

Stars Microelectronics (Thailand) Public Company Limited
and its subsidiaries
Review report and consolidated and separate financial information
For the three-month and six-month periods ended
30 June 2024

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 financial information of Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 periods (collectively "the 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.

Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 8 August 2024

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		113,258	128,261	86,095	110,051
Trade and other receivables	3	320,276	267,452	328,064	265,975
Inventories	4	562,498	599,477	562,498	599,477
Derivative assets		-	1,525	-	1,525
Other current assets		11,889	19,724	11,868	19,714
Total current assets		<u>1,007,921</u>	<u>1,016,439</u>	<u>988,525</u>	<u>996,742</u>
Non-current assets					
Investments in subsidiaries		-	-	429	429
Advance payment for assets		8,706	15,596	8,706	15,596
Investment in equity instrument of non-listed company	5	3,888	-	3,888	-
Property, plant and equipment		1,236,745	1,301,239	1,236,745	1,301,239
Right-of-use assets		1,791	-	1,791	-
Intangible assets		33,467	32,296	33,467	32,296
Deferred tax assets		20,763	20,760	20,726	20,726
Other non-current assets		848	707	848	707
Total non-current assets		<u>1,306,208</u>	<u>1,370,598</u>	<u>1,306,600</u>	<u>1,370,993</u>
Total assets		<u><u>2,314,129</u></u>	<u><u>2,387,037</u></u>	<u><u>2,295,125</u></u>	<u><u>2,367,735</u></u>

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables		268,163	238,432	268,953	239,936
Current portion of lease liabilities		1,217	477	1,217	477
Income tax payable		130	3,052	-	2,530
Derivative liabilities		4,860	1,558	4,860	1,558
Other current liabilities		5,923	6,678	5,708	6,672
Total current liabilities		280,293	250,197	280,738	251,173
Non-current liabilities					
Lease liabilities, net of current portion		1,582	750	1,582	750
Provision for long-term employee benefits		63,888	58,854	63,888	58,854
Deferred tax liabilities		9,943	9,943	9,943	9,943
Other non-current liabilities		542	542	542	542
Total non-current liabilities		75,955	70,089	75,955	70,089
Total liabilities		356,248	320,286	356,693	321,262

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)	<u>30 June 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Shareholders' equity					
Share capital					
Registered					
1,062,599,227 ordinary shares of Baht 1 each		<u>1,062,599</u>	<u>1,062,599</u>	<u>1,062,599</u>	<u>1,062,599</u>
Issued and fully paid					
845,583,721 ordinary shares of Baht 1 each		845,584	845,584	845,584	845,584
Share premium		440,662	440,662	440,662	440,662
Cash receipt from share subscription	6	1	-	1	-
Capital reserve for share-based payments	6	45,438	45,438	45,438	45,438
Retained earnings					
Appropriated - statutory reserve		39,100	39,100	39,100	39,100
Appropriated - treasury share reserve	7	67,235	51,213	67,235	51,213
Unappropriated		541,979	650,486	527,873	635,915
Treasury shares	7	(67,235)	(51,213)	(67,235)	(51,213)
Other components of shareholders' equity		<u>40,168</u>	<u>40,168</u>	<u>39,774</u>	<u>39,774</u>
Equity attributable to owners of the Company		1,952,932	2,061,438	1,938,432	2,046,473
Non-controlling interests of the subsidiaries		<u>4,949</u>	<u>5,313</u>	-	-
Total shareholders' equity		<u>1,957,881</u>	<u>2,066,751</u>	<u>1,938,432</u>	<u>2,046,473</u>
Total liabilities and shareholders' equity		<u>2,314,129</u>	<u>2,387,037</u>	<u>2,295,125</u>	<u>2,367,735</u>
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2024**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues					
Sales and service income		487,109	706,377	487,109	705,445
Revenue from scrap sales		2,980	4,488	2,980	4,488
Gain on exchange		1,406	559	1,234	-
Gain on derivatives		2,101	-	2,101	-
Other service income		-	-	1,127	-
Finance income		1,953	84	1,936	84
Other income		2,079	13,496	2,112	2,348
Total revenues		497,628	725,004	498,599	712,365
Expenses					
Cost of sales and services		500,179	548,702	500,179	548,555
Selling and distribution expenses		14,085	25,316	13,576	20,358
Administrative expenses		52,766	50,896	54,377	51,083
Loss on derivatives		-	3,818	-	3,818
Total expenses		567,030	628,732	568,132	623,814
Profit (loss) before finance cost and					
income tax expenses (revenues)					
		(69,402)	96,272	(69,533)	88,551
Finance cost		41	3,321	41	3,321
Profit (loss) before income tax expenses (revenues)		(69,443)	92,951	(69,574)	85,230
Income tax expenses (revenues)		(6,223)	8,199	(6,223)	8,199
Profit (loss) for the period		(63,220)	84,752	(63,351)	77,031
Profit (loss) attributable to:					
Equity holders of the Company		(63,248)	85,250	(63,351)	77,031
Non-controlling interests of the subsidiaries		28	(498)		
		(63,220)	84,752		
Earnings (loss) per share					
8					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders					
of the Company		(0.07)	0.10	(0.07)	0.09
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
		(0.07)	0.10	(0.07)	0.09

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit (loss) for the period	<u>(63,220)</u>	<u>84,752</u>	<u>(63,351)</u>	<u>77,031</u>
Other comprehensive income:				
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(63,220)</u>	<u>84,752</u>	<u>(63,351)</u>	<u>77,031</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(63,248)</u>	<u>85,250</u>	<u>(63,351)</u>	<u>77,031</u>
Non-controlling interests of the subsidiaries	<u>28</u>	<u>(498)</u>		
	<u>(63,220)</u>	<u>84,752</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 2024**

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

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Revenues					
Sales and service income		960,407	1,352,335	960,407	1,351,185
Revenue from scrap sales		5,459	9,305	5,459	9,305
Gain on exchange		18,465	559	17,494	-
Gain on derivatives		-	3,344	-	3,344
Other service income		35,383	-	37,559	-
Finance income		2,225	99	2,212	99
Other income		8,876	20,617	8,909	6,262
Total revenues		1,030,815	1,386,259	1,032,040	1,370,195
Expenses					
Cost of sales and services		925,880	1,038,577	925,880	1,038,327
Selling and distribution expenses		25,497	45,882	24,803	42,420
Administrative expenses		109,351	117,943	110,441	112,163
Loss on derivatives		4,827	-	4,827	-
Total expenses		1,065,555	1,202,402	1,065,951	1,192,910
Profit (loss) before finance cost and income tax expenses					
Finance cost		80	8,080	80	8,080
Profit (loss) before income tax expenses		(34,820)	175,777	(33,991)	169,205
Income tax expenses		-	17,646	-	17,646
Profit (loss) for the period		(34,820)	158,131	(33,991)	151,559
Profit (loss) attributable to:					
Equity holders of the Company		(34,456)	159,065	(33,991)	151,559
Non-controlling interests of the subsidiaries		(364)	(934)		
		(34,820)	158,131		
Earnings (loss) per share					
8					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.04)	0.19	(0.04)	0.18
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.04)	0.18	(0.04)	0.18

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit (loss) for the period	<u>(34,820)</u>	<u>158,131</u>	<u>(33,991)</u>	<u>151,559</u>
Other comprehensive income:				
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(34,820)</u>	<u>158,131</u>	<u>(33,991)</u>	<u>151,559</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>(34,456)</u>	<u>159,065</u>	<u>(33,991)</u>	<u>151,559</u>
Non-controlling interests of the subsidiaries	<u>(364)</u>	<u>(934)</u>		
	<u>(34,820)</u>	<u>158,131</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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities				
Profit (loss) before tax	(34,820)	175,777	(33,991)	169,205
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	104,963	107,573	104,963	107,573
Bad debts and allowance for expected credit losses	8	-	66	6
Unrealised loss (gain) on exchange	(669)	953	(616)	466
Reversal decrease of inventories to net realisable value	(8,066)	(10,637)	(8,066)	(10,637)
Write-off of equipment	7	18	7	18
Long-term employee benefits expenses	8,887	8,384	8,887	8,384
Share-based payment expense	-	1,340	-	1,340
Loss (gain) on fair value adjustments of derivatives	4,827	(3,344)	4,827	(3,344)
Finance income	(2,225)	-	(2,212)	(30)
Finance cost	80	9,592	80	9,592
Profit from operating activities before changes in operating assets and liabilities	72,992	289,656	73,945	282,573
Operating assets (increase) decrease				
Trade and other receivables	(51,364)	(369)	(60,688)	(1,023)
Inventories	45,045	20,058	45,045	20,058
Other current assets	7,835	(2,927)	7,846	(2,927)
Other non-current assets	-	(938)	-	(938)
Operating liabilities increase (decrease)				
Trade and other payables	21,212	(42,186)	20,498	(48,301)
Other current liabilities	(755)	(5,386)	(965)	(3,880)
Cash paid for long-term employee benefits	(3,853)	(3,505)	(3,853)	(3,505)
Cash from operating activities	91,112	254,403	81,828	242,057
Interest income	2,310	-	2,290	-
Cash paid for interest expenses	(80)	(8,069)	(80)	(8,069)
Cash paid for income tax	(3,072)	(361)	(2,671)	(147)
Net cash flows from operating activities	90,270	245,973	81,367	233,841

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from investing activities				
Payment of payables for purchase of machinery and equipment	(519)	(81)	(519)	(81)
Increase in advance payment for purchasing asset	(3,110)	-	(3,110)	-
Cash paid for investment in equity instrument of non-listed company	(3,888)	-	(3,888)	-
Acquisition of machinery and equipment	(19,280)	(21,777)	(19,280)	(21,777)
Acquisition of intangible assets	(3,775)	(527)	(3,775)	(527)
Increase in short-term loans to related parties	-	-	(50)	-
Net cash flows used in investing activities	(30,572)	(22,385)	(30,622)	(22,385)
Cash flows from financing activities				
Decrease in bank overdraft and short-term loans from financial institutions	-	11,860	-	11,860
Repayment of long-term loans	-	(248,000)	-	(248,000)
Repayment of lease liabilities	(651)	782	(651)	782
Cash receipt from share subscription as warrants exercised	1	126	1	126
Treasury shares	(16,022)	(17,786)	(16,022)	(17,786)
Dividend paid	(58,029)	(50,308)	(58,029)	(50,308)
Net cash flows used in financing activities	(74,701)	(303,326)	(74,701)	(303,326)
Net decrease in cash and cash equivalents	(15,003)	(79,738)	(23,956)	(91,870)
Cash and cash equivalents at beginning of period	128,261	119,258	110,051	98,778
Cash and cash equivalents at end of period	113,258	39,520	86,095	6,908
	-	-	-	-

Supplemental cash flows information

Non-cash transactions:

Purchases of machinery and equipment for

which payments have yet to be made 7,260 1,740 7,260 1,740

Purchases of intangible asset for

which payments have yet to be made 900 89 900 89

Additions to right-of-use assets 2,223 954 2,223 954

Advance payment for purchasing asset

for which was transferred to machinery and equipment 10,000 - 10,000 -

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 2024**

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company													
									Other components of shareholders' equity					
									Other comprehensive income	Capital surplus	Total other components of	Total equity	Equity	
	Issued and paid-up share capital		Cash receipt from share subscription	Capital reserve for share-based payments	Retained earnings				Revaluation surplus on land	from change in shareholding in subsidiaries	shareholders' equity	attributable to owners of the Company	non-controlling interests of the subsidiaries	Total shareholders' equity
share capital	Share premium	subscription	payments	Appropriated - statutory reserve	share reserve	Unappropriated	Treasury shares	surplus on land	in subsidiaries	equity	the Company	the subsidiaries	equity	
Balance as at 1 January 2023	841,711	429,045	15,364	39,013	27,700	17,363	502,747	(17,363)	28,572	394	28,966	1,884,546	4,656	1,889,202
Profit for the period	-	-	-	-	-	-	159,065	-	-	-	-	159,065	(934)	158,131
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	159,065	-	-	-	-	159,065	(934)	158,131
Cash receipt from share subscription														
as warrants exercised (Note 6)	-	-	126	-	-	-	-	-	-	-	-	126	-	126
Increase in share capital from														
warrants exercise	3,841	11,523	(15,364)	-	-	-	-	-	-	-	-	-	-	-
Increase in treasury shares (Note 7)	-	-	-	-	-	-	-	(17,786)	-	-	-	(17,786)	-	(17,786)
Unappropriated retained earnings transferred														
to treasury share reserve (Note 7)	-	-	-	-	-	17,786	(17,786)	-	-	-	-	-	-	-
Share-based payments (Note 6)	-	-	-	1,341	-	-	-	-	-	-	-	1,341	-	1,341
Dividend paid (Note 10)	-	-	-	-	-	-	(50,308)	-	-	-	-	(50,308)	-	(50,308)
Balance as at 30 June 2023	845,552	440,568	126	40,354	27,700	35,149	593,718	(35,149)	28,572	394	28,966	1,976,984	3,722	1,980,706
Balance as at 1 January 2024	845,584	440,662	-	45,438	39,100	51,213	650,486	(51,213)	39,774	394	40,168	2,061,438	5,313	2,066,751
Loss for the period	-	-	-	-	-	-	(34,456)	-	-	-	-	(34,456)	(364)	(34,820)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(34,456)	-	-	-	-	(34,456)	(364)	(34,820)
Cash receipt from share subscription														
as warrants exercised (Note 6)	-	-	1	-	-	-	-	-	-	-	-	1	-	1
Increase in treasury shares (Note 7)	-	-	-	-	-	-	-	(16,022)	-	-	-	(16,022)	-	(16,022)
Unappropriated retained earnings transferred														
to treasury share reserve (Note 7)	-	-	-	-	-	16,022	(16,022)	-	-	-	-	-	-	-
Dividend paid (Note 10)	-	-	-	-	-	-	(58,029)	-	-	-	-	(58,029)	-	(58,029)
Balance as at 30 June 2024	845,584	440,662	1	45,438	39,100	67,235	541,979	(67,235)	39,774	394	40,168	1,952,932	4,949	1,957,881

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 2024

(Unit: Thousand Baht)

	Separate financial statements										
									Other components of shareholders' equity		Total
									Other comprehensive income	Total	
	Issued and paid-up		Cash receipt from share subscription	Capital reserve for share-based payments	Retained earnings				Revaluation surplus on land	other components of shareholders' equity	Total shareholders' equity
share capital	Share premium			Appropriated - statutory reserve	Appropriated - treasury share reserve	Unappropriated	Treasury shares				
Balance as at 1 January 2023	841,711	429,045	15,364	39,013	27,700	17,363	497,205	(17,363)	28,572	28,572	1,878,610
Profit for the period	-	-	-	-	-	-	151,559	-	-	-	151,559
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	151,559	-	-	-	151,559
Cash receipt from share subscription as warrants exercised (Note 6)	-	-	126	-	-	-	-	-	-	-	126
Increase in share capital from warrant exercise	3,841	11,523	(15,364)	-	-	-	-	-	-	-	-
Increase in treasury shares (Note 7)	-	-	-	-	-	-	-	(17,786)	-	-	(17,786)
Unappropriated retained earnings transferred to treasury share reserve (Note 7)	-	-	-	-	-	17,786	(17,786)	-	-	-	-
Share-based payments (Note 6)	-	-	-	1,341	-	-	-	-	-	-	1,341
Dividend paid (Note 10)	-	-	-	-	-	-	(50,308)	-	-	-	(50,308)
Balance as at 30 June 2023	845,552	440,568	126	40,354	27,700	35,149	580,670	(35,149)	28,572	28,572	1,963,542
Balance as at 1 January 2024	845,584	440,662	-	45,438	39,100	51,213	635,915	(51,213)	39,774	39,774	2,046,473
Loss for the period	-	-	-	-	-	-	(33,991)	-	-	-	(33,991)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	(33,991)	-	-	-	(33,991)
Cash receipt from share subscription as warrants exercised (Note 6)	-	-	1	-	-	-	-	-	-	-	1
Increase in treasury shares (Note 7)	-	-	-	-	-	-	-	(16,022)	-	-	(16,022)
Unappropriated retained earnings transferred to treasury share reserve (Note 7)	-	-	-	-	-	16,022	(16,022)	-	-	-	-
Dividend paid (Note 10)	-	-	-	-	-	-	(58,029)	-	-	-	(58,029)
Balance as at 30 June 2024	845,584	440,662	1	45,438	39,100	67,235	527,873	(67,235)	39,774	39,774	1,938,432

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

Stars Microelectronics (Thailand) Public Company Limited and its subsidiaries

Condensed notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024

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 presenting condensed interim financial statements. 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 and has presented notes to the interim financial statement on a condensed basis.

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 2023, with no significant change in the Group's structure 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group's financial statements.

(Unaudited but reviewed)

2. Related party transactions

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

Summarised significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Other service income	-	-	1	175
Commission and service expenses	-	-	2	11

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Other service income	-	-	2	2
Commission and service expenses	-	-	4	24

(Unaudited but reviewed)

The balances of the accounts between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade receivables - related party (Note 3)</u>				
Subsidiary	-	-	74,930	72,223
<u>Other receivable - related parties (Note 3)</u>				
Subsidiaries	-	-	-	24
<u>Other payable - related party</u>				
Subsidiary	-	-	1,295	1,447
<u>Directors and management's benefits</u>				

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	7	9	7	8
Post-employment benefits	1	3	1	2
Termination benefits	-	4	-	4
Share-based payments	-	1	-	1
Total	<u>8</u>	<u>17</u>	<u>8</u>	<u>15</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	16	18	15	14
Post-employment benefits	3	3	3	2
Termination benefits	-	4	-	4
Share-based payments	-	1	-	1
Total	<u>19</u>	<u>26</u>	<u>18</u>	<u>21</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	66,859	47,147
Past due				
Up to 3 months	-	-	8,013	25,047
3 - 6 months	-	-	40	9
6 - 12 months	-	-	18	20
Total trade receivables - related party	<u>-</u>	<u>-</u>	<u>74,930</u>	<u>72,223</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	208,797	173,865	147,097	128,212
Past due				
Up to 3 months	63,251	81,969	58,862	54,379
3 - 6 months	5,603	262	4,569	261
6 - 12 months	373	3,682	354	3,202
Over 12 months	<u>232,803</u>	<u>238,830</u>	<u>232,803</u>	<u>238,830</u>
Total trade receivables - unrelated parties	<u>510,827</u>	<u>498,608</u>	<u>443,685</u>	<u>424,884</u>
Less: Allowance for expected credit losses	<u>(233,544)</u>	<u>(233,979)</u>	<u>(233,544)</u>	<u>(233,979)</u>
Total trade receivables - unrelated parties, net	<u>277,283</u>	<u>264,629</u>	<u>210,141</u>	<u>190,905</u>
Total trade receivables - net	<u>277,283</u>	<u>264,629</u>	<u>285,071</u>	<u>263,128</u>
<u>Other receivables</u>				
Other receivables - related parties	-	-	-	24
Other receivables - unrelated parties	<u>43,436</u>	<u>2,823</u>	<u>43,436</u>	<u>2,823</u>
Total other receivables	<u>43,436</u>	<u>2,823</u>	<u>43,436</u>	<u>2,847</u>
Less: Allowance for expected credit losses	<u>(443)</u>	-	<u>(443)</u>	-
Total other receivables - net	<u>42,993</u>	-	<u>42,993</u>	-
Total trade and other receivables - net	<u>320,276</u>	<u>267,452</u>	<u>328,064</u>	<u>265,975</u>

(Unaudited but reviewed)

4. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Inventories - cost	722,315	767,360	720,045	765,090
Reduce cost to net realisable value	(159,817)	(167,883)	(157,547)	(165,613)
Inventories - net	<u>562,498</u>	<u>599,477</u>	<u>562,498</u>	<u>599,477</u>

5. Investment in equity instruments of non-listed company

Investment in equity instruments of a non-listed company is considered an equity instrument, and the Company recognises it at fair value through other comprehensive income. The Company regards this as a strategic investment. This investment comprises 880,147 ordinary shares of CG Semi Private Limited, each with a par value of 10 Indian Rupees, constituting a 0.9 percent holding of the issued and paid-up capital.

As of 30 June 2024, the Company has an investment commitment in this company of approximately USD 1.9 million, according to the joint venture agreement dated 8 February 2024. This agreement outlines a timeline for a capital increase of this company to be completed by the year 2028. The Company has agreed to maintain a shareholding ratio of 0.90 percent of the issued and paid-up capital.

6. Warrants

a) Warrants to purchase the Company's ordinary shares No.3 issued to the existing shareholders (SMT-W3).

A reconciliation of number of warrants (SMT-W3) for the six-month period ended 30 June 2024 is provided below.

(Unit: Unit)

Number of warrants as at 1 January 2023	209,002,116
Exercised during the period	(342)
Expired during the period	<u>(209,001,774)</u>
Number of warrants as at 30 June 2024	<u>-</u>

(Unaudited but reviewed)

On 28 June 2024 (the last exercise date), 342 warrants were exercised. Cash receipts amounting to Baht 1,368 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 2024. The Company registered the increase in its paid-up share capital as a result of this warrant exercise with the Ministry of Commerce on 8 July 2024. In addition, the Company filed an application with the Stock Exchange of Thailand (SET) to register these shares as listed securities. The SET approved the trading of the additional shares through the SET, effective from 15 July 2024.

In addition, the outstanding 209,001,774 warrants were expired on 28 June 2024.

b) Warrants to purchase the Company's ordinary shares No.3 issued to directors and/or employees of the Company (SMT-WC).

During the three-month and six-month periods ended 30 June 2024, the Company was not record expense in relation to the warrant scheme (2023: Baht 0.7 million and 1.3 million, respectively) because the Company has fully recorded expense during 2023, 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 2024, the SMT-WC warrants were not exercised. The outstanding 8,012,910 warrants were expired on 28 June 2024.

7. Treasury shares

The details on the approved repurchase of treasury shares are as follows:

	Treasury Shares No. 1	Treasury Shares No. 2
Approved by	- The meeting of the Board of Directors on 12 October 2022	- The meeting of the Board of Directors on 2 November 2023
Number of ordinary shares to be repurchased	- No more than 60 million shares (representing 7.1 percent of the Company's total disposed shares)	- No more than 55 million shares (representing 6.6 percent of the Company's total disposed shares)
Maximum repurchase limit	- Baht 240 million	- Baht 250 million
Share repurchase period	- 26 October 22 - 25 April 23	- 7 November 23 - 3 May 24
Period for selling repurchased shares	- After 6 months from the completion of share repurchase but no more than 3 years	- After 6 months from the completion of share repurchase but no more than 3 years

Changes in treasury shares for the six-month period ended 30 June 2024 and 2023 are as follows:

	Consolidated and Separate Financial Statements					
	Treasury Shares No.1		Treasury Shares No.2		Total	
	Number of ordinary shares to be repurchased	Repurchase amount	Number of ordinary shares to be repurchased	Repurchase amount	Number of ordinary shares to be repurchased	Repurchase amount
	(Thousand Units)	(Thousand Baht)	(Thousand Units)	(Thousand Baht)	(Thousand Units)	(Thousand Baht)
As at 1 January 2023	3,344	17,363	-	-	3,344	17,363
Repurchased during the period	3,747	17,786	-	-	3,747	17,786
As at 30 June 2023	<u>7,091</u>	<u>35,149</u>	<u>-</u>	<u>-</u>	<u>7,091</u>	<u>35,149</u>
As at 1 January 2024	7,091	35,149	4,066	16,064	11,157	51,213
Repurchased during the period	-	-	5,447	16,022	5,447	16,022
As at 30 June 2024	<u>7,091</u>	<u>35,149</u>	<u>9,513</u>	<u>32,086</u>	<u>16,604</u>	<u>67,235</u>

Treasury shares were presented as a deduction in shareholders' equity under the cost method. The market price of the treasury shares, calculated based on the closing price of the shares on the Stock Exchange of Thailand on the last business day of the period, was approximately Baht 49.8 million (31 December 2023: Baht 41.3 million).

The Company is required to set aside retained earnings as a reserve equivalent to the amount used for repurchasing treasury shares until all shares are disposed of. Alternatively, the Company may reduce paid-up capital by cancelling unsold treasury shares, as the case may be. As at 30 June 2024, the Company has already allocated the amount of retained earnings as a reserve for treasury shares.

8. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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 (loss) per share is calculated by dividing profit (loss) 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.

(Unaudited but reviewed)

The following table sets forth the computation of earnings per share for the three-month and six-month periods ended 30 June 2024 and 2023:

Consolidated financial statements					
For the three-month periods ended 30 June					
Profit (loss) for the		Weighted average		Profit (loss) per share	
period		number of ordinary shares			
<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
(63,248)	85,250	845,582	845,553	(0.07)	0.10
Effect of dilutive potential ordinary shares					
SMT-W3					
-	-	-	18,558		
SMT-WC					
-	-	-	148		
Diluted earnings (loss) per share					
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares					
(63,248)	85,250	845,582	864,259	(0.07)	0.10

Consolidated financial statements					
For the six-month periods ended 30 June					
Profit (loss) for the		Weighted average		Profit (loss) per share	
period		number of ordinary shares			
<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
(34,456)	159,064	845,582	845,471	(0.04)	0.19
Effect of dilutive potential ordinary shares					
SMT-W3					
-	-	-	18,555		
SMT-WC					
-	-	-	148		
Diluted earnings (loss) per share					
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares					
(34,456)	159,064	845,582	864,174	(0.04)	0.18

(Unaudited but reviewed)

Separate financial statements							
For the three-month periods ended 30 June							
Profit (loss) for the period		Weighted average number of ordinary shares		Profit (loss) per share			
<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>		
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)		
Basic earnings (loss) per share							
Profit (loss) attributable to equity holders of the Company		(63,351)	77,031	845,582	845,553	(0.07)	0.09
Effect of dilutive potential ordinary shares							
SMT-W3		-	-	-	18,558		
SMT-WC		-	-	-	148		
Diluted earnings (loss) per share							
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares		(63,351)	77,031	845,582	864,259	(0.07)	0.09

Separate financial statements							
For the six-month periods ended 30 June							
Profit (loss) for the period		Weighted average number of ordinary shares		Profit (loss) per share			
<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>		
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)		
Basic earnings (loss)per share							
Profit (loss) attributable to equity holders of the Company		(33,991)	151,559	845,582	845,471	(0.04)	0.18
Effect of dilutive potential ordinary shares							
SMT-W3		-	-	-	18,555		
SMT-WC		-	-	-	148		
Diluted earnings (loss) per share							
Profit (loss) attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares		(33,991)	151,559	845,582	864,174	(0.04)	0.18

9. Segment information

The Group is organised into business units based on its products and services. The Group has changed the organisation structure of its reportable segments to align with the current resource allocation and performance assessment. The Group is organised into the following 3 business units based on its products:

- Electronics Manufacturing Service (EMS) segment provides manufacture, assembly and sales of EMS.
- Outsourced Assembly and Test (OSAT) segment provides assembly, test and sales of OSAT.
- Fiber optical devices (Optical) segment provides manufacture, assembly and sales of Optical.

(Unaudited but reviewed)

The following table presents revenue and profit information regarding the Group's operating segments.

(Unit: Million Baht)

For the three-month periods ended 30 June												
	Electronics				Fiber optics devices							
	Manufacturing		Outsourced Assembly and Test segment				segment		Elimination of		Consolidated	
	Service segment		Located in Thailand		Located in United States of America		Located in Thailand		inter-segment revenues		financial statements	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from external customers	166	186	151	237	-	-	170	283	-	-	487	706
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	<u>166</u>	<u>186</u>	<u>151</u>	<u>237</u>	<u>-</u>	<u>-</u>	<u>170</u>	<u>283</u>	<u>-</u>	<u>-</u>	<u>487</u>	<u>706</u>
Segment profit (loss)	(36)	12	-	79	-	-	23	67	-	-	(13)	158
Other service income and other income											11	18
Selling and distribution expenses											(14)	(25)
Administrative expenses and loss on derivatives											(53)	(55)
Finance cost											-	(3)
Income tax revenues (expenses)											6	(8)
Profit (loss) attributable to non-controlling interests of the subsidiaries											-	-
Profit (loss) attributable to equity holders of the Company											<u>(63)</u>	<u>85</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Electronics		Outsourced Assembly and Test segment				Fiber optics devices segment		Elimination of inter-segment revenues		Consolidated financial statements	
	Manufacturing Service segment		Located in Thailand		Located in United States of America		Located in Thailand					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from external customers	367	355	292	503	-	-	301	494	-	-	960	1,352
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	<u>367</u>	<u>355</u>	<u>292</u>	<u>503</u>	<u>-</u>	<u>-</u>	<u>301</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>960</u>	<u>1,352</u>
Segment profit (loss)	(22)	39	11	155	-	-	46	119	-	-	35	313
Other service income and other income											70	34
Selling and distribution expenses											(25)	(46)
Administrative expenses and loss on derivatives											(114)	(118)
Finance cost											-	(8)
Income tax expenses											-	(17)
Profit (loss) attributable to non-controlling interests of the subsidiaries											-	1
Profit (loss) attributable to equity holders of the Company											<u>(34)</u>	<u>159</u>

For the six-month period ended 30 June 2024, the Group has revenue from three major customers in amounts of Baht 343 million 101 million and 91 million (2023: Baht 603 million and Baht 213 million derived from two major customers), arising from three segments.

10. Dividend paid

Dividend	Approved	Dividend payment amount	Dividend per share
		(Thousand Baht)	(Baht)
Final dividend for 2023	Annual General Meeting of the shareholders on 25 April 2024	58,029	0.07
Total for 2024		58,029	0.07
Final dividend for 2022	Annual General Meeting of the shareholders on 27 April 2023	50,308	0.06
Total for 2023		50,308	0.06

11 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.

12. Financial instruments**12.1 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.

12.2 Fair value hierarchy

As at 30 June 2024, the Group had derivative liabilities of Baht 5 million (31 December 2023: derivative assets of Baht 2 million and derivative liabilities of Baht 2 million) that were measured at fair value and the fair value hierarchy are level 2.

During the current period the Group 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.

13. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2024.