





Annual Report 2013

MURAMOTO ELECTRON (THAILAND) PUBLIC COMPANY LIMITED





Teaching of 'Itaro Muramoto', founder of Muramoto Industry Co., Ltd., that succeeded through 78 years.



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.

Muramoto Electron (Thailand) Public Company Limited

The 26th anniversary of establishment in this year



Mind that values customer.



มีใจในการ ให้ความสำคัญ กับ**ลูกค้า** Mind that values technology and quality.



มีใจในการ ให้ความสำคัญ กับ**เทคโนโลยี และคุณภาพ** Mind that values employee.



มีใจในการ ให้ความสำคัญ กับ**พนักงาน**

CHANGE THE FUTURE





METCO 1

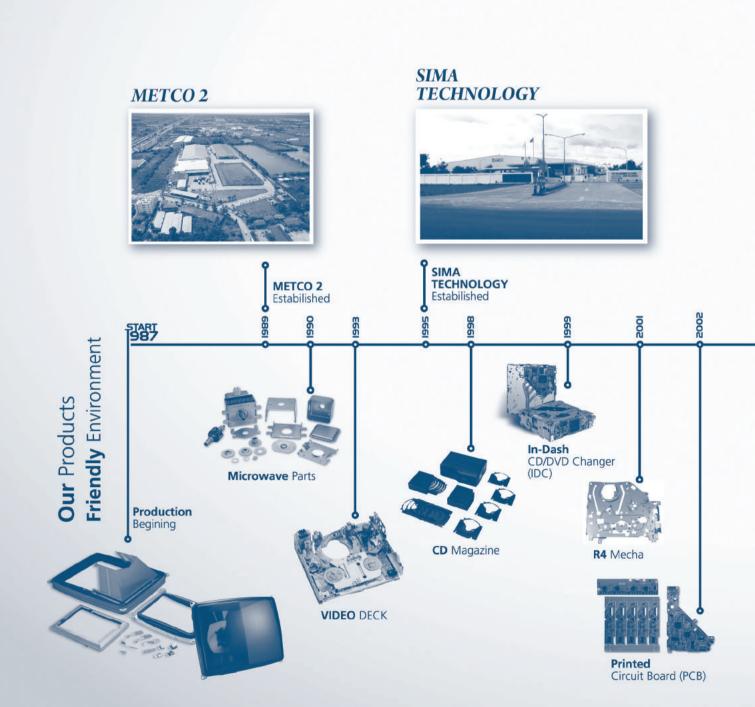
M = Manufacturing Expert

E = Environment and Safety Conscious

T = Technology Leadership

C = Creative Workforce

O = Overall Excellent





e-XPECTATION e-XCEEDED @METCO

@METCO เราให้เกินคาด

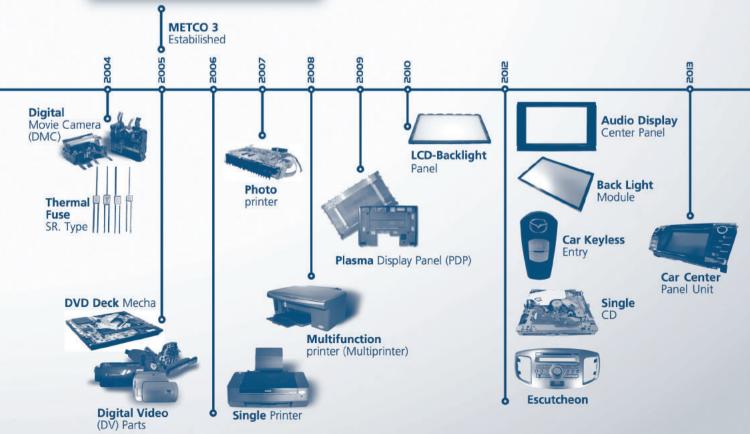


Concept of production

METCOism Integrated Synchronize Manufacturing Innovation, Speed & Maximum

METCO 3







THAILAND



Muramoto Electron (Thailand) Public Company Limited

METCO I

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 2



Sima Technology Co., Ltd.

METCO 3

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

Established : 198

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.

(Czeccho Republic)

Address : Skandinavska 991, 267 53 Zebrak, 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.

CHINA



Muramoto (Tianjin) Electronics Co., Ltd.

Address : Tianjin, the People's Republic of China

Established : 2002

Nature of Business: Manufacture metal parts for car-use

radio and CD parts

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

Established : 2006

Nature of Business: Sales of products of group companies.

MEXICO



Muramoto Manufacturing De Mexico

Address : Calle Tres Sur No.1085 CD.

Industrila, Ti juana, 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 electrica

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.

MESSAGE FROM THE CHAIRMAN





Mr. Yoichi Muramoto

We would like to thank you, all the shareholders, the clients, and the stakeholders, for your great support and co-operation always.

Upon to report of business performance of the year 2013, we say that our business circumstance during this year has been a very tough one and even more harsh than expected.

Since the "Lehman shock" in 2008, we have experienced repeated nature disasters such as the Great East Japan Earthquake in March and Floods in Thailand in October, 2011, which collapsed our internal and external supply chains. The recent debt crisis in Europe, the financial crisis in the U.S. and the economic recession in China are still not to show sign of a good direction. Under those business conditions had a very significant negative impact on our development of global business and our long-time major client who a top consumer electronics maker, as its global competitiveness dwindled with no clear exit even now.

Although there are various above external factors, I, as the person responsible for the operation of the company, deeply regret our two consecutive years of losses and that I was not able to meet the expectations of you all.

In order to overcome this hardship circumstance, I have, since I became of the President in February 2013, been undertaking comprehensive the Company's operation in what called the "Change" together with the support of all our management members.

We have been putting all our source and energy into implementing measures such as a fundamental revision of unprofitable and poor future prospect business, disposal of the related assets, reallocation of personnel resource, and we will complete the revision of the profit structure that is more adapted to handle market changes within fiscal year 2013, as well as further improving our Company's strength and sales activities for automobile-related products with the prospect of stable orders for a long period of time.

We have secured business from new customers in the second half of the year through this Change and even more aggressive sales activities, and the automobile industry business has a promising future and more new business opportunities are underway even now. We will make 2014 as the first year of turning around by implementing severe standards regarding quality and prices to gradually increase sales and profit during the year.

We have been in operation for 26 years since its inception in 1987. We employ many peoples and thus carry a serious social responsibility. We are determined to make our best efforts to contribute to continuous development of the Thai economy and sincerely hope for your continued support and co-operation.

Mr. Yoichi Muramoto Chairman/President

AUDIT COMMITTEE'S REPORT





Professor Paichitr Rojanavanich

To: The Shareholders of Muramoto Electron (Thailand) Public Company Limited

The audit committee of the Company operates under the scope of duties and responsibilities to the Board of Director as detailed in the audit committee charter. Currently the audit committee comprises three independent directors, all of whom are qualified experts in the fields of accounting and organizational management. The committee is headed by Prof. Paijit Rojanavanij as the chairman of the audit committee, and the other two audit directors are Mr. Wanchai Ampuengart and Mr. Nop Rojanavanij.

Over the course of the 2013 accounting year, the committee organized a total of five meetings, all of which were attended by all the four committee members. The key points of those meetings can be summarized as follows.

- 1) The committee, together with, the Company's authorized auditor and the Operation Division, is responsible for auditing and ensuring the accuracy and adequacy of the Company's quarterly and annually financial reports for the year 2013. The committee also made sure that the reports contain accurate and credible disclosure of information and that they are compliant with applicable laws and internationally accepted accounting standards.
- 2) 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.
- 3) To audit and ensure the appropriateness and efficiency of the Internal Control system of the Company and its subsidiary, as well as, to provide an evaluation report on the Internal Control operation of the Company.
- 4) 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.
- 5) To consider, select, and propose the appointment of an independent external auditor for the Company's financial report, as well as, to propose the compensation for the appointed auditor based on his or her performance. In this regard, KPMG Bhumchai Co., Ltd. has been selected as the auditor of the Company and details of their compensation have been submitted to a shareholder's meeting for approval.

The audit committee has agreed that the Company operated with an effective and adequate Internal Control throughout the year 2013, and therefore it is credible that the Company's operations are compliant with all applicable laws and the Good Corporate Governance principle. The committee also confirms that the Company has accurately and adequately disclosed information in its financial reports.

(Professor Paichitr Rojanavanich)
Chairman of the Audit Committee
December 1, 2013

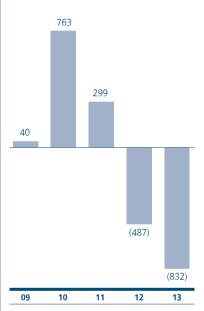


FINANCIAL SUMMARY

	METCO & Subsidiary Company Unit: In Million Baht			Un	METCO Unit: In Million Baht		
	2013	2012	2011	2013	2012	2011	
Sales	11,237	12,262	15,687	8,036	8,556	12,654	
Cost of Sales	11,117	12,324	15,034	8,032	8,765	12,091	
Profit Margin (Loss)	120	(62)	653	4	(209)	563	
Selling & Administrative Expenses	1,166	817	566	691	688	480	
Operations Profit (Loss)	(1,046)	(879)	87	(687)	(897)	83	
Other Incomes	223	399	314	193	363	262	
Income Tax	11	7	102	0	0	93	
Net Profit (Loss)	(832)	(487)	299	(494)	(534)	252	
Earning per Share (Baht) (Loss)	(39.82)	(23.30)	14.29	(23.65)	(25.57)	12.07	
Total Assets	7,048	8,156	8,652	5,793	6,463	7,073	
Total Liabilities	2,145	2.318	2.087	1,622	1,702	1,550	
Total Shareholders' Equity	4,903	5,838	6,565	4,171	4,761	5,523	
Number of Shares (Million Shares)	20.898	22	22	20.898	22	22	
Book Value (Baht)	234.62	265.39	298.39	199.57	216.43	251.06	

12,173	17,420	15,687	12,262	11,237
09	10	11	12	13

Sales (Million Baht)



Net Profit (Million Baht)

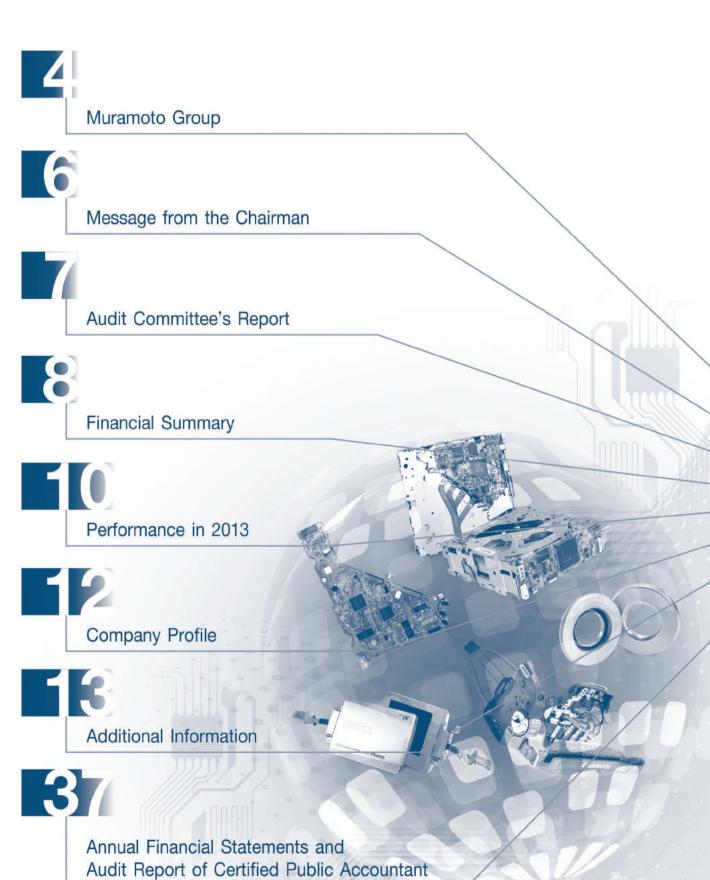
	METCO & Subsidiary Company Unit in Percentage			U	METCO	re
Financial Ratio	2013	2012	2011	2013	2012	2011
Net Profit per Revenues (Loss)	(7.41)	(3.97)	1.90	(6.15)	(6.24)	1.99
Return per Equity	(16.97)	(8.34)	4.55	(11.85)	(11.22)	4.57
Return on Assets	(11.81)	(5.97)	3.45	(8.53)	(8.27)	3.57



METCO & Subsidiary Company









Performance in 2013

METCO sales decreased 6% compared to 2012 and decreased 37% compared to 2011, due to various external factors such as the financial crisis in the U.S., the debt crisis in the EU, stagnation of the global economy due to slowdown of the economy in China, dwindling competitiveness of our long-time client, the top Japanese consumer electronics maker.

As to our main line of TV business such as plasma TV parts and LCD TV parts, our major client had to cease manufacturing TV product in Japan in March 2012, followed by a production cut back in its overseas factories, which led to withdrawal from the TV business.

Under these circumstances, we established the "Turn-Around Plan" in October 2012 that required asset disposals and personnel reduction incurring extra costs. And due also to the reduction in revenue we suffered losses in fiscal year 2013 for two consecutive years.

However since July 2013 our sales trend has turned around thanks to revision of our management, operations, and conversion of business to the automotive industry area, and the profitability has also been secured.

Business Policy in 2014

Business policy for 2014 is as follows:

- 1. To secure profit for the year
- 2. Challenge for new growth strategy
- 3. Promotion of staff training, Development and use of human resources
- 4. Implementation of Company operations and overseas transactions in compliance with the relevant rules.

We have had two consecutive years of losses for the first time in 26 years since our inception in 1987 and we have implemented reform of the management system, revision of personnel organization, disposal of unutilized assets, realization of impairment losses, and reviewed development projects in order to urgently return to profit. As a result, we have achieved an operating profit on a monthly basis each month since July 2013 with other synergetic effects.

However, the business environment around us still contains risks with many rapid changes and thus we have not regained a completely stable business environment. Within this environment, our basic policy for 2014 shall be to strengthen our business structure for mid-to long term growth with continuation of the return-to-profit measures, maximizing our strength, minimizing our weakness, reinforcing our ability related to QCD, such as manufacturing and sales, as well as enforcing compliance with the rules as the basis for the Company's operations.

Strategy for Success 2014

Our strategies for success in 2014 based on the basic policy are as follows:

1. Sales Strategy

As our core business for 26 years in the electrical/electronic industry is declining, we are expanding in another core business, i.e. automotive industry products. There are of course potential risks in any business but we see it as an opportunity to improve the skills of the Company.

We will also further develop our good relationship with our customers and become a well-defined total solution provider.

2. Enforcement of cost competitiveness

During the two years from 2012 to 2013, our Company's profile has slimmed down as a result of restructuring the assets and personnel based on changes in the industrial structure, such as ending the TV business. Our ability to respond quickly to changes has improved but regarding cost competitiveness we still need more effort.

3. Improving Internal Supervision and Internal Control

We are 26 years old and we do have some systemic fatigue. The business environment and social needs are changing as well. Therefore, we shall implement measures to ensure a high level of internal control.

We, as a listed company, shall thoroughly implement the various internal and external rules for such as the internal control system, CSR, compliance, and ISO.

Forecast for 2014

Given the macro trend in the global economy and the micro trend in the Thai economy as well as our customers' activities, we are difficult to expect the external factors to improve dramatically leading to higher growth in 2014.

Thus, we shall implement above strategy, secure profitability, strengthen the internal control system and our competitiveness, and improve customer satisfaction according to the basic policy.

After the Lehman shock in 2008, and a repeated of natural disasters, drastic changes in the economic and industrial structure, we have not been able to eliminate the effects from such events in the past few years. However, we are now determined to make 2014 the first year of turning around for growth by challenging the various issued both internally and externally regarding sales, manufacturing, and management to achieve actual results.



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 and electronic component parts.

Company Registration No. : Bor Mor Jor 326

Registration Date : Transformed to Public Company on 15th 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 : 20,898,100 common shares each of par value 10 Baht

shares issued and sold

Board of Directors : 1. Mr. Yoichi Muramoto Chairman / President

Mr. Yoshiyuki Muramoto Vice President
 Mr. Seiji Osaki Vice President

Mr. Hirokazu Muramoto Director
 Mr. Shinichiro Yamamoto Director

6. Prof. Paichitr Rojanavanich Director (Independent)
 7. Mr. Wanchai Umpungart Director (Independent)
 8. Mr. Nop Rojanavanich Director (Independent)

ADDITIONAL INFORMATION



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 1995Registration Capital: 300 Million BahtPaid-up Capital: 300 Million Baht

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

issued and sold

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

the Company hold in Subsidiary Company

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 2009	14,274,920	64.89
30 September 2010	14,907,420	67.76
30 September 2011	14,907,420	67.76
30 September 2012	14,907,420	67.76
30 September 2013	14,907,420	71.334

3. Other References

Share Registrar

Office Title : Thailand Securities Depository Co., Ltd.

Location : 62 Stock Exchange of Thailand Building, 4th Floor, Ratchadaphisek Road,

Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110

Auditor : Ms. Sureerat thongarunsang, Registration No. 4409

Office Title : KPMG Phoomchai Audit Limited

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

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

	2013		2012	
	Million Baht	%	Million Baht	%
Income from Sales	11,237	98.05	12,262	96.85
Other Income	223	1.95	399	3.15
Total	11,460	100.00	12,661	100.00

Total income of the Company and its subsidiary (Y2013 Decreased 9.49% Compared to Y2012)



Responsible Directors of the Company

- 1. Mr. Yoichi Muramoto
- 2. Mr. Yoshiyuki Muramoto
- 3. Mr. Hirokazu Muramoto
- 4. Mr. Shinichiro Yamamoto

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

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

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoshiyuki Muramoto	• is the President of Sima Technology Co., Ltd.	Sima Technology Co., Ltd. manufactures and assembles DVD, Thermal Fuse and its related parts.
2. Mr. Yoichi Muramoto	• 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.

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

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• is the Vice President 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	• 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
1. Mr. Yoichi Muramoto	• is the President of Muramoto Technics (Malaysia) Sdn. Bhd.	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	• is the President of P.T.	P.T. Muramoto Elektronika Indonesia is 81% subsidiary of
	Muramoto Elektronika Indonesia	Muramoto Industry Co., Ltd. (Japan)
2. Mr. Yoichi Muramoto	• is the Director of P.T. Muramoto Elektronika Indonesia	

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

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• is the Chairman of Muramoto	Muramoto Audio - Visual Philippines Inc. is 100% subsidiary
	Audio - Visual Philippines Inc.	of Muramoto Industry Co., Ltd. (Japan)

8. Muramoto (Tianjin) Electronics Co., Ltd. (China) (Associated Company)

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• is the Chairman of Muramoto (Tianjin) Electronics Co., Ltd.	Muramoto (Tianjin) Electronics Co., Ltd. is 90% subsidiary of Muramoto Industry Co., Ltd. (Japan)
2. Mr. Hirokazu Muramoto	• is the Director of Muramoto (Tianjin) Electronics Co., Ltd.	And Fujitsu Ten is 10%

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

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• 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)
2. Mr. Hirokazu Muramoto	• is the Director of Muramoto Manufacturing Europe S.R.O.	

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

Responsible Directors	Position of the Responsible Directors	Items/Associated Values
1. Mr. Yoichi Muramoto	• is the Chairman of Muramoto Manufacturing De Mexico.	Muramoto Manufacturing De Mexico is subsidiary of Muramoto Co., Ltd. (Japan) USA Inc. 90% Muramoto Family 10%

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 IndonesiaSIMA=Sima Technology Co., Ltd.MTEC=Muramoto (Tianjin) Electronics Co., Ltd.METCO=Muramoto Electron (Thailand) Public Company LimitedMME=Muramoto Manufacturing Europe S.R.O.MAPLE=Muramoto Audio-Visual Philippines Inc.MMM=Muramoto Manufacturing De Mexico

Related transactions

Our parent company has over 77 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, JapanRegistered Capital: 160 Million YenPaid-up Capital: 80 Million Yen

Major Shareholders : Muramoto Family 89.07%, Sonpo Japan 3.07%, Bank of Tokyo-Mitsubishi UFJ 4.79%

Meiji Life Insurance 3.07%

The Board of Directors : Mr. Yoichi Muramoto-Director Mr. Tadashi Muramoto-Director

Mr. Shinichiro Yamamoto-Director Mr. Yoshiyuki Muramoto-Director Mr. Hirokazu Muramoto-Director Mr. Shigeru Takamatsu-Director Mr. Akihiro Kimura-Director

Relationship in terms of mutual

shareholding between 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 : 1 Oct. 10 - 30 Sep. 11 Purchase Value : 498.9 Million Baht Selling Value : 395.4 Million Baht

: Holds 71.334% of shares in Muramoto Electron (Thailand) PLC.

Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value: 408.1 Million Baht Selling Value: 337.4 Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value: 618.5 Million Baht Selling Value: 305.3 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 : Muramoto Electron (Thailand) PLC. holds 99.99% of shares

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto : Muramoto Electron (Thailand) PLC. sells metal and plastic parts to Sima Technology Co., Ltd.

Electron (Thailand) PLC. and purchases metal parts from them.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value : 150.2 Million Baht Selling Value : 10.1 Million Baht Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value : 356.3 Million Baht Selling Value : 10.4 Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value: 418.6 Million Baht Selling Value: 2.0 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 330 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 DollarsPaid-up Capital: 3.7 Million Singapore Dollars

Major Shareholders : Muramoto Industry Co., Ltd. 100%

The Board of Directors : Mr. Shingo Muramoto-Director Mr. Yoichi Muramoto-Director

Mr. Tan Kong Beng-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto : Muramoto Electron (Thailand) PLC. sells CD changers etc., to Muramoto Asia Pte., Ltd.

Electron (Thailand) PLC. and purchase electrical parts from them.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value : 1,722.0 Million Baht Selling Value : 73.3 Million Baht

Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value : 1,208.7 Million Baht Selling Value : 56.7 Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value: 593.4 Million Baht Selling Value: 40.9 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: Chicago, Illinois, USARegistered Capital: 15 Million US DollarsPaid-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. Naoki Moriyama-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto : METCO sells parts to MUI

Electron (Thailand) PLC.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value: 18.7 Million Baht Selling Value: 0.8 Million Baht Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value: 24.7 Million Baht Selling Value: 6.0 Million Baht 1 Oct. 12 - 30 Sep. 13 Purchase Value : 629.0 Million Baht Selling Value: 50.4 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 RinggitPaid-up Capital: 5 Million Malaysia RinggitMajor Shareholders: Muramoto Asia Pte., Ltd. 100%

The Board of Directors : Mr. Shingo Muramoto-Director Mr. Yap Toon Choy-Director

Mr. Yoichi Muramoto-Director Mr. Hiromitsu Hasegawa-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto : METCO purchases parts from MTM

Electron (Thailand) PLC.

Trade Value with Muramoto: 1 Oct. 10 - 30 Sep. 11Purchase Value :- Million BahtSelling Value :61.2 Million BahtElectron (Thailand) PLC.1 Oct. 11 - 30 Sep. 12Purchase Value :- Million BahtSelling Value :0.1 Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value : - Million Baht Selling Value : 12.4 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, IndonesiaRegistered Capital: 10 Million US DollarsPaid-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. Hisahiro Maeda-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto: Muramoto Electron (Thailand) PLC. purchases parts for printer from P.T. Muramoto Elektronika

Electron (Thailand) PLC. Indonesia and sells metal parts etc to them.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value : - Million Baht Selling Value : - Million Baht

Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value : - Million Baht Selling Value : - Million Baht

1 Oct. 12 - 30 Sep. 13 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, PhilippinesRegistered Capital: 470 Million PesosPaid-up Capital: 470 Million Pesos

Major Shareholders : Muramoto Industry Co., Ltd. 100%

The Board of Directors : Mr. Yoichi Muramoto-Director Mr. Tadachi Muramoto-Director

Ms. Yuko Muramoto-Director Mr.Kiyoshi Watabe-Director

Ms. Mitsuhiro Hayashi-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto : METCO sells parts to MAPLE

Electron (Thailand) PLC.

Trade Value with Muramoto: 1 Oct. 10 - 30 Sep. 11Purchase Value :16.5 Million BahtSelling Value :- Million BahtElectron (Thailand) PLC.1 Oct. 11 - 30 Sep. 12Purchase Value :20.8 Million BahtSelling Value :- Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value : 19.6 Million Baht Selling Value : - Million Baht

Relations in terms of Financial Support: No mutual financial support.

Muramoto (Tianjin) Electronics Co., Ltd. (Associated Company)

Nature of Business : Manufactures metal parts for car-use radio and CD parts

Established : 2002

Headquarter Location : Tianjin, the People's Republic of China

Registered Capital: 10 Million US DollarsPaid-up Capital: 10 Million US Dollars

Major Shareholders : Muramoto Industry Co., Ltd. 90%, Fujitsu Ten 10%

The Board of Directors : Mr. Yoichi Muramoto-Director Mr. Hirokazu Muramoto-Director

Mr. Hideyuki Kataoka-Director Mr. Ikuo Kuribayashi-Director
Ms. Yuko Muramoto-Director Mr. Yoriyasu Fukatsu-Director

Relationship in terms of mutual : No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto: No business relationship

Electron (Thailand) PLC.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value : - Million Baht Selling Value : - Million Baht

Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value : 5.5 Million Baht Selling Value : - Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value : - Million Baht Selling Value : 0.3 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: Zebrak, Czech RepublicRegistered Capital: 400 Million CZKPaid-up Capital: 400 Million CZK

Major Shareholders : Muramoto Industry Co., Ltd. 100%

The Board of Directors : Mr. Yoichi Muramoto-Director Mr. Hirokazu Muramoto-Director

Mr. Shuji Muramoto-Director

Relationship in terms of mutual: No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto: METCO purchases parts form MME

Electron (Thailand) PLC.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value: Million Baht Selling Value: 1.8 Million Baht Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value: Million Baht Selling Value: 0.7 Million Baht 1 Oct. 12 - 30 Sep. 13 Purchase Value : Million Baht Selling Value: Million Baht 0.03

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: 2006Headquarter Location: MexicoRegistered Capital: 8,000 MXNPaid-up Capital: 8,000 MXN

Major Shareholders : MUI 90%, Muramoto Family 10%

The Board of Directors : Mr. Yoichi Muramoto-Director Mr. Naoki Moriyama-Director

Mr. Eiki Kitamura-Director

Relationship in terms of mutual: No mutual shareholding

shareholding between Muramoto

Electron (Thailand) PLC.

Business relations with Muramoto: Muramoto Electron (Thailand) PLC. sells and purchases parts with them

Electron (Thailand) PLC.

Trade Value with Muramoto : 1 Oct. 10 - 30 Sep. 11 Purchase Value : 3.8 Million Baht Selling Value : 0.7 Million Baht

Electron (Thailand) PLC. 1 Oct. 11 - 30 Sep. 12 Purchase Value : - Million Baht Selling Value : - Million Baht

1 Oct. 12 - 30 Sep. 13 Purchase Value : - Million Baht Selling Value : - Million Baht

 $\textbf{Relations in terms of Financial Support} \quad : \ \ \text{No mutual financial support.}$

SHAREHOLDERS



List of 5 major shareholders, as of September 30, 2013

Ref.	Position of the	No. of Shares held	Percent of Shares
1	Muramoto Industry Co., Ltd.	14,907,420	71.334
2	บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด เพื่อผู้ฝาก	3,099,597	14.832
3	Thailand Securities Depository Company Limited for Depositors	2,241,900	10.728
4	Sumitomo Corporation	192,500	0.921
5	Sojitz Asia Pte, Ltd.	192,500	0.921

Remark: Muramoto Industry Co., Ltd. is manufacturer and exportor 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	7	16,469,943	1,466,057	 Other payments such as lodging allowances and income tax. Monthly remuneration is B15,000
Audit Committee	4	1,320,000	-	per person for independent directors only 3. Remuneration to Chairman of Audit
Total	11	17,789,943	1,466,057	Committee is Baht 20,000 and to Audit Committee member is Baht 10,000 per person per month

Divident 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:

	2012/2013	2011/2012	2010/2011
Net profit (Baht) / (Loss)	(494,226,634)	(534,259,538)	252,171,537
Earning per share (Weighted average number)	(23.65)	(25.56)	12.07
Dividend (Pay in next year)	62,694,300	62,694,300	167,184,800
Dividend per share	3.00	3.00	8.00
Pay Out Ratio	Pay From R/E	Pay From R/E	66.30%

Management Structure

Muramoto Electron (Thailand) Public Company Limited consists of 3 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

Mr. Yoshiyuki Muramoto Vice President
 Mr. Seiji Osaki Vice President

4. Mr. Hirokazu Muramoto Director5. Mr. Shinichiro Yamamoto Director

Prof. Paichitr Rojanavanich Director (Independent)
 Mr. Wanchai Umpungart Director (Independent)
 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 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

Mr. Wanchai Umpungart Audit Committee member
 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:

Mr. Yoichi Muramoto President
 Mr. Yoshiyuki Muramoto Vice President
 Mr. Seiji Osaki Vice President

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.

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 2013, the shareholders' meeting (NO. 1/2013) was held on Jan 25, 2013

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, equable 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 25, 2013 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 3 : 5. 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 2.78 Million Baht
- SIMA 0.960 Million Baht
- The Office of the Auditors to which the auditors belong, the total amount of Baht 3.74 million 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 2012/2013, the Board of Directors held 6 meetings. The attendance of each director is as follows:

Board of Directors	Meetings attended
1. Mr. Yoichi Muramoto	6 / 6
2. Mr. Yoshiyuki Muramoto	6 / 6
3. Mr. Seiji Osaki	6 / 6
4. Mr. Hirokazu Muramoto	5 / 6
5. Mr. Shinichiro Yamamoto	5 / 6
6. Mr. Apidej Bantukul	5 / 6
7. Ms. Yuko Muramoto	4 / 6
8. Mr. Paichitr Rojanavanich	5 / 6
9. Mr. Wanchai Umpungart	6 / 6
10. Mr. Kiat Shinno	5 / 6
11. Mr. Nop Rojanavanich	5 / 6

- Note 1. Mr. Apidej Bantukul resigned from Director on September 25, 2013
 - 2. Mr.Kiat Shinno resigned from Independent Director on November 26, 2013
 - 3. Ms. Yoko Muramoto resigned from Director on November 26, 2013

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

Mr. Wanchai Umpungart Audit Committee Member
 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. 5 meetings were held in the year 2012/2013. 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. Mr. Paichitr Rojanavanich	4 / 5
2. Mr. Wanchai Umpungart	5 / 5
3. Mr. Kiat Shinno	4 / 5
4. Mr. Nop Rojanavanich	4 / 5

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, 2013, 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. Seiji Osaki, Vice President, 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, 2013 Muramoto Electron (Thailand) Public Company Limited has a total of 4,280 employees which can be separated into :

	Ramindhra Factory	Bangna-Trat Factory	Saothong Factory	Total
Office staff	22	79	22	123
Factory staff	228	2,241	1,644	4,113
Japanese staff	6	29	9	44
Total	256	2,349	1,675	4,280

Total remuneration for staff of the Muramoto Electron (Thailand) Public Company Limited in the fiscal year ended September 30, 2013 is as follows:

Total	1,193,180,152	Baht
Other benefits / Social security fund	436,835,221	Baht
Contribution to defined contribution plans	7,430,569	Baht
Wages and Salary	748,914,362	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	56	0.00	Education : Okayama University of Science, Japan
			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

2. Mr. Yoshiyuki Muramoto

Position Vice President, Authorized Director

Nationality	Age	Percent of share	Resume
Japanese	49	0.00	Education : Administration Engineering, Fukuoka Institute of Technology, Japan
			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)

3. Mr. Seiji Osaki

Position Vice President, Authorized Director to sign on behalf of the Company

Nationality	Age	Percent of share	Resume	
Japanese	59	0.00	Education : Bachelor Degree of Economics, Yamaguchi University, Japan	
			Work Resume : 2007 - Present : Vice President of Muramoto Electron (Thailand) PLC	
			1976 - 2007 : Mitsubishi-Tokyo UFJ Bank, Japan	

4. Mr. Hirokazu Muramoto

Position Director

Nationality	Age	Percent of share	Resume	
Japanese	51	0.00	Education : Kobe Technical College, Japan	
			Work Resume : 2011 - Director of Muramoto Electron (Thailand) PLC	
			Director of Sima Technology Co., Ltd.	
			Director of Muramoto Industry Company Limited (Japan)	
			Director of Muramoto (Tianjin) Electronics Co., Ltd.	

5. Mr. Shinichiro Yamamoto

Position Director

Nationality	Age	Percent of share	Resume	
Japanese	51	0.00	Education : Kanazawa Institute of Technology, Japan	
			Work Resume : Director of Muramoto Electron (Thailand) PLC	
			President and Executive Director of P.T. Muramoto Electronika Indonesia	
			Managing Director of Muramoto Industry Company Limited (Japan)	

6. Prof. Paichitr Rojanavanich

Position Director, Chairman of the Audit Committee

Nationality	Age	Percent of share	Resume	
Thai	85	0.00	Education : Thammasat University	
			University of Pensylvania, USA.	
			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	
			Training : Director Certification Program (DCP)	
			Thai Institute of Directors Association	

7. Mr. Wanchai Umpungart

Position Director, Audit Committee member

Nationality	Age	Percent of share	Resume	
Thai	66	0.00	Education : Sasin Graduate Institute of Business Administration of	
			Chulalongkorn University	
			Work Resume : 2002 - Present : Director (Independent) of Muramoto	
			Electron (Thailand) Public Company Limited	
			Chairman of Audit Committee of Saha Pathana Inter Holding	
			Public Company Limited	
			President of Lohakit Metal Public Company Limited	

8. Mr. Nop Rojanavanich

Position Director, Audit Committee Member

Nationality	Age	Percent of share		Resume
Thai	58	0.0055	Education : Kasetsart University	
			West Virginia University, USA	
			Chulalongkorn University	
			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.
			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

9. Ms. Nareenard Prasertpong

Position Accounting Manager, Corporate Secretary

Nationality	Age	Percent of share	Resume	
Thai	48	0.00	Education : BA. in Accounting, Chiang Mai University	
			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.	

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.



RISKS FACTORS



1. Business Risk

METCO aims for only one OEM manufacturer in the field of the electrical and electronics components, 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.

AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT



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, and of Muramoto Electron (Thailand) Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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.

AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 30 September 2013 and the financial performance and cash flows for the year then ended of Muramoto Electron (Thailand) Public Company Limited and its subsidiary, and of Muramoto Electron (Thailand) Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

Without qualifying my opinion in respect of the above financial statements, I draw attention to note 3 to the financial statements. The Group's operations have been affected by the economic slowdown due to the sluggish demand for the business and the economic turmoil. This resulted in reporting loss from operations in the consolidated and separate financial statements for the year ended 30 September 2013 of Baht 832 million and Baht 494 million, respectively.

Various management actions have been taken to improve the Group's financial performance which include reviewing the business units which are incurring continuing losses and of which future profitability remains uncertain so as to discontinue that business; starting new business with new customers; and implementing several measures to reduce costs to try to turn the Group's loss into profit. As a result, an additional impairment loss for TV and other related businesses amounting to Baht 570 million and Baht 232 million were recognised in the consolidated and separate financial statements for the year ended 30 September 2013.

(Sureerat Thongarunsang)
Certified Public Accountant

Registration No. 4409

KPMG Phoomchai Audit Ltd.

Bangkok

26 November 2013

STATEMENTS OF FINANCEIAL POSITION



As at 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

☼		Consol financial s		Sepa financial s	
	Note	2013	2012	2013	2012
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Assets					
Current assets					
Cash and cash equivalents	6	724,881,385	631,697,701	522,841,898	572,807,230
Trade accounts receivable	5, 7	1,749,862,782	1,908,839,848	1,477,530,299	1,544,053,294
Other receivables	5, 8	47,671,932	148,740,664	66,618,268	161,385,946
Short-term loans to related parties	5	-	92,073,300	390,000,000	572,073,300
Current portion of finance lease					
receivable	9	20,703,158	27,221,318	20,703,158	27,221,318
Inventories	10	1,228,450,195	1,053,625,216	897,158,517	610,956,876
Other current assets	11	82,393,630	64,703,516	60,016,955	41,785,216
Assets classified as held for sale	12	1,234,198	282,600,000	1,234,198	282,600,000
Total current assets		3,855,197,280	4,209,501,563	3,436,103,293	3,812,883,180
Non-current assets					
Restricted fixed deposit		4,622,000	4,622,000	_	_
Finance lease receivable	9	43,610,195	61,054,273	43,610,195	61,054,273
Investment in subsidiary	13	_	_	299,994,000	299,994,000
Investment properties	14	116,983,634	131,573,156	116,983,634	131,573,156
Property, plant and equipment	15	3,014,850,216	3,731,935,324	1,887,027,332	2,142,613,204
Intangible assets		3,152,078	1,801,537	-	-
Other non-current assets		9,970,662	15,858,099	9,170,662	14,896,630
Total non-current assets		3,193,188,785	3,946,844,389	2,356,785,823	2,650,131,263
Total assets		7,048,386,065	8,156,345,952	5,792,889,116	6,463,014,443

STATEMENTS OF FINANCEIAL POSITION (Continued)

As at 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

‡		Consoli financial st		Sepa financial s	
	Note	2013	2012	2013	2012
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Liabilities and equity					
Current liabilities					
Short term loan from financial institution	16	30,000,000	-	-	-
Trade accounts payable	5, 17	1,464,486,865	1,685,407,009	1,261,007,434	1,342,808,130
Other payables	18	218,499,351	247,958,150	173,296,058	175,000,652
Payable for property, plant and equipment		31,676,659	210,875,366	8,213,565	99,807,561
Current portion of finance lease liability	16	83,932,732	27,811,516	16,860,921	-
Income tax payable	26	3,330,590	-	-	-
Other current liabilities		13,721,237	20,644,903	10,793,091	16,192,077
Total current liabilities		1,845,647,434	2,192,696,944	1,470,171,069	1,633,808,420
Non-current liabilities					
Finance lease liability	16	173,173,517	44,516,808	47,448,087	-
Employee benefit obligations	19	126,437,719	80,506,109	104,561,517	67,778,383
Total non-current liabilities		299,611,236	125,022,917	152,009,604	67,778,383
Total liabilities		2,145,258,670	2,317,719,861	1,622,180,673	1,701,586,803
Equity					
Share capital					
Authorised share capital	20	238,981,000	250,000,000	238,981,000	250,000,000
Issued and paid-up share capital	20	208,981,000	220,000,000	208,981,000	220,000,000
Treasury shares	21	200,501,000	(154,818,400)	200,301,000	(154,818,400)
Additional paid-in capital			(134,010,400)		(134,010,400)
Premium on ordinary shares	22	653,700,000	653,700,000	653,700,000	653,700,000
Retained earnings		333,7 33,633	033,700,000	033,700,000	033,700,000
Appropriated					
Legal reserve	22	55,000,000	55,000,000	25,000,000	25,000,000
Treasury shares reserve	21	_	154,818,400	-	154,818,400
Unappropriated		3,985,446,395	4,909,926,091	3,283,027,443	3,862,727,640
Total equity		4,903,127,395	5,838,626,091	4,170,708,443	4,761,427,640
Total liabilities and equity		7,048,386,065	8,156,345,952	5,792,889,116	6,463,014,443

STATEMENTS OF COMPREHENSIVE INCOME



As at 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

☆		Consol financial s		Sepa financial st	
	Note	2013	2012	2013	2012
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Income					
Revenue from sale of goods	5,23,28	11,237,073,119	12,262,213,651	8,035,954,261	8,555,961,187
Other income	5, 24	205,169,582	356,708,442	188,888,231	342,715,521
Net foreign exchange gain		18,573,149	42,530,357	4,398,422	20,550,362
Total income		11,460,815,850	12,661,452,450	8,229,240,914	8,919,227,070
Expenses					
Cost of sale of goods	26	11,116,517,232	12,323,766,348	8,032,158,175	8,764,764,846
Selling expenses	26	201,311,648	246,116,151	158,495,948	196,122,209
Administrative expenses	26	383,565,276	374,872,152	298,280,642	305,746,263
Impairment losses	12,15	570,278,030	192,747,664	231,688,782	185,202,636
Finance costs		10,658,341	3,313,238	2,844,001	1,650,654
Total expenses		12,282,330,527	13,140,815,553	8,723,467,548	9,453,486,608
Loss before income tax expense		(821,514,677)	(479,363,103)	(494,226,634)	(534,259,538)
Income tax expense	27	10,643,241	7,645,943	-	-
Loss for the year		(832,157,918)	(487,009,046)	(494,226,634)	(534,259,538)
Other comprehensive income for the year					
Defined benefit plan actuarial losses	19	(40,646,478)	_	(33,798,263)	_
Total comprehensive income for the year		(872,804,396)	(487,009,046)	(528,024,897)	(534,259,538)
Loss per share (Baht)	29	(39.82)	(23.30)	(23.65)	(25.57)





For the years ended 30 September 2013 and 2012

Consolidated financial statements

		Issued and	Treasury	Share	~	Retained earnings	s	
o _N	Note	paid-up share capital	shares	premium	Legal reserve	Treasury shares reserve	Unappropriated	Total equity
	'				(in Baht)			
Balance at 1 October 2011		220,000,000	(154,818,400)	653,700,000	55,000,000	154,818,400	5,564,119,937	6,492,819,937
Transactions with owners, recorded								
directly in equity								
Contributions by and distributions								
to owners of the Company Dividend to owners of the Company 3	30	1	ı	ı	ı	ı	(167,184,800)	(167,184,800)
Total contributions by and								
distributions to owners of		•	•	•	•	•	(167,184,800)	(167,184,800)
the Company	'							
Total transactions with owners,								
recorded directly in equity	•	•	•	•	ı	,	(167,184,800)	(167,184,800)
Comprehensive income for the year								
Loss		ı	1	ı	1	ı	(487,009,046)	(487,009,046)
Other comprehensive income		ı	1	1	ı	ı		ı
Total comprehensive income for the year		-	-	-	•	•	(487,009,046)	(487,009,046)
							••••	
Balance at 30 September 2012		220,000,000	(154,818,400)	653,700,000	55,000,000	154,818,400	4,909,926,091	5,838,626,091





Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2013 and 2012

Consolidated financial statements

	•	Issued and	Treasury	Share	R	Retained earnings	8	
₽	Note	paid-up share capital	shares	premium	Legal reserve	Treasury shares reserve	Unappropriated	Total equity
	'				(in Baht)			
Balance at 1 October 2012		220,000,000	(154,818,400)	653,700,000	55,000,000	154,818,400	4,909,926,091	5,838,626,091
Transactions with owners, recorded directly in equity Contributions by and distributions								
	20, 21	(11,019,000)	154,818,400	,	ı	(154,818,400)	11,019,000	1 (0
Dividend to owners of the Company	30 02	1	1	1	1	1	(62,694,300)	(62,694,300)
Total contributions by and distributions to owners of								
the Company		(11,019,000)	154,818,400	-	-	(154,818,400)	(51,675,300)	(62,694,300)
Total transactions with owners, recorded directly in equity		(11,019,000)	154,818,400		•	(154,818,400)	(51,675,300)	(62,694,300)
Comprehensive income for the year								
Loss		ı	1	1	ı	ı	(832,157,918)	(832,157,918)
Other comprehensive income		1	1	1	1	ı	(40,646,478)	(40,646,478)
Total comprehensive income for the year		•	•	•	•	•	(872,804,396)	(872,804,396)
Balance at 30 September 2013		208,981,000	•	653,700,000	55,000,000	'	3,985,446,395	4,903,127,395





For the years ended 30 September 2013 and 2012

Separate financial statements

(167, 184, 800)5,462,871,978 Total equity Treasury shares Unappropriated (167, 184, 800)154,818,400 4,564,171,978 Retained earnings reserve 25,000,000 Legal reserve (in Baht) 653,700,000 premium Share (154,818,400) **Treasury** shares 220,000,000 share capital **Issued and** paid-up Note 30 Contributions by and distributions Dividend to owners of the Company Transactions with owners, recorded to owners of the Company distributions to owners of Total contributions by and Balance at 1 October 2011 directly in equity

(167, 184, 800)

(167, 184, 800)

(167, 184, 800)

(167, 184, 800)

Total transactions with owners,

the Company

recorded directly in equity

(534,259,538)

(534,259,538)

4,761,427,640

Comprehensive income for the year						
Loss	1	1	1	1	ı	(534,259,538)
Other comprehensive income	1	1	1	1	1	,
Total comprehensive income for the year	1	•	•	•	•	(534,259,538)
Balance at 30 September 2012	220,000,000	220,000,000 (154,818,400) 653,700,000	653,700,000		25,000,000 154,818,400 3,862,727,640	3,862,727,640





For the years ended 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Separate financial statements

		Issued and	Treasury	Share	R	Retained earnings	,	
ION PION	Note	paid-up share capital	shares	premium	Legal reserve	Treasury shares reserve	Unappropriated	Total equity
					(in Baht)			
Balance at 1 October 2012		220,000,000	(154,818,400)	653,700,000	25,000,000	154,818,400	3,862,727,640	4,761,427,640
Transactions with owners, recorded directly in equity Contributions by and distributions to owners of the Company								
Reduction of treasury shares 20, Dividend to owners of the Company 30	20, 21	(11,019,000)	154,818,400	1 1	1 1	(154,818,400)	11,019,000 (62,694,300)	- (62,694,300)
Total contributions by and distributions to owners of								
the Company		(11,019,000)	154,818,400	-	1	(154,818,400)	(51,675,300)	(62,694,300)
Total transactions with owners, recorded directly in equity		(11,019,000)	154,818,400		•	(154,818,400)	(51,675,300)	(62,694,300)
Comprehensive income for the year								
Loss Other comprehensive income		1 1	1 1	1 1	1 1	1 1	(494,226,634) (33,798,263)	(494,226,634) (33,798,263)
Total comprehensive income for the year		•	•	-	1	•	(528,024,897)	(528,024,897)
Balance at 30 September 2013		208,981,000	•	653,700,000	25,000,000	'	3,283,027,443	4,170,708,443



STATEMENTS OF CASH FLOWS

For the years ended 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

☆	Consol financial s		Sepa financial s	
Note	2013	2012	2013	2012
	(in Baht)	(in Baht)	(in Baht)	(in Baht)
Cash flows from operating activities				
Loss for the year	(832,157,918)	(487,009,046)	(494,226,634)	(534,259,538)
Adjustments for				
Depreciation and amortisation	610,560,278	624,812,219	297,019,619	352,437,353
Dividend income	-	-	(10,019,933)	(10,050,000)
Finance costs	10,658,341	3,313,238	2,844,001	1,650,654
Unrealised loss (gain) on exchange rate	(4,840,176)	1,134,648	(4,506,998)	4,614,310
Provision for (reversal of) net				
realisable value of inventories	12,588,887	(223,049)	8,689,984	607,703
Provision for impairment loss				
on property, plant, and equipment				
and assets classified as held for sale	570,278,030	192,747,664	231,688,782	185,202,636
Loss (gain) on disposal of property,				
plant and equipment	17,274,358	(4,469,346)	(327,216)	(2,204,600)
Gain on disposal of assets				
classified as held for sale	(119,000)	-	(119,000)	-
Amortisation of golf membership				
(reversal of)	46,666	(395,833)	46,666	(395,833)
Employee benefit obligations	33,459,312	9,008,723	31,159,051	7,473,976
Income tax expense	10,643,241	7,645,943	-	-
	428,392,019	346,565,161	62,248,322	5,076,661
Changes in operating assets				
and liabilities				
Trade accounts receivable	158,630,912	(111,312,897)	65,623,524	(89,342,688)
Other receivable	101,067,458	(107,856,505)	104,791,917	(103,531,904)
Inventories	(187,413,866)	(205,226,860)	(294,891,625)	(124,659,566)
Other current assets	(17,690,114)	(25,769,002)	(18,231,739)	(11,931,114)
Other non-current assets	5,840,770	(3,794,891)	5,679,301	(3,282,201)
Trade accounts payable	(217,579,514)	24,921,927	(78,245,506)	72,015,913
Other payables	(22,122,542)	31,720,210	(1,847,672)	11,728,690
Other current liabilities	(6,923,666)	(71,765,474)	(5,398,987)	(72,701,177)
Employee benefit obligations paid	(28,174,180)	(225,590)	(28,174,180)	(225,590)
Income tax paid	(7,312,651)	(10,184,321)	-	-
Net cash provided by (used in)				
operating activities	206,714,626	(132,928,242)	(188,446,645)	(316,852,976)



STATEMENTS OF CASH FLOWS (Continued)



For the years ended 30 September 2013 and 2012

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Ç		Consol financial s		Sepa financial s	
•	Note	2013	2012	2013	2012
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Cash flows from investing activities					
Decrease (increase) in short-term loans					
to related parties		92,073,300	-	182,073,300	(80,000,000)
Addition to investment properties		(13,892,000)	(89,892,500)	(13,892,000)	(89,892,500)
Purchases of property, plant		(424 202 620)	/F00 74F C0F\	(272 250 505)	/201 100 577\
and equipment		(424,383,630)	(588,745,685)	(273,250,585) 1,670,841	(291,180,577) 5,066,394
Sales of property, plant and equipment Sales of assets classified as held for sale		5,189,932 241,119,000	5,331,610	241,119,000	5,000,394
Purchases of intangible assets		(2,240,146)	(751,366)	241,119,000	
3		(2,240,140)	(751,500)		
Net cash provided by (used in) investing activities		(102,133,544)	(674,057,941)	137,720,556	(456,006,683)
			, , , ,		, , , ,
Cash flows from financing activities					
Interest paid		(10,658,341)	(3,313,238)	(2,844,001)	(1,650,654)
Proceeds from short-term loan from					
financial institution		30,000,000	-	-	-
Repayment under financial lease liabilities		(49,049,388)	(13,207,186)	(10,811,776)	-
Proceeds from finance lease liabilities		79,014,579	85,535,510	75,120,783	-
Dividends paid	30	(62,694,300)	(167,184,800)	(62,694,300)	(167,184,800)
Net cash used in financing activities		(13,387,450)	(98,169,714)	(1,229,294)	(168,835,454)
Net increase (decrease) in cash					
and cash equivalents		91,193,632	(905,155,897)	(51,955,383)	(941,695,113)
Cash and cash equivalents at		31,133,032	(303,133,037)	(31,333,303)	(541,055,115)
beginning of year		631,697,701	1,538,293,658	572,807,230	1,515,942,403
Effects of exchange rate changes			, , ,		, , ,
on balances held in foreign currencies		1,990,052	(1,440,060)	1,990,051	(1,440,060)
Cash and cash equivalents at					
end of year	6	724,881,385	631,697,701	522,841,898	572,807,230
Non-cash transactions					
Assets acquired by means of finance lease		158,706,529	80,007,062		
Payable for property, plant and equipment		130,700,329	60,007,002	•	_
and investment properties		31,676,659	210,875,366	8,213,565	99,807,561

NOTES TO THE FINANCIAL STATEMENTS

For the years ended 30 September 2013 and 2012

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 2013.

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 parent and ultimate parent company during the financial period 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:

\$			Ownershi	p interest
	Type of business	Country of incorporation	2013	2012
Sima Technology Co., Ltd.	Manufacturing of	Thetheral	00.00%	00.00%
	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.

During 2012 and 2013, the FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 34.

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

(b) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) 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 3 Current operations

Notes 12 and 15 Non-current assets held for sale and key assumptions used in discounted cash flow projections

Note 19 Measurement of defined benefit obligations

3. Current operations

The Group's operations have been affected by the economic slowdown due to the sluggish demand for the business and the economic turmoil. This resulted in reporting loss from operations in the consolidated and separate financial statements for the year ended 30 September 2013 of Baht 832 million and Baht 494 million, respectively (2012: Baht 487 million and Baht 534 million, respectively).

Various management actions have been taken to improve the Group's financial performance which include reviewing the business units which are incurring continuing losses and of which future profitability remains uncertain so as to discontinue that business; starting new business with new customers; implementing several measures to reduce costs to try to turn the Group's loss into profit. As a result, an additional impairment loss for TV and other related businesses amounting to Baht 570 million and Baht 232 million were recognised in the consolidated and separate financial statements for the year ended 30 September 2013 (2012: Baht 193 million and Baht 185 million, respectively).

4. Significant accounting policies

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

(a) Basis of consolidation

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

Subsidiary

Subsidiaries 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 is 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 Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling 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 make the sale.

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

(g) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(h) Investments

Investments in subsidiary

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

(i) 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

(j) 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.

(k) 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.

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 5 years

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

(I) 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.



(m) Interest-bearing liabilities

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

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) 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.

(p) 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.



(q) 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.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(r) 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.

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.

(s) 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

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.

(t) Income tax

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



In determining the amount of current 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.

(u) Earning per share

The Group/Company 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.

5. 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
Muramoto Manufacturing Europe S.R.O.	Czech Republic	Ultimate parent is major shareholder, common director
Muramoto (Tianjin) Electronics Co., Ltd.	China	Ultimate parent is major shareholder, common director
Muramoto Audio-Visual Philippines Inc.	Philippine	Ultimate parent is major shareholder, common director
P.T. Muramoto Elecktronika Indonesia	Indonesia	Ultimate parent is major shareholder, common director
Muramoto Manufacturing de	Mexico	Ultimate parent is major shareholder, common director
Mexico, S de R.L. de C.V		
Muramoto Sumitronics,de	Mexico	Ultimate parent is major shareholder, common director
Mexico, S de R.L. de C.V		
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	0.75% of net sales
Interest income	At rates equivalent to market



Significant transactions for the years ended 30 September 2013 and 2012 with related parties were as follows:

•		Consolidated		Separate	
\$	financial s	tatements	financial s	tatements	
	2013	2012	2013	2012	
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	
Parent					
Muramoto Industry Co., Ltd.					
Sales of goods	1,372,706	1,128,876	618,476	408,123	
Purchases of goods and fixed assets	338,782	412,788	305,346	337,430	
Royalty fees	72,606	80,373	60,270	64,170	
Technical fees	13,583	27,112	13,583	20,471	
Other income	3,144	10,672	471	8,109	
Subsidiary					
Sima Technology Co., Ltd.					
Sales of goods	_	_	418,580	356,305	
Purchases of goods		_	2,001	10,398	
Interest income			16,462		
Dividend income	•			18,018	
Other income	-	-	10,020 528	10,050 239	
Other related parties					
Muramoto Asia Pte Ltd.					
Sales of goods	622,492	1,362,599	593,369	1,208,733	
Purchases of goods	204,289	224,110	40,860	56,750	
Other income	40	19	-	19	
Muramoto Manufacturing Europe S.R.O.					
Sales of goods	32	-	32	-	
Purchases of goods	-	685	-	685	
Other income	-	90	-	90	
Muramoto USA Inc.					
Sales of goods	630,521	24,793	629,005	24,744	
Purchases of goods	50,422	5,970	50,422	5,970	
Interest income	1,049	1,417	1,049	1,417	
Other Income	1,608	1,419	1,428	1,419	
Technical fees	-	314	-	314	
Muramoto Technics (Malaysia) Sdn. Bhd.					
Purchases of goods	12,443	94	12,443	94	
Other income	12,443	5,791	12,773	5,617	
Technical fees	63	-	-	-	
Muramoto Audio-Visual Phillippines, Inc					
Sales of goods	19,592	20,788	19,555	20,788	
Purchases of goods	3,921	4,142	-	-	
Muramoto (Tianjin) Electronics Co.,Ltd.					
Sales of goods		E 462		E 462	
Purchases of goods	- 344	5,463 -	344	5,463 -	
Others					
	1.603		1 602		
Sales of goods or rendering of services	1,693	- - 007	1,693		
Purchases of goods	470	5,997	470	5,997	
Other income	479	362	479	362	

‡	Consolidated financial statements		Sepa financial s	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	23,745	30,773	19,256	25,315

Balances as at 30 September 2013 and 2012 with related parties are as follows:

\$		Consolidated financial statements		rate tatements
•	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Trade accounts receivable from related parties				
Parent				
Muramoto Industry Co., Ltd.	378,150	326,682	252,226	169,482
Subsidiary				
Sima Technology Co., Ltd.	-	-	108,558	124,728
Other related parties				
Muramoto Asia Pte Ltd.	17,126	108,144	15,873	101,443
Muramoto USA Inc.	289,563	1,083	289,253	1,083
Muramoto Audio-Visual Philippines, Inc.	3,478	976	3,470	976
Total	688,317	436,885	669,380	397,712
Short-term loan to related parties				
Subsidiary				
Sima Technology Co., Ltd.	-	-	390,000	480,000
Other related party				
Muramoto USA Inc.	-	92,073	-	92,073
Total	-	92,073	390,000	572,073
Other receivable from related parties Parent				
Muramoto Industry Co., Ltd.	540	2,741	540	2,741
Subsidiary				
Sima Technology Co., Ltd.	-	-	18,088	19,151
Other related parties				
Muramoto USA Inc.	1,105	651	1,105	651
P.T. Muramoto Electronika Indonesia	24	140	24	140
Total	1,669	3,532	19,757	22,683



☆	Consol financial s		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Trade accounts payable to related parties				
Parent				
Muramoto Industry Co., Ltd.	127,434	72,868	119,803	61,947
Subsidiary				
Sima Technology Co., Ltd.	-	-	325	471
Other related parties				
Muramoto Asia Pte Ltd.	28,341	40,004	5,255	10,336
Muramoto USA Inc.	30	518	30	518
Muramoto Audio-Visual Philippines, Inc.	979	199	-	-
Total	156,784	113,589	125,413	73,272
Other account payable to related party				
Parent				
Muramoto Industry Co., Ltd.	27,520	48,191	24,611	35,944
Other related parties				
Muramoto USA Inc.	-	1,449	-	1,449
P.T. Muramoto Elektronika Indonesia	-	15	-	15
Total	27,520	49,655	24,611	37,408

Short-term loan to related parties

Movements during the years ended 30 September 2013 and 2012 of short-term loan to related parties were as follows:

☆	Consol financial s	_	Separate financial statements		
	2013	2012	2013	2012	
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	
Subsidiary					
Sima Technology Co., Ltd.					
At 1 October	-	-	480,000	400,000	
Increase	-	-	-	110,000	
Loan repayment	-	-	(90,000)	(30,000)	
At 30 September	-	-	390,000	480,000	
Other related parties					
Muramoto USA Inc.					
At 1 October	92,073	93,083	92,073	93,083	
Loan repayment	(93,489)	-	(93,489)	-	
Unrealized gain on exchange rate	1,416	(1,010)	1,416	(1,010)	
At 30 September	-	92,073	-	92,073	
Total	-	92,073	390,000	572,073	



As at 30 September 2013, short-term loans to Sima Technology Co., Ltd. bear interest at the rates ranging from 2.93%-3.61% per annum (30 September 2012: 3.42% - 4.02% per annum). Final maturity date is 28 September 2014 (30 September 2012: 28 September 2013).

On 1 October 2010, the Company entered into a loan agreement with Muramoto USA Inc. in which the Company agreed to lend USD 3 million (equivalent to Baht 90 million) to the latter. The loan bears interest at 1.52% per annum, is unsecured and is due on 30 September 2012. In the Board of Directors' meeting held on 14 August 2012, the Board of Directors approved the extension of the period of the loan to 30 September 2013. At 30 September 2013, this loan had already been repaid.

Significant agreements with related parties

As at 30 September 2013, the Company had guaranteed Baht 420 million (30 September 2012: Baht 420 million) of bank overdraft and loan facilities from a bank for its subsidiary.

As at 30 September 2013, the ultimate parent company had guaranteed Yen 250 million (equivalent to Baht 81.06 million) and Baht 300 million (30 September 2012: Yen 250 million (equivalent to Baht 102.72 million) and Baht 300 million) of bank overdraft and loan facilities extended by a bank for the Company's subsidiary.

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 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 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.

6. Cash and cash equivalents

☆	Consolidated financial statements		Sepa financial s	
	2013 2012		2013 2012	
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cash on hand	536	1,030	385	898
Cash at bank - current account	10,899	12,709	10,899	12,686
Cash at banks - saving accounts	713,446	617,959	511,558	559,223
Total	724,881	631,698	522,842	572,807

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

☆	Consolidated financial statements		Separate financial statements	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	602,511	500,949	400,472	442,058
United States Dollars	121,621	130,179	121,621	130,179
Japanese Yen	749	570	749	570
Total	724,881	631,698	522,842	572,807

7. Trade accounts receivable

\$		Consol financial s	_	Separate financial statements	
	Note	2013 2012		2013	2012
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	5	688,317	436,885	669,380	397,712
Other parties		1,061,546	1,471,955	808,150	1,146,341
Total		1,749,863	1,908,840	1,477,530	1,544,053



☆	Consolidated financial statements		Separate financial statements	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within credit terms	1,674,657	1,801,288	1,402,340	1,442,647
Overdue:				
Less than 3 months	75,206	107,552	75,190	101,406
Total	1,749,863	1,908,840	1,477,530	1,544,053

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

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

‡	-	Consolidated financial statements		rate tatements
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	714,445	1,096,345	750,590	1,097,054
United States Dollars	463,625	466,787	458,232	277,708
Japanese Yen	571,793	345,708	268,708	169,291
Total	1,749,863	1,908,840	1,477,530	1,544,053

8. Other receivables

‡			idated tatements	Sepa financial s	
	Note	2013	2012	2013	2012
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	5	1,669	3,532	19,757	22,683
Other parties		46,003	145,209	46,861	138,703
Total		47,672	148,741	66,618	161,386

9. Finance lease receivable

‡	Consolidated financial statements		Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Finance lease receivable	71,700	97,772	71,700	97,772
Less unearned interest income	(7,387)	(9,497)	(7,387)	(9,497)
	64,313	88,275	64,313	88,275
Less current portion of finance lease				
receivable	(20,703)	(27,221)	(20,703)	(27,221)
Total	43,610	61,054	43,610	61,054

NOTES TO THE FINANCIAL STATEMENTS

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 16.

10. Inventories

☆	Consol financial s		Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials	620,896	513,798	468,655	313,956
Work in process	102,547	142,849	65,595	90,698
Finished goods	392,825	274,865	283,755	152,921
Supplies	40,143	48,061	22,704	26,028
Goods in transit	105,499	94,923	84,583	46,797
	1,261,910	1,074,496	925,292	630,400
Less allowance for decline in value	(33,460)	(20,871)	(28,133)	(19,443)
Net	1,228,450	1,053,625	897,159	610,957

11. Other current assets

☆	Consol financial s	_	Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Value added tax receivable	42,856	18,239	24,752	7,580
Prepaid withholding tax	34,224	20,307	29,951	17,388
Others	5,314	26,158	5,314	16,817
Total	82,394	64,704	60,017	41,785

12. Non-current assets held for sale

In September 2012, the management performed a detailed assessment of the business and identified business units which incurred continuing losses and of which future profitability remains uncertain.

Some machinery and equipment within the PDP line (TV Business) are presented as assets classified as held for sale following the commitment of the Group's management in September 2012 to sell this group of assets as it is no longer in use. During the period, certain items within this disposal group of assets has already been sold with gain on disposal of Baht 0.1 million in the statement of comprehensive income during the year ended 30 September 2013. At 30 September 2013, the disposal group of assets had net book value of Baht 1.2 million (30 September 2012: Baht 282.6 million). The disposal group has been remeasured to the lower of its carrying amount and its fair value less cost to sell and the difference has been recognised in administrative expenses in the statement of comprehensive income. The fair value was provided by open and independent bidding. Efforts to sell this group of assets have commenced, and a sale is expected to be completed by September 2014.

Details of the non-current assets classified as held for sale are as follows:

*	'	Consolidated/Separate financial statements
		Machinery and equipment at net book value
	Note	(in thousand Baht)
At 1 October 2011		-
Transfer from property, plant and equipment	15	467,803
Less impairment losses		(185,203)
At 30 September 2012 and 1 October 2012		282,600
Transfer from property, plant and equipment	15	90,994
Less disposal		(362,611)
Less impairment losses		(131,360)
Add reversal of impairment from disposal		121,611
At 30 September 2013		1,234

13. Investment in subsidiary

The investment in subsidiary as at 30 September 2013 and 2012, and dividend income from this investment for the years then ended were as follows:

			Se	parate finan	cial stateme	nts		
\$	Ownershi	p interest	Paid-up	capital	Cost m	ethod	Divid	end
	2013	2012	2013	2012	2013	2012	2013	2012
	(%	6)			(in thous	and Baht)		
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,994	299,994	10,020	10,050

14. Investment properties

☆	Consol financial s	-	Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost				
At 1 October	140,228	17,835	140,228	17,835
Additions	-	103,784	-	103,784
Transfer from property, plant and equipment	6,982	18,609	6,982	18,609
At 30 September	147,210	140,228	147,210	140,228
Depreciation and impairment losses				
At 1 October	8,655	-	8,655	-
Depreciation charge for the year	21,572	8,346	21,572	8,346
Transfer from property, plant and equipment	-	309	-	309
At 30 September	30,227	8,655	30,227	8,655
Net book value	116,983	131,573	116,983	131,573

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. In addition to this, a part of the Group's plant space which is held to earn rental income as discussed in Note (9) has also been transferred from property, plant and equipment to investment property in 2013 and 2012. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Fair value of the investment properties amount of Baht 209 million that are leased to third parties has been evaluated by the Group's valuation model.



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 thous	(in thousand Baht)			
Cost								
At 1 October 2011	240,107	111,014	2,955,214	7,405,090	14,207	509,067	386,613	11,621,312
Additions	1	7,287	52,090	226,346	1,322	22,928	354,780	664,753
Transfer to investment properties	1	1	(18,609)	1	1	1	ı	(18,609)
Transfers, net	1	6,477	36,461	570,068	1	1,286	(614,292)	1
Transfer to assets held for sale	1	1	1	(698'989)	1	1	ı	(698'989)
Disposals		T.	•	(194,049)	1		•	(194,049)
At 30 September 2012 and								
1 October 2012	240,107	124,778	3,025,156	7,320,586	15,529	533,281	127,101	11,386,538
Additions	1	5,004	22,244	45,278	52	4,263	351,338	428,179
Transfer to investment properties	(6,982)	1	ı	1	ı	1	1	(6,982)
Transfers, net	1	43,684	44,080	324,072	ı	110	(413,646)	(1,700)
Transfer to assets held for sale	1	1	ı	(178,522)	1	1	1	(178,522)
Disposals	-	-	(2,361)	(1,530,051)	(3,468)	(385,320)	1	(1,921,200)
At 30 September 2013	233,125	173,466	3,089,119	5,981,363	12,113	152,334	64,793	9,706,313

15. Property, plant and equipment (Continued)

Consolidated financial statements

Depreciation and impairment loss At 1 October 2011 Depreciation charge for the year Transfer to investment properties Losses on decline in value Transfer to assets held for sale Disposals At 30 September 2012 and 1 October 2012 September 2013 S	1,499,654 83,766 (309) - - - - 87,406	(in thousand Baht) 5,370,452 503,489 7,545 (219,067) (118,041) 5,544,378 13	d Baht) 11,681 872 -	452,990		
nt loss ear ties ear ear	1,499,654 83,766 (309) - - - - - 87,406	5,370,452 503,489 - 7,545 (219,067) (118,041) 5,544,378	11,681 872 - -	452,990		
ear ties ear ear ear	1,499,654 83,766 (309) - - - - 87,406	5,370,452 503,489 - 7,545 (219,067) (118,041) 5,544,378	11,681 872 872	452,990		
ties	83,766 (309) 	503,489 - 7,545 (219,067) (118,041) 5,544,378	872			7,368,798
ear ties	(309) 	7,545 (219,067) (118,041) 5,544,378		23,284	ı	615,677
ear ear		7,545 (219,067) (118,041) 5,544,378			ı	(308)
98		(219,067) (118,041) 5,544,378			ı	7,545
	- 1,583,111 87,406	(118,041) 5,544,378	1		1	(219,067)
38	1,583,111 87,406	5,544,378		ı	1	(118,041)
- 38	1,583,111 87,406	5,544,378 456,911				
ı	87,406	456 911	12,553	476,274	•	7,654,603
		1,00	795	21,747	•	570,527
Losses on decline in value - 11,014	38,260	388,255	ı	1,389	1	438,918
Transfers, net - 219	ı	1	ı	(219)	•	,
Transfer to assets held for sale	1	(87,528)	ı	•	•	(87,528)
Disposals -	(1,190)	(1,496,432)	(2,170)	(385,265)	ı	(1,885,057)
At 30 September 2013 - 53,188	1,707,587	4,805,584	11,178	113,926	•	6,691,463
Net book value						
At 30 September 2012 86,491	1,442,045	1,701,358	2,976	57,007	127,101	3,657,085
Owned assets	•	74,850	•	1	1	74,850
Assets under finance leases 240,107 86,491	1,442,045	1,776,208	2,976	57,007	127,101	3,731,935
Owned assets 120,278	1,381,532	1,042,120	935	38,408	64,793	2,881,191
Assets under finance leases	1	133,659	1	1	ı	133,659
233,125 120,278	1,381,532	1,175,779	935	38.408	64.793	3,014,850

15. Property, plant and equipment (Continued)

Separate financial statements

				Jeparate IIIIaii	סלאמומים וווומווינומו אימיםווים			
₩	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
				(in thous	(in thousand Baht)			
Cost								
At 1 October 2011	208,414	111,014	2,049,470	5,667,338	5,809	459,878	317,417	8,819,340
Additions	ı	7,287	ı	87,544	1,307	16,547	152,100	264,785
Transfer to Investment properties	ı	1	(18,609)	1	1	1	ı	(18,609)
Transfers, net	ı	6,477	ı	364,364	ı	1,002	(371,843)	ı
Transfers to asset held for sale	ı	1	ı	(698'989)	1	1	1	(698'989)
Disposals	ı	ı	•	(108,273)			•	(108,273)
At 30 September 2012 and								
1 October 2012	208,414	124,778	2,030,861	5,324,104	7,116	477,427	97,674	8,270,374
Additions	ı	5,004	ı	36,655	52	3,757	174,042	219,510
Transfer to Investment properties	(6,982)	1	ı	1	1	1	1	(6,982)
Transfers, net	ı	43,684	ı	171,484	1	105	(215,273)	ı
Transfers to asset held for sale	ı	1	ı	(178,522)	1	1	1	(178,522)
Disposals	1	-	-	(1,232,731)	(2,119)	(375,130)	1	(1,609,980)
At 30 September 2013	201,432	173,466	2,030,861	4,120,990	5,049	106,159	56,443	6,694,400



15. Property, plant and equipment (Continued)

Separate financial statements

				separate man	Separate mancial statements			
÷ ₩	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
				(in thous	(in thousand Baht)			
Depreciation and impairment loss								
At 1 October 2011	1	34,021	1,197,892	4,460,564	5,245	410,734	1	6,108,456
Depreciation charge for the year	ı	4,266	35,675	283,541	330	20,281	ı	344,093
Transfer to investment properties	ı	ı	(308)	1	1	ı	ı	(308)
Transfer to assets held for sale	ı	1	ı	(219,067)	1	ı	ı	(219,067)
Disposals	ı	ı		(105,412)		•	ı	(105,412)
At 30 September 2012 and								
1 October 2012	•	38,287	1,233,258	4,419,626	5,575	431,015	•	6,127,761
Depreciation charge for the year	1	3,668	30,575	222,274	253	18,676	ı	275,446
Transfer to assets held for sale	ı	1	ı	(87,528)	1	ı	1	(87,528)
Losses on decline to value	ı	11,014	38,260	49,666	1	1,389	1	100,329
Transfers, net	ı	219	1	1	1	(219)	ı	1
Disposals	ı	1	•	(1,232,689)	(821)	(375,125)	1	(1,608,635)
At 30 September 2013	•	53,188	1,302,093	3,371,349	2,007	75,736	•	4,807,373
Net book value								
At 30 September 2012	208,414	86,491	797,603	904,478	1,541	46,412	97,674	2,142,613
At 30 September 2013	201,432	120,278	728,768	749,641	42	30,423	56,443	1,887,027

NOTES TO THE FINANCIAL STATEMENTS

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 September 2013 amounted to Baht 2,643 million (2012: Baht 3,548 million).

The TV business impairment testing of the Company which has been planned to be disposed of was based on fair value less costs of sell which was estimated based on the latest open and independent bidding.

The impairment testing by the subsidiary was based on value in use which was estimated using discounted cash flow projections. Key assumptions used in the calculation of recoverable amounts are discount rates and sales growth rate. The values assigned to the key assumptions represented management's assessment of future trends and were based on both external and internal sources (historical data). The key assumptions were as follow:

\$	2013	2012
		%
Discount rate	10.84	-
Budgeted sales growth rate (decrease)	(1) - (12)	-

16. Interest-bearing liabilities

☆	Consol financial s		Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current				
Short term loan	30,000	-	-	-
Current portion of finance lease liabilities	83,933	27,812	16,861	-
Total current interestbearing liabilities	113,933	27,812	16,861	-
Non-current				
Finance lease liabilities	173,173	44,517	47,448	-
Total non-current interestbearing liabilities	173,173	44,517	47,448	-
Total	287,106	72,329	64,309	-

As at 30 September 2013, a subsidiary had drawn down an amount of Baht 30 million under a loan facility agreement for Baht 100 million. This loan bears interest at 3.05% per annum and is guaranteed by the ultimate parent company.

During 2013, the Company entered into a short-term loan agreement with a financial institution for a facility of Baht 1,620 million (packing credit, letter of guarantee and foreign exchange). At 30 September 2013, no facility had been utilised.

Finance lease liabilities

Finance lease liabilities as at 30 September 2013 were payable as follows:

Consolidated financial statements

		2013			2012	
*	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
			(in thous	and Baht)		
Within one year	95,524	11,591	83,933	30,986	3,174	27,812
After one year but						
within five years	186,981	13,808	173,173	46,500	1,983	44,517
Total	282,505	25,399	257,106	77,486	5,157	72,329

Separate financial statements

		2013			2012	
\$	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
-	(in thousand Baht)					
Within one year After one year but	19,554	2,693	16,861	-	-	-
within five years	50,516	3,068	47,448	-	-	-
Total	70,070	5,761	64,309	-	-	-

17. Trade accounts payable

☆	Consolidated financial statements		Separate financial statements	
Note	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties 5	156,784	113,589	125,413	73,272
Other parties	1,307,702	1,571,818	1,135,594	1,269,536
Total	1,464,486	1,685,407	1,261,007	1,342,808

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

☆	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	777,364	1,071,957	744,862	984,138
United States Dollars	404,891	408,560	356,387	217,522
Japanese Yen	281,987	203,568	159,514	139,826
Others	244	1,322	244	1,322
Total	1,464,486	1,685,407	1,261,007	1,342,808

18. Other payables

☆		Consol financial s	_	Separate financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	5	18,695	49,655	24,611	37,408
Other parties		199,804	198,303	148,685	137,593
Total		218,499	247,958	173,296	175,001

19. Employee benefit obligations

The Group adopted TAS 19 – Employee Benefits with effect from 1 October 2011.

Defined benefit obligation (An unfunded plan based on Thai labour law)

NOTES TO THE FINANCIAL STATEMENTS

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	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Present value of unfunded obligations	126,438	80,506	104,561	67,778
Statement of financial position obligation	126,438	80,506	104,561	67,778

Movement in the present value of the defined benefit obligations:

☆	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Defined benefit obligations at 1 October	80,506	71,723	67,778	60,530
Current service costs and interest	15,587	9,009	11,682	7,474
Curtailment losses/settlement	17,872	-	19,477	-
Actuarial losses recognized in other comprehensive income	40,647	-	33,798	-
Benefit paid	(28,174)	(226)	(28,174)	(226)
Defined benefit obligations at 30 September	126,438	80,506	104,561	67,778

On 5 and 26 October 2012, the Company announced an early retirement program and a voluntary retirement program. There are 216 employees applied for the program and received compensation of Baht 26 million in accordance with the Thai Labour Law in November 2012. Expense recognised in profit or loss:

☆	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current service cost	11,084	5,643	7,962	4,634
Interest on obligation	4,503	3,366	3,720	2,840
Curtailment losses/settlement	17,872	-	19,477	-
Total	33,459	9,009	31,159	7,474

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

☆	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost of sales	28,476	7,533	27,277	6,195
Selling expenses	772	244	567	244
Administrative expenses	4,211	1,232	3,315	1,035
Total	33,459	9,009	31,159	7,474



Actuarial gain and loss recognized in other comprehensive income:

 ≱	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Actuarial losses	40,647	-	33,798	-

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

☆	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	%	%	%	%
Discount rate	3.9, 4.0	4.7	3.9	4.7
Future salary increases	3.0-5.0	3.0-7.5	5.0	3.0-7.5

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

20. Share capital

	Par	20	13	20	12
☆	value	Number	Baht	Number	Baht
	(in Baht)		(thousand shares	s/thousand Baht)	
Authorised					
At 1 October					
- ordinary shares	10	25,000	250,000	25,000	250,000
- reduction of treasury shares		(1,102)	(11,019)	-	-
At 30 September					
- ordinary shares	10	23,898	238,981	25,000	250,000
Issued and fully paid-up					
At 1 October					
- ordinary shares		22,000	220,000	22,000	220,000
- reduction of treasury shares	10	(1,102)	(11,019)	-	-
At 30 September					
- ordinary shares	10	20,898	208,981	22,000	220,000

The share capital decreased following the write-off of treasury shares in accordance with Ministerial Regulation issued by the Ministry of Commerce, Re: Rules and Procedures for the Purchase, Disposal and Writing off of Treasury Stocks of Companies, B.E. 2544, as disclosed in note 21.

21. Treasury shares and reserves

At the Board of Directors' meeting of the Company held on 15 May 2009, the Company's directors approved a Share Repurchase Program in accordance with Section 66/1(2) of the Public Limited Company Act (No.2) B.E. 2544, for a consideration not exceeding Baht 360 million. Under the program:

- The number of ordinary shares to be repurchased will not exceed 2.2 million shares (par value of Baht 10 per share), equal to 10% of the total number of paid-up share capital of the Company;
- The Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 2 June 2009 to 1 December 2009; and
- The Board of Directors shall determine the procedures for resale of the shares after 6 months but no later than 3 years from the completion date of the share repurchase.
 - As of 1 December 2009 the Company had repurchased 1,101,900 shares (equal to 5.01% of the total number of paid-up share capital of



the Company) for an aggregate consideration of Baht 154.8 million. Accordingly, the Company had transferred an amount of Baht 154.8 million from unappropriated retained earnings to treasury share reserve.

At the Board of Directors' meeting held on 26 November 2012, the Company's directors passed resolution to decrease the Company's registered share capital by cancelling 1,101,900 registered shares with a par value of 10 Baht per share for repurchased shares (treasury shares) of 1,101,900 shares for which the resale period expired on 1 December 2012. The capital reduction decreased the Company's registered share capital from Baht 250,000,000 to Baht 238,981,000 and issued and fully paid-up share capital from Baht 220,000,000 to Baht 208,981,000. The Company registered the decrease of its registered share capital with the Ministry of Commerce in December 2012.

22. 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.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury shares reserve is not available for dividend distribution.

23. Segment information

Segment information is presented in respect of the Group's business and geographic segments. The primary format, business segment is based on the Group's management and internal reporting structure.

Business segments

Management considers that the Group operates in a single line of business, namely electronic parts, and has, therefore, only one major business segment.

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Segment sales based on the geographical location of customers is as follows:

☆	Consolidated financial statements			
	2013	2012		
	(in thousand Baht)	(in thousand Baht)		
Japan	5,059,314	5,459,516		
Thailand	4,861,174	5,320,575		
Other countries	1,316,585	1,482,123		
Total	11,237,073	12,262,214		

24. Other income

☆		Consol financial s	_	Separate financial statements	
	Note	2013 2012		2013	2012
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Income from scrap sale		117,777	132,037	94,286	110,006
Rental income		65,216	140,190	51,999	141,978
Interest income		4,950	8,655	21,217	26,510
Dividend income	5, 13	-	-	10,020	10,050
Others		17,226	75,826	11,366	54,172
Total		205,169	356,708	188,888	342,716

25. Employee benefit expenses

☆	Consol financial s	-	Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Management				
Wages and salaries	9,150	11,371	5,871	7,565
Contribution to defined contribution plans	43	40	43	40
Others	14,552	19,362	13,342	17,710
	23,745	30,773	19,256	25,315
Other employees				
Wages and salaries	1,096,013	1,155,273	741,723	745,072
Contribution to defined contribution plans	32,026	12,358	7,387	9,076
Others	574,344	565,588	424,814	403,724
	1,702,383	1,733,219	1,173,924	1,157,872
Total	1,726,128	1,763,992	1,193,180	1,183,187

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 entries and are managed by a licensed Fund Manager.

26. Expenses by nature

Included in cost of sales of goods:

☆	Consol financial s		Separate financial statements	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Changes in inventories of finished goods and work in progress	(77,658)	(96,410)	(105,731)	(58,412)
Raw materials and consumables used	8,324,772	9,504,242	6,299,117	6,973,885
Employee benefit expenses	1,526,184	1,526,272	1,049,796	998,156
Depreciation	550,421	576,550	241,619	310,445
Others	792,798	813,112	547,357	540,691
Total	11,116,517	12,323,766	8,032,158	8,764,765

Included in selling expenses:

☆	Consol financial s	_	Sepa financial s	
	2013	2013 2012		2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Royalty fee	72,606	80,373	60,270	64,170
Personnel	49,443	71,313	39,731	65,386
Distribution	59,518	60,802	48,315	44,914
Depreciation and amortisation	2,717	2,232	463	150
Others	17,028	31,396	9,717	21,502
Total	201,312	246,116	158,496	196,122



Included in administrative expenses:

❖	Consol financial s		Sepa financial st	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Personnel	150,501	166,407	103,653	119,645
Depreciation and amortisation	35,107	27,063	31,908	23,016
Professional fee	8,577	8,157	6,060	5,518
Travelling	4,579	14,135	3,121	11,867
Others	184,801	159,110	153,539	145,700
Total	383,565	374,872	298,281	305,746

27. Income tax expense

Income tax in the consolidated financial statements of the Group for 2012 and 2013 are from operating income of non-promoted business of the subsidiary.

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.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

28. 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 2013 and 2012, classified under the promoted and non-promoted business are as follows:

Consolidated financial statements

		2013		2012		
\$	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
	(in million Baht)			(in million Baht)		
Export and indirect export sales	4,615	1,826	6,441	5,828	1,180	7,008
Domestic sales	4,142	654	4,796	4,589	665	5,254
Total	8,757	2,480	11,237	10,417	1,845	12,262

Separate financial statements

	2013					
☆	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
_	(in million Baht)			(in million Baht)		
Export and indirect export sales	3,279	139	3,418	3,493	131	3,624
Domestic sales	4,263	355	4,618	4,562	370	4,932
Total	7,542	494	8,036	8,055	501	8,556

29. Loss per share

The calculations of loss per share for the years ended 30 September 2013 and 2012 were based on the loss 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		Sepa financial s	
	2013	2012	2013	2012
	(in thousand Baht	/ thousand shares)	(in thousand Baht / thousand share	
Loss for the years attributable to equity holders				
of the Company	(832,158)	(487,009)	(494,227)	(534,260)
Number of ordinary shares outstanding at 1 October	22,000	22,000	22,000	22,000
Effect of shares reduction	(1,102)	-	(1,102)	-
Effect of own shares held	-	(1,102)	-	(1,102)
Weighted average number of ordinary shares Outstanding	20,898	20,898	20,898	20,898
Loss per share (in Baht)	(39.82)	(23.30)	(23.65)	(25.57)

30. Dividends

At the annual general meeting of the shareholders of the Company held on 25 January 2013, the shareholders approved the appropriation of dividends from retained earnings at 30 September 2012 of Baht 3 per share, amounting to Baht 63 million. The dividend was paid to shareholders during 2013.

At the annual general meeting of the shareholders of the Company held on 27 January 2012, the shareholders approved the appropriation of dividend of Baht 8 per share, amounting to Baht 167 million. The dividend was paid to shareholders during 2012.

31. 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 2013 and 2012, 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:

1 .		Consol	_	Separate	
<u> </u>		financial s		financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
US Dollars					
Cash and cash equivalents	6	121,621	130,179	121,621	130,179
Trade accounts receivable	7	463,625	466,787	458,232	277,708
Trade accounts payable	17	(404,891)	(408,560)	(356,387)	(217,522)
Gross balance sheet exposure		180,355	188,406	223,466	190,365
Currency forwards - Sale		(2,984)	(97,189)	-	-
Currency forwards - Purchase		12,178	33,143	-	-
Net exposure		189,549	124,360	223,466	190,365
Japanese Yen					
Cash and cash equivalents	6	749	570	749	570
Trade accounts receivable	7	571,793	345,708	268,708	169,291
Trade accounts payable	17	(281,987)	(203,568)	(159,514)	(139,826)
Gross balance sheet exposure		290,555	142,710	109,943	30,035
Currency forwards - Sale		(205,922)	(26,501)	-	-
Currency forwards – Purchase		36,319	64,403	-	-
Net exposure		120,952	180,612	109,943	30,035
Malaysian Ringgit					
Trade accounts payable	17	(198)	(207)	(198)	(207)
Gross balance sheet exposure		(198)	(207)	(198)	(207)
Singapore Dollars					
Trade accounts payable	17	(46)	(1,115)	(46)	(1,115)
Gross balance sheet exposure		(46)	(1,115)	(46)	(1,115)

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.



32. Commitments with non-related parties

☆	Consol financial s		Sepa financial s	
	2013	2013 2012		2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Capital commitments Contracted but not provided for				
buildings and other constructions	3,125	26,159	3,125	18,500
Non-cancellable operating lease commitments				
Within one year	10,095	14,744	3,527	6,883
After one year but within five year	5,422	13,659	2,230	9,584
Total	15,517	28,403	5,757	16,467

33. Contingent liabilities

As 30 September 2013 and 2012, the Group was contingently liable to banks which have provided the following guarantees on behalf of the Company and its subsidiary:

☆	Consol financial s		Separate financial statements	
	2013 2012		2013	2012
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials purchases	108,280	149,717	69,373	68,126
Electricity supply	37,569	37,569	30,003	30,003
Performance guarantees	1,577	1,586	-	-
Supply purchases	500	500	500	500
Others	1,000	1,000	1,000	1,000

As at 30 September 2013, a subsidiary had outstanding sale forward contracts amounting to US Dollar 1.07 million and Yen 163.26 million at value of Baht 97.55 million and had outstanding purchase forward contracts amounting to US Dollar 3.15 million and Yen 67.33 million at value of Baht 123.69 million (2012: US Dollar 1.07 million and Yen 163.26 million at value of Baht 97.55 million and had outstanding purchase forward contracts amounting to US Dollar 3.15 million and Yen 67.33 million at value of Baht 123.69 million).

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

The Group has not adopted the following new and revised TFRS and new interpretations that have been issued as of the reporting date but are not yet effective. The new and revised TFRS and new interpretations are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Торіс	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013
TFRS 4	Insurance Contracts	2016
TFRIC 1	: Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014

TFRS	Торіс	Year effective
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements – Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS assessed to have the greatest potential impact on the financial statements in the period of initial application. These new and revised TFRS are as follow:

TAS 12 - Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 October 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position will be adjusted accordingly. Management estimates that there would be no impact on the statements of financial position as at 30 September 2013 and 2012.

TAS 21 (revised 2009) - The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 October 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.

TFRS 8 - Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclose aspects, there is no impact on the Group's financial statements.

35. Reclassi cation of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements as follows:

	30 September 2012						
	Consolidated financial statements			Separate financial statements			
☆	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.	
	(in thousand Baht)			(in thousand Baht)			
Statement of financial position							
Other account receivables							
from related parties	3,173	(3,173)	-	13,270	(13,270)	-	
Other receivables	-	148,741	148,741	-	161,386	161,386	
Other current assets	210,272	(145,568)	64,704	189,901	(148,116)	41,785	
Other account payable to related parties	(49,655)	49,655	-	(37,408)	37,408	-	
Other payables	-	(247,958)	(247,958)	-	(175,001)	(175,001)	
Other current liabilities	(218,948)	198,303	(20,645)	(153,785)	137,593	(16,192)	
		-			-		

The reclassifications have been made for proper presentations and to comply with the classification set-out in the Pronouncement of the Department of Business Development Re: Determination of items in the financial statements B.E. 2554 dated 28 September 2011.

CERTIFICATE















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