

Stars Microelectronics (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 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 September 2022, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of 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: 3 November 2022

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		21,732	35,663	2,645	22,873
Trade and other receivables	3	429,603	330,242	440,468	335,223
Inventories	4	772,985	646,607	772,985	646,607
Short-term loans to related parties		-	-	100	-
Other current financial assets		712	-	712	-
Other current assets		9,265	28,052	9,265	28,052
Total current assets		1,234,297	1,040,564	1,226,175	1,032,755
Non-current assets					
Investments in subsidiaries		-	-	429	429
Property, plant and equipment		1,490,827	1,641,265	1,490,827	1,641,265
Intangible assets		40,117	38,600	40,117	38,600
Deferred tax assets		19,419	42,247	19,419	42,247
Other non-current assets		1,508	1,338	1,500	1,331
Total non-current assets		1,551,871	1,723,450	1,552,292	1,723,872
Total assets		2,786,168	2,764,014	2,778,467	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 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Bank overdraft and short-term loans				
from financial institutions	32,326	35,992	32,326	35,992
Trade and other payables	427,096	355,297	430,899	358,011
Current portion of long-term loans	154,296	154,207	154,296	154,207
Current portion of lease liabilities	256	339	256	339
Income tax payable	395	136	-	-
Derivative liabilities	15,299	250	15,299	250
Other current liabilities	4,238	8,962	5,413	8,962
Total current liabilities	633,906	555,183	638,489	557,761
Non-current liabilities				
Long-term loans, net of current portion	262,885	528,416	262,885	528,416
Lease liabilities, net of current portion	499	676	499	676
Provision for long-term employee benefits	106,426	93,335	106,426	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	377,495	630,112	377,495	630,112
Total liabilities	1,011,401	1,185,295	1,015,984	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 September 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2022	31 December 2021	30 September 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					
841,711,181 ordinary shares of Baht 1 each					
(31 December 2021: 836,491,381 ordinary shares of Baht 1 each)		841,711	836,491	841,711	836,491
Share premium		429,045	413,385	429,045	413,385
Cash receipt from share subscription	5	-	20,129	-	20,129
Capital reserve for share-based payments	5	37,035	31,359	37,035	31,359
Retained earnings					
Appropriated - statutory reserve		12,500	12,500	12,500	12,500
Unappropriated		420,152	231,514	413,620	226,318
Other components of shareholders' equity		28,966	28,966	28,572	28,572
Equity attributable to owners of the Company		1,769,409	1,574,344	1,762,483	1,568,754
Non-controlling interests of the subsidiaries		5,358	4,375	-	-
Total shareholders' equity		1,774,767	1,578,719	1,762,483	1,568,754
Total liabilities and shareholders' equity		2,786,168	2,764,014	2,778,467	2,756,627

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

Directors

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 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	809,854	532,420	809,411	527,277
Revenue from scrap sales	7,990	6,374	7,990	6,374
Gain on exchange - net	1,391	1,560	1,419	1,423
Bad debt recovery	29,291	-	29,291	-
Other income	3,200	10,655	5,290	10,773
Total revenues	851,726	551,009	853,401	545,847
Expenses				
Cost of sales and services	644,765	410,862	646,886	411,113
Selling and distribution expenses	20,543	15,137	24,715	11,324
Administrative expenses	54,587	57,402	51,749	55,135
Loss on derivatives	9,678	2,728	9,678	2,728
Total expenses	729,573	486,129	733,028	480,300
Operating profit	122,153	64,880	120,373	65,547
Finance income	14	12	14	12
Finance cost	(7,172)	(8,771)	(7,172)	(8,771)
Profit before income tax expenses	114,995	56,121	113,215	56,788
Income tax benefits (expenses)	(11,595)	375	(11,321)	-
Profit for the period	103,400	56,496	101,894	56,788
Profit attributable to:				
Equity holders of the Company	102,772	56,652	101,894	56,788
Non-controlling interests of the subsidiaries	628	(156)		
	103,400	56,496		
Earnings per share	6			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.12	0.07	0.12	0.07
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.12	0.06	0.12	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 September 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	103,400	56,496	101,894	56,788
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>103,400</u>	<u>56,496</u>	<u>101,894</u>	<u>56,788</u>
Total comprehensive income attributable to:				
Equity holders of the Company	102,772	56,652	<u>101,894</u>	<u>56,788</u>
Non-controlling interests of the subsidiaries	628	(156)		
	<u>103,400</u>	<u>56,496</u>		

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

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 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	2,084,293	1,685,119	2,084,000	1,658,645
Revenue from scrap sales	24,228	21,447	24,228	21,447
Gain on exchange - net	10,773	10,271	10,453	9,727
Bad debt recovery	29,291	-	29,291	-
Other income	6,576	14,760	8,162	14,692
Total revenues	2,155,161	1,731,597	2,156,134	1,704,511
Expenses				
Cost of sales and services	1,643,789	1,339,763	1,646,127	1,339,931
Selling and distribution expenses	56,300	45,155	66,342	26,775
Administrative expenses	162,372	157,524	153,682	151,095
Loss on derivatives	14,398	3,568	14,398	3,568
Total expenses	1,876,859	1,546,010	1,880,549	1,521,369
Operating profit	278,302	185,587	275,585	183,142
Finance income	52	44	52	44
Finance cost	(23,431)	(21,187)	(23,431)	(21,187)
Profit before income tax expenses	254,923	164,444	252,206	161,999
Income tax expenses	(23,226)	(137)	(22,828)	-
Profit for the period	231,697	164,307	229,378	161,999
Profit attributable to:				
Equity holders of the Company	230,714	163,685	229,378	161,999
Non-controlling interests of the subsidiaries	983	622		
	231,697	164,307		
Earnings per share	6			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.27	0.20	0.27	0.19
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.26	0.19	0.26	0.19

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 nine-month period ended 30 September 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	231,697	164,307	229,378	161,999
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>231,697</u>	<u>164,307</u>	<u>229,378</u>	<u>161,999</u>
Total comprehensive income attributable to:				
Equity holders of the Company	230,714	163,685	<u>229,378</u>	<u>161,999</u>
Non-controlling interests of the subsidiaries	983	622		
	<u>231,697</u>	<u>164,307</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 nine-month period ended 30 September 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	254,923	164,444	252,206	161,999
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	171,560	188,737	171,560	188,737
Impairment loss on financial assets	-	1,311	-	2,170
Reversal of bad debts and allowance for expected credit losses	(13,095)	-	(13,095)	-
Unrealised loss (gain) on exchange	1,919	(10,317)	751	(10,567)
Gain on sales of machinery and equipment	-	(2,457)	-	(2,457)
Reduction of inventory to net realisable value	5,544	12,887	5,544	12,887
Write-off of equipment	616	-	616	-
Write-off of intangible assets	-	560	-	560
Provision for long-term employee benefits	13,532	12,311	13,532	12,311
Capital reserve for share-based payments	5,676	12,915	5,676	12,915
Loss on fair value adjustments of derivatives	14,337	3,773	14,337	3,773
Allowance for expected credit losses of loans to related parties	41	35	41	35
Finance income	(52)	(44)	(52)	(44)
Finance cost	24,990	21,705	24,990	21,670
Profit from operating activities before changes in operating assets and liabilities	479,991	405,860	476,106	403,989
Operating assets (increase) decrease				
Trade and other receivables	(78,357)	(15,712)	(80,663)	(8,967)
Inventories	(131,922)	(219,584)	(131,922)	(219,584)
Other current assets	18,787	(11,526)	18,787	(11,526)
Other non-current assets	-	1,326	-	1,326
Operating liabilities increase (decrease)				
Trade and other payables	68,211	98,270	67,030	101,467
Other current liabilities	(4,724)	2,180	(3,549)	2,180
Cash paid for long-term employee benefits	(442)	(956)	(442)	(956)
Cash from operating activities	351,544	259,858	345,347	267,929
Interest income	11	2	11	2
Cash paid for interest expenses	(23,438)	(21,820)	(23,438)	(21,820)
Cash paid for income tax	(170)	(208)	(170)	(183)
Net cash flows from operating activities	327,947	237,832	321,750	245,928

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 nine-month period ended 30 September 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	(6,371)	(6,631)	(6,371)	(6,631)
Acquisition of machinery and equipment	(16,941)	(15,499)	(16,941)	(15,499)
Proceeds from sales of machinery and equipment	-	9,616	-	9,616
Acquisition of intangible assets	(6,314)	(11,395)	(6,314)	(11,395)
Increase in short-term loan to related parties	-	-	(100)	(100)
Net cash flows used in investing activities	<u>(29,626)</u>	<u>(23,909)</u>	<u>(29,726)</u>	<u>(24,009)</u>
Cash flows from financing activities				
Decrease in bank overdraft and short-term loans from financial institutions	(3,666)	(548,522)	(3,666)	(548,522)
Cash receipt from long-term loans	-	694,584	-	694,584
Repayment of long-term loans	(267,000)	(121,390)	(267,000)	(121,390)
Repayment of lease liabilities	(261)	(246,329)	(261)	(246,329)
Cash receipt from share subscription as warrants exercised	751	48	751	48
Dividend paid	(42,076)	-	(42,076)	-
Net cash flows used in financing activities	<u>(312,252)</u>	<u>(221,609)</u>	<u>(312,252)</u>	<u>(221,609)</u>
Net increase (decrease) in cash and cash equivalents	<u>(13,931)</u>	<u>(7,686)</u>	<u>(20,228)</u>	<u>310</u>
Cash and cash equivalents at beginning of period	35,663	32,507	22,873	6,013
Cash and cash equivalents at end of period	<u>21,732</u>	<u>24,821</u>	<u>2,645</u>	<u>6,323</u>
	-		-	
Supplemental cash flows information				
Non-cash transactions:				
Purchases of machinery and equipment for which payments have yet to be made	-	2,694	-	2,694
Purchases of intangible assets for which payments have yet to be made	-	5,584	-	5,584
Inventory was transferred to equipment	-	4,423	-	4,423
Transfer of inventory to equipment	-	518	-	518

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 nine-month period ended 30 September 2022

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
							Other components of shareholders' equity					
							Other	Capital surplus	Total other	Total equity	Equity	
	Issued and paid-up share capital	Share premium	Cash receipt from share subscription	Capital reserve for share-based payments	Retained earnings		comprehensive income	from change in shareholding in subsidiaries	components of shareholders' equity	attributable to owners of the Company	attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	Revaluation surplus on land					
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	-	-	-	-	-	163,685	-	-	-	163,685	622	164,307
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	163,685	-	-	-	163,685	622	164,307
Cash receipt from share subscription as warrants exercised	-	-	48	-	-	-	-	-	-	48	-	48
Equity attributable to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	(274)	(274)	(274)	274	-
Share-based payments (Note 5)	-	-	-	12,915	-	-	-	-	-	12,915	-	12,915
Balance as at 30 September 2021	<u>836,479</u>	<u>413,349</u>	<u>48</u>	<u>27,631</u>	<u>1,500</u>	<u>193,394</u>	<u>28,572</u>	<u>398</u>	<u>28,970</u>	<u>1,501,371</u>	<u>4,484</u>	<u>1,505,855</u>
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	-	-	-	-	-	230,714	-	-	-	230,714	983	231,697
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	230,714	-	-	-	230,714	983	231,697
Increase in share capital from warrant exercise (Note 5)	5,220	15,660	(20,129)	-	-	-	-	-	-	751	-	751
Share-based payments (Note 5)	-	-	-	5,676	-	-	-	-	-	5,676	-	5,676
Dividend paid (Note 8)	-	-	-	-	-	(42,076)	-	-	-	(42,076)	-	(42,076)
Balance as at 30 September 2022	<u>841,711</u>	<u>429,045</u>	<u>-</u>	<u>37,035</u>	<u>12,500</u>	<u>420,152</u>	<u>28,572</u>	<u>394</u>	<u>28,966</u>	<u>1,769,409</u>	<u>5,358</u>	<u>1,774,767</u>

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 nine-month period ended 30 September 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 Revaluation surplus on land	Total other components of shareholders' equity	Total shareholders' equity
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	-	-	-	-	-	161,999	-	-	161,999
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	161,999	-	-	161,999
Cash receipt from share subscription as warrants exercised	-	-	48	-	-	-	-	-	48
Share-based payments (Note 5)	-	-	-	12,915	-	-	-	-	12,915
Balance as at 30 September 2021	<u>836,479</u>	<u>413,349</u>	<u>48</u>	<u>27,631</u>	<u>1,500</u>	<u>188,012</u>	<u>28,572</u>	<u>28,572</u>	<u>1,495,591</u>
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	-	-	-	-	-	229,378	-	-	229,378
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	229,378	-	-	229,378
Increase in share capital from warrant exercise (Note 5)	5,220	15,660	(20,129)	-	-	-	-	-	751
Share-based payments (Note 5)	-	-	-	5,676	-	-	-	-	5,676
Dividend paid (Note 8)	-	-	-	-	-	(42,076)	-	-	(42,076)
Balance as at 30 September 2022	<u>841,711</u>	<u>429,045</u>	<u>-</u>	<u>37,035</u>	<u>12,500</u>	<u>413,620</u>	<u>28,572</u>	<u>28,572</u>	<u>1,762,483</u>

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 nine-month periods ended 30 September 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 September

	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	-	-	245	182
Other income	-	-	1	-
Commission expense	-	-	16	5

(Unit: Million Baht)

For the nine-month periods ended
30 September

	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	-	-	700	562
Other income	-	-	2	1
Commission expense	-	-	45	10

(Unaudited but reviewed)

As at 30 September 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 September	31 December	30 September	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade receivables - related party (Note 3)</u>				
Subsidiary	-	-	156,792	144,671
Total trade receivables - related party	-	-	156,792	144,671
<u>Short-term loans to related party</u>				
Subsidiaries	-	-	840	740
Less: Allowance for expected credit losses	-	-	(740)	(740)
Total short-term loans to related parties - net	-	-	100	-
<u>Other payable - related party</u>				
Subsidiary	-	-	14,852	6,959
Total other payable - related party	-	-	14,852	6,959
<u>Advance received - related party</u>				
Subsidiary	-	-	1,744	-
Total advance received - related party	-	-	1,744	-

Directors and management's benefits

During the three-month and nine-month period ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	8	9	6	6
Post-employment benefits	1	2	2	2
Share-based payments	2	4	1	4
Total	11	15	9	12

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended

30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	25	25	19	19
Post-employment benefits	4	5	4	5
Share-based payments	4	8	4	8
Total	<u>33</u>	<u>38</u>	<u>27</u>	<u>32</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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	-	-	140,208	117,188
Past due				
Up to 3 months	-	-	15,657	25,237
3 - 6 months	-	-	617	2,136
6 - 12 months	-	-	310	110
Total trade receivables - related parties	<u>-</u>	<u>-</u>	<u>156,792</u>	<u>144,671</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	375,240	278,502	241,843	152,040
Past due				
Up to 3 months	49,842	44,940	37,470	32,721
3 - 6 months	270	4,802	306	4,376
6 - 12 months	578	1,293	384	710
Over 12 months	232,405	362,481	232,405	362,481
Total trade receivables - unrelated parties	<u>658,335</u>	<u>692,018</u>	<u>512,408</u>	<u>552,328</u>
Less: Allowance for expected credit losses	<u>(232,965)</u>	<u>(364,548)</u>	<u>(232,965)</u>	<u>(364,548)</u>
Total trade receivables - unrelated parties, net	<u>425,370</u>	<u>327,470</u>	<u>279,443</u>	<u>187,780</u>
Total trade receivables - net	<u>425,370</u>	<u>327,470</u>	<u>436,235</u>	<u>332,451</u>
<u>Other receivables</u>				
Other receivables - unrelated parties	<u>4,233</u>	<u>2,772</u>	<u>4,233</u>	<u>2,772</u>
Total other receivables	<u>4,233</u>	<u>2,772</u>	<u>4,233</u>	<u>2,772</u>
Total trade and other receivables - net	<u>429,603</u>	<u>330,242</u>	<u>440,468</u>	<u>335,223</u>

4. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Audited)		(Audited)
Inventories - cost	1,016,432	884,510	1,014,162	882,240
Reduce cost to net realisable value	(243,447)	(237,903)	(241,177)	(235,633)
Inventories - net	<u>772,985</u>	<u>646,607</u>	<u>772,985</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 second quarter of 2022, 187,600 SMT-WC warrants amounting to Baht 0.8 million were exercised. 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 nine-month periods ended 30 September 2022, the Company recorded expense of Baht 1.9 million and Baht 5.7 million, respectively (2021: Baht 7.6 million and Baht 12.9 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 nine-month period ended 30 September 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 nine-month periods ended 30 September 2022 and 2021:

Consolidated financial statements						
For the three-month periods ended 30 September						
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	102,772	56,652	841,699	836,479	0.12	0.07
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	32,708	79,131		
SMT-WC	-	-	378	2,037		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	102,772	56,652	874,785	917,647	0.12	0.06

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 September						
		Weighted average				
Profit for the period		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						
101,894	56,788	841,699	836,479	0.12	0.07	
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	32,708	79,131		
SMT-WC	-	-	378	2,037		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares						
101,894	56,788	874,785	917,647	0.12	0.06	
Consolidated financial statements						
For the nine-month periods ended 30 September						
		Weighted average				
Profit for the period		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						
230,714	163,685	841,491	836,479	0.27	0.20	
Effect of dilutive potential ordinary shares						
SMT-W3	-	-	36,832	34,777		
SMT-WC	-	-	559	1,171		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares						
230,714	163,685	878,882	872,427	0.26	0.19	

(Unaudited but reviewed)

Separate financial statements					
For the nine-month periods ended 30 September					
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	229,378	161,999	841,491	836,479	0.27 0.19
Effect of dilutive potential ordinary shares					
SMT-W3	-	-	36,832	34,777	
SMT-WC	-	-	559	1,171	
Diluted earnings per share					
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	229,378	161,999	878,882	872,427	0.26 0.19

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 nine-month periods ended 30 September 2022 and 2021.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Microelectronics									
	Module									
	Assembly		Integrated Circuit 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	481	274	94	68	235	190	-	-	810	532
Inter-segment revenues	-	-	235	181	-	-	(235)	(181)	-	-
Total revenues	481	274	329	249	235	190	(235)	(181)	810	532
Segment profit	38	55	118	58	10	8	-	-	166	121
Bad debt recovery									29	-
Other income									13	19
Selling and distribution expenses									(20)	(15)
Administrative expenses									(64)	(60)
Finance cost									(7)	(9)
Income tax expenses									(12)	1
Profit attributable to non-controlling interests of the subsidiaries									(1)	-
Profit attributable to equity holders of the Company									104	57

(Unaudited but reviewed)

For the three-month period ended 30 September 2022, the Group has revenue from three customers in amounts of Baht 263 million, Baht 132 million and Baht 82 million (2021: Baht 123 million, Baht 117 million and Baht 58 million derived from three customers), arising from both segments.

(Unit: Million Baht)

For the nine-month periods ended 30 September										
	Microelectronics									
	Module									
	Assembly		Integrated Circuit Packaging							
	Located in Thailand		Located in Thailand		Located in United States of America		Elimination of inter-segment revenues		Consolidated financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers	1,172	910	196	182	716	593	-	-	2,084	1,685
Inter-segment revenues	-	-	716	563	-	-	(716)	(563)	-	-
Total revenues	<u>1,172</u>	<u>910</u>	<u>912</u>	<u>745</u>	<u>716</u>	<u>593</u>	<u>(716)</u>	<u>(563)</u>	<u>2,084</u>	<u>1,685</u>
Segment profit	167	165	264	151	10	29	-	-	441	345
Bad debt recovery									29	-
Other income									42	47
Selling and distribution expenses									(56)	(45)
Administrative expenses									(177)	(161)
Finance cost									(23)	(21)
Income tax expenses									(23)	-
Profit attributable to non-controlling interests of the subsidiaries									(1)	(1)
Profit attributable to equity holders of the Company									<u>232</u>	<u>164</u>

For the nine-month period ended 30 September 2022, the Group has revenue from two customers in amounts of Baht 629 million and Baht 431 million (2021: Baht 497 million and Baht 368 million derived from two customers), arising from both segments.

8. Dividend

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

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. Two more cases have been decided by the court and the Company has to pay compensation of Baht 0.5 million and Baht 0.1 million to the plaintiff. However, a case with compensation claims totaling Baht 0.1 million, the Company filed an appeal against the judgment of the Labor Court and the outcome of the case is not yet final. The management 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 September 2022, the Group had the derivative assets and liabilities of Baht 0.7 million and Baht 15.3 million, respectively (31 December 2021: derivative liabilities of 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. Event after the reporting period

On 12 October 2022, the Company's Board of Directors passed a resolution to repurchase 60,000,000 ordinary shares, or 7.13 percent of the Company's paid-up capital, at a maximum price of Baht 240 million. The repurchase is being made for financial management purposes and it is to be made through the Stock Exchange of Thailand between 26 October 2022 and 25 April 2023 and the Board of Directors will determine the resale period at a later date. However, it will end not later than 3 years from the repurchase date.

12. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 3 November 2022.