

Hana Microelectronics Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Hana Microelectronics Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Hana Microelectronics Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Hana Microelectronics Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 12 November 2021

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u>	<u>30 September 2021</u>	<u>31 December 2020</u>	<u>30 September 2021</u>	<u>31 December 2020</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents	3	4,870,784	5,400,261	1,194,177	642,883
Trade and other receivables	4, 5	4,441,469	3,460,920	1,849,037	1,593,935
Inventories	6	6,288,155	4,496,142	3,006,403	2,295,245
Other current financial assets	7	3,642,720	4,266,900	-	-
Other current assets		153,493	95,709	32,796	45,403
Total current assets		19,396,621	17,719,932	6,082,413	4,577,466
Non-current assets					
Investments in subsidiaries	8	-	-	3,583,449	3,583,449
Investment property	9	72,304	72,304	72,304	72,304
Property, plant and equipment	10	9,110,246	6,938,256	2,285,957	2,392,024
Intangible assets		403,461	362,264	57,421	62,964
Other non-current financial assets	11	97	97	97	97
Deferred tax assets		10,310	1,614	1,669	1,614
Other non-current assets		80,277	85,665	10	10
Total non-current assets		9,676,695	7,460,200	6,000,907	6,112,462
Total assets		29,073,316	25,180,132	12,083,320	10,689,928

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	4, 12	3,748,856	2,354,747	1,791,242	1,267,907
Current portion of lease liabilities		7,078	10,728	-	-
Short-term provisions		339,223	300,371	-	-
Income tax payable		24,729	12,338	4,536	4,500
Derivative liabilities		93,247	-	-	-
Other current liabilities		158,464	127,928	23,496	25,304
Total current liabilities		4,371,597	2,806,112	1,819,274	1,297,711
Non-current liabilities					
Lease liabilities - net of current portion		3,797	7,911	-	-
Deferred tax liabilities		39,517	31,253	-	-
Provision for long-term employee benefits		748,931	721,243	335,870	333,196
Total non-current liabilities		792,245	760,407	335,870	333,196
Total liabilities		5,163,842	3,566,519	2,155,144	1,630,907
Shareholders' equity					
Share capital					
Registered					
974,403,900 ordinary shares of Baht 1 each		974,404	974,404	974,404	974,404
Issued and fully paid-up					
804,878,860 ordinary shares of Baht 1 each		804,879	804,879	804,879	804,879
Share premium		1,723,219	1,723,219	1,723,219	1,723,219
Retained earnings					
Appropriated - statutory reserve		456,463	456,463	100,000	100,000
Unappropriated		20,237,651	19,239,560	7,300,078	6,430,923
Other components of shareholders' equity		687,262	(610,508)	-	-
Total shareholders' equity		23,909,474	21,613,613	9,928,176	9,059,021
Total liabilities and shareholders' equity		29,073,316	25,180,132	12,083,320	10,689,928

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

Directors

Hana Microelectronics Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues					
Sales		6,241,013	4,813,707	2,758,014	2,160,507
Dividend income	8	484	775	26	26
Gain on exchange		-	35,649	41,621	17,122
Other income		94,893	111,848	10,722	9,283
Total revenues		6,336,390	4,961,979	2,810,383	2,186,938
Expenses					
Cost of sales		5,264,742	4,242,063	2,244,947	1,887,021
Selling and distribution expenses		54,032	46,804	17,960	14,567
Administrative expenses		321,616	270,019	81,620	67,621
Loss on exchange		110,632	-	-	-
Loss on derivatives		27,161	80,871	-	-
Impairment loss on financial assets (reversal)		(477)	423	-	-
Loss on FVTPL equity instrument		41	-	-	-
Total expenses		5,777,747	4,640,180	2,344,527	1,969,209
Operating profit		558,643	321,799	465,856	217,729
Finance income		28,626	30,741	40	173
Finance cost		(1,571)	(1,474)	(647)	(542)
Profit before income tax expenses		585,698	351,066	465,249	217,360
Income tax expenses	13	(21,919)	(31,020)	(4,596)	(941)
Profit for the period		563,779	320,046	460,653	216,419
Profit attributable to:					
Equity holders of the Company		563,779	320,046	460,653	216,419
Earnings per share					
Basic earnings per share	14				
Profit attributable to equity holders of the Company (Baht)		0.70	0.40	0.57	0.27
Number of weighted average ordinary shares (Thousand shares)		804,879	804,879	804,879	804,879

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

Hana Microelectronics Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 2021**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period		<u>563,779</u>	<u>320,046</u>	<u>460,653</u>	<u>216,419</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of debt instrument designated at fair value through other comprehensive income					
- net of income tax		(4,355)	27,421	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	13	<u>573,558</u>	<u>434,177</u>	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>569,203</u>	<u>461,598</u>	-	-
Other comprehensive income for the period		<u>569,203</u>	<u>461,598</u>	-	-
Total comprehensive income for the period		<u><u>1,132,982</u></u>	<u><u>781,644</u></u>	<u><u>460,653</u></u>	<u><u>216,419</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u><u>1,132,982</u></u>	<u><u>781,644</u></u>	<u><u>460,653</u></u>	<u><u>216,419</u></u>

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

Hana Microelectronics Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2021**

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

	Note	Consolidated financial statements		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues					
Sales		17,520,181	14,015,737	7,898,816	6,317,842
Dividend income	8	1,607	1,605	280,072	536,072
Gain on exchange		-	-	118,189	51,244
Other income		288,243	284,126	26,256	34,577
Total revenues		<u>17,810,031</u>	<u>14,301,468</u>	<u>8,323,333</u>	<u>6,939,735</u>
Expenses					
Cost of sales		14,906,390	12,032,425	6,565,293	5,252,280
Selling and distribution expenses		153,524	143,650	49,483	49,674
Administrative expenses		907,471	797,474	219,333	204,873
Loss on exchange		120,684	51,354	-	-
Loss on derivatives		147,300	68,558	-	-
Impairment loss on financial assets (reversal)		(1,772)	25,650	-	-
Loss on FVTPL equity instrument		14,777	-	-	-
Total expenses		<u>16,248,374</u>	<u>13,119,111</u>	<u>6,834,109</u>	<u>5,506,827</u>
Operating profit		<u>1,561,657</u>	<u>1,182,357</u>	<u>1,489,224</u>	<u>1,432,908</u>
Finance income		86,284	110,750	428	869
Finance cost		(4,763)	(9,536)	(1,855)	(3,906)
Profit before income tax expenses		<u>1,643,178</u>	<u>1,283,571</u>	<u>1,487,797</u>	<u>1,429,871</u>
Income tax expenses	13	(41,428)	(77,507)	(14,983)	(6,581)
Profit for the period		<u>1,601,750</u>	<u>1,206,064</u>	<u>1,472,814</u>	<u>1,423,290</u>
Profit attributable to:					
Equity holders of the Company		<u>1,601,750</u>	<u>1,206,064</u>	<u>1,472,814</u>	<u>1,423,290</u>
Earnings per share					
Basic earnings per share	14				
Profit attributable to equity holders of the Company (Baht)		<u>1.99</u>	<u>1.50</u>	<u>1.83</u>	<u>1.77</u>
Number of weighted average ordinary shares (Thousand shares)		<u>804,879</u>	<u>804,879</u>	<u>804,879</u>	<u>804,879</u>

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

Hana Microelectronics Public Company Limited and its subsidiaries**Statement of comprehensive income**

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period		<u>1,601,750</u>	<u>1,206,064</u>	<u>1,472,814</u>	<u>1,423,290</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of debt instrument designated at fair value through other comprehensive income					
- net of income tax		(38,858)	31,173	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	13	<u>1,336,628</u>	<u>651,778</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>1,297,770</u>	<u>682,951</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>1,297,770</u>	<u>682,951</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>2,899,520</u></u>	<u><u>1,889,015</u></u>	<u><u>1,472,814</u></u>	<u><u>1,423,290</u></u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u><u>2,899,520</u></u>	<u><u>1,889,015</u></u>	<u><u>1,472,814</u></u>	<u><u>1,423,290</u></u>

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

Hana Microelectronics Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	1,643,178	1,283,571	1,487,797	1,429,871
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	939,758	848,673	284,279	307,470
Amortisation	33,837	14,950	6,492	5,637
Allowance for expected credit losses	2,736	1,406	-	2,492
Reduction of inventories to net realisable value (reversal)	(6,905)	39,087	6,932	19,525
Write-off of obsolete and damaged inventories	28,559	2,656	16,932	2,656
Dividend income from subsidiary companies	-	-	(280,000)	(536,000)
Dividend income from other companies	(1,607)	(1,605)	(72)	(72)
Loss on disposals/write-off of equipment and intangible assets	37,403	4,369	18,246	578
Reversal of allowance for impairment loss on assets	-	(1)	-	(1)
Provision for long-term employee benefits	58,999	58,618	20,094	19,677
Gain on sales of debt instruments at fair value through other comprehensive income	(21,219)	(13,999)	-	-
Loss (gain) on fair value adjustments of financial instruments	14,777	(27,487)	-	-
Impairment loss on financial assets (reversal)	(1,772)	25,650	-	-
Unrealised loss on exchange	89,676	28,961	41,418	14,922
Unrealised loss on derivatives	147,300	68,558	-	-
Finance income	(86,284)	(110,750)	(428)	(869)
Finance cost	61	4,044	-	2,207
Profit from operating activities before changes in operating assets and liabilities	2,878,497	2,226,701	1,601,690	1,268,093

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

Hana Microelectronics Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(962,168)	146,653	(190,464)	109,426
Inventories	(1,813,667)	(550,427)	(735,022)	(310,349)
Other current assets	(80,280)	43,877	(1,898)	24,783
Operating liabilities increase (decrease)				
Trade and other payables	1,258,635	105,066	379,732	234,858
Other current liabilities	30,536	12,792	(1,808)	1,197
Cash from operating activities	1,311,553	1,984,662	1,052,230	1,328,008
Cash paid for long-term employee benefits	(31,311)	(24,955)	(17,420)	(8,805)
Cash paid for income tax	(33,193)	(64,028)	(15,002)	(10,111)
Net cash from operating activities	1,247,049	1,895,679	1,019,808	1,309,092
Cash flows from investing activities				
Decrease (increase) in other current financial assets	325,337	(1,287,524)	-	-
Interest received	88,764	108,670	396	695
Proceeds from sales of financial instruments	214,146	81,696	-	-
Dividend income from subsidiary companies	-	-	280,000	536,000
Dividend income from other companies	1,607	1,605	72	72
Proceeds from redemption of financial assets at amortised costs	-	62,670	-	-
Acquisitions of property, plant and equipment and intangible assets	(3,151,814)	(936,872)	(155,750)	(114,315)
Proceeds from disposals of equipment	11,117	23,406	10,427	19,232
Decrease (increase) in other non-current assets	5,388	(43,674)	-	-
Net cash from (used in) investing activities	(2,505,455)	(1,990,023)	135,145	441,684

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

Hana Microelectronics Public Company Limited and its subsidiaries**Statement of cash flows (continued)**

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from financing activities				
Repayment of short-term loans from financial institutions	-	(500,000)	-	(500,000)
Repayment of short-term loans from related parties	-	-	-	(210,000)
Payment of principal portion of lease liabilities	(9,475)	-	-	-
Interest paid	-	(2,038)	-	(3,609)
Dividend paid	(603,659)	(523,171)	(603,659)	(523,171)
Net cash used in financing activities	(613,134)	(1,025,209)	(603,659)	(1,236,780)
Increase (decrease) in cash and cash equivalents	(1,871,540)	(1,119,553)	551,294	513,996
Translation adjustment	1,342,063	645,925	-	-
Net increase (decrease) in cash and cash equivalents	(529,477)	(473,628)	551,294	513,996
Cash and cash equivalents at beginning of the period	5,400,261	5,434,979	642,883	577,211
Cash and cash equivalents at end of the period				
(Note 3)	4,870,784	4,961,351	1,194,177	1,091,207

Supplemental cash flow information

Non-cash related transactions from investing activities

Net increase (decrease) in accounts payable for

purchases of plant and equipment	83,488	(19,315)	(52,084)	(9,999)
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Revaluation gain (loss) on changes in fair value of

debt instruments at FVOCI	(38,858)	31,173	-	-
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Transfer equipment to intangible assets	-	35,126	-	35,126
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

		Consolidated financial statements							
		Other components of shareholders' equity							
		Other comprehensive income							
		Issued and		Retained earnings		Fair value reserve	Exchange differences	Total other	Total
		paid up	Share	Appropriated -	Unappropriated	of financial assets	on translation of	components of	shareholders'
Note		share capital	premium	statutory reserve		at FVOCI	in foreign currency	equity	shareholders' equity
	Balance as at 1 January 2020	804,879	1,723,219	456,463	18,441,803	208,868	(1,089,616)	(880,748)	20,545,616
	Profit for the period	-	-	-	1,206,064	-	-	-	1,206,064
	Other comprehensive income for the period	-	-	-	-	31,173	651,778	682,951	682,951
	Total comprehensive income for the period	-	-	-	1,206,064	31,173	651,778	682,951	1,889,015
	Dividend paid	-	-	-	(523,171)	-	-	-	(523,171)
16	Balance as at 30 September 2020	<u>804,879</u>	<u>1,723,219</u>	<u>456,463</u>	<u>19,124,696</u>	<u>240,041</u>	<u>(437,838)</u>	<u>(197,797)</u>	<u>21,911,460</u>
	Balance as at 1 January 2021	804,879	1,723,219	456,463	19,239,560	283,699	(894,207)	(610,508)	21,613,613
	Profit for the period	-	-	-	1,601,750	-	-	-	1,601,750
	Other comprehensive income for the period	-	-	-	-	(38,858)	1,336,628	1,297,770	1,297,770
	Total comprehensive income for the period	-	-	-	1,601,750	(38,858)	1,336,628	1,297,770	2,899,520
	Dividend paid	-	-	-	(603,659)	-	-	-	(603,659)
16	Balance as at 30 September 2021	<u>804,879</u>	<u>1,723,219</u>	<u>456,463</u>	<u>20,237,651</u>	<u>244,841</u>	<u>442,421</u>	<u>687,262</u>	<u>23,909,474</u>

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

(Unaudited but reviewed)

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Separate financial statements					
	Issued and paid up share capital	Share premium	<u>Retained earnings</u>		Total Shareholders' equity
<u>Note</u>			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	804,879	1,723,219	100,000	5,817,137	8,445,235
Profit for the period	-	-	-	1,423,290	1,423,290
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,423,290	1,423,290
Dividend paid	-	-	-	(523,171)	(523,171)
Balance as at 30 September 2020	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>6,717,256</u>	<u>9,345,354</u>
Balance as at 1 January 2021	804,879	1,723,219	100,000	6,430,923	9,059,021
Profit for the period	-	-	-	1,472,814	1,472,814
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,472,814	1,472,814
Dividend paid	-	-	-	(603,659)	(603,659)
Balance as at 30 September 2021	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>7,300,078</u>	<u>9,928,176</u>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2021

1. General information

1.1 Corporate information

Hana Microelectronics Public Company Limited (“the Company”) was incorporated as a limited company under Thai law and transformed to be a public limited company under the Public Limited Companies Act on 27 January 1993. The Company operates its business in Thailand and is principally engaged in the manufacture and trading of electronic components. The registered office of the Company is at 65/98, Soi Vibhavadi-Rangsit 64, Junction 2, Kwang Talad Bangkhen, Khet Laksi, Bangkok.

1.2 Coronavirus disease 2019 pandemic

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

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

These consolidated interim financial statements include the financial statements of Hana Microelectronics Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There are no changes in the group structure during the current period.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

3. Cash and cash equivalents

Cash and cash equivalents as at 30 September 2021 and 31 December 2020, as reflected in the statements of financial position, consisted of the followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Cash	1,227	615,372	201	214
Bank deposits	4,008,285	3,426,752	693,976	642,669
Fixed deposits with maturity not over 3 months	861,272	1,358,137	500,000	-
Total cash and cash equivalents	<u>4,870,784</u>	<u>5,400,261</u>	<u>1,194,177</u>	<u>642,883</u>

As at 30 September 2021, bank deposits in savings accounts and fixed deposits carried interests between 0.001 and 1.200 percent per annum (31 December 2020: 0.001 and 0.900 percent per annum).

4. Related party transactions

During the periods, the Group had significant business transactions with the related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Separate financial statements				Pricing policies
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	52	36	150	120	Prices agreed between the parties due to the uniqueness of products sold to each customer
Dividend income	-	-	280	536	Declared rate
Purchase of materials	152	69	365	261	Cost plus mark up
Service fee expenses	2	1	7	6	Rates stipulated in the agreement

(Unaudited but reviewed)

As at 30 September 2021 and 31 December 2020, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade receivables (Note 5)				
Trade receivables - related parties				
Subsidiary companies	-	-	25,607	10,880
Total trade receivables - related parties	-	-	25,607	10,880
Trade payables (Note 12)				
Trade payables - related parties				
Subsidiary companies	-	-	553,001	623,083
Total trade payables - related parties	-	-	553,001	623,083

Directors' and management's benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	28.4	22.2	3.9	4.4
Post-employment benefits	0.4	0.4	0.2	0.1
Total	<u>28.8</u>	<u>22.6</u>	<u>4.1</u>	<u>4.5</u>

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	79.8	73.1	12.9	13.0
Post-employment benefits	1.2	1.2	0.5	0.5
Total	<u>81.0</u>	<u>74.3</u>	<u>13.4</u>	<u>13.5</u>

(Unaudited but reviewed)

5. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
(Unit: Thousand Baht)				
Age of receivables				
Trade receivables - subsidiary companies				
Not yet due	-	-	19,451	6,077
Past due				
Up to 3 months	-	-	1,806	459
3 - 6 months	-	-	1,939	2,650
6 - 12 months	-	-	17	1,612
Over 12 months	-	-	2,394	82
Total trade receivables - subsidiary companies (Note 4)	-	-	25,607	10,880
Trade receivables - unrelated parties				
Not yet due	3,590,656	2,833,017	1,467,195	1,375,442
Past due				
Up to 3 months	598,917	485,573	302,648	187,186
3 - 6 months	4,787	18,861	1,707	962
6 - 12 months	541	3,203	60	2,876
Over 12 months	5,791	2,418	3,290	-
Total trade receivables - unrelated parties	4,200,692	3,343,072	1,774,900	1,566,466
Less: Allowance for expected credit losses	(8,853)	(6,117)	(2,492)	(2,492)
Total trade receivables - unrelated parties - net	4,191,839	3,336,955	1,772,408	1,563,974
Total trade receivables - net	4,191,839	3,336,955	1,798,015	1,574,854
Other receivables				
Other receivables - unrelated parties	201,982	71,672	45,692	15,971
Receivables from the Revenue Department	47,648	52,293	5,330	3,110
Total other receivables	249,630	123,965	51,022	19,081
Trade and other receivables - net	4,441,469	3,460,920	1,849,037	1,593,935

(Unaudited but reviewed)

6. Reduction of inventories to net realisable value (Inventory provision)

Movements in the inventory provision to reduce inventories to net realisable value during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
Inventory provision	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2020	216,518	109,547
Reduction of inventory value during the period	116,034	80,816
Reversal of reduction of inventory value during the period	(95,764)	(56,952)
Write-off obsolete and damaged inventories during the period	(28,559)	(16,932)
Translation adjustment	1,384	-
Balance as at 30 September 2021	209,613	116,479

7. Other current financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2021	31 December 2020
<u>Debt instruments at amortised cost</u>		
Fixed deposits	1,277,693	1,283,941
Total debt instruments at amortised cost	1,277,693	1,283,941
<u>Debt instruments at FVOCI</u>		
Overseas marketable corporate bonds	1,054,022	1,059,877
Overseas quoted bonds	783,221	697,813
Total	1,837,243	1,757,690
Less: Allowance for expected credit losses	(23,738)	(25,510)
Total debt instruments at FVOCI - net	1,813,505	1,732,180
<u>Financial assets at FVTPL</u>		
Overseas securities	551,522	1,196,726
Derivative assets	-	54,053
Total financial assets at FVTPL	551,522	1,250,779
Total other current financial assets - net	3,642,720	4,266,900

As at 30 September 2021, fixed deposits with financial institutions carried interests between 0.15 and 2.33 percent per annum (31 December 2020: between 0.30 and 1.95 percent per annum).

(Unaudited but reviewed)

During the period, the Group reversed allowance of Baht 1.77 million for expected credit losses on its debt instruments at FVOCI.

In March 2021, Credit Suisse Asset Management (Switzerland) AG, a fund management company, announced the termination of Supply Chain Fund, in which the Group has the investment in securities of USD 37.3 million or equivalent to Baht 1,169.8 million as at date of termination. The pay back amounts by the fund were as follows:

Date received	Consolidated financial statements	
	(Million USD)	(Million Baht)
10 March 2021	11.7	365.4
15 April 2021	7.2	226.3
7 July 2021	0.6	17.6
6 August 2021	1.8	58.9
29 September 2021	1.8	62.5
	<u>23.1</u>	<u>730.7</u>

The remaining will be paid after either the obligors pay the amounts outstanding to the fund or the insurance companies pay the amounts to the fund.

8. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid up capital		Shareholding percentage		Cost		Dividend received for the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
			Percent	Percent				
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	280,000	266,000
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	-	270,000
Omac Sales Limited	325	325	100	100	273,492	273,492	-	-
Hana Microelectronics (Cambodia) Company Limited	155,947	155,947	100	100	155,947	155,947	-	-
Hana Microelectronics International Company Limited	-	-	100	100	-	-	-	-
Hana Microelectronics Investment Company Limited	-	-	100	100	-	-	-	-
Total investments in subsidiaries					<u>3,583,449</u>	<u>3,583,449</u>	<u>280,000</u>	<u>536,000</u>

(Unaudited but reviewed)

In June 2020, Hana Microelectronics Enterprise Company Limited, an overseas subsidiary, additionally invested in 14,526,840 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 6 million or equivalent to Baht 191.07 million. In October 2020, it additionally invested in 6,783,900 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 3 million or equivalent to Baht 93.58 million.

In June 2021, the subsidiary additionally invested in 20,064,600 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 9 million or equivalent to Baht 288.48 million. In July 2021, it additionally invested in 11,443,500 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 5 million or equivalent to Baht 164.51 million.

As at 30 September 2021, the overseas subsidiary has invested in 76,977,097 ordinary shares of Power Master Semiconductor Company Limited, amounting to USD 33.49 million or equivalent to Baht 1,063.94 million, representing 100% of the issued and paid-up share capital of that company.

9. Investment property

The fair value of the investment property based on market price as at 30 September 2021 amounted to approximately Baht 96 million (31 December 2020: Baht 96 million).

10. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2020	6,938,256	2,392,024
Acquisitions during the period - at cost	2,903,663	206,885
Disposals/write-off during the period - net book value at disposal/write-off date	(48,520)	(28,673)
Depreciation for the period	(939,758)	(284,279)
Translation adjustment	256,605	-
Net book value as at 30 September 2021	<u>9,110,246</u>	<u>2,285,957</u>

As at 30 September 2021, the Group had right-of-use assets with net book value of Baht 182 million included as part of property, plant and equipment (31 December 2020: Baht 174 million).

(Unaudited but reviewed)

11. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<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	97	97	97	97

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade payables - subsidiary companies (Note 4)	-	-	553,001	623,083
Trade payables - unrelated parties	2,650,619	1,644,679	978,485	551,357
Advance received from customers	332,021	213,311	60,174	26,725
Other payables for purchase of machinery	255,136	171,648	86,022	33,938
Accrued expenses	511,080	325,109	113,560	32,804
Total trade and other payables	3,748,856	2,354,747	1,791,242	1,267,907

13. Income tax

Interim corporate income tax is calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	19,286	19,944	4,451	984
Deferred tax:				
Relating to origination and reversal of temporary differences	2,633	11,076	145	(43)
Income tax expenses reported in the income statement	<u>21,919</u>	<u>31,020</u>	<u>4,596</u>	<u>941</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	45,584	59,308	15,038	5,929
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,156)	18,199	(55)	652
Income tax expenses reported in the income statement	<u>41,428</u>	<u>77,507</u>	<u>14,983</u>	<u>6,581</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	1,514	306	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	3,724	270	-	-

14. Earnings per share

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

15. Segment information

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

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020.

(Unit: Million Baht)

Consolidated financial statements for the three-month periods ended 30 September												
	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from external customers	3,615	2,838	2,370	1,778	256	198	6,241	4,814	-	-	6,241	4,814
Intersegment revenues	862	715	213	124	311	200	1,386	1,039	(1,386)	(1,039)	-	-
Total revenues	<u>4,477</u>	<u>3,553</u>	<u>2,583</u>	<u>1,902</u>	<u>567</u>	<u>398</u>	<u>7,627</u>	<u>5,853</u>	<u>(1,386)</u>	<u>(1,039)</u>	<u>6,241</u>	<u>4,814</u>
Segment profit	651	413	307	108	16	50	974	571	2	1	976	572
Dividend income											1	1
Gain (loss) on exchange											(111)	36
Other income											95	111
Selling and distribution expenses											(54)	(47)
Administrative expenses											(322)	(270)
Loss on derivatives											(27)	(81)
Reversal of impairment loss on financial assets (loss)											1	(1)
Finance income											29	31
Finance cost											(2)	(1)
Income tax expenses											(22)	(31)
Profit for the period											<u>564</u>	<u>320</u>

(Unaudited but reviewed)

(Unit: Million Baht)

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

	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Revenues from external customers	10,000	8,173	6,816	5,319	704	524	17,520	14,016	-	-	17,520
Intersegment revenues	2,175	2,001	550	396	709	537	3,434	2,934	(3,434)	(2,934)	-	-
Total revenues	<u>12,175</u>	<u>10,174</u>	<u>7,366</u>	<u>5,715</u>	<u>1,413</u>	<u>1,061</u>	<u>20,954</u>	<u>16,950</u>	<u>(3,434)</u>	<u>(2,934)</u>	<u>17,520</u>	<u>14,016</u>
Segment profit	1,698	1,447	845	383	66	147	2,609	1,977	5	7	2,614	1,984
Dividend income											2	2
Other income											288	284
Selling and distribution expenses											(154)	(144)
Administrative expenses											(907)	(797)
Loss on exchange											(121)	(51)
Loss on derivatives											(147)	(69)
Reversal of impairment loss on financial assets (loss)											2	(26)
Loss on FVTPL equity instrument											(15)	-
Finance income											86	111
Finance cost											(5)	(10)
Income tax expenses											(41)	(78)
Profit for the period											<u>1,602</u>	<u>1,206</u>

16. Dividend paid

During the nine-month periods ended 30 September 2021 and 2020, the Company and its subsidiary companies had dividend payments as follows:

		Approved by	Total dividends	Dividend per share
			Thousand Baht	Baht
<u>The Company</u>				
<u>For the year 2021</u>				
Dividends on 2020 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 30 April 2021		603,659	0.75
<u>For the year 2020</u>				
Dividends on 2019 income and unappropriated retained earnings	Annual General Meeting of the shareholders on 30 April 2020		523,171	0.65
<u>Subsidiary companies</u>				
Hana Semiconductor (Ayutthaya) Company Limited				
<u>For the year 2021</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 7 April 2021		480,000	4.00
<u>For the year 2020</u>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 7 April 2020		456,000	3.80
Hana Semiconductor (BKK) Company Limited				
<u>For the year 2020</u>				
Interim dividends in respect of income for the period from 1 January 2020 to 30 April 2020	Board of Directors' Meeting on 29 April 2020		270,000	2.70

17. Commitments and contingent liabilities**17.1 Capital commitments**

As at 30 September 2021, the Group had capital commitments relating to the acquisitions of machinery of USD 7 million, CNY 9.7 million and Baht 125 million or equivalent to totaling Baht 419 million (31 December 2020: USD 9.8 million, CNY 6 million and Baht 29 million or equivalent to totaling Baht 354 million) and the Company only of approximately Baht 125 million (31 December 2020: Baht 29 million).

17.2 Commitments under service agreements

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Payable:				
In up to 1 year	57.6	100.8	12.9	35.7
In over 1 year and up to 5 years	6.5	11.6	2.0	1.5

17.3 Marketing supportive service agreements

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

17.4 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.

17.5 Guarantees

As at 30 September 2021, there were outstanding bank guarantees of approximately Baht 27 million (31 December 2020: Baht 27 million) and the Company only of approximately Baht 26 million (31 December 2020: Baht 26 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of businesses to guarantee electricity uses, among others.

18. Foreign currency risk

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

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2021 and 31 December 2020 are summarised below.

Foreign currency	Financial assets as at		Financial liabilities as at		Average exchange rate	
	30 September	31 December	30 September	31 December	as at	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per foreign currency unit)	
Cambodian Riel	1,865	2,370	-	-	0.0083	0.0074
US Dollar	94	98	51	63	33.9223	30.0371
Indian Rupee	-	40	-	-	0.4588	0.4091
Singapore Dollar	1	2	-	-	24.9313	22.6632
Hong Kong Dollar	2	2	-	-	4.3571	3.8753
Japan Yen	1	5	115	12	0.3034	0.2907
Euro	1	-	-	-	39.3641	36.8764

As at 30 September 2021 and 31 December 2020, the two overseas subsidiary companies had outstanding forward exchange contracts, of which details are presented below.

As at 30 September 2021

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	29 October 2021 - 30 December 2021	32.730 - 33.670

As at 31 December 2020

Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	25 January 2021 - 22 June 2021	29.720 - 31.284

19. Fair value of financial instruments

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

As of 30 September 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Financial assets at FVTPL			
Overseas marketable equity securities	551,522	-	551,522
Financial assets at FVOCI			
Marketable corporate bonds	1,054,022	-	1,054,022
Overseas quoted bonds	759,483	-	759,483
Local marketable equity securities	97	-	97
Assets for which fair value was disclosed			
Investment property	-	96,405	96,405
Financial liabilities measured at fair value			
Derivatives			
Forward exchange contracts - loss	-	93,247	93,247
			(Unit: Thousand Baht)
	Separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Financial assets at FVOCI			
Local marketable equity securities	97	-	97
Assets for which fair value was disclosed			
Investment property	-	96,405	96,405

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

20. Reclassification

The Group has reclassified the following items in the Income statements for the three-month and nine-month periods ended 30 September 2020 to conform to the current period's classification.

(Unit: Thousand Baht)

For the three-month period ended
30 September 2020

	Consolidated financial statements	
	As reclassified	As previously reported
Selling and distribution expenses	46,804	24,691
Administrative expenses	270,019	292,132

(Unit: Thousand Baht)

For the nine-month period ended
30 September 2020

	Consolidated financial statements	
	As reclassified	As previously reported
Selling and distribution expenses	143,650	98,479
Administrative expenses	797,474	842,645

The reclassification had no effect to previously reported profit or shareholders' equity.

21. Event after the reporting period

On 15 October 2021, the Meeting of the Company's Board of Directors No. 5/2021 passed a resolution approving the payment of interim dividend from the profit for the first six-month period of 2021 to the Company's shareholders at Baht 1.00 per share or a total of approximately Baht 805 million. The dividends will be paid to the shareholders on 15 November 2021.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2021.