

Stars Microelectronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Stars Microelectronics (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries as at 30 June 2022, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and 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 Stars Microelectronics (Thailand) Public Company Limited for the same period (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*.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 4 August 2022

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		37,076	35,663	14,134	22,873
Trade and other receivables	3	428,363	330,242	446,273	335,223
Inventories	4	798,370	646,607	798,370	646,607
Other current assets		7,540	28,052	7,540	28,052
Total current assets		1,271,349	1,040,564	1,266,317	1,032,755
Non-current assets					
Investments in subsidiaries		-	-	429	429
Property, plant and equipment		1,538,036	1,641,265	1,538,036	1,641,265
Intangible assets		35,413	38,600	35,413	38,600
Deferred tax assets		30,741	42,247	30,741	42,247
Other non-current assets		1,436	1,338	1,428	1,331
Total non-current assets		1,605,626	1,723,450	1,606,047	1,723,872
Total assets		2,876,975	2,764,014	2,872,364	2,756,627

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

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Note	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Bank overdraft and short-term loans				
from financial institutions	63,741	35,992	63,741	35,992
Trade and other payables	458,303	355,297	463,012	358,011
Current portion of long-term loans	154,394	154,207	154,394	154,207
Current portion of lease liabilities	284	339	284	339
Income tax payable	122	136	-	-
Derivative liabilities	4,909	250	4,909	250
Other current liabilities	4,377	8,962	5,957	8,962
Total current liabilities	686,130	555,183	692,297	557,761
Non-current liabilities				
Long-term loans, net of current portion	411,211	528,416	411,211	528,416
Lease liabilities, net of current portion	559	676	559	676
Provision for long-term employee benefits	101,915	93,335	101,915	93,335
Deferred tax liabilities	7,143	7,143	7,143	7,143
Other non-current liabilities	542	542	542	542
Total non-current liabilities	521,370	630,112	521,370	630,112
Total liabilities	1,207,500	1,185,295	1,213,667	1,187,873

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

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	5				
Registered					
1,062,599,227 ordinary shares of Baht 1 each		1,062,599	1,062,599	1,062,599	1,062,599
Issued and fully paid					
841,523,581 ordinary shares of Baht 1 each					
(31 December 2021: 836,491,381 ordinary shares of Baht 1 each)		841,523	836,491	841,523	836,491
Share premium		428,482	413,385	428,482	413,385
Cash receipt from share subscription	5	751	20,129	751	20,129
Capital reserve for share-based payments	5	35,143	31,359	35,143	31,359
Retained earnings					
Appropriated - statutory reserve		12,500	12,500	12,500	12,500
Unappropriated		317,380	231,514	311,726	226,318
Other components of shareholders' equity		28,966	28,966	28,572	28,572
Equity attributable to owners of the Company		1,664,745	1,574,344	1,658,697	1,568,754
Non-controlling interests of the subsidiaries		4,730	4,375	-	-
Total shareholders' equity		1,669,475	1,578,719	1,658,697	1,568,754
Total liabilities and shareholders' equity		2,876,975	2,764,014	2,872,364	2,756,627

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

Directors

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2022

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

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues				
Sales and service income	683,570	606,564	684,327	596,418
Revenue from scrap sales	7,599	6,918	7,599	6,918
Gain on exchange	3,166	1,640	2,856	1,707
Other income	1,974	2,416	1,653	2,229
Total revenues	696,309	617,538	696,435	607,272
Expenses				
Cost of sales and services	530,378	483,851	530,515	484,266
Selling and distribution expenses	16,999	15,106	20,559	7,829
Administrative expenses	56,477	55,726	53,578	54,033
Loss on derivatives	3,668	416	3,668	416
Total expenses	607,522	555,099	608,320	546,544
Operating profit	88,787	62,439	88,115	60,728
Finance income	25	13	25	13
Finance cost	(7,857)	(6,226)	(7,857)	(6,226)
Profit before income tax expenses	80,955	56,226	80,283	54,515
Income tax expenses	(9,580)	(221)	(9,547)	-
Profit for the period	71,375	56,005	70,736	54,515
Profit attributable to:				
Equity holders of the Company	71,102	55,692	70,736	54,515
Non-controlling interests of the subsidiaries	273	313		
	71,375	56,005		
Earnings per share				
6				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.09	0.07	0.08	0.07
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.08	0.06	0.08	0.06

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period	71,375	56,005	70,736	54,515
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>71,375</u>	<u>56,005</u>	<u>70,736</u>	<u>54,515</u>
Total comprehensive income attributable to:				
Equity holders of the Company	71,102	55,692	<u>70,736</u>	<u>54,515</u>
Non-controlling interests of the subsidiaries	<u>273</u>	<u>313</u>		
	<u>71,375</u>	<u>56,005</u>		

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2022**

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues					
Sales and service income		1,274,439	1,152,699	1,274,589	1,131,368
Revenue from scrap sales		16,238	15,073	16,238	15,073
Gain on exchange		9,382	8,711	9,034	8,304
Other income		3,376	4,105	2,872	3,919
Total revenues		1,303,435	1,180,588	1,302,733	1,158,664
Expenses					
Cost of sales and services		999,024	928,901	999,241	928,818
Selling and distribution expenses		35,757	30,018	41,627	15,451
Administrative expenses		107,785	100,122	101,933	95,960
Loss on derivatives		4,720	840	4,720	840
Total expenses		1,147,286	1,059,881	1,147,521	1,041,069
Operating profit		156,149	120,707	155,212	117,595
Finance income		38	32	38	32
Finance cost		(16,259)	(12,416)	(16,259)	(12,416)
Profit before income tax expenses		139,928	108,323	138,991	105,211
Income tax expenses		(11,631)	(512)	(11,507)	-
Profit for the period		128,297	107,811	127,484	105,211
Profit attributable to:					
Equity holders of the Company		127,942	107,033	127,484	105,211
Non-controlling interests of the subsidiaries		355	778		
		128,297	107,811		
Earnings per share					
6					
Basic earnings per share					
Profit attributable to equity holders					
of the Company		0.15	0.13	0.15	0.13
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.15	0.13	0.14	0.12

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period	128,297	107,811	127,484	105,211
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>128,297</u>	<u>107,811</u>	<u>127,484</u>	<u>105,211</u>
Total comprehensive income attributable to:				
Equity holders of the Company	127,942	107,033	<u>127,484</u>	<u>105,211</u>
Non-controlling interests of the subsidiaries	<u>355</u>	<u>778</u>		
	<u>128,297</u>	<u>107,811</u>		

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Cash flows statement

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	139,928	108,323	138,991	105,211
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	114,995	126,448	114,995	126,448
Bad debts and allowance for expected credit losses	3,125	224	3,125	971
Unrealised loss (gain) on exchange	2,064	(668)	1,924	(645)
Reduction of inventory to net realisable value	3,947	654	3,947	654
Write-off of equipment	616	-	616	-
Write-off of intangible assets	-	560	-	560
Provision for long-term employee benefits	9,021	8,208	9,021	8,208
Capital reserve for share-based payments	3,784	5,298	3,784	5,298
Loss on fair value adjustments of derivatives	4,658	1,045	4,658	1,045
Finance income	-	-	-	(23)
Finance cost	17,242	12,416	17,242	12,416
Profit from operating activities before changes in operating assets and liabilities	299,380	262,508	298,303	260,143
Operating assets (increase) decrease				
Trade and other receivables	(95,530)	(41,231)	(108,181)	(23,316)
Inventories	(155,711)	(112,340)	(155,711)	(112,340)
Other current assets	20,512	(11,946)	20,512	(11,946)
Other non-current assets	-	1,307	-	1,307
Operating liabilities increase (decrease)				
Trade and other payables	100,368	109,398	102,364	108,323
Other current liabilities	(4,460)	(4,679)	(3,005)	(4,679)
Cash paid for long-term employee benefits	(442)	(956)	(442)	(956)
Cash from operating activities	164,117	202,061	153,840	216,536
Cash paid for interest expenses	(16,251)	(12,991)	(16,251)	(12,991)
Cash paid for income tax	(223)	(167)	(98)	(142)
Net cash flows from operating activities	147,643	188,903	137,491	203,403

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Payments of payables for purchases of machinery and equipment	(6,372)	(7,534)	(6,372)	(7,534)
Acquisition of machinery and equipment	(8,102)	(10,560)	(8,102)	(10,560)
Acquisition of intangible assets	(7)	(5,574)	(7)	(5,574)
Net cash flows used in investing activities	(14,481)	(23,668)	(14,481)	(23,668)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	27,749	(327,618)	27,749	(327,618)
Cash receipt from long-term loans	-	492,461	-	492,461
Repayment of long-term loans	(118,000)	(96,610)	(118,000)	(96,610)
Repayment of lease liabilities	(173)	(245,487)	(173)	(245,487)
Cash receipt from share subscription as warrants exercised	751	-	751	-
Dividend paid	(42,076)	-	(42,076)	-
Net cash flows used in financing activities	(131,749)	(177,254)	(131,749)	(177,254)
Net increase (decrease) in cash and cash equivalents	1,413	(12,019)	(8,739)	2,481
Cash and cash equivalents at beginning of period	35,663	32,507	22,873	6,013
Cash and cash equivalents at end of period	37,076	20,488	14,134	8,494
	-		-	

Supplemental cash flows information

Non-cash transactions:

Purchases of machinery and equipment for which payments have yet to be made	1,085	1,518	1,085	1,518
Purchases of intangible assets for which payments have yet to be made	-	2,792	-	2,792
Inventory was transferred to equipment	-	304	-	304

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company											
							Other components of shareholders' equity				Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
							Other comprehensive income	Capital surplus	Total other	Total equity		
							Revaluation	from change in shareholding	components of shareholders' equity	attributable to owners of the Company		
	Issued and paid-up share capital	Share premium	Cash receipt from share subscription	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve	Unappropriated	surplus on land	in subsidiaries	equity	the Company		
Balance as at 1 January 2021	836,479	413,349	-	14,716	1,500	29,709	28,572	672	29,244	1,324,997	3,588	1,328,585
Profit for the period	-	-	-	-	-	107,033	-	-	-	107,033	778	107,811
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	107,033	-	-	-	107,033	778	107,811
Share-based payments (Note 5)	-	-	-	5,298	-	-	-	-	-	5,298	-	5,298
Balance as at 30 June 2021	836,479	413,349	-	20,014	1,500	136,742	28,572	672	29,244	1,437,328	4,366	1,441,694
Balance as at 1 January 2022	836,491	413,385	20,129	31,359	12,500	231,514	28,572	394	28,966	1,574,344	4,375	1,578,719
Profit for the period	-	-	-	-	-	127,942	-	-	-	127,942	355	128,297
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	127,942	-	-	-	127,942	355	128,297
Cash receipt from share subscription												
as warrants exercised (Note 5)	-	-	751	-	-	-	-	-	-	751	-	751
Increase in share capital from												
warrant exercise (Note 5)	5,032	15,097	(20,129)	-	-	-	-	-	-	-	-	-
Share-based payments (Note 5)	-	-	-	3,784	-	-	-	-	-	3,784	-	3,784
Dividend paid (Note 8)	-	-	-	-	-	(42,076)	-	-	-	(42,076)	-	(42,076)
Balance as at 30 June 2022	841,523	428,482	751	35,143	12,500	317,380	28,572	394	28,966	1,664,745	4,730	1,669,475

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

(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Separate financial statements									
	Issued and paid-up share capital Share premium		Cash receipt from share subscription	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve Unappropriated		Other components of shareholders' equity		
							Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
							Revaluation surplus on land		
Balance as at 1 January 2021	836,479	413,349	-	14,716	1,500	26,013	28,572	28,572	1,320,629
Profit for the period	-	-	-	-	-	105,211	-	-	105,211
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	105,211	-	-	105,211
Share-based payments (Note 5)	-	-	-	5,298	-	-	-	-	5,298
Balance as at 30 June 2021	836,479	413,349	-	20,014	1,500	131,224	28,572	28,572	1,431,138
Balance as at 1 January 2022	836,491	413,385	20,129	31,359	12,500	226,318	28,572	28,572	1,568,754
Profit for the period	-	-	-	-	-	127,484	-	-	127,484
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	127,484	-	-	127,484
Increase in share capital from warrant exercise (Note 5)	-	-	751	-	-	-	-	-	751
Increase in share capital from warrant exercise (Note 5)	5,032	15,097	(20,129)	-	-	-	-	-	-
Share-based payments (Note 5)	-	-	-	3,784	-	-	-	-	3,784
Dividend paid (Note 8)	-	-	-	-	-	(42,076)	-	-	(42,076)
Balance as at 30 June 2022	841,523	428,482	751	35,143	12,500	311,726	28,572	28,572	1,658,697

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

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 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 financial statements.

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries (collectively "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no significant change in shareholding structure of subsidiaries during the current period.

1.3 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with 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, the subsidiaries and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	246	182
Other income	-	-	-	1
Commission expense	-	-	15	3

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	455	380
Other income	-	-	1	1
Commission expense	-	-	29	5

(Unaudited but reviewed)

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Company and its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
<u>Trade receivables - related party (Note 3)</u>				
Subsidiary	-	-	185,808	144,671
Total trade receivables - related party	-	-	185,808	144,671
<u>Short-term loans to related party</u>				
Subsidiaries	-	-	740	740
Less: Allowance for expected credit losses	-	-	(740)	(740)
Total short-term loans to related parties - net	-	-	-	-
<u>Other payable - related party</u>				
Subsidiary	-	-	15,444	6,959
Total other payable - related party	-	-	15,444	6,959
<u>Advance received - related party</u>				
Subsidiary	-	-	1,580	-
Total advance received - related party	-	-	1,580	-

Directors and management's benefits

During the three-month and six-month period ended 30 June 2022 and 2021, the Company and its subsidiaries had employee benefit expense payable to their directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	7	8	7	7
Post-employment benefits	2	2	2	2
Share-based payments	1	4	1	4
Total	10	14	10	13

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	15	16	13	13
Post-employment benefits	3	3	3	3
Share-based payments	2	4	2	4
Total	<u>20</u>	<u>23</u>	<u>18</u>	<u>20</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	165,248	117,188
Past due				
Up to 3 months	-	-	19,673	25,237
3 - 6 months	-	-	196	2,136
6 - 12 months	-	-	691	110
Total trade receivables - related parties	<u>-</u>	<u>-</u>	<u>185,808</u>	<u>144,671</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	360,607	278,502	203,676	152,040
Past due				
Up to 3 months	57,734	44,940	47,397	32,721
3 - 6 months	2,973	4,802	2,806	4,376
6 - 12 months	3,859	1,293	3,396	710
Over 12 months	363,991	362,481	363,991	362,481
Total trade receivables - unrelated parties	<u>789,164</u>	<u>692,018</u>	<u>621,266</u>	<u>552,328</u>
Less: Allowance for expected credit losses	<u>(367,672)</u>	<u>(364,548)</u>	<u>(367,672)</u>	<u>(364,548)</u>
Total trade receivables - unrelated parties, net	<u>421,492</u>	<u>327,470</u>	<u>253,594</u>	<u>187,780</u>
Total trade receivables - net	<u>421,492</u>	<u>327,470</u>	<u>439,402</u>	<u>332,451</u>
<u>Other receivables</u>				
Other receivables - unrelated parties	<u>6,871</u>	<u>2,772</u>	<u>6,871</u>	<u>2,772</u>
Total other receivables	<u>6,871</u>	<u>2,772</u>	<u>6,871</u>	<u>2,772</u>
Total trade and other receivables - net	<u>428,363</u>	<u>330,242</u>	<u>446,273</u>	<u>335,223</u>

4. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Inventories - cost	1,040,221	884,510	1,037,951	882,240
Reduce cost to net realisable value	(241,851)	(237,903)	(239,581)	(235,633)
Inventories - net	<u>798,370</u>	<u>646,607</u>	<u>798,370</u>	<u>646,607</u>

5. Share capital/ Warrants

Cash receipts amounting to Baht 20.1 million from the exercise of rights to convert warrants to ordinary shares on 30 December 2021 which was recorded as advance from share subscription in the financial statements for the year ended 31 December 2021 were transferred to paid-up share capital amounting to Baht 5 million and share premium amounting to Baht 15.1 million. The Company registered the increase in its paid-up share capital as a result of this warrant exercise with the Ministry of Commerce on 6 January 2022.

During the current period, 187,600 SMT-WC warrants were exercised. Cash receipts amounting to Baht 0.8 million from the exercise of rights to convert warrants to ordinary shares was recorded as advance from share subscription under shareholders' equity as at 30 June 2022. The Company registered the increase in its paid-up share capital as a result of this warrant exercise with the Ministry of Commerce on 7 July 2022.

During the three-month and six-month periods ended 30 June 2022, the Company recorded expense of Baht 1.9 million and Baht 3.8 million, respectively (2021: Baht 5.3 million and Baht 5.3 million, respectively), in relation to the warrant scheme, as employee expenses, and recognised an equal amount as "Capital reserve for share-based payments" in shareholders' equity.

During the six-month period ended 30 June 2022, the SMT-W3 warrants were not exercised.

6. 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of earnings per share for the three-month and six-month periods ended 30 June 2022 and 2021:

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Profit per share		
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	71,102	55,692	836,491	836,479	0.09	0.07
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	31,135	24,330		
SMT-WC	-	-	394	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	71,102	55,692	868,020	860,809	0.08	0.06

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Profit per share		
		2022	2021	2022	2021	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	70,736	54,515	836,491	836,479	0.08	0.07
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	31,135	24,330		
SMT-WC	-	-	394	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	70,736	54,515	868,020	860,809	0.08	0.06

Consolidated financial statements						
For the six-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Profit per share		
		2022	2021	2022	2021	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	127,942	107,033	841,385	836,479	0.15	0.13
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	38,905	12,232		
SMT-WC	-	-	657	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	127,942	107,033	880,947	848,711	0.15	0.13

(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Profit per share	
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company	127,484	105,211	841,385	836,479	0.15 0.13
Effect of dilutive potential ordinary shares					
SMT-W3	-	-	38,905	12,232	
SMT-WC	-	-	657	-	
Diluted earnings per share					
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	127,484	105,211	880,947	848,711	0.14 0.12

7. 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 structure of its reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Microelectronics		Integrated Circuit Packaging							
	Module									
	Assembly (MMA)		(IC Packaging)							
	Located in		Located in		Located in		Elimination of		Consolidated	
	Thailand		Thailand		United States of		inter-segment		financial	
					America		revenues		statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers	373	361	61	54	249	192	-	-	683	607
Inter-segment revenues	-	-	250	182	-	-	(250)	(182)	-	-
Total revenues	373	361	311	236	249	192	(250)	(182)	683	607
Segment profit	42	72	112	41	(1)	10	-	-	153	123
Other income									13	11
Selling and distribution expenses									(17)	(15)
Administrative expenses									(60)	(56)
Finance cost									(8)	(6)
Income tax expenses									(10)	(1)
Profit attributable to non-controlling interests of the subsidiaries									-	(1)
Profit attributable to equity holders of the Company									71	55

(Unaudited but reviewed)

For the three-month period ended 30 June 2022, the Group has revenue from three customers in amounts of Baht 182 million, Baht 142 million and Baht 79 million (2021: Baht 206 million and Baht 121 million derived from two customers), arising from both segments.

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Microelectronics		Integrated Circuit Packaging							
	Module Assembly (MMA)		(IC Packaging)							
	Located in Thailand		Located in Thailand		Located in United States of America		Elimination of inter-segment revenues		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers	691	636	102	114	481	403	-	-	1,274	1,153
Inter-segment revenues	-	-	481	382	-	-	(481)	(382)	-	-
Total revenues	691	636	583	496	481	403	(481)	(382)	1,274	1,153
Segment profit	129	110	146	93	-	21	-	-	275	224
Other income									29	28
Selling and distribution expenses									(36)	(30)
Administrative expenses									(112)	(101)
Finance cost									(16)	(12)
Income tax expenses									(12)	(1)
Profit attributable to non-controlling interests of the subsidiaries									-	(1)
Profit attributable to equity holders of the Company									128	107

For the six-month period ended 30 June 2022, the Group has revenue from three customers in amounts of Baht 365 million, Baht 281 million and Baht 125 million (2021: Baht 380 million, Baht 245 million and Baht 123 million derived from three customers), arising from both segments.

8. Dividend

Dividend	Approved	Dividend	Dividend per share
		payment amount (Thousand Baht)	(Baht)
Final dividend for 2021	Annual General Meeting of the shareholders on 28 April 2022	42,076	0.05
Total for 2022		42,076	0.05

9. Contingent liabilities for litigations

9.1 Long-term service commitments/Guarantees

During the current period, there have been no significant changes in long-term service commitments and guarantee obligations to banks.

9.2 Contingent liabilities for litigations

In 2021, the Company was sued by former employees who petitioned the court to order the Company to pay compensation amounting to Baht 22 million, together with interest, for breaches of contract arising from the termination of their employment. At present, in two of these cases the plaintiffs (former employees) did not wish to proceed with the cases, and the labor court has disposed of these cases. The Company paid compensation amounting to Baht 1 million to the plaintiffs in these cases as a result of mediation. One more case has been decided by the court and the Company has to pay compensation of Baht 0.1 million to the plaintiff. However, one other case with compensation claims totaling Baht 13 million is still being considered by the Labor Court and the outcome of the case is not yet final. The management believes that the Company has evidence to defend the case and expects that the case will not result in losses to the Company. The Company, hence, has not recorded any provision in its accounts.

10. Financial instruments

10.1 Fair value of financial instruments

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value.

10.2 Fair value hierarchy

As at 30 June 2022, the Group had the derivative liabilities of Baht 4.9 million (31 December 2021: Baht 0.3 million) that were measured at fair value and the fair value hierarchy is level 2.

During the current period the Company has not changed the method and assumptions used in estimating the fair value of financial instruments, and no transfers are made between the fair value hierarchy.

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 August 2022.