

Hana Microelectronics Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 2023

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Hana Microelectronics Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Hana Microelectronics Public Company Limited and its subsidiaries (the Group) as at 30 June 2023, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Hana Microelectronics Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 15 August 2023

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	As at	As at	As at	As at
	<u>Note</u> 30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,768,399	2,374,708	567,994	239,248
Trade and other receivables	2, 3 5,509,501	4,981,041	2,489,687	2,101,776
Inventories	4 9,493,308	9,456,928	4,112,884	4,199,808
Other current financial assets	5 1,236,653	1,259,383	-	-
Other current assets	168,352	171,171	12,610	25,280
<b>Total current assets</b>	<b>19,176,213</b>	<b>18,243,231</b>	<b>7,183,175</b>	<b>6,566,112</b>
<b>Non-current assets</b>				
Investments in subsidiaries	6 -	-	3,583,449	3,583,449
Investment property	72,304	72,304	72,304	72,304
Property, plant and equipment	7 11,351,586	10,853,453	2,162,599	2,185,609
Intangible assets	344,412	403,129	43,660	46,616
Other non-current financial assets	151	152	97	97
Deferred tax assets	15,581	10,643	9,433	4,673
Other non-current assets	55,241	120,496	10	10
<b>Total non-current assets</b>	<b>11,839,275</b>	<b>11,460,177</b>	<b>5,871,552</b>	<b>5,892,758</b>
<b>Total assets</b>	<b>31,015,488</b>	<b>29,703,408</b>	<b>13,054,727</b>	<b>12,458,870</b>

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

Hana Microelectronics Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	8	800,759	-	-	-
Short-term loan from related party	2	-	-	-	200,000
Trade and other payables	2, 9	4,139,468	4,160,841	1,422,273	1,492,684
Current portion of long-term loans from financial institutions	10	4,904	-	-	-
Current portion of lease liabilities		2,319	273,843	-	-
Short-term provisions		355,893	345,624	-	-
Income tax payable		28,944	68,760	10,757	9,608
Derivative liabilities		184,981	17,214	-	-
Other current liabilities		164,220	161,055	35,535	32,731
<b>Total current liabilities</b>		<b>5,681,488</b>	<b>5,027,337</b>	<b>1,468,565</b>	<b>1,735,023</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	10	43,158	-	-	-
Lease liabilities - net of current portion		336	481	-	-
Deferred income		55,814	59,875	-	-
Deferred tax liabilities		44,935	44,180	-	-
Provision for long-term employee benefits		734,021	709,393	357,732	348,390
<b>Total non-current liabilities</b>		<b>878,264</b>	<b>813,929</b>	<b>357,732</b>	<b>348,390</b>
<b>Total liabilities</b>		<b>6,559,752</b>	<b>5,841,266</b>	<b>1,826,297</b>	<b>2,083,413</b>

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



(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Revenues</b>					
Sales		6,910,283	6,389,637	3,172,612	2,635,856
Dividend income	6	53	548	240,053	200,046
Gain on exchange		104,090	-	77,311	51,591
Other income		123,132	119,918	18,041	18,916
<b>Total revenues</b>		<b>7,137,558</b>	<b>6,510,103</b>	<b>3,508,017</b>	<b>2,906,409</b>
<b>Expenses</b>					
Cost of sales		5,871,484	5,511,715	2,574,654	2,153,160
Selling and distribution expenses		61,367	51,950	16,561	14,926
Administrative expenses		330,999	348,817	69,201	71,958
Loss on exchange		-	325,875	-	-
Loss on derivatives		218,242	26,804	-	-
Reversal of allowance for impairment loss					
on financial assets		-	(519)	-	-
Loss on FVTPL equity instrument		-	5,731	-	-
<b>Total expenses</b>		<b>6,482,092</b>	<b>6,270,373</b>	<b>2,660,416</b>	<b>2,240,044</b>
<b>Operating profit</b>		<b>655,466</b>	<b>239,730</b>	<b>847,601</b>	<b>666,365</b>
Finance income		20,820	22,876	667	175
Finance cost		(8,039)	(2,663)	(1,077)	(1,591)
<b>Profit before income tax expenses</b>		<b>668,247</b>	<b>259,943</b>	<b>847,191</b>	<b>664,949</b>
Income tax expenses	12	(32,866)	(14,984)	(4,813)	(5,433)
<b>Profit for the period</b>		<b>635,381</b>	<b>244,959</b>	<b>842,378</b>	<b>659,516</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		635,381	244,959	842,378	659,516
<b>Earnings per share</b>					
13					
Basic earnings per share					
Profit attributable to equity holders of					
the Company (Baht)					
		0.79	0.30	1.05	0.82
Number of weighted average ordinary shares					
(Thousand shares)					
		804,879	804,879	804,879	804,879

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Profit for the period</b>	<u>635,381</u>	<u>244,959</u>	<u>842,378</u>	<u>659,516</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of debt instruments designated at fair value through other comprehensive income	(10,678)	(116,589)	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	12 <u>235,662</u>	<u>428,918</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>224,984</u>	<u>312,329</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>224,984</u>	<u>312,329</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>860,365</u></u>	<u><u>557,288</u></u>	<u><u>842,378</u></u>	<u><u>659,516</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u><u>860,365</u></u>	<u><u>557,288</u></u>	<u><u>842,378</u></u>	<u><u>659,516</u></u>

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries****Income statement****For the six-month period ended 30 June 2023**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>					
Sales		13,376,261	12,496,897	6,247,922	5,444,394
Dividend income	6	53	1,013	240,053	200,046
Gain on exchange		91,894	-	88,420	72,346
Other income		219,782	227,430	26,541	33,109
<b>Total revenues</b>		<u>13,687,990</u>	<u>12,725,340</u>	<u>6,602,936</u>	<u>5,749,895</u>
<b>Expenses</b>					
Cost of sales		11,784,371	10,956,395	5,177,875	4,508,133
Selling and distribution expenses		112,529	103,839	32,195	29,185
Administrative expenses		660,769	676,912	130,185	140,690
Loss on exchange		-	296,841	-	-
Loss on derivatives		234,399	83,919	-	-
Reversal of allowance for impairment loss					
on financial assets		(22,411)	(646)	-	-
Loss on FVTPL equity instrument		-	11,694	-	-
<b>Total expenses</b>		<u>12,769,657</u>	<u>12,128,954</u>	<u>5,340,255</u>	<u>4,678,008</u>
<b>Operating profit</b>		918,333	596,386	1,262,681	1,071,887
Finance income		37,914	47,376	669	176
Finance cost		(9,809)	(4,116)	(1,989)	(2,143)
<b>Profit before income tax expenses</b>		946,438	639,646	1,261,361	1,069,920
Income tax expenses	12	(44,567)	(29,692)	(5,949)	(8,215)
<b>Profit for the period</b>		<u>901,871</u>	<u>609,954</u>	<u>1,255,412</u>	<u>1,061,705</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		<u>901,871</u>	<u>609,954</u>	<u>1,255,412</u>	<u>1,061,705</u>
<b>Earnings per share</b>					
13					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		<u>1.12</u>	<u>0.76</u>	<u>1.56</u>	<u>1.32</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 interim financial statements.



(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Profit for the period</b>	<u>901,871</u>	<u>609,954</u>	<u>1,255,412</u>	<u>1,061,705</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of debt instruments designated at fair value through other comprehensive income	(21,491)	(301,511)	-	-
Exchange differences on translation of financial statements in foreign currency - net of income tax	12 <u>103,728</u>	<u>384,917</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>82,237</u>	<u>83,406</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>82,237</u>	<u>83,406</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>984,108</u></u>	<u><u>693,360</u></u>	<u><u>1,255,412</u></u>	<u><u>1,061,705</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u><u>984,108</u></u>	<u><u>693,360</u></u>	<u><u>1,255,412</u></u>	<u><u>1,061,705</u></u>

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

(Unaudited but reviewed)

## Hana Microelectronics Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>										
						<u>Other components of shareholders' equity</u>				
						<u>Other comprehensive income</u>				
						Exchange differences		Total other		
						Fair value reserve	on translation of	components of	Total	
						of financial assets	financial statements	shareholders'	shareholders'	
						at FVOCI	in foreign currency	equity	equity	
	Note	Issued and paid up share capital	Share premium	Capital reserve for share-based payment	<u>Retained earnings</u> Appropriated - Statutory reserve		Unappropriated			
<b>Balance as at 1 January 2022</b>		804,879	1,723,219	-	514,958	19,343,953	214,535	456,550	671,085	23,058,094
Profit for the period		-	-	-	-	609,954	-	-	-	609,954
Other comprehensive income for the period		-	-	-	-	-	(301,511)	384,917	83,406	83,406
Total comprehensive income for the period		-	-	-	-	609,954	(301,511)	384,917	83,406	693,360
Dividend paid	15	-	-	-	-	(804,879)	-	-	-	(804,879)
<b>Balance as at 30 June 2022</b>		<u>804,879</u>	<u>1,723,219</u>	<u>-</u>	<u>514,958</u>	<u>19,149,028</u>	<u>(86,976)</u>	<u>841,467</u>	<u>754,491</u>	<u>22,946,575</u>
<b>Balance as at 1 January 2023</b>		804,879	1,723,219	-	536,313	20,234,096	(9,294)	572,929	563,635	23,862,142
Profit for the period		-	-	-	-	901,871	-	-	-	901,871
Other comprehensive income for the period		-	-	-	-	-	(21,491)	103,728	82,237	82,237
Total comprehensive income for the period		-	-	-	-	901,871	(21,491)	103,728	82,237	984,108
Recognition of expenses against capital reserve for share-based payment transactions		-	-	11,925	-	-	-	-	-	11,925
Dividend paid	15	-	-	-	-	(402,439)	-	-	-	(402,439)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	2,773	(2,773)	-	-	-	-
<b>Balance as at 30 June 2023</b>		<u>804,879</u>	<u>1,723,219</u>	<u>11,925</u>	<u>539,086</u>	<u>20,730,755</u>	<u>(30,785)</u>	<u>676,657</u>	<u>645,872</u>	<u>24,455,736</u>

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

<b>Separate financial statements</b>					
	Issued and paid up share capital	Share premium	Retained earnings		Total Shareholders' equity
<u>Note</u>			Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	804,879	1,723,219	100,000	6,813,474	9,441,572
Profit for the period	-	-	-	1,061,705	1,061,705
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,061,705	1,061,705
Dividend paid	-	-	-	(804,879)	(804,879)
<b>Balance as at 30 June 2022</b>	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>7,070,300</u>	<u>9,698,398</u>
<b>Balance as at 1 January 2023</b>	804,879	1,723,219	100,000	7,747,359	10,375,457
Profit for the period	-	-	-	1,255,412	1,255,412
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,255,412	1,255,412
Dividend paid	-	-	-	(402,439)	(402,439)
<b>Balance as at 30 June 2023</b>	<u>804,879</u>	<u>1,723,219</u>	<u>100,000</u>	<u>8,600,332</u>	<u>11,228,430</u>

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Statement of cash flows**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>				
Profit before tax	946,438	639,646	1,261,361	1,069,920
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	814,363	714,359	179,197	177,405
Amortisation	33,118	26,624	4,316	4,303
Allowance for expected credit losses	1,190	6,988	-	-
Reduction of inventories to net realisable value (reversal)	43,271	(2,836)	17,825	4,976
Write-off obsolete and damaged inventories	9,244	-	9,244	-
Dividend income from subsidiary companies	-	-	(240,000)	(200,000)
Dividend income from other companies	(53)	(1,013)	(53)	(46)
Loss (gain) on disposals/write-off of equipment and intangible assets	(7,242)	4,866	(1,540)	1,170
Expenses for share-based payment transactions	11,925	-	-	-
Provision for long-term employee benefits	29,801	38,533	14,515	12,739
Loss (gain) on sales of debt instruments at fair value through other comprehensive income	(5,711)	1,120	-	-
Loss on fair value adjustments of financial instruments	-	11,694	-	-
Impairment loss on financial assets (reversal)	22,411	(646)	-	-
Unrealised loss (gain) on exchange	(116,539)	2,899	(97,909)	(18,720)
Unrealised loss on derivatives	234,399	83,919	-	-
Finance income	(37,914)	(47,376)	(669)	(176)
Finance cost	6,275	551	661	656
Profit from operating activities before changes in operating assets and liabilities	1,984,976	1,479,328	1,146,948	1,052,227

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries****Statement of cash flows (continued)****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	(298,223)	(339,219)	(223,414)	(434,617)
Inventories	(88,895)	(1,395,463)	59,855	(167,994)
Other current assets	3,933	(76,367)	12,677	19,058
Operating liabilities increase (decrease)				
Trade and other payables	(118,915)	800,508	(124,952)	283,578
Other current liabilities	3,165	10,882	2,804	2,597
Deferred Income	(4,061)	66,955	-	-
Cash from operating activities	1,481,980	546,624	873,918	754,849
Cash paid for long-term employee benefits	(5,173)	(28,434)	(5,173)	(24,749)
Cash paid for income tax	(88,963)	(33,985)	(9,560)	(8,183)
<b>Net cash from operating activities</b>	<b>1,387,844</b>	<b>484,205</b>	<b>859,185</b>	<b>721,917</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in other current financial assets	(1,042,869)	739,069	-	-
Decrease in other non-current financial assets	1	57	-	-
Interest received	40,622	60,343	609	183
Proceeds from sales of financial instruments	960,776	174,294	-	-
Dividend income from subsidiary companies	-	-	240,000	200,000
Dividend income from other companies	53	1,013	53	46
Acquisitions of property, plant and equipment and intangible assets	(1,326,113)	(1,263,956)	(170,368)	(143,030)
Acquisition of asset under lease agreement	(269,772)	-	-	-
Proceeds from disposals of equipment	29,469	7,023	2,595	5,349
Decrease (increase) in other non-current assets	65,255	(1,153)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(1,542,578)</b>	<b>(283,310)</b>	<b>72,889</b>	<b>62,548</b>

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

(Unaudited but reviewed)

**Hana Microelectronics Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	800,759	300,000	-	300,000
Increase (decrease) in short-term loans from related party	-	-	(200,000)	200,000
Cash receipt from long-term loans	48,062	-	-	-
Payment of principal portion of lease liabilities	(3,930)	(4,019)	-	-
Interest paid	(185)	-	(889)	-
Dividend paid	(402,439)	(804,879)	(402,439)	(804,879)
<b>Net cash from (used in) financing activities</b>	<u>442,267</u>	<u>(508,898)</u>	<u>(603,328)</u>	<u>(304,879)</u>
Increase (decrease) in cash and cash equivalents	287,533	(308,003)	328,746	479,586
Translation adjustment	106,158	385,926	-	-
<b>Net increase in cash and cash equivalents</b>	393,691	77,923	328,746	479,586
Cash and cash equivalents at beginning of the period	2,374,708	3,304,173	239,248	245,587
<b>Cash and cash equivalents at end of the period</b>	<u>2,768,399</u>	<u>3,382,096</u>	<u>567,994</u>	<u>725,173</u>

**Supplemental cash flow information**

Non-cash related transactions from investing activities

Net increase (decrease) in accounts payable for purchases of plant and equipment	(16,989)	70,273	(11,766)	(153)
Revaluation loss on changes in fair value of debt instruments at FVOCI	(21,491)	(301,511)	-	-
Transfer equipment to other non-current assets	5,780	-	-	-

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

**Hana Microelectronics Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2023**

**1. General information**

**1.1 Corporate information**

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

**1.2 Basis for the preparation of interim financial statements**

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

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

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

**1.3 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Hana Microelectronics Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022. There are no changes in the group structure during the current period.

**1.4 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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

## 2. Related party transactions

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

(Unit: Million Baht)

	Separate financial statements				Pricing policies
	For the three-month periods ended		For the six-month periods ended		
	30 June		30 June		
	2023	2022	2023	2022	
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Sales of goods	30	34	73	83	Prices agreed between the parties due to the uniqueness of products sold to each customer
Sales of assets	3	-	3	-	Cost plus mark up
Dividend income	240	200	240	200	Declared rate
Purchases of materials	90	107	162	207	Cost plus mark up
Purchases of assets	-	-	2	-	Cost plus mark up
Marketing service fee expenses	3	3	5	6	Rates stipulated in the agreements

As at 30 June 2023 and 31 December 2022, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<b>Trade and other receivables (Note 3)</b>				
<u>Trade receivables - related parties</u>				
Subsidiaries	-	-	23,167	26,793
Total trade receivables - related parties	-	-	23,167	26,793
<u>Other receivables - related party</u>				
Subsidiary	-	-	3,530	4,443
Total other receivables - related party	-	-	3,530	4,443
<b>Total trade and other receivables</b>	-	-	26,697	31,236



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<b>Trade and other payables (Note 9)</b>				
<u>Trade payables - related parties</u>				
Subsidiaries	-	-	111,060	236,579
Total trade payables - related parties	-	-	111,060	236,579
<u>Other payables - related parties</u>				
Subsidiaries	-	-	393	583
Total other payables - related parties	-	-	393	583
<b>Total trade and other payables</b>	<b>-</b>	<b>-</b>	<b>111,453</b>	<b>237,162</b>
<b>Short-term loan from related party</b>				
Subsidiary	-	-	-	200,000
Total short-term loan from related party	-	-	-	200,000

**Short-term loan from related party**

Movements in short-term loan from related party during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2022	-	200,000
Less: Repayment during the period	-	(200,000)
Balance as at 30 June 2023	-	-

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 three-month and six-month periods ended 30 June 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	43.6	41.5	4.9	4.3
Post-employment benefits	1.0	1.0	0.3	0.2
<b>Total</b>	<b>44.6</b>	<b>42.5</b>	<b>5.2</b>	<b>4.5</b>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	83.7	75.4	8.7	8.5
Post-employment benefits	2.0	2.0	0.6	0.5
<b>Total</b>	<b>85.7</b>	<b>77.4</b>	<b>9.3</b>	<b>9.0</b>

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Audited)		(Audited)	
<b><u>Age of receivable</u></b>				
<b>Trade receivables - subsidiaries</b>				
Not yet due	-	-	20,986	19,650
Past due				
Up to 3 months	-	-	1,592	1,136
3 - 6 months	-	-	589	1,628
6 - 12 months	-	-	-	163
Over 12 months	-	-	-	4,216
<b>Total trade receivables - subsidiaries</b>				
(Note 2)	-	-	23,167	26,793

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<b>Trade receivables - unrelated parties</b>				
Not yet due	4,107,795	3,828,540	1,829,077	1,482,372
Past due				
Up to 3 months	1,133,005	925,471	564,750	514,816
3 - 6 months	45,298	31,736	24,327	19,174
6 - 12 months	23,945	97	18	352
Over 12 months	10,079	3,418	2,861	2,880
Total trade receivables - unrelated parties	5,320,122	4,789,262	2,421,033	2,019,594
Less: Allowance for expected credit losses	(14,479)	(13,289)	(2,492)	(2,492)
Total trade receivables - unrelated parties - net	5,305,643	4,775,973	2,418,541	2,017,102
Total trade receivables - net	5,305,643	4,775,973	2,441,708	2,043,895
Receivables from the Revenue				
Department	111,023	65,335	6,404	10,367
Other receivables - subsidiaries (Note 2)	-	-	3,530	4,443
Other receivables - unrelated parties	92,835	139,733	38,045	43,071
Total other receivables	203,858	205,068	47,979	57,881
Trade and other receivables - net	5,509,501	4,981,041	2,489,687	2,101,776

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

Movements in the inventory provision to reduce inventories to net realisable value during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Inventory provision		
Balance as at 31 December 2022	226,096	121,366
Reduction of inventory value during the period	145,966	94,116
Reversal of reduction of inventory value during the period	(93,919)	(67,047)
Write-off obsolete and damaged inventories during the period	(9,244)	(9,244)
Translation adjustment	468	-
Balance as at 30 June 2023	269,367	139,191

(Unaudited but reviewed)

**5. Other current financial assets**

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	30 June	31 December
	2023	2022
		(Audited)
<u>Debt instruments at amortised cost</u>		
Fixed deposits	15,064	14,658
Total debt instruments at amortised cost	15,064	14,658
<u>Debt instruments at FVOCI</u>		
Overseas marketable corporate bonds	1,221,589	1,199,548
Less: Allowance for expected credit losses	-	(21,455)
Total debt instruments at FVOCI - net	1,221,589	1,178,093
<u>Financial assets at FVTPL</u>		
Derivative assets	-	66,632
Total financial assets at FVTPL	-	66,632
Total other current financial assets - net	1,236,653	1,259,383

**6. Investments in subsidiaries**

Company's name	(Unit: Thousand Baht)							
	Paid up capital		Shareholding percentage		Cost		Dividend received for the three-month and six-month periods ended 30 June	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022	2023	2022
		Percent	Percent	(Audited)				
Hana Semiconductor (Ayutthaya) Company Limited	1,200,000	1,200,000	58	58	2,142,910	2,142,910	140,000	-
Hana Semiconductor (BKK) Company Limited	1,000,000	1,000,000	100	100	1,011,100	1,011,100	100,000	200,000
Omac Sales Limited	325	325	100	100	273,492	273,492	-	-
Hana Microelectronics (Cambodia) Company Limited	155,947	155,947	100	100	155,947	155,947	-	-
Hana Microelectronics International Company Limited	-	-	100	100	-	-	-	-
Hana Microelectronics Investment Company Limited	-	-	100	100	-	-	-	-
Total investments in subsidiary companies					3,583,449	3,583,449	240,000	200,000

**7. Property, plant and equipment**

Movements in the property, plant and equipment account during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2022	10,853,453	2,185,609
Acquisitions during the period - at cost	1,393,147	157,242
Write-off during the period - net book value at write-off date	(22,227)	(1,055)
Transfer out	(5,780)	-
Depreciation for the period	(814,363)	(179,197)
Translation adjustment	(52,644)	-
Net book value as at 30 June 2023	<u>11,351,586</u>	<u>2,162,599</u>

The overseas subsidiary has mortgaged the land use right and buildings as collateral against long-term loans from financial institutions as described in Note 10 to the financial statements.

**8. Short-term loans from financial institution**

Movements in short-term loans from financial institution during the six-month period ended 30 June 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2022	-	-
Add: Increase during the period	<u>800,759</u>	-
Balance as at 30 June 2023	<u>800,759</u>	-

As at 30 June 2023, the overseas subsidiary had short-term loans from a commercial bank of Baht 800.8 million, which carry interest at the rate of 5.60 - 5.93 percent per annum and are due for repayment during July to September 2023.

**9. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Trade payables - subsidiaries (Note 2)	-	-	111,060	236,579
Trade payables - unrelated parties	2,721,718	3,000,144	1,044,312	1,029,496
Other payables - subsidiaries (Note 2)	-	-	393	583
Advance received from customers	596,306	487,885	108,299	109,138
Other payables for purchases of assets	263,383	280,372	72,267	84,033
Accrued expenses	558,061	392,440	85,942	32,855
Total trade and other payables	<u>4,139,468</u>	<u>4,160,841</u>	<u>1,422,273</u>	<u>1,492,684</u>

**10. Long-term loans from financial institutions**

Movements in long-term loans from financial institutions during the six-month period ended 30 June 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2022	-	-
Add: Increase during the period	<u>48,062</u>	-
Balance as at 30 June 2023	48,062	-
Less: Portion due within one year	<u>(4,904)</u>	-
Long-term loans from financial institutions - net of current portion	<u><u>43,158</u></u>	<u><u>-</u></u>

As at 30 June 2023, the overseas subsidiary had long-term loans from financial institutions of CNY 9.8 million or equivalent to Baht 48.1 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 above loans are secured by the land use right and buildings of the subsidiary.

**11. Share capital**

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

- 11.1 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.
- 11.2 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.

**12. Income tax**

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

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	34,812	30,551	7,029	5,438
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,946)	(15,567)	(2,216)	(5)
<b>Income tax expenses reported in the income statement</b>	<u>32,866</u>	<u>14,984</u>	<u>4,813</u>	<u>5,433</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	49,147	42,502	10,709	9,038
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(4,580)	(12,810)	(4,760)	(823)
<b>Income tax expenses reported in the income statement</b>	<u>44,567</u>	<u>29,692</u>	<u>5,949</u>	<u>8,215</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	641	810	-	-

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to exchange differences on translation of financial statements in foreign currency	397	745	-	-

### 13. Earnings per share

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



(Unaudited but reviewed)

#### 14. Segment information

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

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2023 and 2022.

(Unit: Million Baht)

	Consolidated financial statements for the three-month periods ended 30 June											
	Printed Circuit Board Assembly (PCBA)		Integrated Circuit (IC)		Others		Total reportable segments		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from external customers	4,164	3,471	2,276	2,576	470	342	6,910	6,389	-	-	6,910	6,389
Intersegment revenues	982	765	243	220	258	321	1,483	1,306	(1,483)	(1,306)	-	-
Total revenues	5,146	4,236	2,519	2,796	728	663	8,393	7,695	(1,483)	(1,306)	6,910	6,389
Segment profit (loss)	811	630	226	279	(2)	(33)	1,035	876	4	2	1,039	878
Dividend income											-	1
Gain (loss) on exchange											104	(326)
Other income											122	120
Selling and distribution expenses											(61)	(52)
Administrative expenses											(331)	(349)
Loss on derivatives											(218)	(27)
Reversal of impairment loss on financial assets											-	1
Loss on FVTPL equity instrument											-	(6)
Finance income											21	23
Finance cost											(8)	(3)
Income tax expenses											(33)	(15)
Profit for the period											635	245

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements for the six-month periods ended 30 June

	Printed Circuit		Board Assembly		Integrated Circuit		Others		Total reportable		Eliminations		Total	
	Board Assembly		Integrated Circuit		Others		segments		Eliminations		Total			
	(PCBA)	(IC)												
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from external customers	8,074	6,978	4,341	4,872	961	646	13,376	12,496	-	-	13,376	12,496		
Intersegment revenues	1,805	1,508	466	428	611	794	2,882	2,730	(2,882)	(2,730)	-	-		
Total revenues	<u>9,879</u>	<u>8,486</u>	<u>4,807</u>	<u>5,300</u>	<u>1,572</u>	<u>1,440</u>	<u>16,258</u>	<u>15,226</u>	<u>(2,882)</u>	<u>(2,730)</u>	<u>13,376</u>	<u>12,496</u>		
Segment profit (loss)	1,447	1,184	171	432	(33)	(78)	1,585	1,538	7	3	1,592	1,541		
Dividend income											-	1		
Gain (loss) on exchange											92	(297)		
Other income											220	228		
Selling and distribution expenses											(112)	(104)		
Administrative expenses											(661)	(677)		
Loss on derivatives											(234)	(84)		
Reversal of impairment loss on financial assets											22	1		
Loss on FVTPL equity instrument											-	(12)		
Finance income											38	47		
Finance cost											(10)	(4)		
Income tax expenses											(45)	(30)		
Profit for the period											<u>902</u>	<u>610</u>		

**15. Dividend paid**

During the six-month periods ended 30 June 2023 and 2022, the Company and its subsidiaries had dividend payments as follows:

		Approved by	Total dividends	Dividend per share
			Thousand Baht	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		402,439	0.50
<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		804,879	1.00
<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		100,000	1.00
<b><u>For the year 2022</u></b>				
Dividends on the unappropriated retained earnings	Annual General Meeting of the shareholders on 28 April 2022		200,000	2.00
<b>Hana Semiconductor (Ayutthaya) Company Limited</b>				
<b><u>For the year 2023</u></b>				
Dividends on 2022 income and unappropriated retained earnings	Board of Directors' Meeting on 5 April 2023		240,000	2.00

**16. Commitments and contingent liabilities****16.1 Capital commitments**

As at 30 June 2023, the Group had capital commitments relating to the acquisitions of machinery totaling Baht 130 million (31 December 2022: Baht 165 million) and the Company only of approximately Baht 85 million (31 December 2022: Baht 52 million).

**16.2 Commitments under service agreements**

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Payable:				
In up to 1 year	102.0	97.7	20.6	33.7
In over 1 year and up to 5 years	64.9	69.2	-	0.1

**16.3 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.

**16.4 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.

**16.5 Guarantees**

As at 30 June 2023, there were outstanding bank guarantees of approximately Baht 27 million (31 December 2022: Baht 27 million) and the Company only of approximately Baht 26 million (31 December 2022: Baht 26 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of businesses to guarantee electricity uses, among others.

**17. Financial instruments****17.1 Foreign currency risk**

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

(Unaudited but reviewed)

As at 30 June 2023 and 31 December 2022, the two overseas subsidiaries had outstanding forward exchange contracts, of which details are presented below.

As at 30 June 2023		
Sold amount	Contractual maturity date	Contractual exchange rate for amount sold
(Million USD)		(Baht per USD)
120	3 July 2023 - 21 September 2023	33.3525 - 34.5710

  

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

## 17.2 Fair value of financial instruments

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

As of 30 June 2023, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets at FVOCI			
Marketable corporate bonds	1,221,589	-	1,221,589
Local marketable equity securities	97	-	97
<b>Liabilities measured at fair value</b>			
Derivative liabilities	-	184,981	184,981

(Unaudited but reviewed)

(Unit: Thousand Baht)

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

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

#### **18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 August 2023.