

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

Financial statements for the year ended
30 September 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Muramoto Electron (Thailand) Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Muramoto Electron (Thailand) Public Company Limited and its subsidiary (the "Group") and of Muramoto Electron (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 3 (f) and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The products of the Group are metal and plastic parts for automobile electronic equipment and office automation appliances which are subject to rapid technological developments. Having substantial inventories may result in an increased risk of obsolescence and deterioration in the quality of raw materials, parts and manufactured products during storage. The carrying value of inventories is significant and the net realisable value of inventories requires management's discretion and judgment. Therefore, I considered this as a key audit matter.</p>	<p>My audit procedures included obtaining an understanding of the Group's approach for determining the net realisable value, the Group's inventory management policies through inquiry of management responsible for this area and test of design and implementation of controls regarding the approval of reports about slow moving inventory and net realizable values.</p> <p>I tested the slow-moving inventory reports on mathematical accuracy. I tested the correctness of the reports by checking the details against supporting documents for a sample. I observed inventories at the end of the year and compared the stock write-off in the current year with the allowance of decline in value for slow-moving of prior year.</p> <p>In addition, I tested the net realisable value by sampling the actual selling prices during the post-year-end period with supporting documents and the estimated costs to make the sale. I also assessed the adequacy of disclosures in accordance with Thai Financial Reporting Standards.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
26 November 2020

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	2,518,240,563	2,418,700,440	2,227,121,161	2,215,523,021
Trade accounts receivable	4, 6	1,852,411,332	1,398,229,694	1,523,789,793	1,045,458,470
Other receivables	4	104,726,405	106,734,461	93,994,194	73,379,325
Inventories	7	1,191,279,037	1,026,762,541	802,953,426	620,311,766
Total current assets		5,666,657,337	4,950,427,136	4,647,858,574	3,954,672,582
<i>Non-current assets</i>					
Investment in subsidiary	8	-	-	299,998,000	299,998,000
Property, plant and equipment	9	2,152,184,205	2,165,335,155	1,517,326,077	1,512,270,330
Intangible assets		18,199,213	20,087,917	13,676,388	18,337,568
Deferred tax assets	17	8,648,382	20,151,411	-	9,017,362
Other non-current assets		13,261,995	12,146,222	5,541,995	4,291,222
Total non-current assets		2,192,293,795	2,217,720,705	1,836,542,460	1,843,914,482
Total assets		7,858,951,132	7,168,147,841	6,484,401,034	5,798,587,064

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

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

Statements of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
<i>(in Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	4	1,449,562,213	920,008,976	1,277,377,249	729,224,686
Other payables	4, 11	252,318,502	227,546,921	224,164,131	191,293,684
Payable for property, plant and equipment	4	47,803,708	17,456,715	46,953,167	16,054,778
Current portion of finance lease liabilities	10	53,892,992	43,961,958	-	-
Income tax payable		12,590,031	-	5,505,325	-
Total current liabilities		1,816,167,446	1,208,974,570	1,553,999,872	936,573,148
<i>Non-current liabilities</i>					
Finance lease liabilities	10	122,646,805	98,630,297	-	-
Deferred tax liabilities	17	9,524,160	-	9,524,160	-
Non-current provisions for employee benefits	12	378,726,232	399,411,312	319,114,462	342,708,037
Total non-current liabilities		510,897,197	498,041,609	328,638,622	342,708,037
Total liabilities		2,327,064,643	1,707,016,179	1,882,638,494	1,279,281,185
<i>Equity</i>					
Share capital					
Authorised share capital (23,898 thousand shares, at par value of Baht 10 per share)		238,981,000	238,981,000	238,981,000	238,981,000
Issued and paid-up share capital (20,898 thousand shares, at par value of Baht 10 per share)		208,981,000	208,981,000	208,981,000	208,981,000
Additional paid-in capital					
Premium on ordinary shares	13	653,700,000	653,700,000	653,700,000	653,700,000
Retained earnings					
Appropriated					
Legal reserve	13	25,000,000	25,000,000	25,000,000	25,000,000
Unappropriated		4,644,205,489	4,573,450,662	3,714,081,540	3,631,624,879
Total equity		5,531,886,489	5,461,131,662	4,601,762,540	4,519,305,879
Total liabilities and equity		7,858,951,132	7,168,147,841	6,484,401,034	5,798,587,064

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 30 September		For the year ended 30 September	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Revenue					
Revenue from sale of goods	4, 14	11,613,823,349	10,980,335,176	9,720,138,004	9,008,447,494
Dividend income	4, 8	-	-	49,999,667	49,999,667
Other income	4	91,560,457	135,829,850	74,276,081	100,697,826
Net foreign exchange gain		62,609,346	4,847,836	70,445,001	-
Total revenue		11,767,993,152	11,121,012,862	9,914,858,753	9,159,144,987
Expenses					
Cost of sale of goods	4, 16	10,983,887,889	10,680,700,992	9,187,478,873	8,777,026,379
Distribution costs	4, 16	167,006,375	172,164,458	152,871,295	152,854,268
Administrative expenses	4, 16	332,374,866	359,598,719	293,252,313	290,357,034
Employee benefit expenses	12	-	83,405,640	-	73,308,538
Net foreign exchange loss		-	-	-	3,458,051
Finance costs		4,528,147	2,725,660	-	-
Total expenses		11,487,797,277	11,298,595,469	9,633,602,481	9,297,004,270
Profit (loss) before income tax expense		280,195,875	(177,582,607)	281,256,272	(137,859,283)
Tax expense	17	30,004,199	20,469,786	19,664,261	9,715,094
Profit (loss) for the year		250,191,676	(198,052,393)	261,592,011	(147,574,377)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans	12	37,005,896	(41,550,576)	37,307,062	(32,429,609)
Income tax on other comprehensive income		(7,461,412)	-	(7,461,412)	-
Other comprehensive income (loss) for the year, net of tax		29,544,484	(41,550,576)	29,845,650	(32,429,609)
Total comprehensive income (loss) for the year		279,736,160	(239,602,969)	291,437,661	(180,003,986)
Basic earnings (loss) per share (in Baht)	18	11.97	(9.48)	12.52	(7.06)

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Statements of changes in equity

	Consolidated financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in Baht)</i>	Unappropriated	Retained earnings	
Year ended 30 September 2019						
Balance at 1 October 2018	208,981,000	653,700,000	25,000,000	5,084,729,264	5,972,410,264	
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	-	-	-	(271,675,633)	(271,675,633)	
<i>Total distributions to owners of the parent</i>	-	-	-	(271,675,633)	(271,675,633)	
Comprehensive income (loss) for the year						
Loss	-	-	-	(198,052,393)	(198,052,393)	
Other comprehensive income (loss)	-	-	-	(41,550,576)	(41,550,576)	
Total comprehensive income (loss) for the year	-	-	-	(239,602,969)	(239,602,969)	
Balance at 30 September 2019	208,981,000	653,700,000	25,000,000	4,573,450,662	5,461,131,662	

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Statements of changes in equity

	Consolidated financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in Baht)</i>	<i>Retained earnings</i>		
Year ended 30 September 2020						
Balance at 1 October 2019	208,981,000	653,700,000	25,000,000	4,573,450,662		5,461,131,662
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	-	-	-	(208,981,333)		(208,981,333)
<i>Total distributions to owners of the parent</i>	-	-	-	(208,981,333)		(208,981,333)
Comprehensive income for the year						
Profit	-	-	-	250,191,676		250,191,676
Other comprehensive income	-	-	-	29,544,484		29,544,484
Total comprehensive income for the year	-	-	-	279,736,160		279,736,160
Balance at 30 September 2020	208,981,000	653,700,000	25,000,000	4,644,205,489		5,531,886,489

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in Baht)</i>	Unappropriated	<i>Retained earnings</i>	
Year ended 30 September 2019						
Balance at 1 October 2018	208,981,000	653,700,000	25,000,000	4,083,304,165	4,970,985,165	
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	-	-	-	(271,675,300)	(271,675,300)	
<i>Total distributions to owners of the parent</i>	-	-	-	(271,675,300)	(271,675,300)	
Comprehensive income (loss) for the year						
Loss	-	-	-	(147,574,377)	(147,574,377)	
Other comprehensive income (loss)	-	-	-	(32,429,609)	(32,429,609)	
Total comprehensive income (loss) for the year	-	-	-	(180,003,986)	(180,003,986)	
Balance at 30 September 2019	208,981,000	653,700,000	25,000,000	3,631,624,879	4,519,305,879	

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve <i>(in Baht)</i>	Unappropriated	<i>Retained earnings</i>	
Year ended 30 September 2020						
Balance at 1 October 2019	208,981,000	653,700,000	25,000,000	3,631,624,879	3,631,624,879	4,519,305,879
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	-	-	-	(208,981,000)	(208,981,000)	(208,981,000)
<i>Total distributions to owners of the parent</i>	-	-	-	(208,981,000)	(208,981,000)	(208,981,000)
Comprehensive income for the year						
Profit	-	-	-	261,592,011	261,592,011	261,592,011
Other comprehensive income	-	-	-	29,845,650	29,845,650	29,845,650
Total comprehensive income for the year	-	-	-	291,437,661	291,437,661	291,437,661
Balance at 30 September 2020	208,981,000	653,700,000	25,000,000	3,714,081,540	3,714,081,540	4,601,762,540

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 30 September		For the year ended 30 September	
Note	2020	2019	2020	2019
<i>(in Baht)</i>				
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	250,191,676	(198,052,393)	261,592,011	(147,574,377)
<i>Adjustments to reconcile profit (loss) to cash receipts</i>				
Tax expense	30,004,199	20,469,786	19,664,261	9,715,094
Depreciation and amortisation	369,089,393	351,069,451	237,225,608	231,347,979
Dividend income	4	-	(49,999,667)	(49,999,667)
Finance costs	4,528,147	2,725,660	-	-
Unrealised loss (gain) on exchange rate	(30,226,397)	22,462,311	(26,309,343)	24,090,716
(Reversal of) Allowance for obsolete and decline in value of inventories	(6,852,393)	17,091,019	(5,669,567)	14,399,335
Loss (gain) on disposal of property, plant and equipment	(19,027,871)	17,882,894	(20,746,238)	243,986
Loss on disposal of intangible assets	-	10,358	-	-
Employee benefit expenses	12	32,616,734	27,169,603	96,414,799
		630,323,488	442,926,668	178,637,865
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(448,111,549)	283,539,358	(472,274,836)	376,843,136
Other receivables	(1,841,159)	32,776,240	(23,695,171)	43,357,276
Inventories	(157,664,103)	95,945,061	(176,972,093)	98,487,449
Other non-current assets	(1,162,440)	2,414,000	(1,297,440)	2,064,000
Trade accounts payable	532,786,225	(457,440,664)	545,122,693	(411,354,927)
Other payables	24,833,043	(34,339,150)	31,615,936	(18,469,233)
Employee benefit paid	12	(16,295,918)	(13,456,116)	(14,895,388)
Tax paid	-	(32,388,768)	-	(26,545,857)
Net cash from operating activities		562,867,587	331,969,641	228,124,321

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 30 September	For the year ended 30 September	For the year ended 30 September	For the year ended 30 September
Note	2020	2019	2020	2019
<i>(in Baht)</i>				
<i>Cash flows from investing activities</i>				
Proceeds from repayment of loan to related party	-	64,472,800	-	64,472,800
Acquisition of property, plant and equipment	20	(244,432,297)	(178,890,806)	(205,717,524)
Proceeds from sale of property, plant and equipment		27,187,482	10,214,887	22,396,363
Acquisition of intangible assets		(6,797,720)	(5,273,001)	(2,607,720)
Dividends received		-	49,999,667	49,999,667
Net cash used in investing activities		(224,042,535)	(109,476,120)	(135,929,214)
<i>Cash flows from financing activities</i>				
Financial cost paid		(4,528,147)	(2,725,660)	-
Repayment under financial lease liabilities		(50,895,982)	(41,055,883)	-
Dividends paid	19	(208,981,333)	(271,675,633)	(208,981,000)
Net cash used in financing activities		(264,405,462)	(315,457,176)	(271,675,300)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		74,419,590	(210,697,589)	(12,940,573)
Effect of exchange rate changes on cash and cash equivalents		25,120,533	(21,790,946)	24,538,713
Net increase (decrease) in cash and cash equivalents		99,540,123	(232,488,535)	11,598,140
Cash and cash equivalents at 1 October		2,418,700,440	2,651,188,975	2,215,523,021
Cash and cash equivalents at 30 September	5	2,518,240,563	2,418,700,440	2,227,121,161

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

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

~~Notes to the financial statements~~

~~For the year ended 30 September 2020~~

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

Notes to the financial statements

For the year ended 30 September 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 26 November 2020.

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 note 8.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 3 (q).

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 23.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

Notes to the financial statements

For the year ended 30 September 2020

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in note 12 measurement of defined benefit obligations : key actuarial assumptions.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group").

Subsidiary

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange arising from operational in a hedge of the variability in exchange rate. The derivative held is forward exchange contracts which is not recognised in the financial statements at the contract date.

Forward exchange contracts

Forward exchange contracts are the hedging instrument in a hedge of variability in exchange rates of future foreign currency transactions. The difference between the contractual forward rate and the actual rate at maturity date of the contract is recognised in profit and loss when incurred.

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Notes to the financial statements

For the year ended 30 September 2020

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs of raw materials and supplies are calculated using the first in first out principle. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost, includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in subsidiary

Investments in subsidiary in the separate financial statements of the Company are accounted for using the cost method.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

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Notes to the financial statements

For the year ended 30 September 2020

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	10, 20 years
Buildings and structures	4 - 31 years
Machinery and equipment	2 - 20 years
Transportation equipment	5 years
Furniture, fixtures and office equipment	3, 5 years

No depreciation is provided on freehold land or construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

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Notes to the financial statements

For the year ended 30 September 2020

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licences	3, 5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) *Interest-bearing liabilities*

Interest-bearing liabilities are recognized initially at cost less attributable transaction changes.

(l) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

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For the year ended 30 September 2020

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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.

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Notes to the financial statements

For the year ended 30 September 2020

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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.

(p) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(q) *Revenue*

Accounting policies for revenue recognition in 2020

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Accounting policies for revenue recognition in 2019

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 30 September 2020

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognised in profit or loss as they accrue.

(r) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(v) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 30 September 2020

4 Related parties

Relationship with subsidiary is described in note 8. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
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 Audio-Visual Philippines Inc.	Philippines	Parent is major shareholder, common director
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.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods	At mutually agreed prices
Purchases of goods and fixed assets	At mutually agreed prices
Service fees	1% and 0.75% of sales / at contractually agreed prices
Technical fees	At contractually agreed prices
Interest income	At contractually agreed rates
Dividend income	Upon declaration
Other income	At mutually agreed prices

Significant transactions for the years ended 30 September with related parties were as follows:

Year ended 30 September	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	793,685	221,976	793,635	197,727
Purchases of goods and fixed assets	187,657	118,696	185,467	117,521
Service fees	136,083	129,952	134,825	128,676
Technical fees	5,014	11,412	4,726	10,438
Other income	364	2,212	315	2,212

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Notes to the financial statements

For the year ended 30 September 2020

<i>Year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
Sales of goods	-	-	709	836
Purchases of goods and fixed assets	-	-	83,789	33,318
Dividend income	-	-	50,000	50,000
Other income	-	-	38	11
Other related parties				
Sales of goods	1,369,399	1,539,623	1,369,399	1,531,463
Interest income	-	229	-	229
Other income	1,477	3,206	1,477	3,029
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	59,735	76,980	37,911	43,050
Post-employment benefits	117	914	57	547
Total key management personnel compensation	<u>59,852</u>	<u>77,894</u>	<u>37,968</u>	<u>43,597</u>

Balances as at 30 September with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Parent	220,556	39,349	220,556	39,349
Subsidiary	-	-	61	40
Other related parties	227,703	347,229	227,703	346,078
Total	<u>448,259</u>	<u>386,578</u>	<u>448,320</u>	<u>385,467</u>
Other receivables				
Parent	-	376	-	376
Subsidiary	-	-	40	331
Other related parties	-	3,116	-	3,116
Total	<u>-</u>	<u>3,492</u>	<u>40</u>	<u>3,823</u>
Trade accounts payable				
Parent	12,844	57,592	12,630	57,592
Subsidiary	-	-	22,023	9,626
Total	<u>12,844</u>	<u>57,592</u>	<u>34,653</u>	<u>67,218</u>
Other payables				
Parent	45,207	43,252	44,159	41,142
Other related parties	37	35	37	35
Total	<u>45,244</u>	<u>43,287</u>	<u>44,196</u>	<u>41,177</u>

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Other payables for property, plant and equipment</i>				
Parent	-	4,594	-	4,594
Total	-	4,594	-	4,594

Significant agreements with related parties

As at 30 September 2020, the parent company has guaranteed USD 6.1 million (*equivalent to Baht 194.14 million*) and Baht 775 million of credit facilities extended by the financial institutions to the Company (*30 September 2019: USD 6.1 million (equivalent to Baht 187.67 million) and Baht 775 million*).

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.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	467	413	239	183
Cash at banks	2,517,774	2,418,287	2,226,882	2,215,340
Cash and cash equivalents in the statement of financial position and the statement of cash flows	2,518,241	2,418,700	2,227,121	2,215,523

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	427,583	385,971	427,644	384,860
Overdue:				
Less than 3 months	15,501	390	15,501	390
Overdue 3 - 6 months	5,175	217	5,175	217
	<u>448,259</u>	<u>386,578</u>	<u>448,320</u>	<u>385,467</u>
Other parties				
Within credit terms	1,404,152	1,010,342	1,075,470	658,681
Overdue:				
Less than 3 months	-	1,310	-	1,310
	<u>1,404,152</u>	<u>1,011,652</u>	<u>1,075,470</u>	<u>659,991</u>
Total	<u>1,852,411</u>	<u>1,398,230</u>	<u>1,523,790</u>	<u>1,045,458</u>

The normal credit term granted by the Group ranges from 15 days to 90 days.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Raw materials	420,730	430,591	328,477	300,286
Work in process	269,142	230,776	120,878	128,583
Finished goods	435,638	328,820	321,212	194,478
Supplies	43,917	38,774	28,434	22,544
Goods in transit	61,038	43,840	41,149	17,288
	<u>1,230,465</u>	<u>1,072,801</u>	<u>840,150</u>	<u>663,179</u>
Less allowance for decline in value	(39,186)	(46,038)	(37,197)	(42,867)
Net	<u>1,191,279</u>	<u>1,026,763</u>	<u>802,953</u>	<u>620,312</u>
Inventories recognised in 'cost of sales of goods':				
- Cost	10,990,740	10,663,610	9,193,149	8,762,627
- Write-down to net realisable value	-	17,091	-	14,399
- Reversal of write-down	(6,852)	-	(5,670)	-
Total	<u>10,983,888</u>	<u>10,680,701</u>	<u>9,187,479</u>	<u>8,777,026</u>

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

8 Investment in subsidiary

The investment in subsidiary as at 30 September 2020 and 2019, and dividend income from this investment for the years then ended, were as follows:

	Ownership interest 2020 and 2019 (%)	Separate financial statements			
		Paid-up capital 2020 and 2019	Cost method 2020 and 2019 <i>(in thousand Baht)</i>	Dividend income 2020 2019	
Subsidiary					
Sima Technology Co., Ltd.	99.99	300,000	299,998	50,000	50,000

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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Notes to the financial statements
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9 Property, plant and equipment

Cost	Consolidated financial statements <i>(in thousand Baht)</i>							Total
	Land	Land improvements	Buildings and structures	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	
At 1 October 2018	278,500	41,943	3,417,525	6,304,396	8,009	122,873	56,403	10,229,649
Additions	-	-	1,301	169,267	-	4,628	72,900	248,096
Transfers, net	-	-	32,386	50,217	-	54	(82,657)	-
Disposals	-	-	(70,178)	(428,847)	-	(9,751)	-	(508,776)
At 30 September 2019 and 1 October 2019	278,500	41,943	3,381,034	6,095,033	8,009	117,804	46,646	9,968,969
Additions	-	-	9,704	190,268	-	8,272	147,121	355,365
Transfers, net	-	-	4,917	117,738	-	2,866	(125,521)	-
Disposals	-	-	(6,620)	(314,393)	(1,191)	(1,555)	-	(323,759)
At 30 September 2020	278,500	41,943	3,389,035	6,088,646	6,818	127,387	68,246	10,000,575
Depreciation and impairment loss								
At 1 October 2018	-	38,344	2,169,621	5,628,289	7,942	97,607	-	7,941,803
Depreciation charge for the year	-	914	114,337	215,113	25	12,121	-	342,510
Disposals	-	-	(52,081)	(419,165)	-	(9,433)	-	(480,679)
At 30 September 2019 and 1 October 2019	-	39,258	2,231,877	5,424,237	7,967	100,295	-	7,803,634
Depreciation charge for the year	-	914	109,238	238,029	25	12,150	-	360,356
Disposals	-	-	(3,308)	(309,578)	(1,191)	(1,522)	-	(315,599)
At 30 September 2020	-	40,172	2,337,807	5,352,688	6,801	110,923	-	7,848,391

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements							Total
	Land	Land improvements	Buildings and structures	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	
	<i>(in thousand Baht)</i>							
<i>Net book value</i>								
At 30 September 2019								
Owned assets	278,500	2,685	1,149,157	495,346	42	17,509	46,646	1,989,885
Assets under finance leases	<u>278,500</u>	<u>2,685</u>	<u>1,149,157</u>	<u>175,450</u>	<u>42</u>	<u>17,509</u>	<u>46,646</u>	<u>2,165,335</u>
At 30 September 2020								
Owned assets	278,500	1,771	1,051,228	544,169	17	16,464	68,246	1,960,395
Assets under finance leases	<u>278,500</u>	<u>1,771</u>	<u>1,051,228</u>	<u>191,789</u>	<u>17</u>	<u>16,464</u>	<u>68,246</u>	<u>2,152,184</u>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 September 2020 amounted to Baht 5,047 million (2019: Baht 5,213 million).

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

Separate financial statements

	Land	Land improvements	Buildings and Structures	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
<i>Cost</i>								
At 1 October 2018	246,807	41,943	2,315,634	4,354,545	5,067	102,865	56,403	7,123,264
Additions	-	-	-	64,162	-	4,435	71,927	140,524
Transfers, net	-	-	31,413	50,217	-	54	(81,684)	-
Disposals	-	-	(3,302)	(274,547)	-	(5,794)	-	(283,643)
At 30 September 2019 and 1 October 2019	246,807	41,943	2,343,745	4,194,377	5,067	101,560	46,646	6,980,145
Additions	-	-	2,153	119,917	-	7,789	106,757	236,616
Transfers, net	-	-	4,782	77,924	-	2,866	(85,572)	-
Disposals	-	-	(1,955)	(306,515)	(1,191)	(1,413)	-	(311,074)
At 30 September 2020	246,807	41,943	2,348,725	4,085,703	3,876	110,802	67,831	6,905,687
<i>Depreciation and impairment loss</i>								
At 1 October 2018	-	38,344	1,495,319	3,905,784	5,031	82,638	-	5,527,116
Depreciation charge for the year	-	914	59,677	153,147	14	9,618	-	223,370
Disposals	-	-	(2,882)	(273,940)	-	(5,789)	-	(282,611)
At 30 September 2019 and 1 October 2019	-	39,258	1,552,114	3,784,991	5,045	86,467	-	5,467,875
Depreciation charge for the year	-	914	60,488	158,016	14	10,478	-	229,910
Disposals	-	-	(865)	(305,987)	(1,191)	(1,381)	-	(309,424)
At 30 September 2020	-	40,172	1,611,737	3,637,020	3,868	95,564	-	5,388,361
<i>Net book value</i>								
At 30 September 2019	246,807	2,685	791,631	409,386	22	15,093	46,646	1,512,270
At 30 September 2020	246,807	1,771	736,988	448,683	8	15,238	67,831	1,517,326

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 September 2020 amounted to Baht 3,343 million (2019: Baht 3,558 million).

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

10 Interest-bearing liabilities

Finance lease liabilities

Subsidiary entered into various lease agreements covering machinery and equipment. Lease terms are for the period of 3 and 5 years. Finance lease liabilities as at 30 September were payable as follows:

Maturity period	Consolidated financial statements					
	2020			2019		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	57,937	4,044	53,893	46,419	2,457	43,962
1 - 5 years	127,950	5,303	122,647	101,692	3,062	98,630
Total	185,887	9,347	176,540	148,111	5,519	142,592

As at 30 September 2020, the Company has unused credit facilities with a financial institution (short-term loan, bank overdraft and letter of guarantee) of Baht 1,565 million (2019: Baht 1,558 million).

11 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019 (in thousand Baht)	2020	2019
Related parties	4	45,244	43,287	44,196	41,177
Others					
Other current payables		126,681	88,754	126,681	88,754
Accrued operating expenses		70,205	77,435	44,281	44,902
Deposits and advances received		3,536	10,415	3,536	10,415
Withholding tax payable		6,653	7,656	5,470	6,046
		207,075	184,260	179,968	150,117
Total		252,319	227,547	224,164	191,294

12 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Post-employment benefits	378,726	399,411	319,114	342,708

Defined benefit plan

The Group and the Company operate a defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk and interest rate risk and market (investment) risk.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At beginning of period	399,411	267,790	342,708	228,759
Include in profit or loss				
Current service cost	26,699	18,283	22,119	14,876
Past service cost	-	83,406	-	73,309
Interest on obligation	5,918	7,585	5,050	6,280
Curtailment loss	-	1,949	-	1,949
	<u>32,617</u>	<u>111,223</u>	<u>27,169</u>	<u>96,414</u>
Included in other comprehensive income				
Actuarial losses (gains)				
- Financial assumptions	(26,140)	41,418	(29,620)	31,943
- Experience adjustment	(10,866)	133	(7,687)	487
	<u>(37,006)</u>	<u>41,551</u>	<u>(37,307)</u>	<u>32,430</u>
Benefit paid	<u>(16,296)</u>	<u>(21,153)</u>	<u>(13,456)</u>	<u>(14,895)</u>
	(16,296)	(21,153)	(13,456)	(14,895)
At end of period	<u>378,726</u>	<u>399,411</u>	<u>319,114</u>	<u>342,708</u>

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 year of 2019. As a result of this change, the provision for retirement benefits as at 30 September 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 83.4 million and Baht 73.3 million, respectively.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(%)		
Discount rate	1.5, 1.6	1.5, 1.6	1.5	1.5
Future salary growth	2.5, 4.0	3.0, 5.0	4.0	5.0
Employee turnover	0 - 20.0	0 - 20.0	0 - 20.0	0 - 20.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 30 September 2020, the weighted-average duration of the defined benefit obligation were during 13 to 14 years (2019: 10 to 13 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

<i>Effect to the defined benefit obligation At 30 September</i>	Consolidated financial statements			
	<i>0.5% increase in assumption</i>		<i>0.5% decrease in assumption</i>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(17,766)	(18,203)	19,132	19,593
Future salary growth	17,986	18,726	(16,886)	(17,578)
Employee turnover	(17,489)	(18,508)	10,444	11,240

<i>Effect to the defined benefit obligation At 30 September</i>	Separate financial statements			
	<i>0.5% increase in assumption</i>		<i>0.5% decrease in assumption</i>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(14,352)	(15,067)	15,441	16,217
Future salary growth	14,347	15,119	(13,485)	(14,205)
Employee turnover	(14,101)	(14,959)	8,300	8,912

13 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

14 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments which are the Group's strategic divisions for different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Electric parts for automotive business
- *Segment 2* Electronic parts for office automation business
- *Segment 3* Other business

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements											
	Electric parts for automotive		Electronic parts for office automation		Other electronic parts		Total		Eliminations		Net	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>For the year ended 30 September</i>												
<i>Information about reportable segments</i>												
External revenue	2,525	3,215	8,648	7,664	441	11,614	10,980	-	-	11,614	10,980	
Inter-segment revenue	23	34	61	-	-	84	34	(84)	(34)	-	-	
Total revenue	2,548	3,249	8,709	7,664	441	11,698	11,014	(84)	(34)	11,614	10,980	
<i>Disaggregation of revenue</i>												
<i>Primary geographical markets</i>												
Thailand	625	870	6,133	4,993	76	6,834	5,948	(84)	(34)	6,750	5,914	
Japan	1,128	1,512	1,927	1,883	364	3,419	3,406	-	-	3,419	3,406	
US	105	309	61	71	-	166	380	-	-	166	380	
Other	690	558	588	717	1	1,279	1,280	-	-	1,279	1,280	
Total revenue	2,548	3,249	8,709	7,664	441	11,698	11,014	(84)	(34)	11,614	10,980	
<i>Timing of revenue recognition</i>												
At a point in time	2,548	3,249	8,709	7,664	441	11,698	11,014	(84)	(34)	11,614	10,980	
Total revenue	2,548	3,249	8,709	7,664	441	11,698	11,014	(84)	(34)	11,614	10,980	
<i>Segment profit (loss) before income tax</i>												
Income tax	(59)	(168)	365	38	23	329	(129)	(49)	(49)	280	(178)	
Interest income	3	10	7	5	-	10	15	-	-	10	15	
Interest expense	-	-	(5)	(3)	-	(5)	(3)	-	-	(5)	(3)	
Depreciation and amortisation	(259)	(94)	(102)	(258)	(9)	(370)	(352)	1	1	(369)	(351)	
Tax expense	(5)	(5)	(24)	(15)	(1)	(30)	(20)	-	-	(30)	(20)	
Segment assets	1,214	1,418	2,279	1,764	1,726	5,219	4,602	(23)	(12)	5,196	4,590	
Segment liabilities	(249)	(289)	(1,189)	(638)	(34)	(1,472)	(930)	22	10	(1,450)	(920)	

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

Reconciliations of reportable segment assets and liabilities

	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Reportable segments	5,196	4,590	1,450	920
Other unallocated amounts	2,663	2,578	877	787
Total	7,859	7,168	2,327	1,707

	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Reportable segments	3,844	3,178	1,277	729
Other unallocated amounts	2,640	2,621	606	550
Total	6,484	5,799	1,883	1,279

Geographical information

Segments 1,2 and 3 are managed on a worldwide basis but operate manufacturing facilities and sales offices in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Consolidated financial statements	
	Revenues	
	2020	2019
	<i>(in million Baht)</i>	
Thailand	6,750	5,914
Japan	3,419	3,406
United States of America	166	380
Other countries	1,279	1,280
Total	11,614	10,980

Major customer

Revenues from three customers of the Group's Electronic parts for automotive, Electronic parts for office automation and other electronic parts segments represents approximately Baht 8,163 million (2019: Baht 7,484 million) of the Group's total revenue.

Promotional privileges

The Company has been granted promotional certificates by the Office of the Board of Investment for manufacturing of metal, plastic, and assembly parts of electronic parts. The Company has been granted several privileges including exemption import duty of necessary material used in production of promoted products for export and exception from payment of import duty on machinery approved by the Board throughout the period of the privileges.

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Notes to the financial statements

For the year ended 30 September 2020

The subsidiary has been granted promotional certificates by the Office of the Board of Investment for manufacturing of electronic parts. The subsidiary has been granted several privileges including exemption from certain taxes for a period of eight years from the date of commencement of promoted revenue. As a promoted company, the subsidiary company must comply with certain terms and conditions prescribed in the promotional certificate.

15 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Management</i>				
Wages and salaries	21,024	26,781	10,668	12,147
Others	38,828	51,113	27,300	31,450
	<u>59,852</u>	<u>77,894</u>	<u>37,968</u>	<u>43,597</u>
<i>Other employees</i>				
Wages and salaries	1,047,642	1,051,196	820,032	811,831
Defined contribution plans	11,886	11,823	9,361	9,519
Others	590,520	637,259	527,731	562,719
	<u>1,650,048</u>	<u>1,700,278</u>	<u>1,357,124</u>	<u>1,384,069</u>
Total	<u>1,709,900</u>	<u>1,778,172</u>	<u>1,395,092</u>	<u>1,427,666</u>

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates of 3% of their basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

16 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	145,184	(60,451)	119,029	(69,538)
Raw materials and consumables used	8,285,383	7,911,663	7,161,102	6,680,933
Employee benefit expenses	1,551,556	1,526,129	1,266,576	1,224,836
Depreciation and amortisation	355,173	337,853	229,307	224,172
Others	646,592	965,507	411,465	716,623
Total	<u>10,983,888</u>	<u>10,680,701</u>	<u>9,187,479</u>	<u>8,777,026</u>
<i>Included in distribution costs:</i>				
Service fees	98,119	91,110	96,861	89,834
Employee benefit expenses	30,098	36,609	23,995	28,086
Distribution	29,061	30,325	26,671	27,124
Depreciation and amortisation	1,724	1,940	271	262
Others	8,004	12,180	5,073	7,548
Total	<u>167,006</u>	<u>172,164</u>	<u>152,871</u>	<u>152,854</u>

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Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Included in administrative expenses:</i>				
Employee benefit expenses	128,246	132,028	104,521	101,435
Service fees	37,964	38,842	37,964	38,842
Depreciation and amortisation	12,192	11,276	7,648	6,914
Professional fees	9,277	8,399	5,841	5,383
Travelling	190	1,756	60	86
Others	144,506	167,298	137,218	137,697
Total	332,375	359,599	293,252	290,357

17 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	16,438	-	8,584	-
	16,438	-	8,584	-
Deferred tax expense				
Movements in temporary differences	13,566	20,470	11,080	9,715
	30,004	20,470	19,664	9,715

	Consolidated financial statements					
	Before tax	2020		2019		Net of tax
Tax (expense) benefit		Net of tax	Before tax	Tax (expense) benefit	Net of tax	
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan						
actuarial gains (losses)	37,006	(7,461)	(29,545)	(41,551)	-	(41,551)
Total	37,006	(7,461)	(29,545)	(41,551)	-	(41,551)

	Separate financial statements					
	Before tax	2020		2019		Net of tax
Tax (expense) benefit		Net of tax	Before tax	Tax (expense) benefit	Net of tax	
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan						
actuarial gains (losses)	37,307	(7,461)	29,846	(32,430)	-	(32,430)
Total	37,307	(7,461)	29,846	(32,430)	-	(32,430)

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 30 September 2020

Reconciliation of effective tax rate

	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		<u>280,196</u>		<u>(177,583)</u>		<u>281,256</u>		<u>(137,859)</u>
Income tax using the Thai corporation tax rate	20	56,039	20	(35,517)	20	56,251	20	(27,572)
Income not subject to tax		-		-		(10,000)		(10,000)
Expenses additionally deductible for tax purposes		(6,306)		(6,463)		(6,306)		(6,463)
Expenses not deductible for tax purposes and others		3,156		7,038		2,253		2,829
Temporary difference which no deferred tax was recognised		7,094		25,433		6,224		22,163
Current year losses for which no deferred tax asset was recognised		-		29,979		-		28,758
Utilisation of previous tax losses		(29,979)		-		(28,758)		-
Total	11	<u>30,004</u>	-	<u>20,470</u>	7	<u>19,664</u>	-	<u>9,715</u>

Deferred tax At 30 September

	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	(in thousand Baht)			
Total	42,315	54,953	(43,191)	(34,802)
Set off of tax	(33,667)	(34,802)	33,667	34,802
Net deferred tax assets (liabilities)	<u>8,648</u>	<u>20,151</u>	<u>(9,524)</u>	<u>-</u>

Deferred tax At 30 September

	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	(in thousand Baht)			
Total	36,390	48,466	(45,914)	(39,449)
Set off of tax	(36,390)	(39,449)	36,390	39,449
Net deferred tax assets (liabilities)	<u>-</u>	<u>9,017</u>	<u>(9,524)</u>	<u>-</u>

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<i>Deferred tax</i>	At beginning of period	Consolidated financial statements (Charged) / Credited to		At end of period
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2020				
<i>Deferred tax assets</i>				
Inventories	5,693	(185)	-	5,508
Non-current provisions for employee benefits	49,260	(4,992)	(7,461)	36,807
Total	54,953	(5,177)	(7,461)	42,315
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(34,691)	(8,389)	-	(43,080)
Finance lease liabilities	(111)	-	-	(111)
Total	(34,802)	(8,389)	-	(43,191)
Net	20,151	(13,566)	(7,461)	(876)
2019				
<i>Deferred tax assets</i>				
Inventories	5,789	(96)	-	5,693
Accrued termination benefits	2,523	(2,523)	-	-
Non-current provisions for employee benefits	53,478	(4,218)	-	49,260
Total	61,790	(6,837)	-	54,953
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(21,071)	(13,620)	-	(34,691)
Finance lease liabilities	(98)	(13)	-	(111)
Total	(21,169)	(13,633)	-	(34,802)
Net	40,621	(20,470)	-	20,151
Separate financial statements (Charged) / Credited to				
<i>Deferred tax</i>	At beginning of period	Profit or loss <i>(in thousand Baht)</i>		At end of period
		Profit or loss	Other comprehensive income	
2020				
<i>Deferred tax assets</i>				
Inventories	5,693	(185)	-	5,508
Non-current provisions for employee benefits	42,773	(4,430)	(7,461)	30,882
Total	48,466	(4,615)	(7,461)	36,390
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(39,449)	(6,465)	-	(45,914)
Total	(39,449)	(6,465)	-	(45,914)
Net	9,017	(11,080)	(7,461)	(9,524)

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<i>Deferred tax</i>	At beginning of period	Separate financial statements (Charged) / Credited to		At end of period
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>2019</i>				
<i>Deferred tax assets</i>				
Inventories	5,693	-	-	5,693
Non-current provisions for employee benefits	45,752	(2,979)	-	42,773
Total	51,445	(2,979)	-	48,466
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(32,713)	(6,736)	-	(39,449)
Total	(32,713)	(6,736)	-	(39,449)
Net	18,732	(9,715)	-	9,017
<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Inventories	1,931	2,880	1,931	2,880
Non-current provisions for employee benefits	38,606	30,392	32,941	25,769
Finance lease liabilities	595	471	-	-
Tax losses	-	29,979	-	28,758
Total	41,132	63,722	34,872	57,407

The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

18 Basic earnings (loss) per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 30 September</i>				
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>250,192</u>	<u>(198,052)</u>	<u>261,592</u>	<u>(147,574)</u>
Number of ordinary shares outstanding at the end of period	<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>11.97</u>	<u>(9.48)</u>	<u>12.52</u>	<u>(7.06)</u>

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19 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Annual dividend 2019	30 January 2020	28 February 2020	<u>10</u>	<u>209</u>
<i>2019</i>				
Annual dividend 2018	24 January 2019	22 February 2019	<u>13</u>	<u>272</u>

20 Supplemental disclosures of cash flows information

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Increase in property, plant and equipment during the year	355,365	248,096	236,616	140,524
Less assets acquired by means of finance lease	(80,586)	(68,391)	-	-
Change in payables for purchase of property, plant and equipment	<u>(30,347)</u>	<u>(814)</u>	<u>(30,898)</u>	<u>(3,998)</u>
Purchased of property, plant and equipment paid by cash	<u>244,432</u>	<u>178,891</u>	<u>205,718</u>	<u>136,526</u>

21 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for subsequent period.

<i>Assets and liabilities denominated in the foreign currencies as at 30 September</i>	Consolidated financial statements					
	2020			2019		
	United States Dollars	Japanese Yen	Total <i>(in thousand Baht)</i>	United States Dollars	Japanese Yen	Total
Cash and cash equivalents	166,212	340,550	506,762	332,320	258,725	591,045
Trade accounts receivable	304,686	244,552	549,238	260,207	247,596	507,803
Other receivables	81	-	81	-	-	-
Trade accounts payable	(202,459)	(54,750)	(257,209)	(113,661)	(102,754)	(216,415)
Other payables	(1,003)	(15,331)	(16,334)	(1,463)	(19,842)	(21,305)
Payable for property, plant and equipment	-	(39,851)	(39,851)	-	(4,594)	(4,594)
Finance lease liabilities	-	(141,180)	(141,180)	-	(145,435)	(145,435)
Gross balance sheet exposure	267,517	333,990	601,507	477,403	233,696	711,099

<i>Assets and liabilities denominated in the foreign currencies as at 30 September</i>	Separate financial statements					
	2020			2019		
	United States Dollars	Japanese Yen	Total <i>(in thousand Baht)</i>	United States Dollars	Japanese Yen	Total
Cash and cash equivalents	166,212	339,500	505,712	332,320	258,725	591,045
Trade accounts receivable	304,686	242,489	547,175	259,055	247,596	506,651
Other receivables	31	-	31	-	-	-
Trade accounts payable	(197,580)	(43,600)	(241,180)	(105,018)	(92,866)	(197,884)
Other payables	(1,003)	(14,711)	(15,714)	(1,463)	(19,842)	(21,305)
Payables for property, plant and equipment	-	(39,851)	(39,851)	-	(4,594)	(4,594)
Gross balance sheet exposure	272,346	483,827	756,173	484,894	389,019	873,913

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effect of fluctuations in cash flows.

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. 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		Separate financial statements	
	Carrying amount	Fair value Level 3 (in thousand Baht)	Carrying amount	Fair value Level 3
30 September 2020				
Finance lease liabilities	(176,540)	(189,704)	-	-
30 September 2019				
Finance lease liabilities	(142,592)	(145,082)	-	-

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

22 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for machine and other constructions	36,281	22,323	36,281	22,323
Future minimum lease payments under non-cancellable operating leases				
Within 1 year	31,745	17,469	28,723	12,802
1 - 5 years	17,794	22,992	15,376	19,938
Total	49,539	40,461	44,099	32,740
Other commitments				
Bank guarantees	31,003	31,310	31,003	31,310

The Group had land lease, car lease and office equipment agreements for various periods, which will expire during 2020 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.

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23 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material significant impact on the consolidated and separate financial statements when initially adopted, and will become effective for the Group's financial statements in annual reporting periods beginning on or after 1 October 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
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 – Financial instruments standards 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.

(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, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the period of initial adoption.