

18 March 2011

Subject: Clarification of Japan Earth Quake – Affects on Hana’s business
To: Chairman of the Board
The Stock Exchange of Thailand

Like everyone, we have been deeply shocked and saddened at the monumental devastation to life and property suffered during the recent earthquake and tsunami upon the Japanese people. We extend our sincere sympathies to all those who have and continue to suffer as a result of this tragedy.

Understandably Hana has received numerous enquiries as to the affect this tragic event has had on both our supply chain and our customer base.

Firstly Hana doesn’t have any direct exposure to any Japanese customers. We do have some customers who in turn will supply the parts Hana produces further down the supply chain to their Japanese end clients and up to now all the checks we have made indicate that there will be no impact as those Japanese end customers are relatively unaffected.

Secondly from a material supply chain input, all our checks indicate that as at this time we do not foresee any impact to materials inflow. This is because our reliance on such Japanese suppliers are very minimal and further fortuitously, those Japanese suppliers we do rely on have indicated that the impact for them will be very temporary as a result of power shortages. In addition we carry approximately eight weeks of inventory of those particular parts in question.

Materials supplied to us by our customers (sourced from Japanese suppliers). This is another potential exposure and we continue to communicate with all our customers whose responsibility it is to supply us such materials in order to continue the manufacturing flow. So far there we do not foresee any significant impact here either.

We continue to closely monitor the situation both on material supply and customer exposure but overall at this stage we do not see any significant impact to Hana’s business. Whilst this tragic event continues to evolve the broader impact on our industry remains uncertain and further negative developments could affect the situation.

We shall continue to provide further updates as and when it shall be appropriate.

Sincerely,

Mr. Richard David Han
Director and CEO Hana Group