,549</u>	<u>7,528</u>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	1,169	1,169	-
	<u>-</u>	<u>-</u>	<u>1,169</u>	<u>1,169</u>	

Separate financial statements as at 31 December 2022

	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	-	239	-	239	0.05 - 0.10
Trade and other receivables	-	-	2,102	2,102	-
	<u>-</u>	<u>239</u>	<u>2,102</u>	<u>2,341</u>	
<b>Financial liabilities</b>					
Short-term loan from related party	200	-	-	200	0.80
Trade and other payables	-	-	1,493	1,493	-
	<u>200</u>	<u>-</u>	<u>1,493</u>	<u>1,693</u>	

### Foreign currency risk

The Group's exposure to foreign currency risk related primarily to its 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 contracts will mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2023 and 2022 are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per foreign currency unit)	
Cambodia Riel	294	921	1	-	0.0083	0.0084
US Dollar	258	115	54	77	34.2233	34.5624
Japan Yen	63	-	11	19	0.2423	0.2609

As at 31 December 2022, the two overseas subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 31 December 2022		
Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	23 January 2023 - 21 March 2023	34.3500 - 35.8700

#### *Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2023		2022	
	Change in FX rate	Effect on profit	Change in FX rate	Effect on profit
		before tax		before tax
		Increase (decrease)		Increase (decrease)
(%)	(Million Baht)	(%)	(Million Baht)	
US dollar	+1	69	+1	13
	- 1	(69)	- 1	(13)

## Liquidity risk

The Group manages liquidity risk to meet its obligations and maintain cash balances to cover the liquidity needs. The Group has assessed that it has sufficient working capital to settle financial liabilities and concluded the risk to be low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	As at 31 December 2023		
	Consolidated financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	1,076,408	-	1,076,408
Trade and other payables	3,390,546	-	3,390,546
Lease liabilities	5,063	733	5,796
Long-term loans from financial institution	24,036	203,340	227,376
<b>Total non-derivatives</b>	<b>4,496,053</b>	<b>204,073</b>	<b>4,700,126</b>
	(Unit: Thousand Baht)		
	As at 31 December 2022		
	Consolidated financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	4,160,841	-	4,160,841
Lease liabilities	273,954	506	274,460
<b>Total non-derivatives</b>	<b>4,434,795</b>	<b>506</b>	<b>4,435,301</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	17,214	-	17,214
<b>Total derivatives</b>	<b>17,214</b>	<b>-</b>	<b>17,214</b>

	(Unit: Thousand Baht)		
	As at 31 December 2023		
	Separate financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	1,168,669	-	1,168,669
<b>Total non-derivatives</b>	<b>1,168,669</b>	<b>-</b>	<b>1,168,669</b>

	(Unit: Thousand Baht)		
	As at 31 December 2022		
	Separate financial statements		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loan from related party	200,000	-	200,000
Trade and other payables	1,492,684	-	1,492,684
<b>Total non-derivatives</b>	<b>1,692,684</b>	<b>-</b>	<b>1,692,684</b>

## 35.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of the derivatives is as follows:

	(Unit: Million Baht)
	Consolidated financial statements
	As at 31 December 2022
	Fair value
<b>Derivatives</b>	
Forward exchange contracts - gain	66.6
Forward exchange contracts - loss	17.2

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, accounts payable and loan, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts and equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) For fixed deposits with financial institution carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- d) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The subsidiaries have considered the counterparty credit risk when determining the fair value of derivatives.

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

### **36. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 0.21:1 (2022: 0.24:1) and the Company's was 0.10:1 (2022: 0.20:1).

### **37. Event after the reporting period**

On 27 February 2024, the meeting of the Board of Directors of the Company No. 1/2024 passed the resolution approving the final dividend payment for the year 2023 to the Company's shareholders at Baht 0.5 per share. Thus, including the interim dividend of Baht 0.5 per share, the total dividend payment for the year 2023 will be Baht 1.0 per share. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

### **38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2024.