

**Muramoto Electron (Thailand) Public Company
Limited and its Subsidiary**

Interim financial statements
For the three-month and six-month periods ended
31 March 2019

and
Independent auditor's report on review of interim financial
information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Muramoto Electron (Thailand) Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Muramoto Electron (Thailand) Public Company Limited and its subsidiary, and of Muramoto Electron (Thailand) Public Company Limited, respectively, as at 31 March 2019; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 31 March 2019, changes in equity and cash flows for the six-month period ended 31 March 2019; and condensed notes ("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 the 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".

(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
10 May 2019

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	31 March	30 September	31 March	30 September
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents		2,370,081	2,651,189	2,196,992	2,305,949
Trade accounts receivable	3, 4	1,399,785	1,685,600	1,051,401	1,426,132
Other receivables	3	116,690	139,519	90,461	116,736
Short-term loan to related party	3	-	64,473	-	64,473
Inventories		1,146,972	1,139,798	774,257	733,198
Total current assets		5,033,528	5,680,579	4,113,111	4,646,488
<i>Non-current assets</i>					
Investment in subsidiary	5	-	-	299,998	299,998
Property, plant and equipment	6	2,244,911	2,287,846	1,548,366	1,596,148
Intangible assets		22,978	23,979	20,887	22,451
Deferred tax assets		34,338	40,621	18,927	18,732
Other non-current assets		12,575	14,607	4,719	6,402
Total non-current assets		2,314,802	2,367,053	1,892,897	1,943,731
Total assets		7,348,330	8,047,632	6,006,008	6,590,219

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	31 March	30 September	31 March	30 September
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Trade accounts payable	3	1,055,108	1,375,967	828,065	1,141,933
Other payables	3	263,756	262,373	229,019	209,939
Payable for property, plant and equipment		26,372	16,643	7,833	12,057
Current portion of finance lease liabilities		38,409	35,712	-	-
Income tax payable		-	32,389	-	26,546
Total current liabilities		1,383,645	1,723,084	1,064,917	1,390,475
Non-current liabilities					
Finance lease liabilities		87,431	84,348	-	-
Non-current provisions for employee benefit		271,245	267,790	236,504	228,759
Total non-current liabilities		358,676	352,138	236,504	228,759
Total liabilities		1,742,321	2,075,222	1,301,421	1,619,234
Equity					
Share capital					
Authorised share capital		238,981	238,981	238,981	238,981
Issued and paid-up share capital		208,981	208,981	208,981	208,981
Additional paid-in capital					
Premium on ordinary shares		653,700	653,700	653,700	653,700
Retained earnings					
Appropriated					
Legal reserve		25,000	25,000	25,000	25,000
Unappropriated		4,718,328	5,084,729	3,816,906	4,083,304
Total equity		5,606,009	5,972,410	4,704,587	4,970,985
Total liabilities and equity		7,348,330	8,047,632	6,006,008	6,590,219

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Income					
Revenue from sale of goods	3, 7	2,714,271	3,035,818	2,219,422	2,382,038
Dividend income	3	-	-	50,000	72,900
Other income	3	30,740	41,045	20,659	32,410
Total income		2,745,011	3,076,863	2,290,081	2,487,348
Expenses					
Cost of sale of goods	3	2,683,694	2,957,668	2,167,213	2,322,909
Distribution costs	3	42,677	51,492	37,795	41,835
Administrative expenses	3	84,244	77,802	77,439	64,382
Net foreign exchange loss		3,481	13,490	7,060	16,849
Finance costs		637	640	-	-
Total expenses		2,814,733	3,101,092	2,289,507	2,445,975
Profit (loss) before income tax expense		(69,722)	(24,229)	574	41,373
Tax expense (income)	8	1,280	(7,842)	105	(7,786)
Profit (loss) for the period		(71,002)	(16,387)	469	49,159
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		(71,002)	(16,387)	469	49,159
Basic earnings (loss) per share (Baht)	9	(3.40)	(0.78)	0.02	2.35

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended		Six-month period ended	
		31 March		31 March	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Income</i>					
Revenue from sale of goods	3, 7	5,610,977	6,383,536	4,637,322	5,095,886
Dividend income	3	-	-	50,000	72,900
Other income	3	69,289	68,051	52,543	54,078
Net foreign exchange gain		12,993	-	7,260	-
Total income		5,693,259	6,451,587	4,747,125	5,222,864
<i>Expenses</i>					
Cost of sale of goods	3	5,518,893	6,141,371	4,514,874	4,874,772
Distribution costs	3	88,672	107,640	77,860	89,576
Administrative expenses	3	172,886	155,655	149,309	127,768
Net foreign exchange loss		-	24,785	-	31,154
Finance costs		1,251	1,321	-	-
Total expenses		5,781,702	6,430,772	4,742,043	5,123,270
Profit (loss) before income tax expense		(88,443)	20,815	5,082	99,594
Tax expense (income)	8	6,283	3,099	(195)	2,268
Profit (loss) for the period		(94,726)	17,716	5,277	97,326
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		(94,726)	17,716	5,277	97,326
Basic earnings (loss) per share (Baht)	9	(4.53)	0.85	0.25	4.66

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

				Consolidated financial statements			
				<i>Retained earnings</i>			
		Issued and paid-up share capital	Share premium	Legal reserve <i>(in thousand Baht)</i>	Unappropriated	Total equity	
For the six-month period ended 31 March 2018	Note						
Balance at 1 October 2017		208,981	653,700	25,000	5,093,180	5,980,861	
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividend to owners of the Company	11	-	-	-	(167,185)	(167,185)	
<i>Total distributions to owners of the Company</i>		-	-	-	(167,185)	(167,185)	
Total transactions with owners, recorded directly in equity		-	-	-	(167,185)	(167,185)	
Comprehensive income for the period							
Profit		-	-	-	17,716	17,716	
Other comprehensive income		-	-	-	-	-	
Total comprehensive income for the period		-	-	-	17,716	17,716	
Balance at 31 March 2018		208,981	653,700	25,000	4,943,711	5,831,392	

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

Consolidated financial statements							
			Retained earnings				
			Issued and paid-up share capital	Share premium	Legal reserve (in thousand Baht)	Unappropriated	Total equity
For the six-month period ended 31 March 2019		Note					
Balance at 1 October 2018			208,981	653,700	25,000	5,084,729	5,972,410
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividend to owners of the Company	11		-	-	-	(271,675)	(271,675)
Total distributions to owners of the Company			-	-	-	(271,675)	(271,675)
Total transactions with owners, recorded directly in equity			-	-	-	(271,675)	(271,675)
Comprehensive income (loss) for the period							
Loss			-	-	-	(94,726)	(94,726)
Other comprehensive income			-	-	-	-	-
Total comprehensive income (loss) for the period			-	-	-	(94,726)	(94,726)
Balance at 31 March 2019			208,981	653,700	25,000	4,718,328	5,606,009

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Separate financial statements				
	<i>Retained earnings</i>				
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in thousand Baht)</i>	Unappropriated	Total equity
For the six-month period ended 31 March 2018					
Balance at 1 October 2017	208,981	653,700	25,000	4,045,301	4,932,982
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividend to owners of the Company	-	-	-	(167,185)	(167,185)
<i>Total distributions to owners of the Company</i>	-	-	-	(167,185)	(167,185)
Total transactions with owners, recorded directly in equity	-	-	-	(167,185)	(167,185)
Comprehensive income for the period					
Profit	-	-	-	97,326	97,326
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	97,326	97,326
Balance at 31 March 2018	208,981	653,700	25,000	3,975,442	4,863,123

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Separate financial statements				
	<i>Retained earnings</i>				
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in thousand Baht)</i>	Unappropriated	Total equity
For the six-month period ended 31 March 2019	<i>Note</i>				
Balance at 1 October 2018	208,981	653,700	25,000	4,083,304	4,970,985
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividend to owners of the Company	-	-	-	(271,675)	(271,675)
<i>Total distributions to owners of the Company</i>	-	-	-	(271,675)	(271,675)
Total transactions with owners, recorded directly in equity	-	-	-	(271,675)	(271,675)
Comprehensive income for the period					
Profit	-	-	-	5,277	5,277
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,277	5,277
Balance at 31 March 2019	208,981	653,700	25,000	3,816,906	4,704,587

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(94,726)	17,716	5,277	97,326
<i>Adjustments to reconcile profit (loss) to cash receipts</i>				
Tax expense (income)	6,283	3,099	(195)	2,268
Depreciation and amortisation	178,027	201,704	115,909	125,445
Dividend income	-	-	(50,000)	(72,900)
Finance costs	1,251	1,321	-	-
Unrealised loss (gain) on exchange rate	(6,775)	40,701	(229)	39,110
Allowance for obsolete and decline in value of inventories	10,016	2,446	10,016	1,501
Loss (gain) on disposal of property, plant and equipment	2,453	3,358	257	(116)
Employee benefit expenses	12,548	12,316	10,581	9,444
	109,077	282,661	91,616	202,078
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	288,460	85,261	377,365	48,152
Other receivables	22,904	(44,999)	26,177	(41,801)
Inventories	(17,190)	47,493	(51,075)	15,327
Other non-current assets	2,009	(20)	1,659	(20)
Trade accounts payable	(319,584)	(143,034)	(315,015)	(162,619)
Other payables	2,089	(14,076)	18,992	1,101
Employee benefit paid	(9,093)	(751)	(2,836)	-
Tax paid	(32,389)	(13,212)	(26,546)	(13,212)
Net cash from operating activities	46,283	199,323	120,337	49,006

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from repayment of loan to related party	64,473	32,280	64,473	32,280
Acquisition of property, plant and equipment	(106,481)	(83,351)	(69,064)	(73,135)
Proceeds from sale of property, plant and equipment	8,745	141	347	120
Acquisition of intangible assets	(3,758)	(20,955)	(2,304)	(20,955)
Dividend received	-	-	50,000	72,900
Net cash from (used in) investing activities	(37,021)	(71,885)	43,452	11,210
<i>Cash flows from financing activities</i>				
Financial cost paid	(1,251)	(1,321)	-	-
Repayment under finance lease liabilities	(16,373)	(36,919)	-	-
Dividends paid	(271,675)	(167,185)	(271,675)	(167,185)
Net cash used in financing activities	(289,299)	(205,425)	(271,675)	(167,185)
Net decrease in cash and cash equivalents, before effect of exchange rates	(280,037)	(77,987)	(107,886)	(106,969)
Effect of exchange rate changes on cash and cash equivalents	(1,071)	(32,664)	(1,071)	(32,665)
Net decrease in cash and cash equivalents	(281,108)	(110,651)	(108,957)	(139,634)
Cash and cash equivalents at 1 October	2,651,189	2,471,479	2,305,949	2,181,899
Cash and cash equivalents at 31 March	2,370,081	2,360,828	2,196,992	2,042,265

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Supplemental disclosures of cash flows information:				
Property, plant and equipment purchased during the periods are details as follows:				
Increase in property, plant and equipment during the periods	142,147	172,472	64,840	121,719
Less assets acquired by means of finance lease during the periods	(25,937)	(36,318)	-	-
Change in payables for purchase of property, plant and equipment	<u>(9,729)</u>	<u>(52,803)</u>	<u>4,224</u>	<u>(48,584)</u>
Purchased of property, plant and equipment paid by cash	<u>106,481</u>	<u>83,351</u>	<u>69,064</u>	<u>73,135</u>

The accompanying notes are an integral part of these interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 31 March 2019 (Unaudited)

Note	Contents
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9	Basic earnings (loss) per share
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Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 31 March 2019 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory interim financial statements and were approved and authorised for issue by the Board of Directors on 10 May 2019.

1 General information

Muramoto Electron (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 886 Ramindhra Road, Khwaeng Kannayao, Khet Kannayao, Bangkok 10230, Thailand. Its plants are located at 1 Mu 6 Bangna-Trat Road Km.25, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10570 and 99/7 Mu 3 Bangna-Trat Road Km.23, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10570.

The Company was listed on the Stock Exchange of Thailand in August 1992.

The parent company during the financial period was Muramoto Industry Co., Ltd. (incorporated in Japan).

The principal activities of the Company are manufacturing of metal and plastic parts for audio/visual equipment and electronic equipment for automobiles and office automation appliances. Details of the Company’s subsidiary is given in notes 3 and 5.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 30 September 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 30 September 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 30 September 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

For a number of new TFRS which are not yet effective for current period, the Group has not early adopted these standards in preparing these interim financial statements before the effective date. Those new TFRS that are relevant to the Group’s operations are disclosed in note 14.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the interim financial statements

For the three-month and six-month periods ended 31 March 2019 (Unaudited)

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2018.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 10 financial instruments.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 31 March 2019 (Unaudited)

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.
Muramoto Industry Co., Ltd.	Japan	Parent of the group, some common directors
Sima Technology Co., Ltd.	Thailand	Direct subsidiary, 99.99% shareholding and common director
Muramoto Asia Pte Ltd.	Singapore	Parent is major shareholder, common director
Muramoto USA Inc.	USA	Parent is major shareholder, common director
Muramoto Manufacturing Europe S.R.O.	Czech Republic	Parent is major shareholder, common director
Muramoto Audio-Visual Philippines Inc.	Philippines	Parent is major shareholder, common director
P.T. Muramoto Elecktronika Indonesia	Indonesia	Parent is major shareholder, common director

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost plus margin
Purchases of goods and fixed assets	At comparable prices to purchase from third parties
Service fees	1% and 0.75% of total sales
Technical fees	At contractually agreed prices
Interest income	At rates comparable to market
Dividend income	Upon declaration
Other income	At contractually agreed prices

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the interim financial statements

For the three-month and six-month periods ended 31 March 2019 (Unaudited)

Significant transactions for three-month and six-month periods ended 31 March with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	49,664	216,501	49,623	28,902
Purchases of goods and fixed assets	3,292	53,995	3,284	51,343
Service fees	22,365	25,704	22,133	23,821
Technical fees	2,261	1,633	1,862	1,633
Other income	45	3,303	45	3,303
Subsidiary				
Sales of goods	-	-	214	87,929
Purchases of goods	-	-	4,611	6,399
Dividend income	-	-	50,000	72,900
Other related parties				
Sales of goods	304,145	514,388	302,328	514,388
Purchases of goods	-	31,250	-	-
Interest income	-	260	-	260
Other income	167	10,839	167	10,839
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	20,044	19,909	10,764	10,834
Post-employment benefits	31	89	14	13
Total key management personnel compensation	<u>20,075</u>	<u>19,998</u>	<u>10,778</u>	<u>10,847</u>
<i>Six-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	106,470	451,726	82,716	68,793
Purchases of goods and fixed assets	14,720	86,842	13,545	81,172
Service fees	46,991	54,794	46,243	50,959
Technical fees	6,267	2,232	5,468	2,232
Other income	1,691	3,539	1,532	3,417
Subsidiary				
Sales of goods	-	-	432	183,670
Purchases of goods	-	-	10,954	13,044
Dividend income	-	-	50,000	72,900
Other income	-	-	5	-
Other related parties				
Sales of goods	685,082	1,066,221	680,595	1,066,221
Purchases of goods	-	82,184	-	-
Interest income	229	646	229	646
Other income	274	10,853	167	10,839

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<i>Six-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	39,068	41,904	22,277	24,551
Post-employment benefits	62	178	28	27
Total key management personnel compensation	<u>39,130</u>	<u>42,082</u>	<u>22,305</u>	<u>24,578</u>

Balances as at 31 March 2019 and 30 September 2018 with related parties are as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	29,373	163,544	29,336	32,025
Subsidiary	-	-	230	107,947
Other related parties	212,897	316,744	211,796	315,119
Total	<u>242,270</u>	<u>480,288</u>	<u>241,362</u>	<u>455,091</u>

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	86	2,661	86	2,661
Subsidiary	-	-	33	18
Other related parties	4,971	-	4,971	-
Total	<u>5,057</u>	<u>2,661</u>	<u>5,090</u>	<u>2,679</u>

<i>Short-term loan - related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Other related party	-	1.65	-	64,473	-	64,473
Total			<u>-</u>	<u>64,473</u>	<u>-</u>	<u>64,473</u>

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Movements during the six-month periods ended 31 March 2019 and 2018 of short-term loan to related party were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related party				
At 1 October	64,473	99,613	64,473	99,613
Decreased	(64,473)	(32,280)	(64,473)	(32,280)
Unrealized loss on exchange rate	-	(5,218)	-	(5,218)
At 31 March	-	62,115	-	62,115

On 17 December 2013, the Company entered into a loan agreement with Muramoto Asia Pte Ltd. in which the Company agreed to lend USD 3 million (equivalent to Baht 103 million) to the latter. The loan bears interest at 1.20% per annum, is unsecured and is due on 16 December 2016. At the Board of Directors' meeting held on 25 November 2016, the Board approved the extension of the period of loan to 16 December 2017 and the loan interest rate at 1.65% per annum. At the Board of Directors' meeting held on 24 November 2017, the Board approved the extension USD 2 million due on 16 December 2018 and the loan interest rate at 1.65% per annum. On 14 December 2018, the Company received repayment loan in full amount.

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	2,636	14,412	2,421	9,464
Subsidiary	-	-	2,998	2,022
Other related parties	-	16,707	-	32
Total	2,636	31,119	5,419	11,518

Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	43,110	47,430	43,110	45,282
Subsidiary	-	-	15	-
Other related parties	151	176	151	176
Total	43,261	47,606	43,276	45,458

Significant agreements with related parties

As at 31 March 2019, the parent company has guaranteed USD 6.1 million (equivalent to Baht 195.07 million) and Baht 775 million of credit facilities extended by the financial institutions to the Company (30 September 2018: USD 6.1 million (equivalent to Baht 198.72 million) and Baht 775 million).

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Service agreements

The Company and its subsidiary have entered into service agreements with the parent company whereby the parent company agrees to provide full assistance and furnish the Company and its subsidiary with all technical advice and business support for the production and marketing of electronic parts. Under the term of the agreements, the Company agrees to pay a fee equal to 1% and the subsidiary agrees to pay a fee equal to 0.75% of total sales in each fiscal year. The agreements are automatically renewed on a year-to-year basis, unless either of the parties hereto gives the other party prior written notice.

The Company has entered into providing Enterprise Resource Planning (ERP) service agreement with the parent company. The parent company had purchased ERP system which would be able to improve productivity by simplifying manufacturing processes and save cost. The parent company grant the company permission to use ERP system through the cloud service and the Company use ERP service such as Accounting, Financial, Material management, Production, Planning & Control and Sales & distribution operation under the term of the agreement, the Company agrees to pay the service fee according to the size of using. The agreement shall be one year and shall be extended automatically for successive periods of one year each unless either party gives the other party notice of non-extension in writing at least thirty days prior to the expiration of the original or any extended term of this Agreement.

4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	30 September 2018	31 March 2019	30 September 2018
		(in thousand Baht)			
Related parties	3	242,270	480,288	241,362	455,091
Other parties		1,157,515	1,205,312	810,039	971,041
Total		1,399,785	1,685,600	1,051,401	1,426,132

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018
	(in thousand Baht)			
Related parties				
Within credit terms	236,785	471,739	235,877	446,542
Overdue:				
Less than 3 months	3,256	5,302	3,256	5,302
Overdue 3-12 months	2,229	3,247	2,229	3,247
	242,270	480,288	241,362	455,091
Other parties				
Within credit terms	1,154,772	1,202,874	807,296	968,603
Overdue:				
Less than 3 months	2,743	2,438	2,743	2,438
	1,157,515	1,205,312	810,039	971,041
Total	1,399,785	1,685,600	1,051,401	1,426,132

The normal credit term granted by the Group ranges from 30 days to 90 days.

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5 Investment in subsidiary

The investment in subsidiary as at 31 March 2019 and 30 September 2018, and dividend income from this investment for the six-month periods ended 31 March 2019 and 2018 were as follows:

	Ownership interest		Paid-up capital		Cost method		Dividend for the	
	31 March 2019	30 September 2018	31 March 2019	30 September 2018	31 March 2019	30 September 2018	six-month ended 31 March 2019	31 March 2018
	(%)							
					<i>(in thousand Baht)</i>			
Subsidiary								
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,998	299,998	50,000	72,900

Subsidiary engages in manufacture of electronic parts and was incorporated in Thailand. It isn't publicly listed consequently do not has published price quotation.

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6 Property, plant and equipment

The movement of property, plant and equipment during the six-month period ended 31 March 2019 was as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Book value as at 1 October 2018	2,287,846	1,596,148
Additions	142,147	64,840
Disposals	(11,198)	(604)
Depreciation charge for the period	(173,884)	(112,018)
Book value as at 31 March 2019	<u>2,244,911</u>	<u>1,548,366</u>

7 Segment information

The Group's business segments consist of Electronic parts for automotive business, Electronic parts for office automation business and other electronic parts business.

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Segment information presented in respect of the business segment for three-month and six-month periods ended at 31 March 2019 and 2018 were as follows:

For the three-month period ended 31 March 2019

	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
			(in thousand Baht)			
External revenue	883,079	1,824,228	6,964	2,714,271	-	2,714,271
Inter-segment revenue	4,707	133	-	4,840	(4,840)	-
Total segment revenue	887,786	1,824,361	6,964	2,719,111	(4,840)	2,714,271
Segment profit (loss) before income tax	(30,097)	9,987	174	(19,936)	(49,786)	(69,722)
Segment assets as at 31 March 2019	1,599,697	1,722,398	1,475,033	4,797,128	(5,459)	4,791,669
Segment liabilities as at 31 March 2019	178,182	742,094	138,092	1,058,368	(3,260)	1,055,108

For the three-month period ended 31 March 2018

	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
			(in thousand Baht)			
External revenue	1,237,878	1,788,681	9,259	3,035,818	-	3,035,818
Inter-segment revenue	90,770	3,557	-	94,327	(94,327)	-
Total segment revenue	1,328,648	1,792,238	9,259	3,130,145	(94,327)	3,035,818
Segment profit (loss) before income tax	(23,787)	(710)	47	(24,450)	221	(24,229)
Segment assets as at 30 September 2018	1,628,666	2,164,877	1,432,315	5,225,858	(112,613)	5,113,245
Segment liabilities as at 30 September 2018	376,166	904,154	205,635	1,485,955	(109,988)	1,375,967

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For the three-month and six-month periods ended 31 March 2019 (Unaudited)

For the six-month period ended 31 March 2019

	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
			<i>(in thousand Baht)</i>			
External revenue	1,945,705	3,651,431	13,841	5,610,977	-	5,610,977
Inter-segment revenue	11,140	261	-	11,401	(11,401)	-
Total segment revenue	1,956,845	3,651,692	13,841	5,622,378	(11,401)	5,610,977
Segment profit (loss) before income tax	(65,490)	26,269	351	(38,870)	(49,573)	(88,443)
Segment assets as at 31 March 2019	1,599,697	1,722,398	1,475,033	4,797,128	(5,459)	4,791,669
Segment liability as at 31 March 2019	178,182	742,094	138,092	1,058,368	(3,260)	1,055,108

For the six-month period ended 31 March 2018

	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
			<i>(in thousand Baht)</i>			
External revenue	2,553,196	3,806,258	24,082	6,383,536	-	6,383,536
Inter-segment revenue	189,138	7,575	-	196,713	(196,713)	-
Total segment revenue	2,742,334	3,813,833	24,082	6,580,249	(196,713)	6,383,536
Segment profit (loss) before income tax	(20,926)	40,597	700	20,371	444	20,815
Segment assets as at 30 September 2018	1,628,666	2,164,877	1,432,315	5,225,858	(112,613)	5,113,245
Segment liabilities as at 30 September 2018	376,166	904,154	205,635	1,485,955	(109,988)	1,375,967

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Notes to the interim financial statements

For the three-month and six-month periods ended 31 March 2019 (Unaudited)

Reconciliation of reportable segment assets and liabilities

	31 March 2019	30 September 2018
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	4,791,669	5,113,245
Other unallocated amounts	2,556,661	2,934,387
Consolidated total assets	7,348,330	8,047,632
Liabilities		
Total liabilities for reportable segments	1,055,108	1,375,967
Other unallocated amounts	687,213	699,255
Consolidated total liabilities	1,742,321	2,075,222

8 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>For the three-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	-	(6,714)	-	(6,714)
	-	(6,714)	-	(6,714)
Deferred tax				
Movements in temporary differences	1,280	(1,128)	105	(1,072)
Total	1,280	(7,842)	105	(7,786)
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>For the six-month period ended 31 March</i>	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	-	3,815	-	3,815
	-	3,815	-	3,815
Deferred tax				
Movements in temporary differences	6,283	(716)	(195)	(1,547)
Total	6,283	3,099	(195)	2,268

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit (loss) before income tax expense		(88,443)		20,815
Income tax using the Thai corporation tax rate	20	(17,689)	20	4,163
Income not subject to tax		-		(2,166)
Addition deductible expenses		(3,777)		(4,348)
Expenses not deductible for tax purposes and others		2,956		535
Current period loss for which no deferred tax assets was recognised		24,793		4,915
Total	7	6,283	15	3,099

	Separate financial statements			
	2019		2018	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit before income tax expense		5,082		99,594
Income tax using the Thai corporation tax rate	20	1,016	20	19,919
Income not subject to tax		(10,000)		(14,580)
Addition deductible expenses		(3,088)		(3,285)
Expenses not deductible for tax purpose and others		975		214
Current period loss for which no deferred tax assets was recognized		10,902		-
Total	(4)	(195)	2	2,268

9 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and six-month periods ended 31 March 2019 and 2018 were based on the profit (loss) for the periods attributable to equity holders and the number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 31 March</i>				
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(71,002)</u>	<u>(16,387)</u>	<u>469</u>	<u>49,159</u>
Number of ordinary shares outstanding	<u>20,898</u>	<u>20,898</u>	<u>20,898</u>	<u>20,898</u>
Earnings (loss) per share (basic) <i>(in Baht)</i>	<u>(3.40)</u>	<u>(0.78)</u>	<u>0.02</u>	<u>2.35</u>

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For the three-month and six-month periods ended 31 March 2019 (Unaudited)

<i>Six-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(94,726)</u>	<u>17,716</u>	<u>5,277</u>	<u>97,326</u>
Number of ordinary shares outstanding	<u>20,898</u>	<u>20,898</u>	<u>20,898</u>	<u>20,898</u>
Earnings (loss) per share (basic) <i>(in Baht)</i>	<u>(4.53)</u>	<u>0.85</u>	<u>0.25</u>	<u>4.66</u>

10 Financial instruments

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instrument measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 March 2019					
Finance lease liabilities	(125,840)	-	(125,666)	-	(125,666)
30 September 2018					
Finance lease liabilities	(120,060)	-	(119,519)	-	(119,519)
Foreign currency forward contract	-	-	241,773	-	241,773
		Separate financial statements			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
30 September 2018					
Foreign currency forward contract	-	-	241,773	-	241,773

11 Dividends

At the annual general meeting of the shareholders of the Company held on 24 January 2019, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2018 at Baht 13 per share, totaling Baht 272 million. The dividends were paid in February 2019.

At the annual general meeting of the shareholders of the Company held on 26 January 2018, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2017 at Baht 8 per share, totaling Baht 167 million. The dividends were paid in February 2018.

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12 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	31	30	31	30
	March	September	March	September
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Contracted but not provided for buildings and other constructions	32,485	56,127	32,485	56,127
<i>Future minimum lease payments</i>				
<i>under non-cancellable operating leases</i>				
Within one year	15,550	12,690	10,715	8,190
After one year but within five years	19,784	18,055	15,891	14,423
Total	35,334	30,745	26,606	22,613
<i>Other commitments</i>				
Bank guarantees	31,322	32,632	31,322	32,632

The Group has entered into car and office equipment lease agreements for various periods, which will expire during 2019 to 2023.

The Company had bank guarantee issued by various financial institutions for use of electricity, gasoline and accepted purchase orders for goods and supplies.

13 Events after the reporting period

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the third quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the three-month and nine-month periods then ended in the consolidated and separate financial statements increased which the management is determining the impact.

14 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2019 are as follows:

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TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 15	Revenue from Contracts with Customers
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(a) *TFRS - Financial instruments standards*

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

(b) *TFRS 15 Revenue from Contracts with Customers*

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

(c) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying on the consolidated and separate financial statements.