

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

Interim financial statements
For the three-month and nine-month periods ended
30 June 2019
and
Independent auditor's review report



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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 30 June 2019; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 June 2019; changes in equity and cash flows for the nine-month period ended 30 June 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
9 August 2019

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	30 June	30 September	30 June	30 September
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current assets</i>					
Cash and cash equivalents		2,381,998	2,651,189	2,197,194	2,305,949
Trade accounts receivable	3, 4	1,404,974	1,685,600	1,065,553	1,426,132
Other receivables	3	100,577	139,519	72,591	116,736
Short-term loan to related party	3	-	64,473	-	64,473
Inventories		<u>1,127,336</u>	<u>1,139,798</u>	<u>738,677</u>	<u>733,198</u>
Total current assets		<u>5,014,885</u>	<u>5,680,579</u>	<u>4,074,015</u>	<u>4,646,488</u>
<i>Non-current assets</i>					
Investment in subsidiary	5	-	-	299,998	299,998
Property, plant and equipment	6	2,217,303	2,287,846	1,527,724	1,596,148
Intangible assets		20,822	23,979	18,897	22,451
Deferred tax assets		27,530	40,621	13,656	18,732
Other non-current assets		<u>12,413</u>	<u>14,607</u>	<u>4,558</u>	<u>6,402</u>
Total non-current assets		<u>2,278,068</u>	<u>2,367,053</u>	<u>1,864,833</u>	<u>1,943,731</u>
Total assets		<u>7,292,953</u>	<u>8,047,632</u>	<u>5,938,848</u>	<u>6,590,219</u>

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

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	30 September	30 June	30 September
		2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current liabilities</i>					
Trade accounts payable	3	1,076,426	1,375,967	860,810	1,141,933
Other payables	3	206,485	262,373	178,349	209,939
Payable for property, plant and equipment		9,370	16,643	8,768	12,057
Current portion of finance lease liabilities		44,980	35,712	-	-
Income tax payable		-	32,389	-	26,546
Total current liabilities		1,337,261	1,723,084	1,047,927	1,390,475
<i>Non-current liabilities</i>					
Finance lease liabilities		108,817	84,348	-	-
Non-current provisions for employee benefit		354,134	267,790	307,729	228,759
Total non-current liabilities		462,951	352,138	307,729	228,759
Total liabilities		1,800,212	2,075,222	1,355,656	1,619,234
<i>Equity</i>					
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		4,605,060	5,084,729	3,695,511	4,083,304
Total equity		5,492,741	5,972,410	4,583,192	4,970,985
Total liabilities and equity		7,292,953	8,047,632	5,938,848	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)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Income					
Revenue from sale of goods	3, 8	2,679,690	3,320,444	2,187,685	2,677,790
Other income	3	25,961	35,745	21,797	28,988
Net foreign exchange gain		-	66,048	-	64,815
Total income		2,705,651	3,422,237	2,209,482	2,771,593
Expenses					
Cost of sale of goods	3	2,596,999	3,158,307	2,134,013	2,531,101
Distribution costs	3	42,541	55,740	37,729	50,734
Administrative expenses	3	83,063	111,309	73,802	93,753
Employee benefit expenses	7	79,209	-	69,112	-
Net foreign exchange loss		9,591	-	10,950	-
Finance costs		708	546	-	-
Total expenses		2,812,111	3,325,902	2,325,606	2,675,588
Profit (loss) before income tax expense		(106,460)	96,335	(116,124)	96,005
Tax expense		6,808	21,565	5,271	17,628
Profit (loss) for the period		(113,268)	74,770	(121,395)	78,377
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		(113,268)	74,770	(121,395)	78,377
Basic earnings (loss) per share (Baht)	9	(5.42)	3.58	(5.81)	3.75

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	
		Nine-month period ended		Nine-month period ended	
		30 June		30 June	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Income					
Revenue from sale of goods	3, 8	8,290,667	9,703,980	6,825,007	7,773,676
Dividend income	3	-	-	50,000	72,900
Other income	3	95,250	103,796	74,340	83,066
Net foreign exchange gain		3,402	41,263	-	33,661
Total income		8,389,319	9,849,039	6,949,347	7,963,303
Expenses					
Cost of sale of goods	3	8,115,892	9,299,678	6,648,887	7,405,873
Distribution costs	3	131,213	163,380	115,589	140,310
Administrative expenses	3	255,949	266,964	223,111	221,521
Employee benefit expenses	7	79,209	-	69,112	-
Net foreign exchange loss		-	-	3,690	-
Finance costs		1,959	1,867	-	-
Total expenses		8,584,222	9,731,889	7,060,389	7,767,704
Profit (loss) before income tax expense		(194,903)	117,150	(111,042)	195,599
Tax expense		13,091	24,664	5,076	19,896
Profit (loss) for the period		(207,994)	92,486	(116,118)	175,703
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (loss) for the period		(207,994)	92,486	(116,118)	175,703
Basic earnings (loss) per share (Baht)	9	(9.95)	4.43	(5.56)	8.41

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	Unappropriated	Total equity
For the nine-month period ended 30 June 2018	Note				(in thousand Baht)		
Balance at 1 October 2017			208,981	653,700	25,000	5,093,180	5,980,861
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends	10		-	-	-	(167,185)	(167,185)
Total distributions to owners of the parent			-	-	-	(167,185)	(167,185)
Comprehensive income (loss) for the period							
Profit			-	-	-	92,486	92,486
Other comprehensive income			-	-	-	-	-
Total comprehensive income (loss) for the period			-	-	-	92,486	92,486
Balance at 30 June 2018			208,981	653,700	25,000	5,018,481	5,906,162

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 <i>(in thousand Baht)</i>	Unappropriated	Total equity
For the nine-month period ended 30 June 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						
<i>Distributions to owners of the parent</i>						
Dividends	10	-	-	-	(271,675)	(271,675)
<i>Total distributions to owners of the parent</i>		-	-	-	(271,675)	(271,675)
Comprehensive income (loss) for the period						
Loss		-	-	-	(207,994)	(207,994)
Other comprehensive income		-	-	-	-	-
<i>Total comprehensive income (loss) for the period</i>		-	-	-	(207,994)	(207,994)
Balance at 30 June 2019		208,981	653,700	25,000	4,605,060	5,492,741

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)

	Note	Issued and paid-up share capital	Share premium	Separate financial statements			Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
				(in thousand Baht)			
For the nine-month period ended 30 June 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							
Distributions to owners of the parent							
Dividends	10	-	-	-	(167,185)		(167,185)
Total distributions to owners of the parent		-	-	-	(167,185)		(167,185)
Comprehensive income (loss) for the period							
Profit		-	-	-	175,703		175,703
Other comprehensive income		-	-	-	-		-
Total comprehensive income (loss) for the period		-	-	-	175,703		175,703
Balance at 30 June 2018		208,981	653,700	25,000	4,053,819		4,941,500

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						
		Issued and paid-up share capital	Share premium	Retained earnings		
	Note			Legal reserve	Unappropriated	Total equity
				(in thousand Baht)		
For the nine-month period ended 30 June 2019						
Balance at 1 October 2018		208,981	653,700	25,000	4,083,304	4,970,985
Transactions with owners, recorded directly in equity						
Distributions to owners of the parent						
Dividends	10	-	-	-	(271,675)	(271,675)
Total distributions to owners of the parent		-	-	-	(271,675)	(271,675)
Comprehensive income (loss) for the period						
Loss		-	-	-	(116,118)	(116,118)
Other comprehensive income		-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	(116,118)	(116,118)
Balance at 30 June 2019		208,981	653,700	25,000	3,695,511	4,583,192

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	
	Nine-month period ended		Nine-month period ended	
	30 June		30 June	
	2019	2018	2019	2018
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(207,994)	92,486	(116,118)	175,703
<i>Adjustments to reconcile profit (loss) to cash receipts</i>				
Tax expense	13,091	24,664	5,076	19,896
Depreciation and amortisation	268,398	301,110	172,662	188,365
Dividend income	-	-	(50,000)	(72,900)
Finance costs	1,959	1,867	-	-
Unrealised loss (gain) on exchange rate	14,359	(16,211)	11,261	(10,259)
Allowance for obsolete and decline in value of inventories (reversal of)	12,558	(7,682)	9,987	(8,623)
Loss on disposal of property, plant and equipment	2,670	5,930	474	2,080
Employee benefit expenses	98,614	19,607	84,983	15,360
	203,655	421,771	118,325	309,622
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	273,955	21,455	353,941	(35,027)
Other receivables	38,843	(52,359)	44,033	(48,496)
Inventories	(96)	(8,865)	(15,466)	(11,383)
Other non-current assets	2,159	(73)	1,809	(73)
Trade accounts payable	(303,210)	80,346	(277,707)	26,497
Other payables	(55,321)	(1,449)	(31,428)	23,652
Employee benefit paid	(12,270)	(7,650)	(6,013)	(2,265)
Tax paid	(32,389)	(17,053)	(26,546)	(17,053)
Net cash from operating activities	115,326	436,123	160,948	245,474

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	
	Nine-month period ended		Nine-month period ended	
	30 June		30 June	
	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	(143,596)	(196,732)	(102,665)	(177,196)
Proceeds from sale of property, plant and equipment	8,955	173	557	140
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	<u>(73,926)</u>	<u>(185,234)</u>	<u>10,061</u>	<u>(92,831)</u>
<i>Cash flows from financing activities</i>				
Financial cost paid	(1,959)	(1,867)	-	-
Repayment under finance lease liabilities	(28,867)	(44,636)	-	-
Dividends paid	(271,676)	(167,185)	(271,675)	(167,185)
Net cash used in financing activities	<u>(302,502)</u>	<u>(213,688)</u>	<u>(271,675)</u>	<u>(167,185)</u>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(261,102)	37,201	(100,666)	(14,542)
Effect of exchange rate changes on cash and cash equivalents	(8,089)	(366)	(8,089)	(388)
Net increase (decrease) in cash and cash equivalents	<u>(269,191)</u>	<u>36,835</u>	<u>(108,755)</u>	<u>(14,930)</u>
Cash and cash equivalents at 1 October	<u>2,651,189</u>	<u>2,471,479</u>	<u>2,305,949</u>	<u>2,181,899</u>
Cash and cash equivalents at 30 June	<u>2,381,998</u>	<u>2,508,314</u>	<u>2,197,194</u>	<u>2,166,969</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 condensed interim financial statements
For the three-month and nine-month periods ended 30 June 2019 (Unaudited)

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Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 June 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 9 August 2019.

1 General information

The Company's major shareholders during the financial period was Muramoto Industry Co., Ltd (71.33% shareholding) 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 note 5.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *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.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation 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.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements. Those new and revised 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 condensed interim financial statements
For the three-month and nine-month periods ended 30 June 2019 (Unaudited)

3 Related parties

Significant transactions for three-month and nine-month periods ended 30 June with related parties were as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	55,250	220,224	54,755	36,617
Purchases of goods and fixed assets	22,251	43,453	22,251	38,619
Service fees	22,087	28,562	21,822	26,713
Technical fees	1,255	5,714	1,180	5,714
Other income	453	5,397	451	5,339
Subsidiary				
Sales of goods	-	-	234	94,165
Purchases of goods	-	-	9,869	6,726
Other income	-	-	-	5
Other related parties				
Sales of goods	356,079	529,614	353,857	529,611
Purchases of goods	-	48,329	-	-
Interest income	-	267	-	267
Other income	2,862	1,176	2,862	1,176
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	18,564	21,436	9,793	10,826
Post-employment benefits	759	89	504	-
Total key management personnel compensation	<u>19,323</u>	<u>21,525</u>	<u>10,297</u>	<u>10,826</u>
<i>Nine-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	161,720	671,950	137,471	105,410
Purchases of goods and fixed assets	36,971	132,812	35,796	119,790
Service fees	69,078	83,356	68,065	77,672
Technical fees	7,522	7,946	6,648	7,946
Other income	2,144	8,936	1,983	8,756
Subsidiary				
Sales of goods	-	-	666	277,835
Purchases of goods	-	-	20,823	19,770
Dividend income	-	-	50,000	72,900
Other income	-	-	5	5

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 June 2019 (Unaudited)

<i>Nine-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties				
Sales of goods	1,041,161	1,595,835	1,034,452	1,595,832
Purchases of goods	-	130,513	-	-
Interest income	229	913	229	913
Other income	3,136	12,029	3,029	12,015
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	57,632	63,340	32,070	35,377
Post-employment benefits	821	267	532	41
Total key management personnel compensation	<u>58,453</u>	<u>63,607</u>	<u>32,602</u>	<u>35,418</u>

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

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	26,298	163,544	25,902	32,025
Subsidiary	-	-	77	107,947
Other related parties	244,254	316,744	242,796	315,119
Total	<u>270,552</u>	<u>480,288</u>	<u>268,775</u>	<u>455,091</u>

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	584	2,661	584	2,661
Subsidiary	-	-	-	18
Other related parties	3,126	-	3,126	-
Total	<u>3,710</u>	<u>2,661</u>	<u>3,710</u>	<u>2,679</u>

<i>Short-term loan - related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018	30 June 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>

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 June 2019 (Unaudited)

Movements during the nine-month periods ended 30 June 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	-	(1,320)	-	(1,320)
At 31 March	-	66,013	-	66,013

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	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	19,327	14,412	18,842	9,464
Subsidiary	-	-	7,717	2,022
Other related parties	-	16,707	-	32
Total	19,327	31,119	26,559	11,518

Other payables - related parties	Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Parent	40,352	47,430	40,087	45,282
Other related parties	162	176	162	176
Total	40,514	47,606	40,249	45,458

Significant agreements with related parties

As at 30 June 2019, the parent company has guaranteed USD 6.1 million (equivalent to Baht 188.58 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

	Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	31 June 2019	30 September 2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	269,655	471,739	267,878	446,542
Overdue:				
Less than 3 months	780	5,302	780	5,302
Overdue 3-12 months	117	3,247	117	3,247
	<u>270,552</u>	<u>480,288</u>	<u>268,775</u>	<u>455,091</u>
Other parties				
Within credit terms	1,133,197	1,202,874	795,553	968,603
Overdue:				
Less than 3 months	1,225	2,438	1,225	2,438
	<u>1,134,422</u>	<u>1,205,312</u>	<u>796,778</u>	<u>971,041</u>
Total	<u>1,404,974</u>	<u>1,685,600</u>	<u>1,065,553</u>	<u>1,426,132</u>

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 30 June 2019 and 30 September 2018, and dividend income from this investment for the nine-month periods ended 30 June were as follows:

	Ownership interest		Paid-up capital		Cost method		Dividend income for the nine-month periods ended
	30 June 2019	30 September 2018	30 June 2019	30 September 2018	30 June 2019	30 September 2018	
	(%)				(in thousand Baht)		
Subsidiary							
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,998	299,998	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 nine-month period ended 30 June 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	203,169	99,376
Disposals	(11,625)	(1,031)
Depreciation charge for the period	(262,087)	(166,769)
Book value as at 30 June 2019	<u>2,217,303</u>	<u>1,527,724</u>

7 Non-current provisions for employee benefits

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 by an amount of Baht 79 million and Baht 69 million, respectively.

8 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 nine-month periods ended at 30 June 2019 and 2018 were as follows:

<i>For the three-month period ended 30 June 2019</i>					
	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Net
External revenue	915,550	1,759,790	(in thousand Baht) 4,350	2,679,690	2,679,690
Inter-segment revenue	9,959	143	-	10,102	-
Total segment revenue	925,509	1,759,933	4,350	2,689,792	2,679,690
Segment profit (loss) before income tax	(76,812)	(29,659)	(201)	(106,672)	(106,460)
Segment assets as at 30 June 2019	1,631,671	1,710,548	1,417,193	4,759,412	4,749,612
Segment liabilities as at 30 June 2019	166,825	751,365	166,030	1,084,220	1,076,426
<i>For the three-month period ended 30 June 2018</i>					
	Electronic parts for automotive	Electronic parts for office automation	Other electronic parts	Total	Net
External revenue	1,311,390	1,998,787	(in thousand Baht) 10,267	3,320,444	3,320,444
Inter-segment revenue	96,960	3,931	-	100,891	-
Total segment revenue	1,408,350	2,002,718	10,267	3,421,335	3,320,444
Segment profit before income tax	44,016	124,028	969	169,013	96,335
Segment assets as at 30 September 2018	1,628,666	2,164,877	1,432,315	5,225,858	5,113,245
Segment liabilities as at 30 September 2018	376,166	904,154	205,635	1,485,955	1,375,967

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For the nine-month period ended 30 June 2019

	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
		<i>(in thousand Baht)</i>			
External revenue	5,411,221	18,191	8,290,667	-	8,290,667
Inter-segment revenue	404	-	21,503	(21,503)	-
Total segment revenue	5,411,625	18,191	8,312,170	(21,503)	8,290,677
Segment profit (loss) before income tax	(3,390)	150	(145,542)	(49,361)	(194,903)
Segment assets as at 30 June 2019	1,710,548	1,417,193	4,759,412	(9,800)	4,749,612
Segment liability as at 30 June 2019	751,365	166,030	1,084,220	(7,794)	1,076,426

For the nine-month period ended 30 June 2018

	Electronic parts for office automation	Other electronic parts	Total	Eliminations	Net
		<i>(in thousand Baht)</i>			
External revenue	5,805,045	34,349	9,703,980	-	9,703,980
Inter-segment revenue	11,506	-	297,604	(297,604)	-
Total segment revenue	5,816,551	34,349	10,001,584	(297,604)	9,703,980
Segment profit before income tax	164,625	1,669	189,384	(72,234)	117,150
Segment assets as at 30 September 2018	2,164,877	1,432,315	5,225,858	(112,613)	5,113,245
Segment liabilities as at 30 September 2018	904,154	205,635	1,485,955	(109,988)	1,375,967

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Reconciliation of reportable segment assets and liabilities

	30 June 2019	30 September 2018
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	4,749,612	5,113,245
Other unallocated amounts	2,543,341	2,934,387
Consolidated total assets	7,292,953	8,047,632
Liabilities		
Total liabilities for reportable segments	1,076,426	1,375,967
Other unallocated amounts	723,786	699,255
Consolidated total liabilities	1,800,212	2,075,222

9 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 June 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 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(113,268)</u>	<u>74,770</u>	<u>(121,395)</u>	<u>78,377</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>(5.42)</u>	<u>3.58</u>	<u>(5.81)</u>	<u>3.75</u>
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Nine-month period ended 30 June</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(207,994)</u>	<u>92,486</u>	<u>(116,118)</u>	<u>175,703</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>(9.95)</u>	<u>4.43</u>	<u>(5.56)</u>	<u>8.41</u>

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10 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2019</i>				
Annual dividend 2018	24 January 2019	22 February 2019	<u>13</u>	<u>272</u>
<i>2018</i>				
Annual dividend 2017	26 January 2018	23 February 2018	<u>8</u>	<u>167</u>

11 Supplemental disclosures of cash flows information

Property, plant and equipment purchased during the periods are details as follows:

<i>Nine-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Increase in property, plant and equipment during the periods	203,169	283,004	99,376	201,246
Less assets acquired by means of finance lease during the periods	(66,846)	(49,396)	-	-
Change in payables for purchase of property, plant and equipment	<u>7,273</u>	<u>(36,876)</u>	<u>3,289</u>	<u>(24,050)</u>
Purchased of property, plant and equipment paid by cash	<u>143,596</u>	<u>196,732</u>	<u>102,665</u>	<u>177,196</u>

12 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.

Financial instruments not measured at fair value

	Consolidated financial statements	
	Carrying amount	Fair value
	<i>(in thousand Baht)</i>	
30 June 2019		
Finance lease liabilities	(153,798)	(154,184)
30 September 2018		
Finance lease liabilities	(120,060)	(119,519)
Foreign currency forward contract	-	241,773

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		Separate financial statements
	Carrying amount	Fair value
	(in thousand Baht)	
30 September 2018		
Foreign currency forward contract	-	241,773

13 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2019	30 September 2018	30 June 2019	30 September 2018
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for buildings and other constructions	33,994	56,127	33,994	56,127
Future minimum lease payments under non-cancellable operating leases				
Within one year	15,781	12,690	10,835	8,190
After one year but within five years	23,903	18,055	20,086	14,423
Total	39,684	30,745	30,921	22,613
Other commitments				
Bank guarantees	31,312	32,632	31,312	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.

14 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised 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:

TFRS	Topic	Group Effective Date
TFRS 15	Revenue from Contracts with Customers	1 October 2019
TFRS 16	Leases	1 October 2020
TFRS 7*	Financial Instruments: Disclosures	1 October 2020
TFRS 9*	Financial Instruments	1 October 2020
TAS 32*	Financial Instruments: Presentation	1 October 2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	1 October 2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	1 October 2020

* TFRS - Financial instruments standards

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(a) 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. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. 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. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

(c) TFRS - Financial instruments standards

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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