

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

Condensed interim financial statements
for the three-month period ended
31 December 2023
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 2023; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 December 2023; 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
9 February 2024

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	30 September	31 December	30 September
Assets	Note	2023	2023	2023	2023
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents		3,199,150	2,528,634	2,734,988	2,194,640
Trade accounts receivable	2, 3	2,173,242	2,548,387	1,738,183	2,102,577
Other receivables	2	84,527	53,433	57,527	35,046
Inventories		<u>1,372,936</u>	<u>1,532,479</u>	<u>970,917</u>	<u>1,041,220</u>
Total current assets		<u>6,829,855</u>	<u>6,662,933</u>	<u>5,501,615</u>	<u>5,373,483</u>
<i>Non-current assets</i>					
Investment in subsidiary		-	-	299,998	299,998
Property, plant and equipment	4	2,410,076	2,472,438	1,797,720	1,831,348
Intangible assets		33,010	37,542	31,558	35,815
Deferred tax assets		16,546	16,186	-	-
Other non-current assets		<u>2,371</u>	<u>11,953</u>	<u>2,075</u>	<u>2,255</u>
Total non-current assets		<u>2,462,003</u>	<u>2,538,119</u>	<u>2,131,351</u>	<u>2,169,416</u>
Total assets		<u>9,291,858</u>	<u>9,201,052</u>	<u>7,632,966</u>	<u>7,542,899</u>

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	30 September	31 December	30 September
Liabilities and equity	Note	2023	2023	2023	2023
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Trade accounts payable	2	1,672,498	1,832,505	1,473,700	1,598,855
Other payables	2	299,237	321,685	260,342	280,801
Payables for property, plant and equipment	2	23,466	9,974	19,468	8,270
Current portion of lease liabilities		109,883	111,831	16,113	16,623
Corporate income tax payable		94,313	39,442	79,993	35,301
Total current liabilities		2,199,397	2,315,437	1,849,616	1,939,850
Non-current liabilities					
Lease liabilities		211,597	230,314	12,330	15,982
Deferred tax liabilities		6,897	5,915	6,897	5,915
Non-current provisions for employee benefits		373,287	374,658	306,897	309,214
Total non-current liabilities		591,781	610,887	326,124	331,111
Total liabilities		2,791,178	2,926,324	2,175,740	2,270,961
Equity					
Share capital					
Authorised share capital					
(23,898 thousand ordinary shares, par value at Baht 10 per share)					
		238,981	238,981	238,981	238,981
Issued and paid-up share capital					
(20,898 thousand ordinary shares, par value at Baht 10 per share)					
		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		5,612,999	5,387,047	4,569,545	4,384,257
Total equity		6,500,680	6,274,728	5,457,226	5,271,938
Total liabilities and equity		9,291,858	9,201,052	7,632,966	7,542,899

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

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

		Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Income					
Revenue from sale of goods	2, 5	4,570,626	5,510,793	3,899,547	4,897,145
Other income	2	38,765	22,983	25,871	11,566
Net foreign exchange gains		-	15,037	-	13,008
Total income		4,609,391	5,548,813	3,925,418	4,921,719
Expenses					
Cost of sale of goods	2	4,139,261	4,987,767	3,520,498	4,424,363
Distribution costs	2	94,027	118,600	90,051	114,348
Administrative expenses	2	82,121	250,421	70,476	239,139
Net foreign exchange losses		9,464	-	12,812	-
Finance costs		2,584	2,195	147	151
Total expenses		4,327,457	5,358,983	3,693,984	4,778,001
Profit before income tax expense		281,934	189,830	231,434	143,718
Tax expense		55,982	70,540	46,145	62,456
Profit for the period		225,952	119,290	185,289	81,262
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		225,952	119,290	185,289	81,262
Basic earnings per share (Baht)		10.81	5.71	8.87	3.89

The accompanying condensed notes form 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	<u>Retained earnings</u>		Total equity
			Legal reserve	Unappropriated	
			<i>(in thousand Baht)</i>		
Three-month period ended 31 December 2022					
Balance at 1 October 2022	208,981	653,700	25,000	5,525,023	6,412,704
Comprehensive income for the period					
Profit	-	-	-	119,290	119,290
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	119,290	119,290
Balance at 31 December 2022	208,981	653,700	25,000	5,644,313	6,531,994
Three-month period ended 31 December 2023					
Balance at 1 October 2023	208,981	653,700	25,000	5,387,047	6,274,728
Comprehensive income for the period					
Profit	-	-	-	225,952	225,952
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	225,952	225,952
Balance at 31 December 2023	208,981	653,700	25,000	5,612,999	6,500,680

The accompanying condensed notes form 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				
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
			Legal reserve	Unappropriated	
			(in thousand Baht)		
Three-month period ended 31 December 2022					
Balance at 1 October 2022	208,981	653,700	25,000	4,551,399	5,439,080
Comprehensive income for the period					
Profit	-	-	-	81,262	81,262
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	81,262	81,262
Balance at 31 December 2022	208,981	653,700	25,000	4,632,661	5,520,342
Three-month period ended 31 December 2023					
Balance at 1 October 2023	208,981	653,700	25,000	4,384,256	5,271,937
Comprehensive income for the period					
Profit	-	-	-	185,289	185,289
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	185,289	185,289
Balance at 31 December 2023	208,981	653,700	25,000	4,569,545	5,457,226

The accompanying condensed notes form 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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	225,952	119,290	185,289	81,262
<i>Adjustments to reconcile profit to cash receipts</i>				
Tax expense	55,982	70,540	46,145	62,456
Finance costs	2,584	2,195	147	151
Depreciation and amortisation	111,188	108,500	65,751	63,998
Unrealised loss (gain) on exchange rate	7,980	(2,888)	8,341	(2,318)
Loss (reversal of loss) on inventories devaluation	9,008	(22,405)	5,396	2,137
Loss (gain) on disposals and write-off of property, plant and equipment	64	(461)	66	(441)
Employee benefit expenses	22,205	7,803	20,492	6,135
	<u>434,963</u>	<u>282,574</u>	<u>331,627</u>	<u>213,380</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	369,149	65,311	358,341	104,869
Other receivables	(31,261)	30,508	(22,651)	35,811
Inventories	150,535	149,817	64,907	98,723
Other non-current assets	9,582	591	180	591
Trade accounts payable	(147,283)	(66,858)	(112,508)	(86,640)
Other payables	(22,633)	122,843	(20,641)	137,893
Employee benefit paid	(23,576)	(4,163)	(22,809)	(4,017)
Net cash generated from operations	<u>739,476</u>	<u>580,623</u>	<u>576,446</u>	<u>500,610</u>
Tax paid	<u>(489)</u>	<u>(12,162)</u>	<u>(471)</u>	<u>(1,177)</u>
Net cash from operating activities	<u>738,987</u>	<u>568,461</u>	<u>575,975</u>	<u>499,433</u>

The accompanying condensed notes form 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		
Note	2023	2022	2023	2022	
	(in thousand Baht)				
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	2,600	462	2,598	442	
Acquisition of property, plant and equipment	(21,694)	(21,597)	(18,578)	(18,635)	
Acquisition of intangible assets	(796)	(7,204)	(754)	(7,171)	
Net cash used in investing activities	(19,890)	(28,339)	(16,734)	(25,364)	
Cash flows from financing activities					
Payment of lease liabilities	(31,790)	(29,239)	(4,161)	(3,914)	
Financial cost paid	(2,584)	(2,195)	(147)	(151)	
Cash used in financing activities	(34,374)	(31,434)	(4,308)	(4,065)	
Net increase in cash and cash equivalents, before effect of exchange rates changes	684,723	508,688	554,933	470,004	
Effect of exchange rate changes on cash and cash equivalents	(14,207)	(3,982)	(14,585)	(5,172)	
Net increase in cash and cash equivalents	670,516	504,706	540,348	464,832	
Cash and cash equivalents at the beginning of the period	2,528,634	2,743,632	2,194,640	2,543,725	
Cash and cash equivalents at the end of the period	3,199,150	3,248,338	2,734,988	3,008,557	
Supplemental disclosures of cash flows information:					
Property, plant and equipment purchased during the period are details as follows:					
Increase in property, plant and equipment during the period	4	46,164	54,057	29,776	26,611
Less assets acquired by means of lease liabilities		(10,978)	(23,158)	-	(852)
Change in payables for purchase of property, plant and equipment		(13,492)	(9,302)	(11,198)	(7,124)
Purchased of property, plant and equipment paid by cash		21,694	21,597	18,578	18,635

The accompanying condensed notes form 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 2023 (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 2023 (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 9 February 2024.

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 2023.

In preparing these interim financial statements, judgments 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 2023.

2 Related parties

Relationships with subsidiary, key management and other related parties have no material changes from financial statements for the year ended 30 September 2023.

Significant transactions with related parties Three-month period ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	669,107	496,273	669,104	496,273
Purchases of goods and property, plant and equipment	8,250	9,778	6,121	8,355
Service fees	64,109	83,123	63,421	82,285
Technical fees	934	1,966	934	1,966
Other income	165	109	99	109
Subsidiary				
Sales of goods	-	-	50	4
Purchases of goods	-	-	26,531	38,734
Other related parties				
Sales of goods	14,771	11,270	14,771	11,270

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2023 (Unaudited)

<i>Significant transactions with related parties</i> <i>Three-month period ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	16,377	15,912	4,298	4,324
Post-employment benefits	-	11	-	-
Total key management personnel compensation	16,377	15,923	4,298	4,324

Balances as at 31 December 2023 and 30 September 2023 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2023	30 September 2023	31 December 2023	30 September 2023
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Parent	412,492	389,850	412,492	389,848
Other related parties	12,492	22,417	12,492	22,417
Total	424,984	412,267	424,984	412,265
Other receivables				
Parent	439	598	269	598
Total	439	598	269	598
Trade accounts payable				
Parent	4,415	7,299	2,200	6,839
Subsidiary	-	-	18,751	18,832
Total	4,415	7,299	20,951	25,671
Other payables				
Parent	77,073	74,383	75,457	72,986
Other related parties	-	5	-	5
Total	77,073	74,388	75,457	72,991
Payables for property, plant and equipment				
Parent	2,087	3,251	-	3,251
Total	2,087	3,251	-	3,251

Significant agreements with related parties

As at 31 December 2023, the parent company has guaranteed USD 6.1 million (*equivalent to Baht 210 million*) and Baht 775 million of credit facilities by the financial institutions to the Company (30 September 2023 : USD 6.1 million (*equivalent to Baht 224 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 2023 (Unaudited)

3 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 December 2023	30 September 2023	31 December 2023	30 September 2023
	<i>(in thousand Baht)</i>			
Within credit terms	<u>2,173,242</u>	<u>2,548,387</u>	<u>1,738,183</u>	<u>2,102,577</u>

4 Property, plant and equipment

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Book value as at 1 October 2023	2,472,438	1,831,348
Additions	46,164	29,776
Disposals and write-off	(2,665)	(2,664)
Depreciation charge for the period	<u>(105,861)</u>	<u>(60,740)</u>
Book value as at 31 December 2023	<u>2,410,076</u>	<u>1,797,720</u>

5 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 2023 (Unaudited)

Three-month period ended 31 December	Consolidated financial statements															
	Electronic parts for automotive				Electronic parts for office automation				Other electronic parts		Total		Eliminations		Net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
(in million Baht)																
Information about reportable segments																
External revenue	1,000	835	3,380	4,489	191	187	4,571	5,511	-	-	4,571	5,511	-	-	4,571	5,511
Inter-segment revenue	1	4	26	35	-	-	27	39	(27)	(39)	(27)	(39)	(27)	(39)	-	-
Total revenue	1,001	839	3,406	4,524	191	187	4,598	5,550	(27)	(39)	4,571	5,511	(27)	(39)	4,571	5,511
Disaggregation of revenue																
Primary geographical markets																
Thailand	324	333	2,772	3,930	44	74	3,140	4,337	-	-	3,140	4,337	-	-	3,140	4,337
Japan	626	474	608	559	147	113	1,381	1,146	-	-	1,381	1,146	-	-	1,381	1,146
US	15	8	-	-	-	-	15	8	-	-	-	8	-	-	15	8
Others	35	20	-	-	-	-	35	20	-	-	-	20	-	-	35	20
Total revenue	1,000	835	3,380	4,489	191	187	4,571	5,511	-	-	4,571	5,511	-	-	4,571	5,511
Timing of revenue recognition																
At a point in time	1,000	835	3,380	4,489	191	187	4,571	5,511	-	-	4,571	5,511	-	-	4,571	5,511
Total revenue	1,000	835	3,380	4,489	191	187	4,571	5,511	-	-	4,571	5,511	-	-	4,571	5,511
Segment profit before income tax	44	21	231	160	7	9	282	190	-	-	282	190	-	-	282	190
Segment assets as at 31 December 2023/ 30 September 2023	1,093	1,120	3,146	3,691	1,177	1,185	5,416	5,996	(20)	(20)	5,396	5,976	(20)	(20)	5,396	5,976
Segment liabilities as at 31 December 2023/ 30 September 2023	(408)	(422)	(1,376)	(1,486)	(79)	(85)	(1,863)	(1,993)	19	19	(1,844)	(1,974)	19	19	(1,844)	(1,974)

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2023 (Unaudited)

	Separate financial statements						
	Electronic parts for automotive		Electronic parts for office automation		Other electronic parts		Total
	2023	2022	2023	2022	2023	2022	2022
<i>Three-month period ended 31 December</i>							
					<i>(in million Baht)</i>		
<i>Disaggregation of revenue</i>							
Primary geographical markets							
Thailand	288	290	2,772	3,930	44	73	4,293
Japan	626	474	2	9	118	93	576
US	15	8	-	-	-	-	8
Others	35	20	-	-	-	-	20
Total revenue	964	792	2,774	3,939	162	166	4,897
<i>Timing of revenue recognition</i>							
At a point in time	964	792	2,774	3,939	162	166	4,897
Total revenue	964	792	2,774	3,939	162	166	4,897

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2023 (Unaudited)

Reconciliation of reportable segment assets and liabilities

	Consolidated financial statements	
	31 December 2023	30 September 2022
	<i>(in million Baht)</i>	
Assets		
Total assets for reportable segments	5,396	5,976
Other unallocated amounts	3,896	3,225
Total assets	9,292	9,201
Liabilities		
Total liabilities for reportable segments	1,844	1,974
Other unallocated amounts	947	952
Total liabilities	2,791	2,926

6 Financial instruments

Carrying amount and fair values

As at 31 December 2023 and 30 September 2023, the carrying amount of financial assets and liabilities are reasonable approximation of fair value.

7 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 31 December 2023</i>	<i>(in thousand Baht)</i>	
Capital commitments		
Building and other constructions	12,040	12,040
Machinery and equipment	72,254	63,441
Office equipment	3,996	-
Intangible assets	1,318	-
Total	89,608	75,481
Other commitments		
Short-term lease commitments and leases for low value assets	7,710	5,903
Bank guarantees	31,002	31,002

As at 31 December 2023, the Group had car lease and office equipment agreements for various periods, which will expire during 2024 to 2028.

The Company had bank guarantee issued by various financial institutions for use of electricity and gasoline.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 31 December 2023 (Unaudited)

8 Events after the reporting period

- 1) At the annual general meeting of the shareholders of the Company held on 26 January 2024, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2023 at Baht 10 per share, total amount of Baht 209 million. The dividends will be paid in February 2024.
- 2) At the annual general meeting of the shareholders of a subsidiary held on 22 January 2024, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2023 at Baht 0.67 per share, total amount of Baht 20 million. The dividends will be paid in February 2024.