

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

Condensed interim financial statements
for the three-month period ended
31 December 2021
and
Independent auditor's review report



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Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Muramoto Electron (Thailand) Public Company Limited and its subsidiary, and of Muramoto Electron (Thailand) Public Company Limited, respectively, as at 31 December 2021; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 December 2021; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Sujitra Masena)
Certified Public Accountant
Registration No. 8645

KPMG Phoomchai Audit Ltd.
Bangkok
11 February 2022

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Assets		31 December	30 September	31 December	30 September
		2021	2021	2021	2021
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		2,230,510	2,427,163	1,924,529	2,091,955
Trade accounts receivable	2, 3	2,505,149	1,861,999	2,056,252	1,420,681
Other receivables	2	294,731	203,465	248,607	183,554
Inventories		<u>1,619,003</u>	<u>1,554,249</u>	<u>1,145,338</u>	<u>1,103,691</u>
Total current assets		<u>6,649,393</u>	<u>6,046,876</u>	<u>5,374,726</u>	<u>4,799,881</u>
<i>Non-current assets</i>					
Investment in subsidiary	4	-	-	299,998	299,998
Property, plant and equipment	5	2,553,321	2,483,707	1,908,432	1,864,451
Intangible assets		19,026	19,376	15,609	15,904
Deferred tax assets		29,265	32,489	12,388	15,878
Other non-current assets		<u>12,714</u>	<u>12,444</u>	<u>4,838</u>	<u>4,568</u>
Total non-current assets		<u>2,614,326</u>	<u>2,548,016</u>	<u>2,241,265</u>	<u>2,200,799</u>
Total assets		<u>9,263,719</u>	<u>8,594,892</u>	<u>7,615,991</u>	<u>7,000,680</u>

The accompanying condensed notes from an integral part of the interim financial statements.

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December	30 September	31 December	30 September
		2021	2021	2021	2021
Liabilities and equity		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade accounts payable	2	1,940,062	1,551,182	1,640,510	1,258,541
Other payables	2	327,762	320,954	256,581	251,248
Payable for property, plant and equipment	2	47,407	38,200	11,666	30,888
Current portion of lease liabilities		88,611	89,109	16,648	17,528
Current income tax payable		118,334	66,834	99,300	51,688
Total current liabilities		<u>2,522,176</u>	<u>2,066,279</u>	<u>2,024,705</u>	<u>1,609,893</u>
<i>Non-current liabilities</i>					
Lease liabilities		176,971	185,007	33,865	37,948
Non-current provisions for employee benefits		373,354	371,231	303,444	302,669
Total non-current liabilities		<u>550,325</u>	<u>556,238</u>	<u>337,309</u>	<u>340,617</u>
Total liabilities		<u>3,072,501</u>	<u>2,622,517</u>	<u>2,362,014</u>	<u>1,950,510</u>
<i>Equity</i>					
Share capital					
Authorised share capital					
<i>(23,898 thousand ordinary shares, par value at Baht 10 per share)</i>					
		<u>238,981</u>	<u>238,981</u>	<u>238,981</u>	<u>238,981</u>
Issued and paid-up share capital					
<i>(20,898 thousand ordinary shares, par value at Baht 10 per share)</i>					
		208,981	208,981	208,981	208,981
Share premium					
Share premium on ordinary shares		653,700	653,700	653,700	653,700
Retained earnings					
Appropriated					
Legal reserve		25,000	25,000	25,000	25,000
Unappropriated		<u>5,303,537</u>	<u>5,084,694</u>	<u>4,366,296</u>	<u>4,162,489</u>
Total equity		<u>6,191,218</u>	<u>5,972,375</u>	<u>5,253,977</u>	<u>5,050,170</u>
Total liabilities and equity		<u>9,263,719</u>	<u>8,594,892</u>	<u>7,615,991</u>	<u>7,000,680</u>

The accompanying condensed notes from an integral part of the interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 31 December		Three-month period ended 31 December	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sale of goods	2, 6	4,723,597	4,689,989	4,042,248	4,078,266
Other income	2	55,059	22,966	26,107	18,544
Total revenue		4,778,656	4,712,955	4,068,355	4,096,810
Expenses					
Cost of sale of goods	2	4,311,696	4,266,509	3,630,343	3,696,398
Distribution costs	2	104,876	98,672	100,336	94,019
Administrative expenses	2	85,486	96,343	81,557	92,478
Finance costs		1,927	1,489	211	139
Total expenses		4,503,985	4,463,013	3,812,447	3,883,034
Profit before income tax expense		274,671	249,942	255,908	213,776
Tax expense		55,828	10,065	52,101	8,396
Profit for the period		218,843	239,877	203,807	205,380
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		218,843	239,877	203,807	205,380
Basic earnings per share (Baht)		10.47	11.48	9.75	9.83

The accompanying condensed notes from an integral part of the interim financial statements.

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

	Consolidated financial statements				
	Issued and paid-up share capital	Share premium	Legal reserve	<u>Retained earnings</u>	
Unappropriated				Total equity	
	<i>(in thousand Baht)</i>				
Three-month period ended 31 December 2020					
Balance at 1 October 2020	208,981	653,700	25,000	4,644,205	5,531,886
Comprehensive income for the period					
Profit	-	-	-	239,877	239,877
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	239,877	239,877
Balance at 31 December 2020	208,981	653,700	25,000	4,884,082	5,771,763
Three-month period ended 31 December 2021					
Balance at 1 October 2021	208,981	653,700	25,000	5,084,694	5,972,375
Comprehensive income for the period					
Profit	-	-	-	218,843	218,843
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	218,843	218,843
Balance at 31 December 2021	208,981	653,700	25,000	5,303,537	6,191,218

The accompanying condensed notes from an integral part of the interim financial statements.

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

	Separate financial statements				Total equity
	Issued and paid-up share capital	Share premium	<u>Retained earnings</u>		
Legal reserve			Unappropriated		
	<i>(in thousand Baht)</i>				
Three-month period ended 31 December 2020					
Balance at 1 October 2020	208,981	653,700	25,000	3,714,082	4,601,763
Comprehensive income for the period					
Profit	-	-	-	205,380	205,380
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	205,380	205,380
Balance at 31 December 2020	208,981	653,700	25,000	3,919,462	4,807,143
Three-month period ended 31 December 2021					
Balance at 1 October 2021	208,981	653,700	25,000	4,162,489	5,050,170
Comprehensive income for the period					
Profit	-	-	-	203,807	203,807
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	203,807	203,807
Balance at 31 December 2021	208,981	653,700	25,000	4,366,296	5,253,977

The accompanying condensed notes from an integral part of the interim financial statements.

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

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	218,843	239,877	203,807	205,380
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	55,828	10,065	52,101	8,396
Finance costs	1,927	1,489	211	139
Depreciation and amortisation	98,925	99,176	61,111	65,040
Unrealised loss on foreign exchange	7,365	31,134	5,646	25,637
(Reversal of) loss on inventories devaluation	4,540	(7,105)	327	(9,338)
(Gain) loss on disposal of property, plant and equipment	(375)	827	(50)	827
Employee benefit expenses	7,717	7,308	6,118	6,011
	<u>394,770</u>	<u>382,771</u>	<u>329,271</u>	<u>302,092</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(644,062)	(606,834)	(636,416)	(515,666)
Other receivables	(91,263)	(62,909)	(65,051)	(58,591)
Inventories	(69,294)	102,954	(41,974)	96,970
Other non-current assets	(270)	(122)	(270)	(67)
Trade accounts payable	387,821	376,493	382,939	314,396
Other payables	6,552	41,412	5,591	43,184
Employee benefit paid	(5,594)	(5,484)	(5,343)	(5,484)
Tax paid	(1,103)	(1,327)	(998)	(1,313)
Net cash (use in) from operating activities	<u>(22,443)</u>	<u>226,954</u>	<u>(32,251)</u>	<u>175,521</u>

The accompanying condensed notes from an integral part of the interim financial statements.

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

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sale of property, plant and equipment	375	39	50	39
Acquisition of property, plant and equipment	(135,330)	(346,855)	(121,825)	(341,947)
Acquisition of intangible assets	(2,748)	(328)	(2,195)	(328)
Net cash used in investing activities	<u>(137,703)</u>	<u>(347,144)</u>	<u>(123,970)</u>	<u>(342,236)</u>
<i>Cash flows from financing activities</i>				
Payment of lease liabilities	(29,600)	(22,232)	(4,963)	(3,058)
Financial cost paid	(1,927)	(1,489)	(211)	(139)
Cash used in financing activities	<u>(31,527)</u>	<u>(23,721)</u>	<u>(5,174)</u>	<u>(3,197)</u>
Net decrease in cash and cash equivalents, before effect of exchange rates	(191,673)	(143,911)	(161,395)	(169,912)
Effect of exchange rate changes on cash and cash equivalents	(4,980)	(24,837)	(6,031)	(25,416)
Net decrease in cash and cash equivalents	<u>(196,653)</u>	<u>(168,748)</u>	<u>(167,426)</u>	<u>(195,328)</u>
Cash and cash equivalents at 1 October	2,427,163	2,518,241	2,091,955	2,227,121
Cash and cash equivalents at 31 December	<u><u>2,230,510</u></u>	<u><u>2,349,493</u></u>	<u><u>1,924,529</u></u>	<u><u>2,031,793</u></u>

The accompanying condensed notes from an integral part of the interim financial statements.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

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Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 11 February 2022.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 30 September 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 30 September 2021.

2 Related parties

Relationships with subsidiary are described in note 4. For relationships with key management and other related parties and pricing policies have no material changes from financial statements for the year ended 30 September 2021.

<i>Significant transactions with related parties</i> <i>Three-month period ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	418,512	307,541	418,512	307,541
Purchases of goods and property, plant and equipment	23,145	26,032	22,928	25,822
Service fees	76,405	73,689	75,697	73,129
Technical fees	981	2,116	-	2,116
Other income	1,526	1,531	1,526	1,531
Subsidiary				
Sales of goods	-	-	95	13
Purchases of goods and property, plant and equipment	-	-	32,600	37,558
Other income	-	-	50	-
Other related parties				
Sales of goods	53,535	324,092	53,535	324,092

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

<i>Significant transactions with related parties</i> <i>Three-month period ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	19,479	15,422	7,201	9,190
Post-employment benefits	33	29	15	14
Total key management personnel compensation	19,512	15,451	7,216	9,204

Balances as at 31 December 2021 and 30 September 2021 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2021	30 September 2021	31 December 2021	30 September 2021
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Parent	289,161	307,455	289,161	307,455
Subsidiary	-	-	94	9
Other related parties	64,020	37,511	64,020	37,511
Total	353,181	344,966	353,275	344,975
Other receivables				
Parent	823	30	823	30
Subsidiary	-	-	53	34
Other related parties	-	1	-	1
Total	823	31	876	65
Trade accounts payable				
Parent	6,820	10,247	6,747	9,788
Subsidiary	-	-	21,562	22,080
Other related parties	-	709	-	709
Total	6,820	10,956	28,309	32,577
Other payables				
Parent	85,116	60,180	82,201	58,059
Other related parties	163	226	163	226
Total	85,279	60,406	82,364	58,285
Payable for property, plant and equipment				
Parent	7,329	17,870	7,329	16,304
Total	7,329	17,870	7,329	16,304

Significant agreements with related parties

As at 31 December 2021, the parent company has guaranteed USD 6.1 million (*equivalent to Baht 204.92 million*) and Baht 775 million of credit facilities by the financial institutions to the Company (30 September 2021: USD 6.1 million (*equivalent to Baht 207.95 million*) and Baht 775 million).

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

3 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 December 2021	30 September 2021	31 December 2021	30 September 2021
	<i>(in thousand Baht)</i>			
Within credit terms	2,495,646	1,861,146	2,046,749	1,419,828
Overdue:				
1 - 30 days	-	15	-	15
31 - 60 days	9,204	-	9,204	-
91 - 365 days	5	-	5	-
More than 365 days	294	838	294	838
Total	<u>2,505,149</u>	<u>1,861,999</u>	<u>2,056,252</u>	<u>1,420,681</u>

4 Investment in subsidiary

	Ownership interest		Paid-up capital		Cost method		Dividend income for the three-month periods ended	
	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	31 December 2020
	<i>(%)</i>		<i>(in thousand Baht)</i>					
Subsidiary								
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,998	299,998	-	-

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

5 Property, plant and equipment

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Book value as at 1 October 2021	2,483,707	1,864,451
Additions	165,441	102,603
Depreciation charge for the period	(95,827)	(58,622)
Book value as at 31 December 2021	<u>2,553,321</u>	<u>1,908,432</u>

6 Segment information and disaggregation of revenue

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the condensed interim financial statements

For the three-month period ended 31 December 2021 (Unaudited)

	Consolidated financial statements						Net					
	Electronic parts for automotive		Electronic parts for office automation		Other electronic parts			Eliminations		Total		
<i>Three-month period ended</i>	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
<i>Information about reportable segments</i>												
External revenue	989	1,059	3,513	3,334	222	297	4,724	4,690	-	-	4,724	4,690
Inter-segment revenue	7	7	26	30	-	-	33	37	(33)	(37)	-	-
Total revenue	996	1,066	3,539	3,364	222	297	4,757	4,727	(33)	(37)	4,724	4,690
<i>Disaggregation of revenue</i>												
Primary geographical markets												
Thailand	294	291	2,910	2,779	135	156	3,339	3,226	(33)	(37)	3,306	3,189
Japan	647	436	629	585	85	137	1,361	1,158	-	-	1,361	1,158
US	28	21	-	-	-	-	28	21	-	-	28	21
Others	27	318	-	-	2	4	29	322	-	-	29	322
Total revenue	996	1,066	3,539	3,364	222	297	4,757	4,727	(33)	(37)	4,724	4,690
Timing of revenue recognition												
At a point in time	996	1,066	3,539	3,364	222	297	4,757	4,727	(33)	(37)	4,724	4,690
Total revenue	996	1,066	3,539	3,364	222	297	4,757	4,727	(33)	(37)	4,724	4,690
Segment profit (loss) before income tax	52	5	220	255	3	(10)	275	250	-	-	275	250
Segment assets as at 31 December 2021/ 30 September 2021												
	1,104	672	3,708	3,188	899	1,147	5,711	5,007	(23)	(23)	5,688	4,984
Segment liabilities as at 31 December 2021/ 30 September 2021												
	(391)	(342)	(1,629)	(1,305)	(110)	(98)	(2,130)	(1,745)	21	22	(2,109)	(1,723)

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

Reconciliation of reportable segment assets and liabilities

	Consolidated financial statements	
	31 December 2021	30 September 2021
	<i>(in million Baht)</i>	
Assets		
Total assets for reportable segments	5,688	4,984
Other unallocated amounts	3,576	3,611
Total assets	9,264	8,595
Liabilities		
Total liabilities for reportable segments	2,109	1,723
Other unallocated amounts	964	900
Total liabilities	3,073	2,623

7 Supplemental disclosures of cash flows information

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

<i>Three-month period ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Increase in property, plant and equipment during the period	165,441	387,752	102,603	358,791
Less assets acquired by means of lease liabilities	(20,904)	(56,184)	-	(33,177)
Change in payables for purchase of property, plant and equipment	(9,207)	15,287	19,222	16,333
Purchased of property, plant and equipment paid by cash	135,330	346,855	121,825	341,947

8 Financial instruments

Carrying amount and fair values

As at 31 December 2021 and 30 September 2021, the carrying amount of financial assets and liabilities are reasonable approximation of fair value.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2021 (Unaudited)

9 Commitments with non-related parties

<i>At 31 December 2021</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Capital commitments		
Building and other constructions	33,352	33,352
Machinery and equipment	40,527	28,712
Office equipment	1,226	1,069
Total	75,105	63,133
Other commitments		
Short-term lease commitments and leases		
for low value assets	6,051	3,783
Bank guarantees	31,153	31,153

As at 31 December 2021, the Group had warehouse rental, car lease and office equipment agreements for various periods, which will expire during 2022 to 2026.

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

10 Events after the reporting period

- 1) At the annual general meeting of the shareholders of the Company held on 28 January 2022, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2021 at Baht 14 per share, total amount of Baht 293 million. The dividends will be paid in February 2022.
- 2) At the annual general meeting of the shareholders of a subsidiary held on 24 January 2022, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2021 at Baht 1.67 per share, total amount of Baht 50 million. The dividends will be paid in February 2022.