

ISO 16949:2009 ISO 14001:2004 ISO 9001:2008



Annual Report 2015



METCO



Moving to the Next Stage



METCO

**Muramoto Electron (Thailand)
Public Company Limited**



Teaching of 'Itaro Muramoto',
founder of Muramoto Industry Co., Ltd.,

Mind that
values **customer**.



มีใจในการ
ให้ความสำคัญ
กับลูกค้า

Mind that values
technology and quality.



มีใจในการ
ให้ความสำคัญ
กับเทคโนโลยี และคุณภาพ

Mind that
values **employee**.



มีใจในการ
ให้ความสำคัญ
กับพนักงาน

METCO basic policy that rooted from our founder principles.

Providing best product from best idea for our customers.

Timely implementation to achieve best quality, lowest cost, and on time delivery

Enforcing customer trust through trained competent personnel.

Achieving total improvement of entire management team.

Maintaining safe and environment conscious workplace.



METCO

- » **4** Muramoto Group

- » **6** Message from the Chairman

- » **7** Audit Committee's Report

- » **9** Financial Summary

- » **10** Management Discussion & Analysis (MD&A)

- » **14** Company Profile

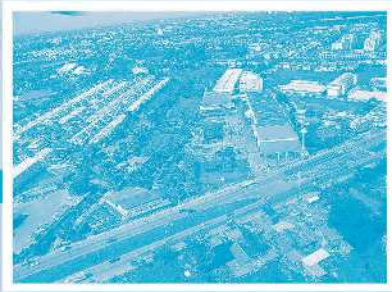
- » **15** Additional Information

- » **43** Annual Financial Statements and
Audit Report of Certified Public Accountant



Vision
Our products make Impression for you

e-XPECTATION e-XCEEDED @METCO
@METCO เราให้เกินคาด



METCO 1

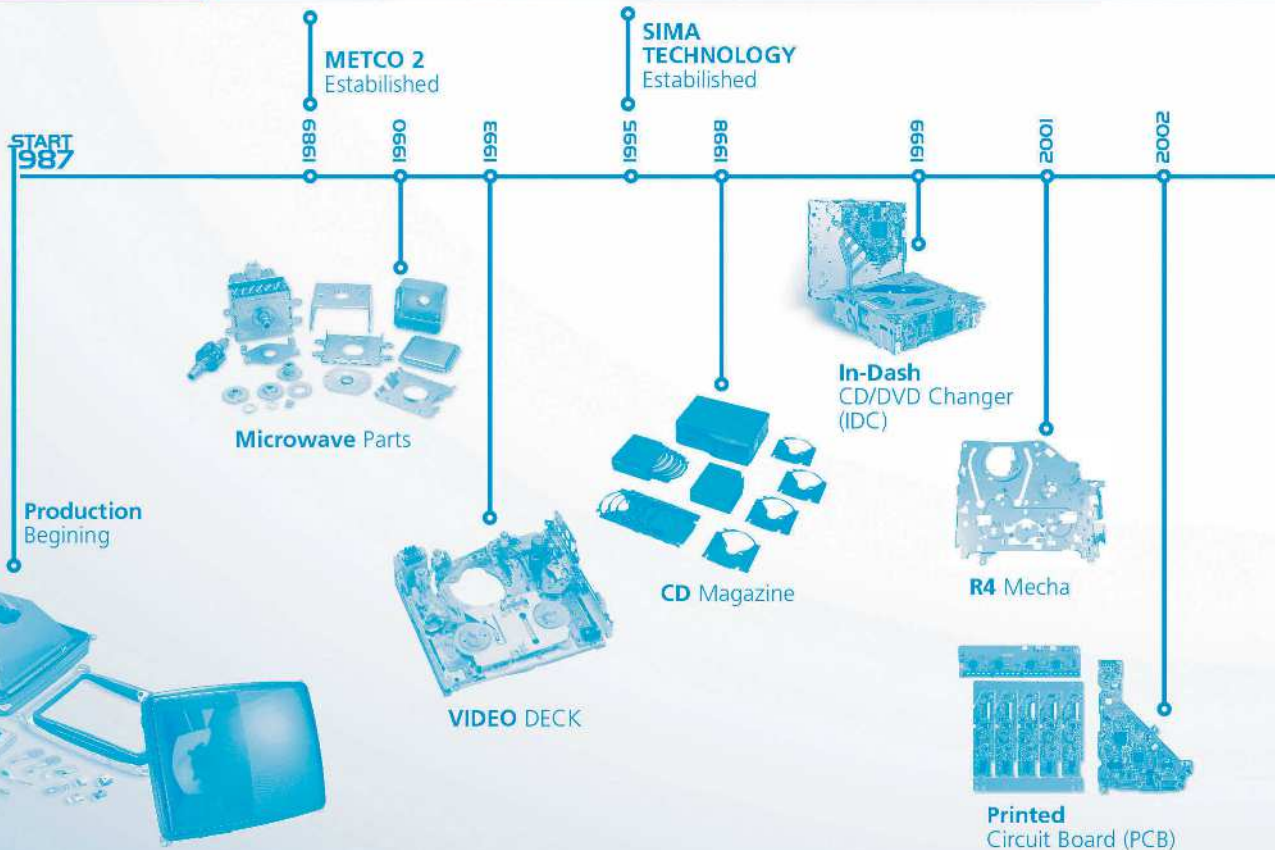
METCO 2



**SIMA
TECHNOLOGY**



**Our Products
Friendly Environment**





Concept of production

METCOism

*Integrated Synchronize Manufacturing
Innovation, Speed & Maximum*

M = Manufacturing Expert

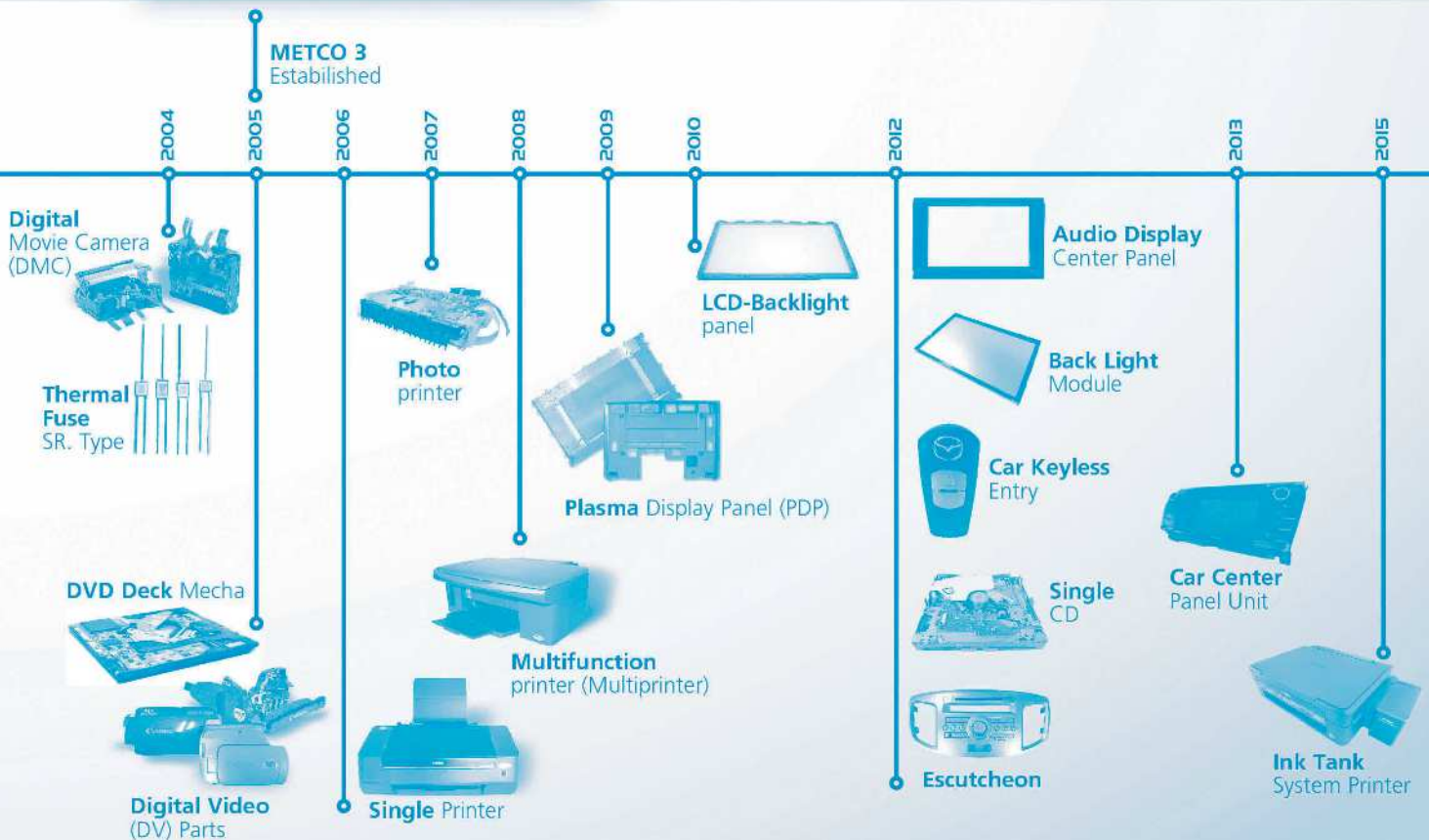
E = Environment and Safety Conscious

T = Technology Leadership

C = Creative Workforce

O = Overall Excellent

METCO 3



MURAMOTO GROUP



METCO 1



METCO 2



METCO 3



Sima Technology Co., Ltd.

THAILAND



Muramoto Electron (Thailand) Public Company Limited METCO 1

Address : 886 Ramindhra Road, Kwaeng Kannayao, Khet Kannayao, Bangkok 10230, Thailand

METCO 2

Address : 1 Mu 6 Bangna-Trat Road Km. 25, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10540, Thailand

METCO 3

Address : 99/7 Mu 3 Bangna-Trat Road Km. 23, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10540, Thailand

Established : 1987

Nature of Business : Manufacturing of pressed metal parts and plastics molding parts and its assembling for audio, video, cassettes, computer and other electrical products, etc. for home, offices, industrial use including automobiles.

Sima Technology Co., Ltd.



Address : 99 Mu 1 Sikhiu Chockchai Road, Km. 36, Tambol Thongchainue, Amphur Pakthongchai, Nakorn Ratchasima 30150, Thailand

Established : 1995

Nature of Business : Manufacturing of pressed metal parts and its assembling for audio, video, cassettes, computer and other electrical products.

CZECH



Muramoto Manufacturing Europe s.r.o. (Czech Republic)

Address : Skandinavska 991, 267 53 Zebrač, Czech Republic
Tel : (420) 311-652-426 Fax : (420) 311-652-451

Established : 2005

Nature of Business : Manufactures metal parts for home-use
Appliance and Electronics

MALAYSIA



Muramoto Technics (Malaysia) Sdn., Bhd.

Address : Lot 1863 Jalan College 43300, Seri Kembangan, Selangor, Malaysia

Established : 1997

Nature of Business : Manufacturing of pressed metal parts.

SINGAPORE

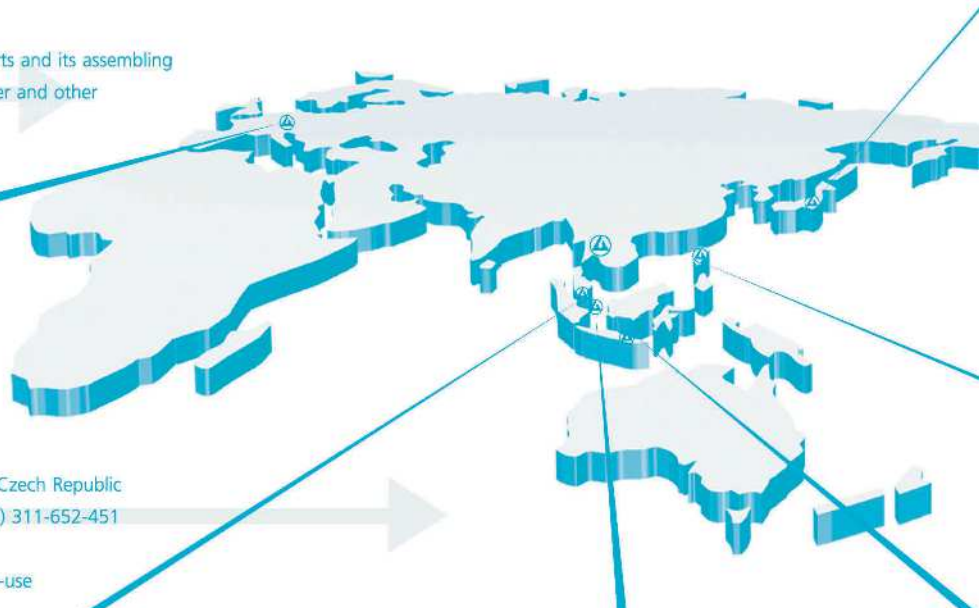


Muramoto Asia Pte., Ltd.

Address : 16 Raffles Quay, #16-04 Hong Leong Bldg., Singapore 048581

Established : 1990

Nature of Business : Regional sales of group products and procurements of parts for group companies.



JAPAN



Muramoto Industry Co., Ltd.

Address : 1-24, Takatsukadai 3-chome, Nishi-Ku, Kobe, Japan
Established : 1935
Nature of Business : Manufacturing of pressed metal parts and its assembling for audio, video, cassettes, computer and other electrical products.

USA



Muramoto USA, Inc.

Address : 9335 Airway Road, Suite 203 A,
San Diego, CA 92154, USA
Established : 2006
Nature of Business : Sales of products of group companies.

MEXICO



Muramoto Manufacturing De Mexico

Address : Calle Tres Sur No.1085 CD.
Industral, Tijuana, B.C. 22500
Mexico
Established : 1990
Nature of Business : Regional

INDONESIA



P.T. Muramoto Elektronika Indonesia

Address : East Jakarta Industrial Park, Plot 9-J, Cikarang Selatan,
Bekasi 17550 Indonesia
Established : 1995
Nature of Business : Manufacturing of pressed metal parts and its assembling for audio, video, cassettes, computer and other electrical products.

PHILIPPINES



Muramoto Audio-Visual Philippines Inc.

Address : Mactan Export Processing Zone, Lapu-Lapu City,
Cebu, Philippines
Established : 1990
Nature of Business : Assembling for audio, video, cassettes, computer and other electrical products.



Mr. Yoichi Muramoto

To our shareholders, investors and stakeholders, I would like to express my gratitude to you for your continued support for METCO

In the business environment of the current fiscal year, despite the strong economic expansion of the United States and some recovery in Europe, the slowdown can be seen in China and some of the emerging countries. Japan's economy also seems limited in the weak recovery.

There is no optimism about the business environment surrounding Muramoto group. Nevertheless, it is prospected that each company of the group will be able to generally ensure profit in the financial results of the current business year.

METCO's 2015 Financial Results marked our second consecutive year of surplus. The automotive-related business including Car Center Panel Unit and the Keyless entry system, as our core business, showed steady growth, as well as our information appliance-related business including Ink Jet Printers. In addition, there was our effort to improve the balance of payments by carrying out rationalization of production, etc. We are confident that the increase in profit resulted from that.

We will continue promoting the technological innovation and internal reform to respond to changes in the market, to grasp customer needs and improve their satisfaction, and to maintain our overall superiority in the market.

Also, utilizing the global information of Muramoto group, we will keep challenging new technologies and areas, and work on stabilization of our business in future.

Further, we will review the medium and long-term business plan of the next fiscal year, clarify our business strategy more than ever, and work hard on promotion of strengthening our competitiveness and management practices. The management department also needs improvement, constantly foreseeing one step ahead. To enable an even more high sustainable growth, we intend to grapple with further strengthening our internal controls as a Public Company.

Although the economy is slowly recovering, the world situation is uncertain. It is assumed that the harsh environment will remain. Burden of personnel expense resulting from exchange rate fluctuations and changes in workforce supply and demand is also our concern.

METCO advanced to Thailand in 1987 and 28 years have passed since. We have accumulated various experiences as an enterprise. We have been fortunate to have you, every one of our many stakeholders including our shareholders, during the time. And, we are here today.

Last but not least, we deeply thank you again and very much appreciate your lasting support and expectations about our business.

A handwritten signature in black ink, appearing to read 'Yoichi Muramoto'. The signature is fluid and cursive, written over a light blue background.

Mr. Yoichi Muramoto
Chairman / President



Prof. Paichitr Rojanavanich

Dear Shareholders of Muramoto Electron (Thailand) Public Company Limited

The Board of Directors has decided to set the structure, qualifications, tenure, duties and responsibilities of the Audit Committee into a written charter. In the past year, the Audit Committee consists of three following independent directors with qualifications and expertise in accounting, finance, laws and management.

- Prof. Paichitr Rojanavanich Chairman of Audit Committee
- Mr. Wanchai Umpungart Audit Committee
- Mr. Nop Rojanavanich Audit Committee

Ms. Vipanee Suvanij, Certified Public Accountant Registration Number 2121, is the secretary of the Audit Committee.

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period 2015 the Audit Committee had convened a total of 4 meetings, the Audit Committee together with the management, internal audit team and auditors to discuss relevant issues and report the meeting outcomes to the Board of Directors. The essence of the work performed can be summarized as follows :

Financial Statement Report

The Audit Committee, the auditors, management division and Internal Audit had reviewed the Company' quarterly and the yearly financial statements as well as the consolidated financial statements of the Company and its subsidiary. By considering from important aspect and give advices and useful suggestions to ensure that the internal control process of the Company financial budget is accurate and reliable, as well as to ensure that the disclosure of important information is sufficient and timeliness for the financial statement users. Which is also in accordance with the laws and related notices as well as in accordance with the regulations of Stock Exchange of Thailand and Securities and Exchange Commission and in comply with Financial Reporting Standards. In addition, the Audit Committee had a meeting with the auditors without any executives or management attended the meeting for inquiring about various issues of the results of auditing and the auditors did not have any information or special observation from the audit.

Related Transaction or Conflict of interest transaction

The Audit Committee had considered and given opinions about connected transactions or transactions that may give rise to a conflict of interest with the Company and its subsidiary. The purpose is caution, rationality and taking into account the interest of the stakeholders and also includes adequate information in line with the conditions imposed by the Stock Exchange of Thailand.

Internal Control System and Risk Management

The Audit Committee had reviewed the adequacy of the Internal Control Systems of the Company and its subsidiary, based on the reports of the internal audit and the auditors. The purpose is to assess the appropriateness and the efficiency of the Internal Control System, the risk management, and the business operations of the management that are in line with the established policies and delegation of the authority.

Regulatory compliance and regulations

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the company's business operation.

Good Corporate Governance

The Audit Committee had conducted such audits as to ensure that the administration of the business of the Company was in compliance with the Good Corporate Governance in order to transparency and fair operates and build confidence to the stakeholders.

Internal Audit Governance

The Audit Committee had considered the independence of the Internal Audit Department, its scope of responsibilities and annual audit plan as well as considered the audit report and monitoring the implementation of solutions to significant issues mentioned in the audit report. Giving advice on how to improve and streamline the audit performance. The committee also considered the appropriateness of the budget, the workforce, training and personnel development and the annual performance appraisal of the Internal Audit.

Considering the appointed Auditors and Compensation

The Audit Committee had selected the auditors and the auditor remuneration. By considering knowledge, capability, experience and quality of the auditors' works, auditors' statuses, significant limitations or the regulations of the Stock Exchange of Thailand or the regulations of the other related organizations to ensure that independence of the auditor and the neutrality on work performance.

The Audit Committee had selected the KPMG Phoomchai Audit Limited as company auditors and considered the auditors remuneration and proposed to the Board of Directors. The Audit Committee deemed that the auditors had good understanding of the Company's businesses, practiced in a neutral and independence manner as well as regularly delivered its work on time, and as a result the Board of Directors proposed to the Annual General Meeting of Shareholders 2015 to appoint KPMG Phoomchai Audit Limited as the Company's auditor. The appointed auditors are:

Miss Sureerat Thongarunsang	Certified Public Accountant license number 4409 and/or
Mr.Viroj Jindamaneepitak	Certified Public Accountant license number 3565 and/or
Mr. Sakda Kaothanthong	Certified Public Accountant license number 4628

For the Accounting period that the year ended 30 September 2015, Miss Sureerat Thongarunsang is the Certified Public Accountant who audited the Company's financial budget.

The Audit Committee deemed that during for the accounting period that the year ended 30 September 2015, the company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.



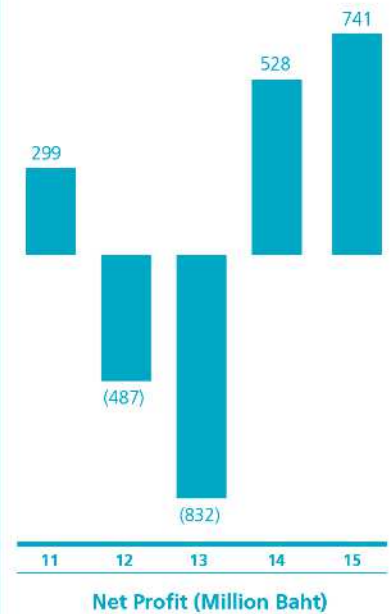
Professor Paichitr Rojanavanich
Chairman of Audit Committee

26th November 2015

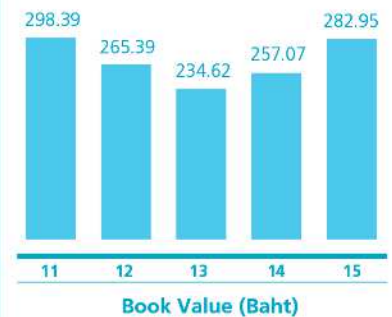
FINANCIAL SUMMARY



	METCO & Subsidiary Company <i>Unit : In Million Baht</i>			METCO <i>Unit : In Million Baht</i>		
	2015	2014	2013	2015	2014	2013
Sales	16,616	16,467	11,237	14,125	13,927	8,036
Cost of Sales	15,600	15,636	11,117	13,217	13,264	8,032
Profit Margin (Loss)	1,016	830	120	908	663	4
Selling & Administrative Expenses	517	558	1,166	441	467	691
Operations Profit (Loss)	449	272	(1,046)	466	196	(687)
Other Incomes	298	258	223	280	227	193
Income Tax	56	3	11	60	3	0
Net Profit (Loss)	741	528	(832)	687	420	(494)
Earning per Share (Baht) (Loss)	35.44	25.27	(39.82)	32.87	20.10	(23.65)
Total Assets	8,296	7,991	7,048	6,922	6,633	5,793
Total Liabilities	2,383	2,618	2,145	1,899	2,100	1,622
Total Shareholders' Equity	5,913	5,372	4,903	5,023	4,533	4,171
Number of Shares (Million Shares)	20,898	20,898	20,898	20,898	20,898	20,898
Book Value (Baht)	282.95	257.07	234.62	240.34	216.92	199.57



Financial Ratio	METCO & Subsidiary Company <i>Unit : In Percentage</i>			METCO <i>Unit : In Percentage</i>		
	2015	2014	2013	2015	2014	2013
Net Profit per Revenues (Loss)	4.46	3.21	(7.41)	4.86	3.02	(6.15)
Return per Equity	12.53	9.83	(16.97)	13.68	9.26	(11.85)
Return on Assets	8.93	6.61	(11.81)	9.92	6.33	(8.53)



METCO & Subsidiary Company

Overview in 2015

Our consolidated operation result were as follows :

Thai Baht in Millions	Sep-2015	Sep-2014
Revenue from sales of goods	16,616	16,467
Cost of sales of goods	15,600	15,636
Selling expenses	269	245
Administrative expenses	237	299
Operating Profit /(Loss)	510	287
Operating margin rate	3.1%	1.7%
Other gain or expenses	286	244
Impairment losses	0	0
Profit (Loss) before income tax	796	531

Raito Analysis

Liquidity ratio

Current ratio	Time	2.64	2.14
Quick ratio	Time	1.94	1.45
Receivable turn over	Time	6.93	5.90

Account recivable days

Collection period	Days	52.65	61.92
-------------------	------	-------	-------

Account payable days

Account payable turnover	Time	8.03	7.06
Payment period	Days	45.44	51.71

Inventory days

Inventory turnover	Time	12.21	10.82
Inventory turnover period	Days	29.89	33.73

Profitability ratio

Gross profit margin	%	6.11%	5.04%
Net profit margin	%	4.46%	3.21%
Return on equity (ROE)	%	12.53%	9.83%

Efficiency ratio

Return on total assets (ROA)	%	8.93%	6.61%
Return on fixed assets	%	26.95%	18.4%
Assets turnover	Time	2.00	2.06

Financial policy ratio

Debt to equity	Time	0.35	0.44
Interest coverage	Time	71.05	37.59

Per share

Par Value	Baht	10.00	10.00
Book Value	Baht	282.95	257.07
Earning Per Share	Baht	35.44	25.27

For FY2015, METCO reports the consolidated sales amount of THB 16.6 billion and 16 million, an increase of 0.9% over the previous year; Profit before income tax surplus of THB 796 million, an increase of 33.4% over the previous year's surplus of THB 531 million; and net profit after income tax of THB 740 million, an increase of 28.6% over the previous year's surplus of THB 528 million.

Regarding the sales, under the automotive-related business, In Dash Changer (IDC) had a significant decline. On the other hand, the current primary business such as car center panels unit, Single CD players and the keyless entry system enjoyed steady sales and printer business also had favorable sales growth mainly in emerging countries, which enabled us to secure the sales of equivalent amount as last fiscal year.

About profits, we were able to achieve success far exceeding the plan, having driven by the strong sales and affected by the baht exchange depreciation in the fourth quarter.

We will be striving to achieve our goals from now while each department maintaining our style of work.

About each management index

Liquidity ratio	Just as last year, Liquidity ratio and financial standing maintain the soundness.
Account receivable days	The improvement of accounts receivable days regarding the car center panel business for North America, the total number of debt collection days decreased. Inventory turnover ratio also improved.
Account payable days	As the result of improvements of A/R collection days, the A/P days became short days.
Inventory turnover and days	The further Inventory fluidized, the shorter inventory holding period and the better the inventory turnover.
Profitability and Efficiency ratio	Improving all business operation, the profitability and efficiency rate became better.. Thereby profitability and efficiency greatly improved. ROE greatly exceeds 10%.

Business Policy 2016

For the start of FY2016, the following “Management Philosophy”, “Vision” and “Muramoto Style of Work” have been set in order to seek for an ideal figure of the group companies we should pursue.

- **Management Philosophy**

We create a prosperous future together with our customers, seeking for their satisfaction.

- **Vision**

We strive to be the world’s best manufacturing services company in customer satisfaction.

- **Style of Work (Professional Work)**

- **Enterprising / Challenging Spirit**

Always identify and foresee which direction our customers will be heading (Enterprising / Challenging spirit).

- **Visualization of Work**

Make a story of a work process.

- **Broader Perspective**

Always think about corresponding globally.

- **Pride**

Have true pride and keep contributing to our customers to deserve their gratitude.

Strategy for Success 2016

METCO will strive to accomplish each department’s objective with our full effort in order to realize our FY2016 policy.

<Sales Department>

For sustainable growth, it is imperative for METCO to cooperate with each of Muramoto group companies in other countries. METCO, as the core of the group, will determine its role for each customer and push ourselves to fulfill our responsibilities of the execution of the roles in the closer cooperation with other Muramoto group companies.

Not persisting only with the established areas of our business, we will actively challenge new fields.

<Production Department>

Best quality products at competitive costs. Deliver the exact quantities of those on precise dates as our customers require. In order to maintain and strengthen our system to enable that, we will carry on maintenance and improvement of our production systems, aiming at optimization of the entire production, including metal molding, pressing, resins, substrate mounting, painting, assembly, etc.

<Operations Department>

With the purpose of eliminating waste and reducing risks, we will revise a series of workflow of order entry/order placement, inventory, manufacturing, shipping and settlement, then build a new system based upon the revision.

It is our objective to standardize our workflow with a prospect of deploying it to the whole Muramoto group companies, so that we will be able to strengthen mutual cooperation.

<Management Department>

As a crux of internal control, we will organize a highly developed management structure to correspond to a variety of risks. We are aiming at an uninterrupted series of cooperation system of sales, production, operations and management, which will eliminate waste and prevent problems from occurring in advance.

Forecast for 2016

Overall, we were able to secure the sales and profit growth in 2015, supported by the strong economy of North America and Southeast Asia.

There are, however, potential risks which could hold down the growth of the world economy in fiscal 2016: China's downside economy in our vicinity, in Europe the issue of refugees from the Middle East and Africa suffering from conflicts and poverty, and energy-related firms having hard time caused by the dropped crude oil prices, etc. etc.

In such a business environment, we will ensure our continued surplus closing fiscal 2016 with the aim of strengthening internal management system and improving competitiveness and customer satisfaction, while performing a wider range of sales activities in the in-vehicle related field, which has become our core business.

COMPANY PROFILE

Company Name	: Muramoto Electron (Thailand) Public Company Limited
Address	
Head Office	: 886 Ramindhra Road, Kwaeng Kannayao, Khet Kannayao, Bangkok 10230, Thailand
- METCO 1	: 886 Ramindhra Road, Kwaeng Kannayao, Khet Kannayao, Bangkok 10230, Thailand
- METCO 2	: 1 Mu 6 Bangna-Trat Road Km. 25, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10540, Thailand
- METCO 3	: 99/7 Mu 3 Bangna-Trat Road Km. 23, Tambol Bangsaowthong, Amphur Bangsaowthong, Samutprakarn 10540, Thailand
Nature of Business	: Manufacturer and exporter of electrical, electronic component parts and car parts.
Company Registration No.	: Bor Mor Jor 326
Registration Date	: Transformed to Public Company on 15 th March 1994 in accordance with Public Company Limited Act B.E. 2535
Registration Capital	: 238,981,000 Baht
Paid-up Capital	: 208,981,000 Baht
Quantities and types of shares issued and sold	: 20,898,100 common shares each of par value 10 Baht
Board of Directors	: 1. Mr. Yoichi Muramoto Chairman / President 2. Mr. Yoshiyuki Muramoto Vice President 3. Mr. Taichi Ishikawa Vice President 4. Mr. Shinichiro Yamamoto Director 5. Mr. Ichiro Nishimura Director 6. Prof. Paichitr Rojanavanich Director (Independent) 7. Mr. Wanchai Umpungart Director (Independent) 8. Mr. Nop Rojanavanich Director (Independent)



1. Subsidiary Company :

Sima Technology Co., Ltd.

Address : 99 Mu 1, Tumbol Thongchainue, Amphur Pakthongchai, Nakornratchasima 30150

Nature of Business : Manufacturing of pressed metal parts and its assembling for audio, video, cassettes, computer, and other electrical products.

Company Registration No. : Bor Aor Jor. Nor Mor. 1321

Registration Date : 9th June 1995

Registration Capital : 300 Million Baht

Paid-up Capital : 300 Million Baht

Quantity and type of shares issued and sold : 30 Million common shares each of par value 10 Baht

Quantity and type of shares the Company hold in Subsidiary Company : 29,999,800 common shares each of par value 10 Baht (at cost)

2. Juristic Person that own more than 10% of shares

Only one shareholder holding more than 10% of the total shares of Muramoto Electron (Thailand) Public Company Limited is Muramoto Industry Co., Ltd. whose shareholding within last 5 years is as follows :

Date/Month/Year	Number of Shares owned	Percent of Shares
30 September 2011	14,907,420	67.76
30 September 2012	14,907,420	67.76
30 September 2013	14,907,420	67.76
30 September 2014	14,907,420	71.334
30 September 2015	14,907,420	71.334

3. Other References

Share Registrar

Office Title : Thailand Securities Depository Co., Ltd.

Location : 93 Stock Exchange of Thailand Building, Ratchadaphisek Road, Kwaeng Dindang, Khet Dindang, Bangkok 10400

Auditor : Ms. Sureerat thongarunsang, Registration No. 4409

Office Title : KPMG Phoomchai Audit Limited

Location : Empire Tower, 48th floor, 195 South Satorn Road, Bangkok 10120

NATURE OF BUSINESS

Structure of income of the Company and its Subsidiary within the last two years

	2015		2014	
	Million Baht	%	Million Baht	%
Income from Sales	16,616	98.24	16,467	98.46
Other Income	298	1.76	258	1.54
Total	16,914	100.00	16,725	100.00

Total income of the Company and its subsidiary (Y2015 Increased 0.90% Compared to Y2014)

RELATED PERSONS AND CONNECTED TRANSACTION

Responsible Directors of the Company

1. Mr. Yoichi Muramoto
2. Mr. Yoshiyuki Muramoto
3. Mr. Shinichiro Yamamoto
4. Mr. Taichi Ishikawa

Relationship of the responsible Directors

1. Muramoto Industry Co., Ltd. (Japan) (Parent Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• is the President of Muramoto Industry Co., Ltd. (Japan) and owns 4.99% shares	Muramoto Industry Co., Ltd. (Japan) is the major shareholder (71.334%) of Muramoto Electron (Thailand) PLC. and provides technical and financial support Including assistance in marketing Development.
2. Mr. Yoshiyuki Muramoto	• is the Director of Muramoto Industry Co., Ltd. (Japan) and owns 2.53% shares	Muramoto Industry Co., Ltd. (Japan) acquires various parts, and other raw material from Japanese Manufacturers to sell to Muramoto Electron (Thailand) PLC.
3. Mr. Shinichiro Yamamoto	• is the Managing of Muramoto Industry Co., Ltd. (Japan) and owns 4.99% shares	Muramoto Industry Co., Ltd. (Japan) is acting sales and marketing agent on case-by-case basis for Muramoto Electron (Thailand) PLC.

2. Sima Technology Co., Ltd. (Thailand) (Subsidiary)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoshiyuki Muramoto 2. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> • is the President of Sima Technology Co., Ltd. • is the Director of Sima Technology Co., Ltd. 	Sima Technology Co., Ltd. is a subsidiary of Muramoto Electron (Thailand) PLC. which hold 99.99% of its shares. Sima Technology Co., Ltd. manufactures and assembles DVD, Thermal Fuse and its related parts.

3. Muramoto Asia Pte., Ltd. (Singapore) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Taichi Ishikawa	<ul style="list-style-type: none"> • is the Director of Muramoto Asia Pte., Ltd. 	Muramoto Asia Pte., Ltd. is in the same group as Muramoto Electron (Thailand) PLC. because Muramoto Industry Co., Ltd. owns its 100% share.

4. Muramoto USA. Inc. (USA) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> • is the Director of Muramoto USA. Inc. 	Muramoto USA. Inc. is 100% subsidiary of Muramoto Industry Co., Ltd. (Japan) Muramoto USA. Inc. is sales agent on case-by-case basis for Muramoto group.

5. Muramoto Technics (Malaysia) Sdn., Bhd. (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
		Muramoto Technics (Malaysia) Sdn., Bhd. is 100% subsidiary of Muramoto Asia Pte., Ltd. (Singapore)

6. P.T. Muramoto Elektronika Indonesia (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Shinichiro Yamamoto 2. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> • is the President of P.T. Muramoto Elektronika Indonesia • is the Director of P.T. Muramoto Elektronika Indonesia 	P.T. Muramoto Elektronika Indonesia is 81% subsidiary of Muramoto Industry Co., Ltd. (Japan)

7. Muramoto Audio - Visual Philippines Inc. (Philippines) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> is the Chairman of Muramoto Audio - Visual Philippines Inc. 	Muramoto Audio - Visual Philippines Inc. is 100% subsidiary of Muramoto Industry Co., Ltd. (Japan)

8. Muramoto Manufacturing Europe S.R.O. (Czech) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> is the Director of Muramoto Manufacturing Europe S.R.O. 	Muramoto Manufacturing Europe S.R.O. is 100% subsidiary of Muramoto Industry Co., Ltd. (Japan)

9. Muramoto Manufacturing De Mexico (Mexico) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> is the Chairman of Muramoto Manufacturing De Mexico. 	<p>Muramoto Manufacturing De Mexico is subsidiary of Muramoto Industry Co., Ltd. (Japan)</p> <p>USA Inc. 90%</p> <p>Muramoto Family 10%</p>

10. Muramoto Sumitronics USA LLC (USA) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	<ul style="list-style-type: none"> is the Director of Muramoto Sumitronics USA LLC 	Muramoto Sumitronics USA LLC is 20% subsidiary of Muramoto USA Inc.

PARENT COMPANY, SUBSIDIARIES, AND ASSOCIATED COMPANIES

MIC	= Muramoto Industry Co., Ltd.	MUI	= Muramoto USA. Inc.
MTM	= Muramoto Technics (Malaysia) Sdn., Bhd.	MAP	= Muramoto Asia Pte., Ltd.
MEI	= P.T. Muramoto Elektronika Indonesia	SIMA	= Sima Technology Co., Ltd.
MAPLE	= Muramoto Audio-Visual Philippines Inc.	METCO	= Muramoto Electron (Thailand) Public Company Limited
MMM	= Muramoto Manufacturing De Mexico	MME	= Muramoto Manufacturing Europe S.R.O.
MSX	= Muramoto Sumitronics USA LLC		

Related transactions

Our parent company has over 80 years of experience in this industry and specializes in manufacturing technologies, therefore we intend to have certain new techniques transferred from our parent company and also develop others in-house. Our technicians are regularly assigned to the parent company in order to keep up with developments. As well as that, their counterparts at the parent company are assigned to us in order to facilitate transfer of new manufacturing techniques.

These related transactions are agreed upon by the companies, and involve prices comparable to market prices. All relevant regulations and laws are observed. These transactions are correct, complete and sufficient according to generally accepted accounting principles (please see notes to the financial statements).

Related transaction procedure

The procedure for transactions between companies under the group is the same as that of transactions with other trading partners. Companies under the group are independently managed and are able to make decisions on their own. Therefore, the decision to purchase from, or sell to other companies under the group is the same as conventional transactions with other trading partners. All related transactions are completed on the basis of greatest benefits to METCO and are subject to the approval of the Procurement Department and the Sales Promotion. We have not established specific policies requiring the trade of any product with the companies under the group.

Related transaction monitoring

Our related transactions are regularly reviewed by the Internal Audit Department, the Audit Committee and licensed auditors who report to the Board of Directors. No suspicious transaction has been found.

Related transaction policy

We have not established specific related transaction policies because companies under the group are independently managed and are free to make decisions on their own. We will be glad to trade with any local or foreign company offering better prices, quality and conditions.

The Parent Company, Subsidiaries and Associated Companies are not registered on overseas Stock Exchange Markets. The relationship between the Parent Company, Subsidiaries and Associated Companies is as follows.

Muramoto Industry Co., Ltd. (Parent Company)

Nature of Business	: Manufactures and Exports Appliance and Electronics parts and Metal Mold
Established	: 1935
Headquarter Location	: Kobe, Japan
Registered Capital	: 160 Million Yen
Paid-up Capital	: 80 Million Yen
Major Shareholders	: Muramoto Family 83.23%, Sonpo Japan 3.07%, Bank of Tokyo-Mitsubishi UFJ 4.79%, Meiji Life Insurance 3.07%, Hajime Suda 5.85%
The Board of Directors	: Mr. Yoichi Muramoto-Director Mr. Tadashi Muramoto-Director Mr. Shinichiro Yamamoto-Director Mr. Yoshiyuki Muramoto-Director Mr. Shuji Muramoto-Director Mr. Shigeru Takamatsu-Director Mr. Akihiro Kimura-Director
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: Holds 71.334% of shares in Muramoto Electron (Thailand) PLC.
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Industry Co., Ltd. (Japan) has signed contract to provide assistance in technology and business development with Muramoto Electron (Thailand) PLC. In addition, Muramoto Electron (Thailand) PLC. purchases materials and other parts from Muramoto Industry Co., Ltd. (Japan) who, in return, purchases parts manufactured by and from Muramoto Electron (Thailand) PLC.
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 12 - 30 Sep. 13 Purchase Value : 618.5 Million Baht Selling Value : 305.3 Million Baht 1 Oct. 13 - 30 Sep. 14 Purchase Value : 1,141.5 Million Baht Selling Value : 596.8 Million Baht 1 Oct. 14 - 30 Sep. 15 Purchase Value : 784.6 Million Baht Selling Value : 483.4 Million Baht
Relations in terms of Financial Support	: Stand surely for Muramoto Electron (Thailand) PLC.

Sima Technology Co., Ltd. (Subsidiary)

Nature of Business	: Manufactures and assembles of metal parts for appliances, electronics and automobile parts
Established	: 1995
Headquarter Location	: Amphur Pakthongchai, Nakornratchasima
Registered Capital	: 300 Million Baht
Paid-up Capital	: 300 Million Baht
Major Shareholders	: Muramoto Electron (Thailand) PLC. 99.99%
The Board of Directors	: Mr. Yoichi Muramoto-Director Mr. Kazanobu Kawabe-Director Mr. Yoshiyuki Muramoto-Director
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. holds 99.99% of shares
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. sells metal and plastic parts to Sima Technology Co., Ltd. and purchases metal parts from them.
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 12 - 30 Sep. 13 Purchase Value : 418.6 Million Baht Selling Value : 2.0 Million Baht 1 Oct. 13 - 30 Sep. 14 Purchase Value : 289.1 Million Baht Selling Value : 16.3 Million Baht 1 Oct. 14 - 30 Sep. 15 Purchase Value : 153.3 Million Baht Selling Value : 23.8 Million Baht
Relations in terms of Financial Support	: Muramoto Electron (Thailand) PLC. guarantee to a bank overdraft and loan for the bank of Sima Technology Co., Ltd. for an amount not exceeding Baht 100 million.

Muramoto Asia Pte., Ltd. (Associated Company)

Nature of Business	: Distributer and exports Appliance and Electronic parts		
Established	: 1990		
Headquarter Location	: Singapore		
Registered Capital	: 4 Million Singapore Dollars		
Paid-up Capital	: 3.7 Million Singapore Dollars		
Major Shareholders	: Muramoto Industry Co., Ltd. 100%		
The Board of Directors	: Mr. Tadashi Muramoto-Director		Mr. Taichi Ishikawa-Director
	: Mr. Lim Tiong Beng-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. sells CD changers etc., to Muramoto Asia Pte., Ltd. and purchase electrical parts from them.		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 12 - 30 Sep. 13	Purchase Value : 593.4 Million Baht	Selling Value : 40.9 Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 184.1 Million Baht	Selling Value : 29.3 Million Baht
	1 Oct. 14 - 30 Sep. 15	Purchase Value : 537.8 Million Baht	Selling Value : 16.5 Million Baht
Relations in terms of Financial Support	: No mutual financial support.		

Muramoto USA Inc. (Associated Company)

Nature of Business	: Distributing Agent for Home-use Appliance and Electronic parts		
Established	: 1999		
Headquarter Location	: San Diego, California, USA		
Registered Capital	: 15 Million US Dollars		
Paid-up Capital	: 15 Million US Dollars		
Major Shareholders	: Muramoto Industry Co., Ltd. 100%		
The Board of Directors	: Mr. Yoichi Muramoto-Director		Mr. Eiki Kitamura-Director
	: Mr. Yuichi Takeuchi-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: METCO sells parts to MUI		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 12 - 30 Sep. 13	Purchase Value : 629.0 Million Baht	Selling Value : 50.4 Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 3,441.9 Million Baht	Selling Value : 12.5 Million Baht
	1 Oct. 14 - 30 Sep. 15	Purchase Value : 3,124.5 Million Baht	Selling Value : 0 Million Baht
Relations in terms of Financial Support	: No mutual financial support.		

Muramoto Technics (Malaysia) Sdn., Bhd. (Associated Company)

Nature of Business	: Manufactures metal parts for Home-use Appliance and Electronics		
Established	: 1996		
Headquarter Location	: Selangor, Malaysia		
Registered Capital	: 10 Million Malaysia Ringgit		
Paid-up Capital	: 5 Million Malaysia Ringgit		
Major Shareholders	: Muramoto Asia Pte., Ltd. 100%,		
The Board of Directors	: Mr. Yap Toon Choy-Director		Mr. Tadashi Muramoto-Director
	Mr. Hiroshi Nakayasu-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: METCO purchases parts from MTM		
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 12 - 30 Sep. 13	Purchase Value : - Million Baht	Selling Value : 12.4 Million Baht
	: 1 Oct. 13 - 30 Sep. 14	Purchase Value : - Million Baht	Selling Value : 3.3 Million Baht
	: 1 Oct. 14 - 30 Sep. 15	Purchase Value : - Million Baht	Selling Value : - Million Baht
Relations in terms of Financial Support	: No mutual financial support.		

P.T. Muramoto Elektronika Indonesia (Associated Company)

Nature of Business	: Manufactures, distributes and exports parts for Home-use Appliance and Electronics		
Established	: 1995		
Headquarter Location	: Jakarta, Indonesia		
Registered Capital	: 10 Million US Dollars		
Paid-up Capital	: 10 Million US Dollars		
Major Shareholders	: Muramoto Industry Co., Ltd. 81.1%, Sumitomo Corporation 18.9%		
The Board of Directors	: Mr. Yoichi Muramoto-Director		Mr. Shinichiro Yamamoto-Director
	Mr. Masaya Hashimoto-Director		Mr. Kazunari Sakata-Director
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. purchases parts for printer from P.T. Muramoto Elektronika Indonesia and sells metal parts etc to them.		
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 12 - 30 Sep. 13	Purchase Value : - Million Baht	Selling Value : - Million Baht
	: 1 Oct. 13 - 30 Sep. 14	Purchase Value : - Million Baht	Selling Value : - Million Baht
	: 1 Oct. 14 - 30 Sep. 15	Purchase Value : - Million Baht	Selling Value : - Million Baht
Relations in terms of Financial Support	: No mutual financial support.		

Muramoto Audio - Visual Philippines Inc. (Associated Company)

Nature of Business	: Assembles, manufactures and exports car-use radio, CD parts, and others			
Established	: 1990			
Headquarter Location	: Cebu, Philippines			
Registered Capital	: 470 Million Pesos			
Paid-up Capital	: 470 Million Pesos			
Major Shareholders	: Muramoto Industry Co., Ltd. 100%			
The Board of Directors	: Mr. Yoichi Muramoto-Director		: Mr. Shuji Muramoto-Director	
	: Mr. Kiyoshi Watabe-Director		: Mr. Mitsuhiro Hayashi-Director	
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding			
Business relations with Muramoto Electron (Thailand) PLC.	: METCO sells parts to MAPLE			
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 12 - 30 Sep. 13	Purchase Value :	19.6 Million Baht	Selling Value : - Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value :	31.6 Million Baht	Selling Value : - Million Baht
	1 Oct. 14 - 30 Sep. 15	Purchase Value :	31.9 Million Baht	Selling Value : - Million Baht
Relations in terms of Financial Support	: No mutual financial support.			

Muramoto Manufacturing Europe S.R.O. (Associated Company)

Nature of Business	: Manufactures metal parts for home-use Appliance and Electronics (such as PDP back panel)			
Established	: 2005			
Headquarter Location	: Zebra, Czech Republic			
Registered Capital	: 400 Million CZK			
Paid-up Capital	: 400 Million CZK			
Major Shareholders	: Muramoto Industry Co., Ltd. 100%			
The Board of Directors	: Mr. Yoichi Muramoto-Director		: Mr. Hideyuki Kataoka-Director	
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding			
Business relations with Muramoto Electron (Thailand) PLC.	: METCO purchases parts form MME			
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 12 - 30 Sep. 13	Purchase Value :	0.03 Million Baht	Selling Value : - Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value :	0.90 Million Baht	Selling Value : - Million Baht
	1 Oct. 14 - 30 Sep. 15	Purchase Value :	- Million Baht	Selling Value : - Million Baht
Relations in terms of Financial Support	: No mutual financial support.			

Muramoto Manufacturing De Mexico (Associated Company)

Nature of Business	: Manufactures metal parts for home-use Appliance and Electronics				
Established	: 2006				
Headquarter Location	: Mexico				
Registered Capital	: 8,000 MXN				
Paid-up Capital	: 8,000 MXN				
Major Shareholders	: Muramoto USA.Inc. 90%, Muramoto Family 10%				
The Board of Directors	: Mr. Yoichi Muramoto-Director		: Mr. Yuichi Takeuchi-Director		
	: Mr. Eiki Kitamura-Director				
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding				
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. sells and purchases parts with them				
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 12 - 30 Sep. 13	Purchase Value :	-	Million Baht	Selling Value : - Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value :	-	Million Baht	Selling Value : - Million Baht
	1 Oct. 14 - 30 Sep. 15	Purchase Value :	-	Million Baht	Selling Value : - Million Baht
Relations in terms of Financial Support	: No mutual financial support.				



List of 10 major shareholders, as of December 15, 2015

Ref.	Name	No. of Shares held	Percent of Shares
1	MURAMOTO INDUSTRY CO., LTD.	14,907,420	71.334
2	HSBC (SINGAPORE) NOMINEES PTE LTD	1,535,700	7.349
3	MR. CHARUPONG SORSONGSEMKUL	628,300	3.006
4	MR. KENNETH RUDY KAMON	391,500	1.873
5	MR. SUPHACHAI SUTTHIPONGCHAI	234,100	1.120
6	MRS. SUPHAPORN CHANSERIVITAYA	206,200	0.987
7	MR. PETER ERIC DENNIS	197,500	0.945
8	SUMITOMO CORPORATION	192,500	0.921
9	SOJITZ ASIA PTE. LTD.	192,500	0.921
10	Thai NVDR Company Limited	152,150	0.728

Remark : Muramoto Industry Co., Ltd. is manufacturer and exporter of Appliance and Electronics parts and Metal Mold in Japan

Payment for Directors and Audit Committee

Level of Executive	Number of Executives	Total Salary (Baht)	Other Payments	Remarks
Director	5	2,961,000	3,764,750	1. Other payments such as lodging allowances and income tax. 2. Monthly remuneration is B15,000 per person for independent directors only 3. Remuneration to Chairman of Audit Committee is Baht 20,000 and to Audit Committee member is Baht 10,000 per person per month
Audit Committee	3	1,020,000	-	
Total	8	3,981,000	3,764,750	

Dividend Payment Policy

The Company policy is to pay dividends from each year's net profit and the dividend amount will be paid to shareholders in the following year. Over the past 3 years, the Company's dividends to shareholders are detailed as follows :

	2014/2015	2013/2014	2012/2013
Net profit (Baht) / (Loss)	686,924,626	419,967,943	(494,226,634)
Earning per share (Weighted average number)	32.87	20.10	(23.65)
Dividend (Pay in next year)	376,165,800	188,082,900	62,694,300
Dividend per share	18.00	9.00	3.00
Pay Out Ratio	54.76%	44.79%	Pay from R/E

Management Structure

Muramoto Electron (Thailand) Public Company Limited consists of 4 Company Boards as follows :

1. The Company's Board of Directors

The Board of Directors of Muramoto Electron (Thailand) Public Company Limited consists of 8 Directors as follow :

- | | |
|--------------------------------|------------------------|
| 1. Mr. Yoichi Muramoto | Chairman / President |
| 2. Mr. Yoshiyuki Muramoto | Vice President |
| 3. Mr. Taichi Ishikawa | Vice President |
| 4. Mr. Shinichiro Yamamoto | Director |
| 5. Mr. Ichiro Nishimura | Director |
| 6. Prof. Paichitr Rojanavanich | Director (Independent) |
| 7. Mr. Wanchai Umpungart | Director (Independent) |
| 8. Mr. Nop Rojanavanich | Director (Independent) |

The Corporate Secretary is Ms. Nareenard Prasertpong.

The Board of Directors of Muramoto Electron (Thailand) Public Company Limited has a range of duties and responsibilities to carry out. This includes the Company's activities in accordance with governing acts, the objectives of the Company, the articles of association and the resolutions of the ordinary meeting of shareholders. Additionally, the Board of Directors shall carry out, or cause to be carried out, the matters described in Memorandum of Association.

The Directors authorized to sign on behalf of the Company are Mr. Yoichi Muramoto, or Mr. Yoshiyuki Muramoto, or Mr. Ichiro Nishimura either of these can sign a document and affix the Company's seal.

An Independent Director is a director who is not an executive director in the company and is not related in any way with the day-to-day operation of the company and is not a major shareholder.

2. The Audit Committee

The Audit Committee of Muramoto Electron (Thailand) Public Company Limited consists of three independent Directors as follows :

- | | |
|--------------------------------|---------------------------------|
| 1. Prof. Paichitr Rojanavanich | Chairman of the Audit Committee |
| 2. Mr. Wanchai Umpungart | Audit Committee member |
| 3. Mr. Nop Rojanavanich | Audit Committee member |

Ms. Vipanee Suvanij, Certified Public Accountant Registration Number 2121, is the secretary of the Audit Committee.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters :

1) To audit and ensure the accuracy and adequate disclosure of information in the company's financial report. To coordinate with the external auditors and the management responsible for arranging both quarterly and annual financial reports. The committee may recommend that the auditors audit or inspect any items as necessary and significant during the company audit.

2) To audit and ensure the appropriateness and efficiency of the systems for Internal Control as well as the Internal Audit. To audit the effectiveness as well as the adequacy of the risk management procedures, consider the independence of the internal audit department, and approve the appointment, transfer, or termination of the chief executive of the internal audit department, or other related departments, responsible for the internal audit.

3) To audit and ensure the Company's compliance with laws relevant to the securities and the Stock Exchange, the regulations of the Stock Exchange, and company business laws.

4) To consider, select, and propose the appointment of an independent external auditor for the Company's financial report as well as propose the compensation for such auditor, and attend a meeting with the auditors, but without the management, at least once a year. Nevertheless, the reliability and adequacy of the available resources, the experience profiles of the audit firm, and the professional experience of the auditor assigned for the Company, will be considered prior to submitting the proposal to the Company Board for the appointment at the shareholder's meeting.

5) To consider compliance of the relevant items, or potential items with a conflict of interest with the laws or the regulations of the Stock Exchange, in order to ensure that these are reasonable and reliable for the greatest benefit for the Company.

6) To prepare and disclose the Audit Committee's report in the annual Company Report signed by the Chairman of the Audit Committee, and containing at least the following information;

6.1 Reliable comments regarding the accuracy and completeness of the Company's financial report.

6.2 Comments regarding the adequacy of the Company's internal control systems.

6.3 Comments concerning compliance with laws relevant to the securities and the Stock Exchange, the regulations of the Stock Exchange, and company business laws.

6.4 Comments concerning the auditor's suitability.

6.5 Comments regarding potential items with a conflict of interest.

6.6 The number of Audit Committee meetings and the attendance of each member.

6.7 Overall comments or remarks the Audit Committee has received resulting from performance of their duty according to the charter.

6.8 Other items the shareholders and the investors should be aware of that are within the scope of the Company's Board assigned duty and responsibility.

7) Other activities the Company's Board assigns with the Audit Committee's consent.

3. Board of Executives

The Board of Executives of Muramoto Electron (Thailand) Public Company Limited consists of the following persons :

- | | |
|---------------------------|-------------------------|
| 1. Mr. Yoichi Muramoto | President |
| 2. Mr. Yoshiyuki Muramoto | Vice President |
| 3. Mr. Taichi Ishikawa | Vice President |
| 4. Mr. Shigeru Takamatsu | GM of Production 1 |
| 5. Mr. Tatsuya Awasu | GM of Production 2 |
| 6. Mr. Takashi Fujita | GM of Production 3 |
| 7. Mr. Yuji Kanke | GM of Quality Assurance |
| 8. Mr. Ichiro Nishimura | GM of Administration |

The Board of Executives of Muramoto Electron (Thailand) Public Company Limited are to perform the following responsibilities.

1. Plan, and steer the company to achieve the set goals. The goals are to be under the law, the regulations of the company and the agreements of the Board of Directors.

2. Establish the company's policies for financial management, import and export management, as well as, local and international marketing.
3. Supervise the company's overall production to ensure quality products that meet the needs of the market.
4. Take care of other responsibilities as assigned by the Board of Directors.

4. The Board of Corporate Governance

- | | |
|--------------------------------|------------------------|
| 1. Mr. Yoichi Muramoto | Chairman / President |
| 2. Mr. Yoshiyuki Muramoto | Vice President |
| 3. Mr. Taichi Ishikawa | Vice President |
| 4. Mr. Shinichiro Yamamoto | Director |
| 5. Mr. Ichiro Nishimura | Director |
| 6. Prof. Paichitr Rojanavanich | Director (Independent) |
| 7. Mr. Wanchai Umpungart | Director (Independent) |
| 8. Mr. Nop Rojanavanich | Director (Independent) |

The Board of Corporate Governance Committee's Scope of Responsibility is as follows;

1. To establish the CSR Policy that complies with the Company's policy.
2. To plan, monitor, and control the correct operation regarding CSR of the System Management Board, and support, follow up, and evaluate the plan, including supervising all performance reports prepared by the related working groups, such as the documentation and CSR teams, regarding corporate monitoring, human rights, labour protection, the environment, fair operating practices, responsibility towards the customers, business partners, consumers, as well as participate in community development.
3. To establish the rules, regulations, orders, and announcements regarding CSR matters.
4. To support and follow up correspondence among relating parties, including the stakeholders, so that they acknowledge, understand, and realise the importance of CSR.
5. To submit a summary report regarding CSR performance of the Company to the Board of Directors at least once every quarter.

Selection of Directors and Executives

The appointment of Directors of Muramoto Electron (Thailand) Public Company Limited must be approved by the shareholder's meeting. A list of candidates qualified to be Directors of the company is proposed for appointment at the shareholder's meeting by the Board of Directors. The selection is to proceed as follows:

1. Each shareholder has a number of votes equal to the number of shares he holds.
2. Each shareholder may use the total number of votes he has to elect one or more Directors, but may not divide his votes into portions among two or more candidates.
3. The candidates who receive the most votes are considered to be elected as Directors, in the order of most votes received to least, up to the number of Directors to be elected at that time. If two or more candidates receive the same number of votes for the final position available, the Chairman of the meeting makes the decision on which candidates are to be chosen.

Corporate Governance

The Board of Directors of Muramoto Electron (Thailand) Public Company Limited is diligent in performing their duties. Firstly according to the law, secondly, according to the aims and rules of the company, and thirdly, to the satisfaction of the shareholders. The Board is also involved in determining future direction and controlling and supervising the company so that it is managed efficiently. The Board ensures that company operation is according to prescribed policies and to the code of best practices set by the Stock Exchange of Thailand. These Policies and Best Practices are as follows :

1. Policy on Corporate Governance

The company places considerable importance on establishing superior leadership in order to increase overall efficiency to maintain competitive advantage. The Company has a policy of being explicit and open in the running of the Company to ensure the confidence of shareholders, investors and stakeholders. The management is encouraged and inspired to operate the business professionally and the company is also dedicated to the constant control and inspection of internal systems according to the policies, the law, and the code of good business ethics.

2. Rights of Shareholders

Shareholders meetings are held at least once a year by the company and shareholders are informed of the scheduling of those meetings at least ten days in advance. At the same time, they receive notification of the agenda of the meeting, including any known views or suggestions of board of directors. Detailed minutes of the meeting are forwarded to shareholders to keep them informed and updated with matters affecting the company. In the year 2015, the shareholders meeting (NO. 1/2015) was held on Jan 23, 2015

3. Rights of Stakeholders

The many people who are associated with the company, all contributed to our overall success to a greater or lesser degree. Their contribution is important and deserving of recognition in ensuring that their rights are given due consideration. Members of this group include company creditors, both government and private sectors, also subsidiary companies as well as the company management, office staff and employees. All of these people contribute to the ultimate success of the company.

- **Staff** : The company policy is to retain staff so that optimum product quality standards can be achieved. They are well compensated by the company for their efforts.
- **Creditors** : To achieve the very best in raw material supply and to maintain the highest quality standards, equitable agreements are made and kept with suppliers to ensure their loyalty and goodwill towards the company.
- **Customers** : Increased customer satisfaction with quality products and efforts to achieve this are ongoing.
- **Community** : Considerable effort is devoted to ensuring the quality of the environment and company contribution to society is continuous.

4. Shareholders' Meetings

The contribution of Shareholders is highly valued and appreciated by the company. All shareholders are treated with equal importance and all are given opportunity to express their ideas or make suggestions. The annual shareholders meeting was held on Jan 23, 2015 and all the directors were present, as always. Detailed minutes were later circulated as reference for shareholders.

5. Leadership and Vision

Leadership and vision have been inherent qualities which have guided the company to success, and the leadership qualities of the company directors are most evident. Directors, both Thai nationals and expatriates, are highly qualified and vastly experienced in their fields. Working together, the directors are able to carry out company activities as planned and specified in directors' meetings.

6. Conflict of Interest

The Board of Directors is aware of possible conflicts that may occur in regard to the earnings of the Company. As far as remuneration is concerned, the Board will make every effort to ensure fairness and transparency for all parties concerned. Further information referring to this issue is detailed in the 56-1 form.

7. Business Ethics

Because business ethics is important to the reputation of a company, the Board of Directors is firmly convinced that correct business ethics will be an intrinsic part of our company operation, at all levels, and to all persons dealing with the Company.

8. Balance of Power for Non-Executive Directors

The Board of Directors comprises 8 directors; 5 being directors, 3 being independent directors from outside the company and 3 being executive directors. This way, the ratio between executive and non-executive directors is 5 : 3. Independent director which is in line with the regulations specified by the Stock Exchange of Thailand.

9. Combination and Separation of Positions

To ensure that the authority in overall supervision and overall administration is separated, the Chairman of the Board of Directors is not to be the same person as the President. However, the three executives can represent the same group of major shareholders. Additionally, over one-third of the Board of Directors are independent directors. This allows for visionary direction and well-balanced authority and supervision in the company.

10. Remuneration for Directors and Executives

Details of the compensation for directors and executives has been provided in the 56-1 form, and in the section of Shareholders-Payment for Directors and Top Executives' in the 56-2 form.

11. Compensation to the Auditors

11.1 Payment to Auditors or Audit fee

The company and its subsidiary paid the audit fee to :

- METCO 2.916 Million Baht
- SIMA 1.005 Million Baht
- The Office of the Auditors to which the auditors belong, the total amount of Million Baht 3.921 in the past year end closing of the accounts.

11.2 Other service fee or (Non-Audit fee)

- The company is not liable to compensate the company which the auditor works for, and does not have any liability regarding any unsettled agreement conducted within the past fiscal year.
- The subsidiary company has already made a payment of Baht 0.27 million to the company which the auditor works for. The payment was to cover service fee for advice on how to comply with the BOI Promotional Privileges. The subsidiary company does not have any other liability regarding any unsettled agreement conducted within the past fiscal year.

12. The Board of Directors' Meeting

The meetings of the Board of Directors are held regularly at least every three months. The time, place and agenda are set in advance and the directors are informed so that they will have enough time to prepare for the meeting. Documents concerning each meeting are sent to them at least 7 days in advance to give them sufficient time to study. The minutes of the meetings are taken in detail and filed by the Secretary of the Meeting and are always available for inspection.

In the year 2014/2015, the Board of Directors held 4 meetings. The attendance of each director is as follows :

Board of Directors	Meetings attended
1. Mr. Yoichi Muramoto	4/4
2. Mr. Yoshiyuki Muramoto	4/4
3. Mr. Taichi Ishikawa	1/4
4. Mr. Shinichiro Yamamoto	3/4
5. Mr. Ichiro Nishimura	4/4
6. Prof. Paichitr Rojanavanich	4/4
7. Mr. Wanchai Umpungart	3/4
8. Mr. Nop Rojanavanich	3/4

13. Committee

The Board of Directors has assigned the following persons to become members of a subcommittee that will help take care of certain issues in the company.

Audit Committee comprises the following three independent directors.

1. Prof. Paichitr Rojanavanich Chairman of the Audit Committee
2. Mr. Wanchai Umpungart Audit Committee Member
4. Mr. Nop Rojanavanich Audit Committee Member

Ms. Vipanee Suvanij - An auditor with license no. 2121, is assigned as the Secretary of the Audit Committee.

Meetings of the committee are held regularly. 4 meetings were held in the year 2014/2015. The minutes of the meetings were taken in detail and were submitted to the Board of Directors after each meeting (details of their responsibilities are given in the section of the Management - the Audit Committee in the 56-1 and 56-2 forms).

The attendance of each director is as follows :

Board of Directors	Meetings attended
1. Prof. Paichitr Rojanavanich	4/4
2. Mr. Wanchai Umpungart	3/4
3. Mr. Nop Rojanavanich	3/4

14. Internal Control and Supervision

The company has a team of internal auditors to supervise financial and operational activities. These ensure that these activities are conducted to achieve company objectives with the regulations specified by the company and applicable laws. The team is given total independence to conduct their duties, and they report directly to the Audit Committee. The system of internal control and supervision is ascertained and evaluated on a regular basis by an authorized auditor. So far, no significant mistake has been found in any operation process of the company and every procedure is being carried out efficiently as planned.

15. Report of the Board of Directors

The Board of Directors is responsible for the accuracy of the overall and specified Financial Budget Reports of the company. The Report is carried out properly according to the accounting standard of Thailand. The preparation of the Report is completed very carefully to reveal appropriate significant information about the company to the public. The Board of Directors is also responsible for disclosing the financial information of the company in the Annual Information Report (56-1 form) and Annual Performance Report (56-2). The Board of Directors is also responsible for ensuring that the company operation is conducted effectively and efficiently to achieve anticipated business results as well as to prevent any significant operational misconduct. In this sense, the Board of Directors has assigned the Audit Committee, which consists of outside experienced professionals in the field, to be responsible for the financial reports and internal control within the company. On September 30th, 2015, the Audit Committee also approved both the overall and specified Financial Reports of the company which will be shown in the Annual Information Report (56-1 form) and the Annual Performance Report (56-2 form).

16. Relationship with Investors

The Board of Directors is aware of the importance of revealing important general and financial information of the company to the investors and stakeholders. Therefore, the information revealed is to be accurate, complete, reliable and up-to-date, so that all parties concerned may benefit from it. The information is revealed through the various media of the Stock Exchange of Thailand, and also through newspapers. The company has not established an Investors Relation section in the company as there is currently little activity. However, the company has assigned Mr. Ichiro Nishimura, Director, to be responsible for communication with investors, shareholders and financial analysts. Investors are welcome to make enquiries at Tel. 0-2518-1280

The meetings of the Board of Directors are conducted regularly to ensure smooth overall operation in the company. Topics to be discussed during the meetings include business supervision, minutes of board meetings, minutes of shareholders' meetings, and how to run the business to achieve the goals set by the company and to generate optimum returns on investment to our valued shareholders.

Supervision of the use of internal information

Muramoto Electron (Thailand) Public Company Limited has policies and mechanisms for controlling the use of internal information by the management for their own benefit. For example, giving notice to the management about their duty in reporting the shares of the Company that they hold and about indemnity of the Securities and Exchange Act B.E. 2535, also the rules and regulations of the Stock Exchange of Thailand. This includes the forbiddance of the management in being a partner or holding shares of a company conducting the same business. Moreover the management shall not sell or buy the Company's assets or conduct any business with the Company. If there is any benefit from doing any contract of the company or change in the Company shares held by them, they must notify the Company without delay.

Internal Controls

The Audit Committee has appraised the internal audit control system and operations of the Company. The Audit Committee concluded that there is no significant mistake in the internal audit control system, which would affect the financial statements of the Company.

For the internal audit control system of the accounting section, the Auditor of the Muramoto Electron (Thailand) Public Company Limited has studied and appraised the efficiency of the internal audit control system of the accounting section. The Auditor found no significant weak point in the internal audit control system of the accounting section.

Personnel

As of September 30, 2015 Muramoto Electron (Thailand) Public Company Limited has a total of 4,703 employees which can be separated into :

	Ramindhra Factory	Bangna-Trat Factory	Saothong Factory	Total
Office staff	26	54	13	93
Factory staff	266	2,398	1,902	4,566
Japanese staff	4	30	10	44
Total	296	2,482	1,925	4,703

Total remuneration for staff of the Muramoto Electron (Thailand) Public Company Limited in the fiscal year ended September 30, 2015 is as follows :

Wages and Salary	1,269,772,240.59	Baht
Contribution to defined contribution plans	9,061,172.83	Baht
Other benefits / Social security fund	52,752,082.00	Baht
Total	1,331,585,495.42	Baht

The Company emphasizes human resources development, which is considered the main factor in the Company's success. Many employees are trained both in Thailand and abroad i.e. Japan. Moreover the Company also has support from the headquarter in recruiting and sending specialists in order to train staff for the new technology of the Company.

DIRECTOR AND AUTHORIZED MANAGEMENT

The Management and the Head of Accounting of the Muramoto Electron (Thailand) Public Company Limited are listed as follow :

1. Mr. Yoichi Muramoto

Position Chairman/President, Authorized Director

Nationality	Age	Percent of share	Resume
Japanese	58	0.00	<p>Education : Okayama University of Science, Japan</p> <p>Work Resume : 2010 - Present : Chairman/President of Muramoto Electron (Thailand) PLC Director of Sima Technology Co., Ltd. President of Muramoto Industry Company Limited (Japan) Chairman of Muramoto Audio-Visual Philippines Inc. Director of Muramoto USA Inc. Director of Muramoto Manufacturing Europe S.R.O. Director of Muramoto Manufacturing De Mexico Director of Muramoto Sumutronics USA LLC</p>

2. Mr. Yoshiyuki Muramoto

Position Vice President, Authorized Director

Nationality	Age	Percent of share	Resume
Japanese	51	0.00	<p>Education : Administration Engineering, Fukuoka Institute of Technology, Japan</p> <p>Work Resume : 2009 - Present : Vice President of Muramoto Electron (Thailand) PLC President of Sima Technology Co., Ltd. Managing Director of Muramoto Industry Company Limited (Japan)</p>

3. Mr. Taichi Ishikawa

Position Vice President

Nationality	Age	Percent of share	Resume
Japanese	60	0.00	<p>Education : Kyoto foreign studies college, Japan</p> <p>Work Resume : 2015 - Present : Director of Muramoto Industry Company Limited (Japan)</p>

4. Mr. Shinichiro Yamamoto

Position Director

Nationality	Age	Percent of share	Resume
Japanese	53	0.00	<p>Education : Kanazawa Institute of Technology, Japan</p> <p>Work Resume : Present : Director of Muramoto Electron (Thailand) PLC President of P.T. Muramoto Elektronika Indonesia Dirctor of Muramoto Industry Company Limited (Japan)</p>

5. Mr. Ichiro Nishimura

Position Authorized Director

Nationality	Age	Percent of share	Resume
Japanese	54	0.00	<p>Education : Bachalor of Business Administration, Meiji University in Japan Business Administration, University of Leicester in UK</p> <p>Work Resume : Present : Dirctor of Muramoto Electron (Thailand) PLC General Manager in Admin Division of Muramoto Electron (Thailand) PLC Senior Administrative Manager of Sato Kogyo Co.,Ltd. Singapore Branch</p>

6. Prof. Paichitr Rojanavanich

Position Director, Chairman of the Audit Committee

Nationality	Age	Percent of share	Resume
Thai	87	0.00	<p>Education : Thammasat University University of Pennsylvania, USA.</p> <p>Work Resume : 1992 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited, Certified Public Accountant Former Deputy Director General, Customs and Revenue Department Former Deputy Permanent Secretary, Ministry of Finance Former Director General, Treasury Department Former Director General, Excise Department Former Chairman ASEAN Finance & Banking Committee</p> <p>Training : Director Certification Program (DCP)</p>

7. Mr. Wanchai Umpungart

Position Director, Audit Committee member

Nationality	Age	Percent of share	Resume
Thai	68	0.00	<p>Education : Faculty of Commerce and Accountancy of Chulalongkorn University Sasin Graduate Institute of Business Administration of Chulalongkorn University</p> <p>Work Resume : 2002 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited Independent Director of Saha Pathanapibul Public Company Limited Audit Committee - OCC Public Company Limited President of Lohakit Metal Public Company Limited</p>

8. Mr. Nop Rojanavanich

Position Director, Audit Committee Member

Nationality	Age	Percent of share	Resume
Thai	60	0.0055	<p>Education : Kasetsart University West Virginia University, USA Chulalongkorn University</p> <p>Work Resume : 2005 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited Chief Engineer Public Works & Town Planning Department Executive Director Chaophraya Port Co., Ltd.</p> <p>Training : Director Certification Program (DCP) Thai Institute of Directors Association Management for Executive Person, Public Works & Town Planning Department, Thailand Mediator Process, King Prajadhipok s Institute</p>

9. Ms. Nareenard Prasertpong

Position Accounting Manager, Corporate Secretary

Nationality	Age	Percent of share	Resume
Thai	50	0.00	<p>Education : BA. in Accounting, Chiang Mai University</p> <p>Work Resume : Present : Accounting & Finance Manager of Muramoto Electron (Thailand) Public Company Limited 2000 - 2007 : Siam Daikin Sales Co., Ltd. 1997 - 2000 : Microwave Technology Corporation Co., Ltd. 1988 - 1997 : MINEBEA Thai Co., Ltd.</p>

Directors and authorized management of Muramoto Electron (Thailand) Public Company Limited who are Directors of Sima Technology Co., Ltd., the only subsidiary of the Muramoto Electron (Thailand) Public Company Limited, are described below :

Name	Muramoto Electron (Thailand) PLC.	Sima Technology Co., Ltd. (Subsidiary)
1. Mr. Yoichi Muramoto	Chairman / President	Director
2. Mr. Yoshiyuki Muramoto	Vice President	President

The list of the committee of Sima Technology Co.,Ltd., (the only subsidiary of Muramoto Electron (Thailand) Public Company Limited) is explained as follows :

Name	1. Mr. Yoshiyuki Muramoto	2. Mr. Yoichi Muramoto	3. Mr. Kazunobu Kawabe
Position	President	Director	Director

The Directors authorized to sign on behalf of the Sima Technology Co., Ltd. are Mr. Yoshiyuki Muramoto or Mr. Yoichi Muramoto

Muramoto Electron (Thailand) Public Company Limited strives to produce good quality products based on its responsibilities for the effects caused by its business operation.

The Company emphasizes transparency of business operations, accountability, ethics, human rights' respect, stakeholders' benefits, safety for consumers, and shall consider the effect on the community and environment by observing the laws and other requirements, or relevant international practices, as well as develop and improve the foundation of social responsibility consistently and sustainably. (←Policy when implementing CSR-DIW)

The following 7 major principles of this policy are determined as the mutual arrangement.



1. Good Corporate Governance (->Text fromCG Policy)

The Company gives priority to good corporate governance, as we consider it is an important mechanism that leads to efficient, transparent, and auditable management systems, which will help build confidence and trust by the shareholders, investors, stakeholders, and all related parties. In addition, it will enhance the Board of Directors' working potential and the audit system to control the business and the managements' performance, as well as prevent dishonest and risky behavior by the management.

2. Human Rights (->Articles 1.6, 1,7 of Code of Conduct &Business Ethics)

The Company gives importance to basic human rights and encourages respect of such rights and liberty without discrimination of nationality, religion, colour, age, gender, sexual orientation, race, physical disability, or marital status, as well as allows involvement in political activities.



3. Labor Practices (->Code of Conduct &Business Ethics1.1 – 1.4, 2.X, SHE policy)

The Company's wage payments include the minimum wage, overtime allowance, and other welfare benefits prescribed by law and are in compliance with all legal requirements. The Company does not allow enforced labour, child labour, and implements preventive measures against brutality, sexual abuse, and physical and mental constraints. In addition, the Company consistently and strictly abides with the laws and regulations regarding occupational health and safety, establishes a safe working environment, promotes good health, prevents injuries and diseases caused by working, and guards against dangerous activities by the employees and related parties, such as incidents causing loss of life, property, and the production process.

4. Community involvement and development (CSR-DIW policy, CSR Activities result)

The Company considers the demands of the community, and encourages its personnel to be partners with relevant local parties near the business premises to develop education, culture, society, and be involved in improving the quality of life in the community. The Company encourages and supports employees participating voluntarily in the community's activities for the public interest, for example, educating people in the Moo 5, Kwang Kannayao and Ketsara Communities, Tambon Bangsaothong, about safe electricity utilization and the correct maintenance of electrical appliances, improving and developing the library, checking and repairing the electrical systems at the Wat Saothongnok School, Tambon Bangsaothong, and donating robes and other needs to the monksat Saothongnok Temple/Bua Roi Temple, Ampur Bangsaothong, etc.

5. Customer, business partner, and consumer responsibility (Annual Report 2557, CSR-DIW policy)

The Company strives to achieve the customers' utmost satisfaction by offering good quality and safe products and services, and pays close attention to the importance of handling customers' or consumers' complaints promptly. The Company promotes, educates, and encourages awareness among business partners. The Company expects to receive goods and services in the same way, and strives to maintain sustainable relationships with each customer and business partner.

6. Fair operating practices (Code of Conduct & Business Ethics4.xx)

The Company strives to operate its business fairly and ethically, pays attention to observing the laws and social rules, and expresses its determination against corruption and bribery by means of the internal and external audit system, promotes fair trade competition, respects intellectual property and local wisdom, and involves in politics responsibly.

7. Environment Management (Code of Conduct &Business Ethics3.xx, SHE Policy)

The Company has determined an explicit environmental policy and complies accordingly. The Company strives to prevent causing pollution, minimizes the possible impact due to business operations, and implements an environmentally friendly production process. The Company arranges regular energy and environmental conservation activities, to conserve and maintain the ecosystem and environment of the community, and has an organizational culture among the employees and operators in the Company that emphasizes green culture and sustainable green networks.



โครงการมอบหนังสือและพัฒนาห้องสมุดโรงเรียนวัดเสารงนอก [Library]



โครงการตรวจสภาพและปรับปรุงอุปกรณ์ไฟฟ้าโรงอาหารของโรงเรียนวัดเสารงนอก [CANTEEN]



โครงการการใช้ไฟฟ้าอย่างประหยัดและปลอดภัยของชุมชนเกษรา [ELECTRIC]



โครงการปลูกป่าชายเลนเพื่อพ่อ [FORESTING]



กิจกรรมแห่เทียนเข้าพรรษา ณ วัดเสารงนอก [CANDLE]



กิจกรรมกีฬาประจำปี 2558 [SPORT DAY]



1. Business Risk

METCO aims for only one OEM manufacturer in the field of the electrical, electronics components and car parts finished goods which focuses on Differentiation Strategy by pursuing superior QCD-S and complete customer satisfaction.

The company continues to develop better technology and improve productivity. METCO is a manufacturer of components and semi-assembled products, as well as finished, products. The company has high capability and responsibility for marketing, production, sales and distribution. The business risks of the company are as follows.

1.1 Production Risk

Production risk is a risk of the deficiency of products incurring during the production process, despite inspection. The company must take full responsibility for damage that has resulted in a flawed product whether it has resulted from human error, machine failure or defect of parts purchased from outside suppliers.

Now, the company has emerged from being a mere parts manufacturer to the more complex business of assembly. Therefore, risk due to quality of parts purchased from outside suppliers is a much more important factor than compared with the same risk a decade ago.

1.2 Product Risk

Product risk occurs with the utilization of the product by the end user. For example, if a consumer is injured through faulty functioning of a product sold by the company. To minimize this risk, specifications and design are constantly and carefully reviewed. As far as the company's products are concerned, this risk is relatively low.

1.3 Inventory Risk

Inventory risk is a risk arising from deterioration in the quality of raw materials, parts and manufactured products, during storage. The company is accountable for such damage or loss of the inventory.

1.4 Credit Risk

Credit risk is a risk due to a client's inability to pay for their purchases. The company cautiously investigates creditability especially in any new business relation with a new client or a new supplier to the company.

1.5 Market Risk

Market risk is possible loss of manufactured product, purchased parts and raw materials in inventory, due to market change or sudden order cancellation. The Min.inventory activity policy, which the company is now deploying, is extremely essential in order to minimize this risk.

The company is well-prepared to meet any challenge in order to stay ahead of competitors in both product quality and product pricing.

2. Technology Risk

Development and progress in the world of electrical and electronics appliances are taking place constantly. The production of components has to keep pace and to be in line with this ever-evolving progress. The company must maintain investment in a number of areas to maintain the lead over competition. These areas are high technology machinery, as well as, measuring equipment and the training of skillful engineers and workers. The technology and capability of die-making is also important to secure valued orders from clients and to keep costs down.

3. Workforce Risk

The industry of electrical and electronic components production depends enormously on the workforce. Even though METCO uses high technology automatic machines and robots in its production process, yet most of the production still relies very much on the workforce. The company greatly values the importance of its personnel at all levels by setting employee welfare at a high standard. The well-trained employees of the company, since its establishment, are apt to be the target of headhunters from other companies who have established operation in Thailand recently. A division called CP&H Kai has been founded to coordinate and communicate effectively between executives and employees. This division is expected to achieve successful results.

4. Financial Risk

As the main business of the company is both directly and indirectly related to export, and lot of raw material and components which are not available in Thailand, need to be imported in a foreign currency, it is inevitable that problems in currency exchange may have to be faced. However, as the company's foreign currency income is larger than the payment in the same currency, the actual exchange profit or loss is comparatively small. In this regard, The Bank of Thailand allows any company to reserve foreign currency under certain terms and conditions so as to minimize exchange rate fluctuation risk. Nevertheless the company must be prepared to minimize risk by studying and utilizing financial tools, including forward booking.

The remaining financial risk is the risk in sourcing of finance. In order to cope with possible demand for additional funds which will be required for expansion, rehabilitation and diversification of operation, the company has already created good relationships with financial institutions in Thailand, as well as, abroad, especially with the JBIC (Japan Bank for International Cooperation) which provides a long-term and stable fund facility.



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

I have audited the accompanying 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 2015, 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.

Management’s Responsibility 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 Thai Financial Reporting Standards, 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.

Auditor’s Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



INDEPENDENT AUDITOR'S REPORT

Opinion

In my opinion, the 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 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
26 November 2015

STATEMENTS OF FINANCIAL POSITION

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

As at 30 September 2015 and 2014

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
ASSETS					
Current assets					
Cash and cash equivalents	5	1,641,659,567	624,498,704	1,549,770,126	577,111,741
Trade accounts receivable	4, 6	2,229,880,339	2,620,487,288	1,959,331,363	2,375,791,144
Other receivables	4, 7	37,705,457	55,387,445	36,746,133	62,120,259
Short-term loans to related parties	4	108,614,400	96,691,200	158,614,400	196,691,200
Current portion of finance lease receivable	8	20,703,158	20,703,158	20,703,158	20,703,158
Inventories	9	1,360,522,274	1,521,806,528	944,450,250	1,077,010,425
Other current assets	10	85,121,141	98,255,090	63,877,048	74,630,902
Total current assets		5,484,206,336	5,037,829,413	4,733,492,478	4,384,058,829
Non-current assets					
Restricted fixed deposit		-	4,622,000	-	-
Finance lease receivable	8	8,722,039	26,166,117	8,722,039	26,166,117
Investment in subsidiary	11	-	-	299,998,000	299,998,000
Investment properties	12	75,939,828	96,306,966	75,939,828	96,306,966
Property, plant and equipment	13	2,672,265,455	2,770,174,007	1,750,804,926	1,773,966,164
Intangible assets		9,705,914	8,199,427	8,126,139	5,805,104
Deferred tax assets	14	35,383,418	36,800,000	35,104,270	36,800,000
Other non-current assets		10,168,329	10,404,794	9,418,329	9,634,795
Total non-current assets		2,812,184,983	2,952,673,311	2,188,113,531	2,248,677,146
Total assets		8,296,391,319	7,990,502,724	6,921,606,009	6,632,735,975

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

STATEMENTS OF FINANCIAL POSITION (Continued)

As at 30 September 2015 and 2014

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Liabilities and equity					
Current liabilities					
Trade accounts payable	4, 16	1,676,123,458	1,949,353,584	1,452,160,714	1,684,271,496
Other payables	17	245,368,411	286,392,027	199,529,165	231,587,024
Payable for property, plant and equipment		11,176,354	18,775,967	10,061,562	7,674,304
Current portion of finance lease liabilities	15	80,217,117	79,983,426	18,539,618	17,680,357
Income tax payable		55,885,652	-	55,885,652	-
Other current liabilities		12,068,891	14,897,820	10,870,755	12,041,765
Total current liabilities		2,080,839,883	2,349,402,824	1,747,047,466	1,953,254,946
Non-current liabilities					
Finance lease liabilities	15	128,832,424	123,229,832	11,228,112	29,767,730
Deferred tax liabilities	14	-	2,817,866	-	-
Employee benefit obligations	18	173,594,461	142,720,348	140,687,326	116,540,423
Total non-current liabilities		302,426,885	268,768,046	151,915,438	146,308,153
Total liabilities		2,383,266,768	2,618,170,870	1,898,962,904	2,099,563,099
Equity					
Share capital					
Authorised share capital	19	238,981,000	238,981,000	238,981,000	238,981,000
Issued and paid-up share capital	19	208,981,000	208,981,000	208,981,000	208,981,000
Additional paid-in capital					
Premium on ordinary shares	19	653,700,000	653,700,000	653,700,000	653,700,000
Retained earnings					
Appropriated					
Legal reserve	20	55,000,000	55,000,000	25,000,000	25,000,000
Unappropriated		4,995,443,551	4,454,650,854	4,134,962,105	3,645,491,876
Total equity		5,913,124,551	5,372,331,854	5,022,643,105	4,533,172,876
Total liabilities and equity		8,296,391,319	7,990,502,724	6,921,606,009	6,632,735,975

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

STATEMENTS OF COMPREHENSIVE INCOME

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Income					
Revenue from sale of goods	4, 21, 26	16,616,281,954	16,466,746,514	14,125,256,525	13,927,119,351
Other income	4, 22	166,617,662	201,303,787	145,174,658	182,166,415
Net foreign exchange gain		131,279,889	56,943,639	135,245,369	45,043,724
Total income		16,914,179,505	16,724,993,940	14,405,676,552	14,154,329,490
Expenses					
Cost of sale of goods	24	15,600,235,633	15,636,370,607	13,217,623,767	13,264,190,469
Selling expenses	24	269,192,870	244,563,594	248,863,910	214,350,580
Administrative expenses	24	237,186,212	299,334,293	189,281,708	248,503,414
Finance costs		11,209,051	14,115,613	3,272,205	3,958,929
Total expenses		16,117,823,766	16,194,384,107	13,659,041,590	13,731,003,392
Profit before income tax expense		796,355,739	530,609,833	746,634,962	423,326,098
Income tax expense	25	55,720,490	2,562,667	59,710,336	3,358,155
Profit for the year		740,635,249	528,047,166	686,924,626	419,967,943
Other comprehensive income for the year					
Defined benefit plan actuarial losses	18	(13,888,607)	(1,961,078)	(11,500,452)	(1,961,078)
Income tax on other comprehensive income		2,128,955	7,151,868	2,128,955	7,151,868
Total comprehensive income for the year		728,875,597	533,237,956	677,553,129	425,158,733
Basic earnings per share (Baht)	27	35.44	25.27	32.87	20.10

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



STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

		Consolidated financial statements				
Year ended 30 September 2014	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total Equity
				Legal reserve	Unappropriated	
(in Baht)						
Balance at 1 October 2013		208,981,000	653,700,000	55,000,000	3,984,107,198	4,901,788,198
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividend to owners of the Company	28	-	-	-	(62,694,300)	(62,694,300)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(62,694,300)	(62,694,300)
Total transactions with owners, recorded directly in equity		-	-	-	(62,694,300)	(62,694,300)
Comprehensive income for the year						
Profit		-	-	-	528,047,166	528,047,166
Other comprehensive income		-	-	-	5,190,790	5,190,790
Total comprehensive income for the year		-	-	-	533,237,956	533,237,956
Balance at 30 September 2014		208,981,000	653,700,000	55,000,000	4,454,650,854	5,372,331,854

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



STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

Consolidated financial statements

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total Equity
				Legal reserve	Unappropriated	
(in Baht)						
Balance at 1 October 2014		208,981,000	653,700,000	55,000,000	4,454,650,854	5,372,331,854
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividend to owners of the Company	28	-	-	-	(188,082,900)	(188,082,900)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(188,082,900)	(188,082,900)
Total transactions with owners, recorded directly in equity		-	-	-	(188,082,900)	(188,082,900)
Comprehensive income for the year						
Profit		-	-	-	740,635,249	740,635,249
Other comprehensive income		-	-	-	(11,759,652)	(11,759,652)
Total comprehensive income for the year		-	-	-	728,875,597	728,875,597
Balance at 30 September 2015		208,981,000	653,700,000	55,000,000	4,995,443,551	5,913,124,551





STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

		Separate financial statements				
Year ended 30 September 2014	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total Equity
				Legal reserve	Unappropriated	
(in Baht)						
Balance at 1 October 2013		208,981,000	653,700,000	25,000,000	3,283,027,443	4,170,708,443
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividend to owners of the Company	28	-	-	-	(62,694,300)	(62,694,300)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(62,694,300)	(62,694,300)
Total transactions with owners, recorded directly in equity		-	-	-	(62,694,300)	(62,694,300)
Comprehensive income for the year						
Profit		-	-	-	419,967,943	419,967,943
Other comprehensive income		-	-	-	5,190,790	5,190,790
Total comprehensive income for the year		-	-	-	425,158,733	425,158,733
Balance at 30 September 2014		208,981,000	653,700,000	25,000,000	3,645,491,876	4,533,172,876

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



STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

		Separate financial statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total Equity
				Legal reserve	Unappropriated	
Year ended 30 September 2015	Note					
(in Baht)						
Balance at 1 October 2014		208,981,000	653,700,000	25,000,000	3,645,491,876	4,533,172,876
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Dividend to owners of the Company	28	-	-	-	(188,082,900)	(188,082,900)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(188,082,900)	(188,082,900)
Total transactions with owners, recorded directly in equity		-	-	-	(188,082,900)	(188,082,900)
Comprehensive income for the year						
Profit		-	-	-	686,924,626	686,924,626
Other comprehensive income		-	-	-	(9,371,497)	(9,371,497)
Total comprehensive income for the year		-	-	-	677,553,129	677,553,129
Balance at 30 September 2015		208,981,000	653,700,000	25,000,000	4,134,962,105	5,022,643,105

STATEMENTS OF CASH FLOWS

For the years ended 30 September 2015 and 2014

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Cash flows from operating activities					
Profit for the year		740,635,249	528,047,166	686,924,626	419,967,943
<i>Adjustments for</i>					
Depreciation and amortisation		480,518,649	480,572,187	282,496,936	279,190,772
Dividend income		-	-	-	(10,019,933)
Finance costs		11,209,051	14,115,613	3,272,205	3,958,929
Unrealised loss (gain) on exchange rate		(87,985,690)	16,529,993	(81,376,448)	14,787,945
Provision for obsolete and net realisable value of inventories (reversal of)		4,669,683	(22,383,252)	1,997,745	(22,391,225)
Reversal for impairment losses on property, plant and equipment		(35,269,103)	-	(35,269,103)	-
Loss (gain) on disposal of property, plant and equipment		(2,085,006)	(590,156)	(766,151)	151,765
Gain on disposal of assets classified as held for sale		-	(727,672)	-	(727,672)
Amortisation of golf membership		46,666	46,666	46,666	46,666
Employee benefit obligations		17,587,206	16,499,754	12,914,401	12,196,031
Income tax expense		55,720,490	2,562,667	59,710,336	3,358,155
		1,185,047,195	1,034,672,966	929,951,213	700,519,376
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		426,709,551	(887,611,194)	451,038,820	(913,525,285)
Other receivable		17,473,015	(14,923,341)	25,166,161	7,313,866
Inventories		156,614,572	(270,973,081)	130,562,431	(157,460,682)
Other current assets		13,133,949	(15,861,460)	10,753,854	(14,613,947)
Other non-current assets		189,800	(480,800)	169,800	(510,800)
Trade accounts payable		(288,253,874)	490,929,772	(246,276,426)	429,609,870
Other payables		(39,364,146)	74,305,901	(32,194,427)	58,409,092
Other current liabilities		(4,464,582)	2,812,236	(1,171,010)	2,498,927
Employee benefit obligations paid		(601,700)	(2,178,203)	(267,950)	(2,178,203)
Income tax payable		892,832	(34,062,719)	-	(33,006,287)
Net cash from operating activities		1,467,376,612	376,630,077	1,267,732,466	77,055,927

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

STATEMENTS OF CASH FLOWS (Continued)

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2015 and 2014

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)	(in Baht)	(in Baht)	(in Baht)
	Note			
Cash flows from investing activities				
Increase in short-term loans to related parties		- (96,504,780)	- (96,504,780)	
Repayment from loans to related parties		-	50,000,000	290,000,000
Purchases of property, plant and equipment		(223,237,793)	(181,796,868)	(132,587,465)
Sales of property, plant and equipment		2,696,328	1,105,626	378,897
Sales of assets classified as held for sale		-	-	1,961,870
Purchases of intangible assets		(4,731,762)	(4,731,762)	(2,296,420)
Decrease in deposit pledge as collateral		4,622,000	-	-
Net cash from (used in) investing activities		(220,651,227)	(135,423,004)	60,952,102
Cash flows from financing activities				
Interest paid		(11,231,859)	(3,272,205)	(3,958,929)
Proceeds from short-term loan from financial institution		150,000,000	150,000,000	-
Repayment to short-term loan from financial institution		(150,000,000)	(150,000,000)	-
Repayment under financial lease liabilities		(79,634,149)	(17,680,357)	(16,860,921)
Proceeds from finance lease liabilities		-	-	-
Dividends paid	28	(188,082,900)	(188,082,900)	(62,694,300)
Net cash used in financing activities		(278,948,908)	(209,035,462)	(83,514,150)
Net increase (decrease) in cash and cash equivalents		967,776,477	923,274,000	54,493,879
Cash and cash equivalents at beginning of year		624,498,704	577,111,741	522,841,898
Effects of exchange rate changes on balances held in foreign currencies		49,384,386	49,384,385	(224,036)
Cash and cash equivalents at end of year	5	1,641,659,567	1,549,770,126	577,111,741
Non-cash transactions				
Assets acquired by means of finance lease		91,282,109	-	-
Payable for property, plant and equipment and investment properties		11,176,354	10,061,562	7,674,304

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

NOTES TO THE FINANCIAL STATEMENTS

For the years ended 30 September 2015 and 2014

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

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 2015.

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.

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

The immediate and ultimate parent company during the financial period year was Muramoto Industry Company Limited (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 direct subsidiary are as follows :

	Type of business	Country of incorporation	Ownership interest	
			2015	2014
Sima Technology Co., Ltd.	Manufacturing of electronic parts	Thailand	99.99 %	99.99 %

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 (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2014 :

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods statements beginning on or after 1 October 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 32

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 13	Property, plant and equipment
Note 14	Deferred taxation
Note 18	Measurement of defined benefit obligations

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

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(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) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational activity. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised at cost on accrual basis; attributable transaction costs are recognised in the statement of income when incurred in profit or loss.

(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

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. 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 basis. Cost of work in progress and finished goods are calculated using the weighted-average cost principle and 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 includes an appropriate share of 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.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(g) Investments

Investments in subsidiary

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

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows :

Investment property	5 years
---------------------	---------

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated 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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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.

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 net within other income in profit or loss.

Leased assets and leased assets under sale and leaseback agreements

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership on classified as finance leases.

The Group entered into various sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. The surplus of sales over the carrying amount is not immediately recognised as income. This surplus is deferred and presented net under property, plant and equipment. Amortisation of such surplus is presented by offsetting with depreciation expenses in profit or loss over the term of the lease.

The Group recognises finance leases as assets and liabilities in the statement of financial position at amounts equal to the lower of

its fair value or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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 and leasehold improvements	5 - 32 years
Buildings and structure	5 - 32 years
Machinery and equipment	1.5 - 10 years
Transportation equipment	5 years
Furniture, fixtures and office equipment	5 years

No depreciation is provided on freehold land or assets under construction.

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

(j) 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 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.

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 for the current and comparative periods are as follows :

Software licences	3 - 5 years
-------------------	-------------

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

(k) 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. 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.

Reversals 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.

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(o) 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 finance cost.

(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

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

Sale of goods and services rendered

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. Service income is recognized as service are provided.h

Income from export tax rebate and import duty refund

Income from export tax rebate (granted by the Ministry of Finance in the form of tax coupons) and import duty refund are recognised in profit or loss based on an accrual basis upon exporting the finished goods.

Dividend income

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

Interest income

Interest income is recognised in profit or loss as it accrues.

Rental income

Rental income from investment property is recognised in profit or loss on straight-line basis over the term of the lease.

(r) Expenses

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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.

Finance costs

○ NOTES TO THE FINANCIAL STATEMENTS

Finance costs comprise interest expense on borrowings and similar costs are charged to profit or loss for the period in which they are incurred. The interest component of finance lease payments is recognised in profit or loss using the effective interest method.

(s) 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 a business combination, or 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 following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and 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.

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. 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.

(t) 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 shares outstanding during the period, adjusted for own shares held.

(u) Segment reporting

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

4. Related parties

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

Relationships with related parties were as follows :

Name of entities	Country of incorporation/ nationality	Nature of relationships
Muramoto Industry Co., Ltd.	Japan	Ultimate 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	Ultimate parent is major shareholder, common director
Muramoto USA Inc.	USA	Ultimate parent is major shareholder, common director
Muramoto Sumitronics, USA LLC.	USA	Ultimate parent is major shareholder, common director
Muramoto Technics (Malaysia) Sdn. Bhd.	Malaysia	Ultimate parent is major shareholder, common director

Name of entities	Country of incorporation/ nationality	Nature of relationships
------------------	---------------------------------------	-------------------------

Muramoto Manufacturing Europe S.R.O.	Czech Republic	Ultimate parent is major shareholder, common director
Muramoto Audio-Visual Philippines Inc. common director	Philippines	Ultimate parent is major shareholder,
P.T. Muramoto Elecktronika Indonesia	Indonesia	Ultimate parent is major shareholder, common director
Muramoto Manufacturing de Mexico, S de R.L. de C.V	Mexico	Ultimate parent is major shareholder, common director
Muramoto Sumitronics, de Mexico, S de R.L. de C.V	Mexico	Ultimate parent is major shareholder, common director
Kein Hing Muramoto Vietnam	Vietnam	Ultimate parent is major shareholder
Key management personnel	Thailand	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 particular types of transactions are explained further below :

Transactions	Pricing policies
Revenue from sale of goods and rendering of services	Cost plus margin
Purchase of raw materials and purchase of fixed assets	At contractually agreed prices, equivalent to market price
Other income	At prices equivalent to purchase/cost of services from third parties
Technical fees	At contractually agreed prices
Royalty fees	1% of net sales
Interest income	At rates equivalent to market

Significant transactions for the years ended 30 September 2015 and 2014 with related parties were as follows :

○ NOTES TO THE FINANCIAL STATEMENTS

Significant transactions for the years ended 30 September 2015 and 2014 with related parties were as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Parent				
Muramoto Industry Co., Ltd.				
Sales of goods	1,053,475	1,674,985	784,614	1,141,463
Purchases of goods and fixed assets	489,332	609,662	483,430	596,776
Royalty fees	145,883	110,304	141,253	104,453
Technical fees	3,539	29,820	3,462	28,859
Other income	464	1,586	418	1,117
Subsidiary				
Sima Technology Co., Ltd.				
Sales of goods	-	-	153,337	289,076
Purchases of goods	-	-	23,817	16,288
Interest income	-	-	2,353	6,391
Dividend income	-	-	-	10,020
Other income	-	-	368	-
Other related parties				
Muramoto Asia Pte Ltd.				
Sales of goods	537,804	184,132	537,804	184,132
Purchases of goods	66,102	120,524	16,478	29,340
Interest income	1,223	931	1,223	931
Other income	8	342	8	342
Muramoto Manufacturing Europe S.R.O.				
Sales of goods	-	894	-	894
Purchases of goods	54	-	54	-
Muramoto USA Inc.				
Sales of goods	3,124,515	3,442,231	3,124,515	3,441,895
Purchases of goods	-	12,500	-	12,500
Other income	17,120	1,082	17,120	1,082
Muramoto Technics (Malaysia) Sdn. Bhd.				
Purchases of goods	-	3,326	-	3,326
Muramoto Audio-Visual Philippines, Inc				
Sales of goods	31,916	31,566	31,916	31,566
Purchases of goods	1,283	2,695	-	-
Other income	123	308	123	308
Other				
Other income	285	-	285	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	15,661	15,581	7,746	7,819

Balances as at 30 September 2015 and 2014 with related parties are as follows :

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Trade accounts receivable from related parties				
Parent				
Muramoto Industry Co., Ltd.	120,197	465,229	72,119	409,347
Subsidiary				
Sima Technology Co., Ltd.	-	-	35,662	51,690
Other related parties				
Muramoto Asia Pte Ltd.	188,600	14,096	188,600	14,093
Muramoto USA Inc.	773,023	594,610	773,023	594,610
Muramoto Audio-Visual Philippines, Inc.	3,212	2,747	3,212	2,747
Total	1,085,032	1,076,682	1,072,616	1,072,487
Short-term loan to related parties				
Subsidiary				
Sima Technology Co., Ltd.	-	-	50,000	100,000
Other related parties				
Muramoto Asia Pte Ltd.	108,614	96,691	108,614	96,691
Total	108,614	96,691	158,614	196,691
Other receivable from related parties				
Parent				
Muramoto Industry Co., Ltd.	525	1,249	400	1,249
Subsidiary				
Sima Technology Co., Ltd.	-	-	1,898	10,043
Other related parties				
Muramoto USA Inc.	-	174	-	174
Muramoto Asia Pte Ltd.	328	8,620	328	8,620
Muramoto Audio-Visual Philippines, Inc.	-	315	-	315
Total	853	10,358	2,626	20,401
Trade accounts payable to related parties				
Parent				
Muramoto Industry Co., Ltd.	136,948	141,332	133,770	135,625
Subsidiary				
Sima Technology Co., Ltd.	-	-	2,200	2,464
Other related parties				
Muramoto Asia Pte Ltd.	9,708	13,941	2	2,322
Muramoto USA Inc.	-	33	-	33
Muramoto Audio-Visual Philippines, Inc.	273	252	-	-
Total	146,929	155,558	135,972	140,444

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Other payable-related party				
Parent				
Muramoto Industry Co., Ltd.	43,447	43,330	42,336	42,138
Other related parties				
Muramoto USA Inc.	284	4,215	284	4,215
Muramoto Audio-Visual Philippines, Inc.	-	3	-	3
Total	43,731	47,548	42,620	46,356
Payable for property, plant and equipment				
Muramoto Industry Co., Ltd.	752	-	752	-
Total	752	-	752	-

Short-term loan to related parties

Movements during the years ended 30 September 2015 and 2014 of short-term loan to related parties were as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Subsidiary				
Sima Technology Co., Ltd.				
At 1 October	-	-	100,000	390,000
Decrease	-	-	(50,000)	(290,000)
At 30 September	-	-	50,000	100,000
Other related parties				
Muramoto Asia Pte Ltd.				
At 1 October	96,691	-	96,691	-
Increase	-	96,505	-	96,505
Unrealized gain on exchange rate	11,923	186	11,923	186
At 30 September	108,614	96,691	108,614	96,691
Total	108,614	96,691	158,614	196,691

As at 30 September 2015, short-term loans to Sima Technology Co., Ltd. bear interest at the rate 2.27% per annum (2014: 2.78% per annum). Final maturity date is 29 June 2016 (2014: 28 June 2015).

At the annual general meeting of the shareholders of the Company held on 24 January 2014, the shareholders approved the Company's additional business activity in providing loans to affiliated company in and outside Thailand. In this connection, on 17 December 2013, the Company entered into a loan agreement with Muramoto Asia Pte Ltd. in which the Company agreed to lend USD 3 million (equivalent to Baht 109 million) to the latter. The loan bears interest at 1.20% per annum, is unsecured and is due on 16 December 2015. At the Board of Directors' meeting held on 26 November 2015, the Board of Directors approved the extension of the period of loan to 16 December 2016.

Significant agreements with related parties

As at 30 September 2015, the Company has guaranteed Baht 100 million (2014: Baht 420 million) of bank overdraft and loan facilities from a bank for its subsidiary. On 26 November 2014, the Board of Directors approved the cancellation of the guarantee of Baht 320 million. On 26 November 2015, the Board of Directors approved the cancellation of the guarantee of Baht 100 million.

As at 30 September 2015, the ultimate parent company has guaranteed USD 6.1 million (equivalent to Baht 222.86 million) and Baht 775 million of credit facilities extended by the financial institutions to the Company (2014: Baht 744 million) and Baht 30 million of bank overdraft and loan facilities extended by a bank to the Company's subsidiary (2014: Yen 250 million (equivalent to Baht 74.72 million) and Baht 30 million).

Service agreements for technical advice and business support

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 recent technical advice, product design 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% starting in October 2014 (2014: 0.75%) and the subsidiary agrees to pay a fee equal to 0.75% (2014: 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.

5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Cash on hand	804	473	507	166
Cash at banks	1,640,856	624,026	1,549,263	576,946
Total	1,641,660	624,499	1,549,770	577,112

The currency denomination of cash and cash equivalents as at 30 September was as follows :

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Thai Baht	977,156	452,288	885,266	404,901
United States Dollars	390,019	124,585	390,019	124,585
Japanese Yen	274,485	47,626	274,485	47,626
Total	1,641,660	624,499	1,549,770	577,112

6. Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Related parties	4	1,085,032	1,076,682	1,072,616	1,072,487
Other parties		1,144,848	1,543,805	886,715	1,303,304
Total		2,229,880	2,620,487	1,959,331	2,375,791

Aging analyses for trade accounts receivable were as follows :

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Within credit terms	2,205,272	2,602,018	1,934,723	2,357,322
Overdue :				
Less than 3 months	24,078	18,423	24,078	18,423
Overdue 3-12 months	530	46	530	46
Total	2,229,880	2,620,487	1,959,331	2,375,791

The normal credit term granted by the Group ranges from 30 days to 120 days

○ NOTES TO THE FINANCIAL STATEMENTS

The currency denomination of trade accounts receivable as at 30 September was as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	964,183	1,350,426	741,689	1,161,587
United States Dollars	958,154	805,813	958,159	805,813
Japanese Yen	307,543	464,248	259,483	408,391
Total	2,229,880	2,620,487	1,959,331	2,375,791

7. Other receivables

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	Note 4	853	10,358	2,626	20,401
Other parties		36,852	45,029	34,120	41,719
Total		37,705	55,387	36,746	62,120

8. Finance lease receivable

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Finance lease receivable	32,591	52,145	32,591	52,145
Less unearned interest income	(3,166)	(5,276)	(3,166)	(5,276)
	29,425	46,869	29,425	46,869
Less current portion of finance lease receivable	(20,703)	(20,703)	(20,703)	(20,703)
Total	8,722	26,166	8,722	26,166

One customer of the Company has been impacted from flooding in Thailand. The customer has requested the Company to construct and install clean rooms and facilities and provide services of certain rental space, equipments, facilities and manpower for their production or operations. Accordingly, the Company has entered into partial space agreement with its customer. The Company will receive the rental fee at the rate specified in the agreements. The agreements have lease term covering the period from 1 April 2012 until 26 March 2017. However, the customer is able to terminate the agreement by giving written notice to the Company at least one year in advance. The agreement contains conditions including if there are services fee outstanding, the customer shall pay the Company all outstanding amounts. Interest 2.4% may be charged on the outstanding balance.

In this connection, the Company has entered into a finance lease agreement to obtain a fund to finance the investment in this finance lease receivable as disclosed in note 15.

9. Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials	623,610	681,380	440,022	471,487
Work in process	102,725	139,754	53,149	92,144
Finished goods	506,477	562,600	346,918	397,633
Supplies	31,675	35,884	18,698	22,825
Goods in transit	117,236	118,720	93,403	98,663
	1,381,723	1,538,338	952,190	1,082,752
Less allowance for decline in value	(21,201)	(16,531)	(7,740)	(5,742)
Net	1,360,522	1,521,807	944,450	1,077,010

10. Other current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Prepaid withholding tax	37,607	44,600	27,067	36,672
Value added tax receivable	35,634	35,697	24,930	20,001
Others	11,880	17,958	11,880	17,958
Total	85,121	98,255	63,877	74,631

11. Investment in subsidiary

The investment in subsidiary as at 30 September 2015 and 2014, and dividend income from this investment for the years then ended were as follows :

	Separate financial Statement							
	Ownership interest		Paid-up capital		Cost Method		Dividend	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,998	299,998	-	10,020

12. Investment properties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost				
At 1 October/ 30 September	147,210	147,210	147,210	147,210
Depreciation and impairment losses				
At 1 October	50,903	30,226	50,903	30,226
Depreciation charge for the year	20,367	20,677	20,367	20,677
At 30 September	71,270	50,903	71,270	50,903
Net book value	75,940	96,307	75,940	96,307

A parcel of land has been transferred from property, plant and equipment to investment property, since the parcel of land was no longer used by the Company. Investment properties are stated at cost less accumulated depreciation and impairment losses.

As at 30 September 2015, fair value of the investment properties amount of Baht 133 million (2014: Baht 171 million) that are leased to third parties has been evaluated by the Group's valuation model.

13. Property, plant and equipment

Consolidated financial statements

	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost								
At 1 October 2013	233,125	173,466	3,093,013	5,978,181	12,113	132,188	64,793	9,686,879
Additions	-	2,446	2,253	84,974	-	4,465	144,145	238,283
Transfers, net	-	6,114	3,709	189,008	-	250	(199,189)	(108)
Disposals	-	(5,912)	(40,163)	(58,821)	(503)	(76)	-	(105,475)
At 30 September 2014 and 1 October 2014	233,125	176,114	3,058,812	6,193,342	11,610	136,827	9,749	9,819,579
Additions	-	6,196	3,216	54,951	-	5,195	254,800	324,358
Transfers to intangible assets	-	-	-	-	-	(2,254)	-	(2,254)
Transfers, net	-	18,283	5,113	175,630	-	2,881	(201,907)	-
Disposals	-	-	-	(141,315)	(1,411)	(1,106)	-	(143,832)
At 30 September 2015	233,125	200,593	3,067,141	6,282,608	10,199	141,543	62,642	9,997,851
Depreciation and impairment loss								
Balance at 1 October 2013	-	53,188	1,707,587	4,806,296	11,178	99,617	-	6,677,866
Depreciation charge for the year	-	8,023	89,498	344,962	554	13,157	-	456,194
Losses on decline in value	-	(3,997)	(5,085)	-	-	-	-	(9,082)
Disposals	-	(2,915)	(34,698)	(37,394)	(503)	(63)	-	(75,573)
At 30 September 2014 and 1 October 2014	-	54,299	1,757,302	5,113,864	11,229	112,711	-	7,049,405
Depreciation charge for the year	-	13,940	91,211	339,202	299	11,621	-	456,273
Reversal of impairment loss	-	(6,277)	(29,746)	754	-	-	-	(35,269)
Transfers to intangible assets	-	-	-	-	-	(1,601)	-	(1,601)
Transfers, net	-	-	-	87	-	(87)	-	-
Disposals	-	-	-	(140,926)	(1,391)	(905)	-	(143,222)
At 30 September 2015	-	61,962	1,818,767	5,312,981	10,137	121,739	-	7,325,586

13. Property, plant and equipment (Continued)

Consolidated financial statements

	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Net book value								
At 30 September 2014								
Owned assets	233,125	121,815	1,301,510	892,097	381	24,116	9,749	2,582,793
Assets under finance leases	-	-	-	187,381	-	-	-	187,381
	233,125	121,815	1,301,510	1,079,478	381	24,116	9,749	2,770,174
At 30 September 2015								
Owned assets	233,125	138,631	1,248,374	739,813	62	19,804	62,642	2,442,451
Assets under finance leases	-	-	-	229,814	-	-	-	229,814
	233,125	138,631	1,248,374	969,627	62	19,804	62,642	2,672,265

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 September 2015 amounted to Baht 3,270 million (2014: Baht 3,166 million).

During 2015, a reversal of an impairment loss, previously provided of Baht 35 million has been made since the Company's management decided to put those assets in to business use. In this regards, the depreciation charge for the assets will be adjusted in future periods to allocate the assets' revised carrying amount on a systematic basis over their remaining useful life.

In 2015, gain from sale and lease back agreements for machinery and equipment of a subsidiary amounted to Baht 1.4 million were recognised as deferred gain on sale and lease back (2014: Baht 1.6 million).

13. Property, plant and equipment (Continued)

Separate financial statements

	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost								
At 1 October 2013	201,432	173,466	2,030,861	4,120,990	5,049	86,013	56,443	6,674,254
Additions	-	2,446	-	45,970	-	3,912	97,164	149,492
Transfers, net	-	6,114	-	143,462	-	250	(149,826)	-
Disposals	-	(5,912)	(39,069)	(36,464)	-	-	-	(81,445)
At 30 September 2014 and 1 October 2014	201,432	176,114	1,991,792	4,273,958	5,049	90,175	3,781	6,742,301
Additions	-	6,196	-	42,183	-	4,728	148,521	201,628
Transfers to intangible assets	-	-	-	-	-	(2,254)	-	(2,254)
Transfers, net	-	18,283	-	70,133	-	2,881	(91,297)	-
Disposals	-	-	-	(125,639)	-	(353)	-	(125,992)
At 30 September 2015	201,432	200,593	1,991,792	4,260,635	5,049	95,177	61,005	6,815,683
Depreciation and impairment loss								
At 1 October 2013	-	53,188	1,302,093	3,371,349	5,007	61,427	-	4,793,064
Depreciation charge for the year	-	8,023	29,667	207,476	10	10,591	-	255,767
Losses on decline to value	-	(3,997)	(5,085)	-	-	-	-	(9,082)
Disposals	-	(2,915)	(34,048)	(34,451)	-	-	-	(71,414)
At 30 September 2014 and 1 October 2014	-	54,299	1,292,627	3,544,374	5,017	72,018	-	4,968,335
Reversal of impairment loss	-	13,940	29,929	205,775	10	9,412	-	259,066
กลับรายการขาดทุนจากการด้อยค่า	-	(6,277)	(29,746)	754	-	-	-	(35,269)
Transfers to intangible assets	-	-	-	-	-	(1,601)	-	(1,601)
Transfers, net	-	-	-	87	-	(87)	-	-
Disposals	-	-	-	(125,494)	-	(159)	-	(125,653)
At 30 September 2015	-	61,962	1,292,810	3,625,496	5,027	79,583	-	5,064,878
Net book value								
At 30 September 2014	201,432	121,815	699,165	729,584	32	18,157	3,781	1,773,966
At 30 September 2015	201,432	138,631	698,982	635,139	22	15,594	61,005	1,750,805

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 September 2015 amounted to Baht 2,815 million (2014: 2,839 million).

14. Deferred tax

Deferred tax assets and liabilities as at 30 September were as follows :

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Total deferred tax	35,384	36,800	-	(2,818)
Net deferred tax assets (liabilities)	35,384	36,800	-	(2,818)

	Separate financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Total deferred tax	35,104	36,800	-	-
Net deferred tax assets (liabilities)	35,104	36,800	-	-

Movements in total deferred tax assets and liabilities during the year were as follows :

	Consolidated financial statements			
	(Charged) / Credited to :			
	At 1 October 2014	Profit or loss	Other comprehensive income	At 30 September 2015
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
(Note 25)				
Deferred tax assets				
Inventories	1,149	399	-	1,548
Property, plant and equipment	-	5,419	-	5,419
Finance lease liabilities	-	280	-	280
Employee benefit obligation	23,308	2,700	2,129	28,137
Loss carry forward	12,343	(12,343)	-	-
Total	36,800	(3,545)	2,129	35,384
Deferred tax liabilities				
Finance lease liabilities	(2,818)	2,818	-	-
Total	(2,818)	2,818	-	-
Net	33,982	(727)	2,129	35,384

Consolidated financial statements

(Charged) / Credited to :

	(Note 25)			
	At 1		Other	At 30
	October 2013	Profit or loss	comprehensive	September 2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Deferred tax assets				
Inventories	-	1,149	-	1,149
Employee benefit obligation	-	16,156	7,152	23,308
Loss carry forward	-	12,343	-	12,343
Total	-	29,648	7,152	36,800
Deferred tax liabilities				
Finance lease liabilities	(1,340)	(1,478)	-	(2,818)
Total	(1,340)	(1,478)	-	(2,818)
Net	(1,340)	28,170	7,152	33,982

Separate financial statements

(Charged) / Credited to :

	(Note 25)			
	At 1		Other	At 30
	October 2014	Profit or loss	comprehensive	September 2015
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Deferred tax assets				
Inventories	1,149	399	-	1,548
Property, plant and equipment	-	5,419	-	5,419
Employee benefit obligation	23,308	2,700	2,129	28,137
Loss carry forward	12,343	(12,343)	-	-
Total	36,800	(3,825)	2,129	35,104

Separate financial statements

(Charged) / Credited to :

	(Note 25)			
	At 1		Other	At 30
	October 2013	Profit or loss	comprehensive	September 2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Deferred tax assets				
Inventories	-	1,149	-	1,149
Employee benefit obligation	-	16,156	7,152	23,308
Loss carry forward	-	12,343	-	12,343
Total	-	29,648	7,152	36,800

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognised in the financial statements as at 30 September 2015 and 2014 were as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Deductible temporary differences	14,959	34,639	-	14,873
Tax losses	5,831	76,259	-	76,259
Total	20,790	110,898	-	91,132

15. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current				
Current portion of finance lease liabilities	80,217	79,983	18,540	17,680
Total current interest bearing liabilities	80,217	79,983	18,540	17,680
Non-current				
Finance lease liabilities	128,832	123,230	11,228	29,768
Total current interest bearing liabilities	128,832	123,230	11,228	29,768
Total	209,049	203,213	29,768	47,448

As at 30 September 2015, the Company has unused credit facilities with a financial institution (short-term loan, bank overdraft, letter of guarantee, and letter of credit) of Baht 1,692 million (2014: Baht 3,045 million).

As at 30 September 2015, a subsidiary has unused credit facilities (short-term loan, bank overdraft, letter of guarantee, letter of credit and foreign exchange) from local financial institutions amounting to Baht 123 million (2014: Baht 737 million).

Finance lease liabilities

The Group 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 2015 and 2014 were payable as follows :

Consolidated financial statements

	2015			2014		
	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within one year	86,853	6,636	80,217	88,462	8,479	79,983
After one year but within five years	133,796	4,964	128,832	131,343	8,113	123,230
Total	220,649	11,600	209,049	219,805	16,592	203,213

Separate financial statements

	2015			2014		
	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within one year	19,554	1,014	18,540	19,554	1,874	17,680
After one year but within five years	11,407	179	11,228	30,961	1,193	29,768
Total	30,961	1,193	29,768	50,515	3,067	47,448

16. Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	4	146,929	155,558	135,972	140,444
Other parties		1,529,194	1,793,796	1,316,189	1,543,827
Total		1,676,123	1,949,354	1,452,161	1,684,271

The currency denomination of trade accounts payable as at 30 September was as follows :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	1,053,272	1,289,422	864,507	1,099,000
United States Dollars	386,286	426,853	373,716	404,385
Japanese Yen	236,351	232,830	213,724	180,637
Others	214	249	214	249
Total	1,676,123	1,949,354	1,452,161	1,684,271

17. Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	4	43,731	47,548	42,620	46,356
Other parties		201,637	238,844	156,909	185,231
Total		245,368	286,392	199,529	231,587

18. Employee benefit obligations

Defined benefit obligation

The Group and the Company operate 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 statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Present value of unfunded obligations	173,594	142,720	140,687	116,540
Statement of financial position obligation	173,594	142,720	140,687	116,540

Movement in the present value of the defined benefit obligations :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Defined benefit obligations at 1 October	142,720	126,438	116,540	104,561
Current service costs and interest	17,587	16,499	12,915	12,196
Actuarial losses recognized in other comprehensive income	13,889	1,961	11,500	1,961
Benefit paid	(602)	(2,178)	(268)	(2,178)
Defined benefit obligations at 30 September	173,594	142,720	140,687	116,540

Expense recognised in profit or loss :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current service cost	11,971	11,486	8,399	8,122
Interest on obligation	5,616	5,013	4,516	4,074
Total	17,587	16,499	12,915	12,196

The expense is recognised in the following line items in the statement of comprehensive income :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost of sales	15,182	14,210	11,444	10,767
Selling expenses	499	415	259	243
Administrative expenses	1,906	1,874	1,212	1,186
Total	17,587	16,499	12,915	12,196

Actuarial losses recognized in other comprehensive income :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Actuarial losses	13,889	1,961	11,500	1,961

Principal actuarial assumptions at the reporting date (expressed as weighted averages) :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	%	%	%	%
Discount rate	3.0, 3.4	3.9, 4.0	3.0	3.9
Future salary increases	3.0-5.0	3.0-5.0	5.0	5.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

19. Share capital

	Par value (in Baht)	2015		2014	
		Number	Baht	Number	Baht
		(thousand shares/thousand Baht)	(thousand shares/thousand Baht)	(thousand shares/thousand Baht)	(thousand shares/thousand Baht)
Authorised					
At 1 October - ordinary shares	10	23,898	238,981	23,898	238,981
At 30 September - ordinary shares	10	23,898	238,981	23,898	238,981
Issued and fully paid-up					
At 1 October - ordinary shares	10	20,898	208,981	20,898	208,981
At 30 September - ordinary shares	10	20,898	208,981	20,898	208,981

20. 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.

21. Segment information

The Group has three reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer 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

Information regarding the results of each reportable segment is included below. 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.

Information about reportable segments

	Electronic parts for automotive business		Electronic parts for office automation business		Other business		Total		Eliminations		Net	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)	
Revenue												
External revenue	7,827	8,340	8,677	8,071	112	56	16,616	16,467	-	-	16,616	16,467
Inter-segment revenue	24	15	12	10	-	-	36	25	(36)	(25)	-	-
Total segment revenue	7,851	8,355	8,689	8,081	112	56	16,652	16,492	(36)	(25)	16,616	16,467
Gross profit	424	261	445	296	6	3	875	560	141	271	1,016	831
Other Income	65	110	106	105	1	-	172	215	(5)	(14)	167	201
Net foreign exchange gain	71	28	59	29	1	-	131	57	-	-	131	57
Cost of sale of goods	(7,427)	(8,094)	(8,244)	(7,785)	(106)	(53)	(15,777)	(15,932)	177	296	(15,600)	(15,636)
Selling expense	(135)	(128)	(132)	(117)	(2)	-	(269)	(245)	-	-	(269)	(245)
Administrative expense	(92)	(152)	(145)	(145)	(2)	(2)	(239)	(299)	2	-	(237)	(299)
Finance costs	(3)	(2)	(10)	(19)	-	-	(13)	(21)	2	7	(11)	(14)
Income tax expense	(32)	(2)	(24)	(1)	-	-	(56)	(3)	-	-	(56)	(3)
Profit for the year	298	115	299	148	4	1	601	264	140	264	741	528
Interest revenue	5	7	4	5	-	-	9	12	(3)	(6)	6	6
Depreciation and amortisation	(189)	(200)	(292)	(281)	-	-	(481)	(481)	-	-	(481)	(481)
Segment assets as at 30 September	1,441	1,139	1,041	1,560	10	8	2,492	2,707	(2)	(1)	2,490	2,706

Reconciliations of reportable segment assets

	2015	2014
	(in million Baht)	(in million Baht)
Assets		
Total assets for reportable segments	2,490	2,706
Other unallocated amounts	5,806	5,285
Consolidated total assets	8,296	7,991

Geographical information

Electronic parts for Automotive business, Electronic parts for office automation business and other business are managed on a worldwide basis but operate manufacturing facilities and sales offices in Thailand.

In presenting geographical information revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

	Revenues		Non-current assets*	
	2558	2014	2558	2014
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Thailand	8,112	6,900	2,777	2,916
Japan	4,931	5,859	-	-
United State of America	3,131	3,444	-	-
Other countries	442	264	-	-
Total	16,616	16,467	2,777	2,916

* Non-current assets are not included deferred tax assets.

Major customer

Revenues from three customers of the Group's Electronic parts for Automotive business, Electronic parts for office automation business and other business segments represents approximately Baht 10,168 million (2014: Baht 10,013 million) of the Group's total revenues.

22. Other income

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Income from scrap sale		83,278	109,539	70,023	95,494
Rental and other service income		69,161	72,690	57,290	57,076
Interest income		6,393	5,583	8,590	11,594
Dividend income	4, 11	-	-	-	10,020
Others		7,786	13,492	9,272	7,982
Total		166,618	201,304	145,175	182,166

23. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Management				
Wages and salaries	5,774	6,166	2,961	3,420
Others	9,887	9,415	4,785	4,399
	15,661	15,581	7,746	7,819
Other employees				
Wages and salaries	1,087,499	1,070,445	779,089	745,977
Contribution to defined contribution plans	16,122	16,375	9,061	7,913
Others	641,717	641,075	535,689	530,341
	1,745,338	1,727,895	1,323,839	1,284,231
Total	1,760,999	1,743,476	1,331,585	1,292,050

The Company has established contributory provident funds for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3% of their basic salaries and by the Company at the rate of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

24. Expenses by nature

Included in cost of sales of goods :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Changes in inventories of finished goods and work in progress	95,824	(206,982)	89,710	(140,428)
Raw materials and consumables used	12,503,755	12,816,341	10,931,624	11,233,923
Employee benefit expenses	1,629,615	1,597,085	1,237,393	1,194,127
Depreciation and amortisation	441,301	568,296	248,427	250,607
Others	929,741	861,631	710,470	725,961
Total	15,600,236	15,636,371	13,217,624	13,264,190

Included in selling expenses :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Royalty fee	145,883	110,304	141,253	104,453
Distribution	81,096	80,079	75,501	73,345
Personnel	30,455	29,936	24,799	20,250
Depreciation and amortisation	1,486	2,237	364	323
Professional fee	610	321	151	321
Others	9,663	21,687	6,796	15,659
Total	269,193	244,564	248,864	214,351

Included in administrative expenses :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Personnel	102,839	116,455	69,393	77,673
Depreciation and amortisation	37,732	11,756	33,706	28,234
Professional fee	9,089	7,601	7,443	5,617
Travelling	3,061	2,881	1,792	1,673
Reversal of impairment loss	(35,269)	-	(35,269)	-
Others	119,734	160,641	112,217	135,307
Total	237,186	299,334	189,282	248,504

25. Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current tax expense					
Current year		55,885	453	55,885	-
Under/(over) provided for prior years		(892)	30,280	-	33,006
		54,993	30,733	55,885	33,006
Deferred tax					
Movements in temporary differences	14	727	(28,170)	3,825	(29,648)
Total		55,720	2,563	59,710	3,358

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit (loss) before income tax expense		796,356		530,610
Income tax using the Thai corporation tax rate	20	159,271	20	106,122
Income tax not subject to tax		(302)		(126)
Expenses not deductible for tax purposes and others		6,624		10,309
Utilisation of previously unrecognised tax losses		(109,873)		(113,742)
Total	7	55,720	1	2,563

	Separate financial statements			
	2015		2014	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit before income tax expense		746,635		423,326
Income tax using the Thai corporation tax rate	20	149,327	20	84,665
Income tax not subject to tax		(302)		(2,130)
Expenses not deductible for tax purposes and others		5,968		11,006
Utilisation of previously unrecognised tax losses		(95,283)		(90,183)
Total	8	59,710	1	3,358

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 30 September 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

26. Promotional privileges

The Company received promotional privileges from the Board of Investment in respect of manufacturing of metal, plastic, and assembly parts of electronic parts. Under these privileges, the Company has received exemption from certain taxes and duties as detailed in the certificate. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the certificate.

The subsidiary company received promotional privileges from the Board of Investment under various promotion certificates in respect of manufacturing of electronic parts. Under these privileges, the subsidiary company has received exemption from certain taxes for a period of eight years from the date of commencement of promoted revenue. As a promoted industry, the subsidiary company has to comply with the terms and conditions as specified in the certificate.

Revenue from sale of goods for the years ended 30 September 2015 and 2014, classified under the promoted and non-promoted business are as follows :

Consolidated financial statements

	2015			2014		
	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Export and indirect export sales	628	15,149	15,777	819	15,246	16,065
Domestic sales	-	839	839	3	399	402
Total	628	15,988	16,616	822	15,645	16,467

Separate financial statements

	2015			2014		
	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Export and indirect export sales	-	13,458	13,458	-	13,479	13,479
Domestic sales	-	667	667	-	448	448
Total	-	14,125	14,125	-	13,927	13,927

27. Basic earnings per share

The calculations of basic earnings per share for the years ended 30 September 2015 and 2014 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows :

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Profit for the year attributable to ordinary shareholders of the Company	740,635	528,047	686,925	419,968
Number of ordinary shares outstanding	20,898	20,898	20,898	20,898
Basic earnings per share (in Baht)	35.44	25.27	32.87	20.10

28. Dividends

At the annual general meeting of the shareholders of the Company held on 23 January 2015, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2014 at Baht 9 per share, totaling Baht 188 million. The dividends were paid in February 2015.

At the annual general meeting of the shareholders of the Company held on 24 January 2014, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2013 at Baht 3 per share, total amount of Baht 63 million. The dividends were paid in February 2014.

29. 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 derivative financial instruments 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's 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.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly determined by the bank. The Group is primarily exposed to interest rate risk from its borrowings.

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 utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets denominated in foreign currencies. As at 30 September 2015 and 2014, the forward exchange contracts entered into at the reporting date also relate to anticipated sales, denominated in foreign currencies.

At 30 September, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies :

	Note	Consolidated financial statements		Separate financial statements	
		2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
US Dollars					
Cash and cash equivalents	5	390,019	124,585	390,019	124,585
Trade accounts receivable	6	958,154	805,813	958,159	805,813
Trade accounts payable	16	(386,286)	(426,853)	(373,716)	(404,385)
Gross balance sheet exposure		961,887	503,545	974,462	526,013
Currency forwards - Sale		-	(1,421,200)	-	(1,421,200)
Net exposure		961,887	(917,655)	974,462	(895,187)

	Note	Consolidated financial statements		Separate financial statements	
		2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Japanese Yen					
Cash and cash equivalents	5	274,485	47,626	274,485	47,626
Trade accounts receivable	6	307,543	464,249	259,483	408,391
Trade accounts payable	16	(236,351)	(232,830)	(213,724)	(180,637)
Gross balance sheet exposure		345,677	279,045	320,244	275,380
Malaysian Ringgit					
Trade accounts payable	16	(168)	(203)	(168)	(203)
Gross balance sheet exposure		(168)	(203)	(168)	(203)
Singapore Dollars					
Trade accounts payable	16	(46)	(46)	(46)	(46)
Gross balance sheet exposure		(46)	(46)	(46)	(46)

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 balance sheet 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 balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade, other receivables and finance lease receivables, payables and derivatives approximates carrying values.

The fair value of finance receivables and liabilities with floating interest rates approximates carrying values.

30. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2015 (in thousand Baht)	2014 (in thousand Baht)	2015 (in thousand Baht)	2014 (in thousand Baht)
Non-cancellable operating lease commitments				
Within one year	9,231	11,348	5,527	5,585
After one year but within five year	7,866	12,939	5,938	10,389
Total	17,097	24,287	11,465	15,974

Other commitments

As 30 September 2015 and 2014, the Group was liable to banks in respect to the following guarantees :

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials purchases	36,534	71,535	36,534	71,535
Electricity supply	37,569	37,569	30,003	30,003
Supply purchases	1,000	500	1,000	500

As at 30 September 2014, the Group had entered into forward contract with several banks. The details of the contracts are as follow :

	Consolidated financial statements							
	Forward Receivable				Forward Payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2015	2014	2015	2014	2015	2014	2015	2014
(in million)	(in million)	(in million Baht)	(in million Baht)	(in million)	(in million)	(in million Baht)	(in million Baht)	
US Dollars	-	44.00	-	1,421.20	-	-	-	-

	Separate financial statements							
	Forward Receivable				Forward Payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2015	2014	2015	2014	2015	2014	2015	2014
(in million)	(in million)	(in million Baht)	(in million Baht)	(in million)	(in million)	(in million Baht)	(in million Baht)	
US Dollars	-	44.00	-	1,421.20	-	-	-	-

31. Events after the reporting period

The Company entered into a forward foreign exchange contract covering its purchase transaction amounting in foreign currency (Yen 358.95 million) at a value of Baht 105.60 million. The contract will be gradually due within October 2015. In addition to this, a subsidiary entered into various forward foreign exchange contracts covering its sale transaction amounting in foreign currencies (Yen 33.24 million and US Dollar 0.17 million) at a value of Baht 15.78 million. The contracts will be gradually due within October 2015.

Subsequently on 14 October 2015, the subsidiary has announced that some of employees will be laid off on 31 October 2015 due to the current business demand. The subsidiary will pay a compensation to employees amounting to Baht 14.81 million within 30 October 2015.

32. Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these consolidated financial statements. Those new and revised TFRSs that may be relevant to the Group's operations which become effective for annual financial periods beginning on or after 1 October in the year indicated, are set out below. The Group does not plan to have early adoption of these TFRSs.

TFRSs	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015

○ NOTES TO THE FINANCIAL STATEMENTS

TFRSs	Topic	Year effective
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets—Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	2015

Management has made a preliminary assessment of the potential initial impact on the Group's consolidated financial statements of the new TFRS and expects that there will be no material impact on the consolidated financial statements in the period of initial application.

CERTIFICATE





MURAMOTO ELECTRON (THAILAND) PUBLIC COMPANY LIMITED

METCO 1

886 Ramindhra Road, Kwaeng Kannayao, Khet Kannayao, Bangkok 10230, Thailand
Tel. 0 2518-1280 Fax : 0 2518-1287

METCO 2

1 Mu 6 Bangna-Trat Road, KM. 25, Tambol Bangsaothong, Amphur Bangsaothong, Samutprakarn 10540, Thailand
Tel. 0 2338-1535 Fax : 0 2338-1539, 0 2338-1949

METCO 3

99/7 Mu 3 Bangna-Trat Road, KM. 23, Tambol Bangsaothong, Amphur Bangsaothong, Samutprakarn 10540, Thailand
Tel. 0 2397-9221 Fax : 0 2397-9231