



HANA

Microelectronics Public Co., Ltd.

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

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MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
NO. 17/2010

**Held at Ebina Hall, Ebina House Hotel
73/39, Vibhavadi-Rangsit Rd.,
Kwang Talad Bangkhen,
Khet Laksi, Bangkok Metropolis
On April 30, 2010
14.00 hrs. - 15.12 hrs.**

Presented:

- | | |
|------------------------------------|---|
| 1) Mr. Bancha Tarnprakorn, | Chairman of the Board of Directors, Chairman of the Audit Committee and Proxy of shareholders |
| 2) Mr. Richard David Han, | Executive Director, Executive Vice Chairman, Chief Executive Officer and Nomination Committee |
| 3) Mr. Winson Moong Chu Hui, | Executive Director, President and Chief Operating Officer |
| 4) Mr. Terrence Philip Weir, | Executive Director and Chief Financial Officer |
| 5) Mr. Voraphoj Thepvanaprasiddhi, | Independent Director, Audit Committee, Chairman of Nomination Committee and Proxy of shareholders |
| 6) Mr. Martin Enno Horn, | Independent Director, Audit Committee, Nomination Committee and Proxy of shareholders |
| 7) Ms. Kamontip Lertwitworatep | External auditor from Ernst & Young Office Limited |

Translator:

- Mrs. Puntipa Tantana, Corporate Manufacturing Administration Director

Preliminary Proceedings:

The Annual General Meeting was opened by Mr. Bancha Tarnprakorn, the Chairman of the Board of Directors. Mr. Bancha introduced the board of directors and sub-committee who presented in the Meeting including the representative from the Company's external auditor.

Quorum Announcement:

According to Section 66/1 of the Public Limited Company Act (No. 2) B.E. 2544 (2001), shares respectively held by the company shall not be counted towards forming a quorum for a shareholders' meeting and shall carry no voting right including no right to receive dividends. Thus, the total shares constitute the quorum shall base on:

Total issued shares	=	830,474,960 shares
<u>Deduct:</u> Treasury stocks of the Company	=	<u>25,596,100</u> shares
Total shares eligible to attend the meeting	=	<u>804,878,860</u> shares

There were 48 shareholders holding 10,441,620 shares and 419 proxies holding 678,082,598 shares attending the meeting. Those 467 shareholders holding 688,524,218 shares are equivalent to 85.54% of 804,878,860 voting shares, which is more than one-third (1/3) of the total units of voting shares. Therefore, a quorum was constituted in accordance with the Company's Articles of Association.

Before starting the agenda, the Chairman informed the Meeting for the vote method and the vote counting system as follows:

Vote Method:

- Each shareholder has one vote for each share.
- To cast a vote in each agenda, shareholders who wish to vote disagree or abstain are required to complete the voting cards being given. After each item of agenda, shareholders must hand over the voting cards for the disagreed and abstained votes to the Company's representative for counting the votes. Except for Agenda to appoint the director, the voting card will be collected from every shareholder. In regard to votes by proxy, the company shall record the votes for each Agenda from the respective shareholder proxies.
- Except for custodian, shareholders must vote with all of their shareholding registered at the meeting for each agenda to approve, disapprove or abstain as they can not split the votes. The vote is also invalid if the proxy holder does not vote according to the voting intention made by shareholders using the Proxy form B.

Vote counting system:

- The objection or abstention shall be deducted from the agreed votes concerning each Agenda.
- The resolution of all proposed agendas shall be passed when receiving the majority vote of the eligible shareholders present at the meeting including proxies, which is to be more than 50% or more than **344,262,109** shares. Except for the resolution to approve the amendment of the Company's objective of the agenda item 8, the votes must be more than 75% or more than **516,393,164** shares.
- In case of a tie vote, the Chairman shall be entitled to a casting vote.

After explaining the voting procedures, the Chairman called the meeting to order and announced that the meeting was held pursuant to the written notice of meeting given to shareholders in advance.

Agenda 1: To certify the Minutes of the Annual General Meeting of Shareholders No. 16/2009 which was held on April 30, 2010

The Chairman proposed the Meeting to certify the Minutes of the Annual General Meeting of Shareholders No. 16/2009, which was enclosed in the Notice of the Meeting distributed to shareholders in advance.

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	688,524,218 Votes;	100.00 %
Disapprove	- Votes;	- %
Abstain	- Votes;	- %

Resolution: The Meeting approved the Minutes of the Annual General Meeting No. 16/2009 that was held on April 30, 2009.

Agenda 2: To acknowledge the operation results of the Company in 2009

The Chairman invited Mr. Richard Han to report the operation results of the Company during the year 2009. Mr. Richard presented to the Meeting as follows.

The year 2009 has been an exceptional year by any standards of measurement and a year of extreme contrasting halves.

Following from the collapse in business confidence and demand at the end of 2008, we started the year under extremely difficult circumstances. By the end of Q1, we had reduced our work force by approximately 1,700 (18%) and made adjustments to monthly staff, both in number of head count and salary adjustments. Many other overhead cutting initiatives were put in place in an effort cut cost and adjust to the substantial drop in business activity.

Surprisingly by the middle of Q2, (sooner than we had expected) signs of a bottoming out had emerged which gathered pace as the year progressed. By early Q3 we had returned to a hiring mode and the demand for our services accelerated aggressively as the overly depleted supply chain scrambled to re-stock. This continued well into Q4 and by the year end we had hired back more direct labour than we had let go in Q1!

The groups two main business sectors IC packaging and test and microelectronics assembly had differing performances. The former was hit especially hard in the first half and bore the brunt of the lay-offs, however by Q3, the demand has dramatically increased to the point where we had to re-hire and more noticeably make some substantial investments in capacity to cope with the rising demand. By the end of the year our IC divisions were running at full capacity delivering record levels of output. This has continued well into Q1/10 and the current first half outlook remains extremely robust.

Our microelectronics divisions especially in Lamphun, whilst not totally immune to the first half down turn, were only marginally affected and through strong customer support and aggressive market share wins, went on to achieve record profitability with strong sales in the second half of the year. Having these two contrasting operations illustrates the importance of the group's diversity during such market turbulence and cyclicalities.

Hana's financial "key performance indices" for 2009 over 2008 were:-

- Total revenues of Bht 13,458m (down 11%)
- Operating profits of Bht 1,848m (down 0.4%)
- EBITDA of Bht 2,853m (up 1%)
- NPAT of Bht 2,043m (up 7%)
- Net cash at year end of Bht 6,001m
- A proposed dividend payout of Bht 1.40

The outlook for 2010 currently remains unusually strong for this time of the year. Both Ayutthaya and Lamphun are running at close to full capacity along with Jiaying IC division. The Jiaying microelectronics has improved substantially year on year and we are expecting a robust first quarter.

Given recent volatility in demand, it would be premature to project that this high level of demand will continue through out the whole of 2010. With global fiscal stimulus being tightened and withdrawn, we are expecting a negative impact to follow perhaps in the second half of the year. Whilst we do not expect a reverse mirror of 2009, we remain cautious for 2010. That said, there remains many market share opportunities open to Hana that can maintain our growth during 2010 and as such we will need to consider further land and factory expansions (all of which are under negotiations) in both our major Thai operations.

After presented, Mr. Richard opened for questions. As there was no question, the Chairman announced that the Meeting acknowledged the operation results of the Company for the year 2009.

Agenda 3: To approve the balance sheet and profit and loss statements for the year ended December 31, 2009

The Chairman proposed the meeting to approve the audited balance sheet and profit and loss statements for the financial period year ended December 31, 2009 and the auditor's report, all of which have been reviewed by the Audit Committee.

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	675,119,318 Votes;	98.05 %
Disapprove	- Votes;	0.00 %
Abstain	13,404,900 Votes;	1.95 %

Resolution: The Meeting approved the balance sheet and profit and loss statements for the year ended December 31, 2009.

Agenda 4: To approve the dividend payment for the year 2009

The Chairman informed that the dividend policy of the Company is 30% to 100% of its consolidated net income after deduction of all specified reserves, subject to the Company and its subsidiaries' cash flow and investment plans, including justifications and other considerations as deemed appropriate.

With a strong balance sheet, a strong cash position and long-term shareholder's value, the Board intends to continue its policy and to propose annual dividend of approximately 55% of year 2009. Then, he proposed the Meeting to approve the annual dividend payment for the financial year ended December 31, 2009 to be Baht 1.40 per share. The Shareholder Register Book for the right to receive the dividend has been recorded on March 9, 2010 and gathered the shareholders list as specified in section 225 of the Securities and Exchange Act by closing the register book suspending share transfer (Closing Date) on March 10, 2010. The payment will be made on May 12, 2010. The dividend is subject to 10% withholding tax deduction, and the dividend is not entitled to a tax credit as the profit is exempted from calculated income tax.

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	688,524,218 Votes;	100.00 %
Disapprove	- Votes;	- %
Abstain	- Votes;	- %

Resolution: The Meeting approved the annual dividend payment of 2009 at the rate of Baht 1.40 per share.

Agenda 5: To approve the re-appointment of directors in place of those retired by rotation and approve the directors' remuneration for the year 2009

The Chairman informed the Meeting that one-third of the directors, who have served the longest term, must retire by rotation at every Annual General Meeting according to the Company's Articles of Association. The company invited shareholders to propose candidates to be elected as directors since October 2009 and there were no proposals given. Therefore, the Chairman proposed the Meeting to consider the directors whose tenure has ended. This year, directors whose tenure has ended are:

- 1) Mr. Winson Moong Chu Hui – be appointed as an executive director
- 2) Mr. Terrence Philip Weir - be appointed as an executive director

The Chairman further advised that those two directors were proposed by the Nomination Committee to be re-elected due to the satisfaction with their performance, effectiveness and commitment to the roles. The brief profile of

those directors had been distributed to shareholders for consideration. Then, the Chairman proposed the Meeting to re-appoint by individual director as follows:

5.1 Appoint Mr. Winson Moong Chu Hui as the executive director for another term

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	688,524,218 Votes;	100.00 %
Disapprove	- Votes;	- %
Abstain	- Votes;	- %

5.2 Appoint Mr. Terrence Philip Weir as the independent director for another term

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows

Approve	688,524,218 Votes;	100.00 %
Disapprove	- Votes;	- %
Abstain	- Votes;	- %

Resolution: The Meeting approved the appointment of Mr. Winson Moong Chu Hui and Mr. Terrence Philip Weir to be the Company's directors for another term.

Agenda 6: To approve the directors' remuneration for 2010

The Chairman proposed the meeting to consider and approve the remuneration of the board of directors for the year 2010.

The Board recommends to shareholders to approve the remuneration of directors in the amount not exceeding Baht 10,000,000, which is the same total amount as 2009. In order to reflect the risks, work complexity and involvement, the Board proposed remuneration package as follows.

Position	Meeting Allowance (Baht)	Bonus
Chairman of the Board and sub-committee	85,000 Baht	Minimum one month depending on the company performance
Independent Directors	50,000 Baht	Minimum one month depending on the company performance
Executive Directors	-	-

There is no remuneration for executive directors as they receive the remuneration as the Company's management/employees, not as the board of directors.

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	686,733,198 Votes;	99.74 %
Disapprove	0 Votes;	0.00 %
Abstain	1,791,020 Votes;	0.26 %

Resolution: The Meeting approved the board of directors' remuneration for 2010 not exceeding than 10,000,000 Baht.

Agenda 7: To approve the appointment of the Company's auditor for the year 2010 and to fix the auditor's remuneration

The Chairman proposed the Meeting to consider and approve the appointment any of the following persons as the auditor of the Company for the fiscal year 2010.

- 1) Ms. Kamontip Lertwitworatep C.P.A. Registration No. 4377 and/or
- 2) Ms. Ratana Jala CPA License No. 3734 and/or
- 3) Mrs. Nonglak Pumnoi CPA License No. 4172

of Ernst & Young to be the auditor of the Company with the remuneration of not exceeding to Baht 2,000,000. In the event those auditors are unable to perform their duties, Ernst & Young Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the Company's financial statements in their place.

There were questions from shareholders as follows.

Shareholder: What is the reason for the increase of audit fee 11%?

Auditor: As the Company has higher volume of business transactions and the increase of new accounting standards together with information system audit where we did not increase the fee in the past years, we considered that the revised fee is reasonable to reflex additional audit work.

Shareholder: Did the Company benchmark the fee with other audit firms?

CFO: We do not benchmark every year but once every few years; however, the Company has considered the fee increase with the level of business transactions and increase in auditing work due to the greater audit requirements. We do control the cost to ensure that we do not pay more than is necessary.

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	687,527,718 Votes;	99.86 %
Disapprove	996,500 Votes;	0.14 %
Abstain	0 Votes;	0.00 %

Resolution: The Meeting approved the appointment of the proposed auditor and its remuneration.

Agenda 8: To approve To approve the amendment of the Company’s objective

The Chairman recommended shareholders to approve the amendment of the Company’s Memorandum of Association no. 3 for adding the Company’s objective item no. 7 to cover the additional business of manufacturing and trading all kinds of medical devices including assembly and trading all kinds of machines, to the existing Objective Item 7 as follows.

“Item No. 7 - To carry on manufacturing, trade, buy, sell, repair all kinds of watch, calculator, dynamo and electrical equipment, computer, electronic, amplifier, television and radio, wireless telecommunication, [medical equipment, machines](#), parts and accessories thereof, construction equipment, consumer product, and office automation.”

Vote result: The Chairman informed the Meeting that the result of the vote count was as follows.

Approve	688,523,218 Votes;	99.9999 %
Disapprove	0 Votes;	0.00 %
Abstain	1,000 Votes;	0.0001 %

Resolution: The Meeting approved the amendment of the Company’s Memorandum of Association no. 3 for adding the Company’s objective item no. 7 to cover the additional business of manufacturing and trading all kinds of medical devices including assembly and trading all kinds of machines.

Agenda 9: Other business (if any)

The Chairman asked if any shareholders desired other matters to be discussed, or any questions to ask.

Shareholder: How many factories that HANA has and which location is bigger?
CEO: There are four main factories. We have the IC manufacturing plant in Ayutthaya which assembles the small semiconductor integrated circuit that is used in mobile phone, computer and other electronic appliances. The business is now growing from the global recession where we were hit hard in the prior year. Now, we can produce 13M units per day, which is a record output. As we now have run out of factory space so we plan to expand by adding a new building which we expect to be completed within the fourth quarter of this year. The second factory which assembles microelectronics (Printed Circuit Board Assembly “PCBA”) is in Lamphun province. Having very strong business and it has also run out of space so we need to build a new factory there also. The third factory is in Bangkok where we rent the land. The land lease will expire in a few years so the work will be transferred to different locations. Some will be moved to other HANA factories, some to the customer’s factory and some operations to other companies based on the customer’s instruction. We expect to close this factory by the end of

2013. The fourth factory is in China which was built five years ago. By early next year, we may need to plan to expand the capacity in this location also.

As there was no any other item brought up, the Meeting adjourned at 15:12 hrs.



บริษัท ฮานา ไมโครอิเล็กทรอนิกส์
จำกัด (มหาชน)
*Hana Microelectronics
Public Company Limited*

Signed

Chairman
(Mr. Bancha Tarnprakorn)