



HANA Microelectronics Public Co., Ltd.

10/4 Moo 3, Vibhavadi-Rangsit Road, Kwang Talad Bangkhen, Khet Laksi,
Bangkok 10210

7 October 2011

**Subject: Update on the flooding situation at Hi-Tech Industrial Estate as at
4.30 p.m. Friday 7th October**
**To: Chairman of the Board
The Stock Exchange of Thailand**

Hana Microelectronics Public Co., Ltd. has informed about the recent flood situation that Hana Semiconductor (Ayutthaya) Co., Ltd., the subsidiary of the Company located at the Hi-tech Industrial Estate, Amphur Bang Pa-in, Ayutthaya.

The Hi-Tech Industrial Estate is currently free of flooding however the rising water is expected to reach and exceed the current water barrier within the next 24 hours. Finally there is some action to build up the dam wall by another 2.5M which it is calculated will be sufficient to hold off the rising water. There are 16 diggers working around the clock to build up this wall by digging the earth and placing it on top of the road barrier. We are not sure if this is sufficient to create a barrier high enough and strong enough to with stand the rising water levels and further whether it can be done in time as the water is expected to peak on Oct 13th or 14th. It is a race against time now. The companies in the estate have requested the government to send more diggers and sand bags to help speed up the wall construction.

Hana has moved the equipment, where possible to the second floor which will be safe in any event, however certain large and heavy machinery simply cannot be moved and in that case we are attempting to build a water tight room within the building. We hope this will be sufficient to hold back the water level which if the dam wall is breached will rise to about 1.0 – 1.5m from the floor level. **We will only know if our plan will work if and when the Hi-Tech Industrial Estate is actually flooded.**

Business interruption:

If the Hi-Tech Industrial Estate can withstand the rising water levels and remains dry we anticipate the re-installment of all equipment, re-calibration and certification would take about 15 - 20 days from starting the process.

If there is flooding it will depend on how long it will take for the water to recede back to allow the cleaning process to start and the assessment of building and machine damage. In that event it is estimated it could two to four months depending on the many factors.

Insurance:

Hana has insurance cover for any flood/water damage to the property and additionally carries business interruption cover.

Sincerely your,

(Mr. Terrence Philip Weir)
Director