

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



Annual Report 2014

METCO



Teaching of 'Itaro Muramoto',
founder of Muramoto Industry Co., Ltd.,
that succeeded through 79 years.



METCO

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

The 29th anniversary
of establishment in this year

Mind that
values **customer**.



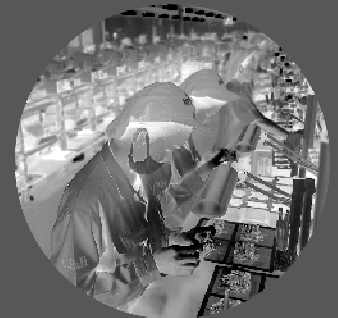
มีใจในการ
ให้ความสำคัญ
กับลูกค้า

Mind that values
technology and quality.



มีใจในการ
ให้ความสำคัญ
กับเทคโนโลยี และคุณภาพ

Mind that
values **employee**.



มีใจในการ
ให้ความสำคัญ
กับพนักงาน

METCO basic policy that rooted from our founder principles.

Providing best product from best idea for our customers.

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

Enforcing customer trust through trained competent personnel.

Achieving total improvement of entire management team.

Maintaining safe and environment conscious workplace.



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METCO

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Audit Report of Certified Public Accountant



Vision
Our products make Impression for you

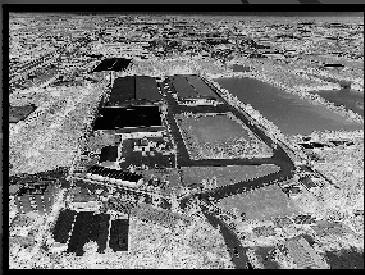
e-XPECTATION e-XCEEDED @METCO

@METCO เราให้เกินคาด



METCO 1

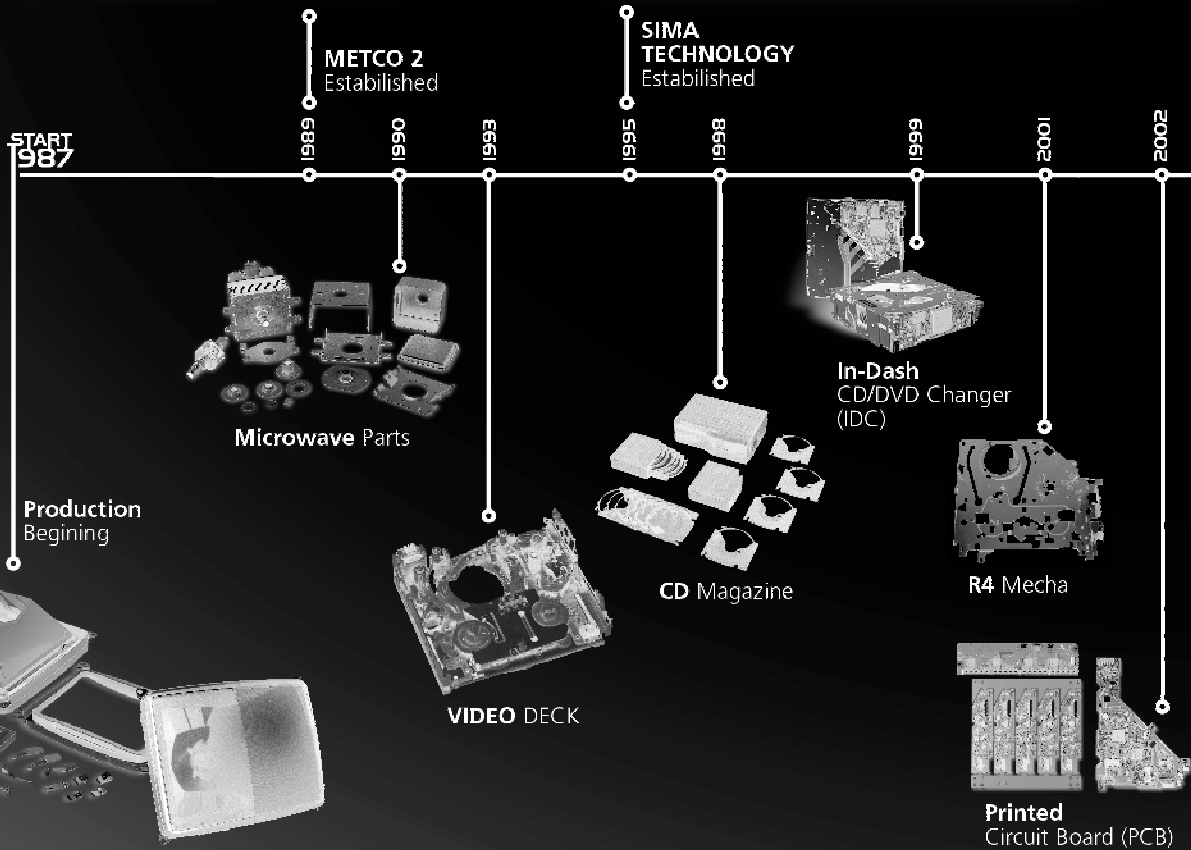
METCO 2



SIMA TECHNOLOGY



**Our Products
Friendly Environment**





Concept of production

METCOism

Integrated Synchronize Manufacturing

Innovation, Speed & Maximum

M = Manufacturing Expert

E = Environment and Safety Conscious

T = Technology Leadership

C = Creative Workforce

O = Overall Excellent

METCO 3



METCO 3
Established

2004
Digital
Movie Camera
(DMC)



Thermal
Fuse
SR. Type



DVD Deck Mecha



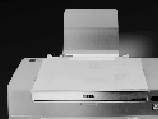
Digital Video
(DV) Parts



2005
Photo
printer



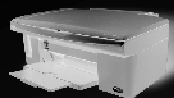
Single Printer



2007
Plasma Display Panel (PDP)



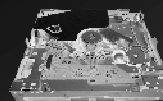
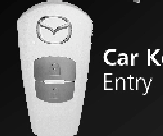
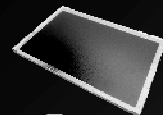
Multifunction
printer (Multiprinter)



2008
LCD-Backlight
panel



2009
Audio Display
Center Panel



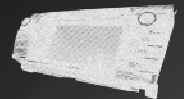
Escutcheon

Back Light
Module

Car Keyless
Entry

Single
CD

2010
Car Center
Panel Unit



Car Center
Panel Unit

2012

2013



MURAMOTO GROUP



METCO 1



METCO 2

THAILAND



Muramoto Electron (Thailand) Public Company Limited

METCO 1

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

METCO 2

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

METCO 3

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

Established : 1987

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



METCO 3



Sima Technology Co., Ltd.

Sima Technology Co., Ltd.



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

Established : 1995

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

CZECH



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

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

Established : 2005

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

MALAYSIA



Muramoto Technics (Malaysia) Sdn., Bhd.

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

Established : 1997

Nature of Business : Manufacturing of pressed metal parts.

SINGAPORE

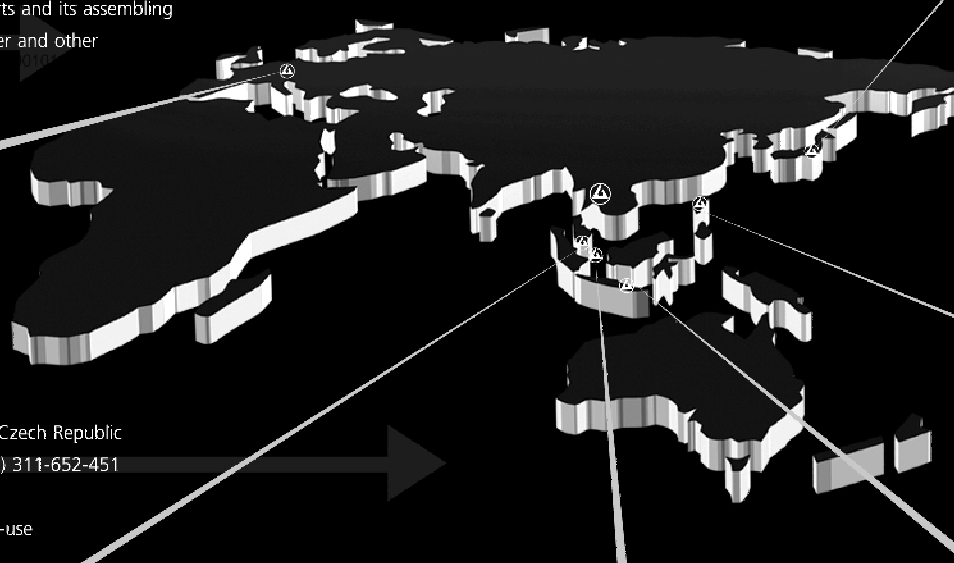


Muramoto Asia Pte., Ltd.

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

Established : 1990

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



JAPAN



Muramoto Industry Co., Ltd.

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

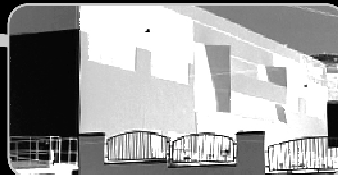
USA



Muramoto USA, Inc.

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

MEXICO



Muramoto Manufacturing De Mexico

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

INDONESIA



P.T. Muramoto Elektronika Indonesia

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

PHILIPPINES



Muramoto Audio-Visual Philippines Inc.

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

MESSAGE FROM THE CHAIRMAN



Mr. Yoichi Muramoto

I would like to express my gratitude to our shareholders, clients and stakeholders for your continuous support for METCO

We have all united and worked vigorously towards so-called “reform” - drastic restoration of the business for a year and several months since I became the Chairman of METCO in February 2013

We completed the following tasks in FY2013: fundamental review of the operations unpro table and with unclear future prospects, asset processing associated with it, personnel relocation, and the reform of the profit structure to respond to market changes. In FY2014, we cultivated our strengths, committed heavily to marketing activities of automotive-related business where long-term stable orders could be expected as the future prospects of the business, and succeeded in building a mass production system.

As a result, we were able to be into the black as promised to make FY2014 be the first year of going on the offensive reversely from the last two consecutive deficit financial years.

In the course of our striving to the reform, we noticed afresh that we were deploying the business in the midst of “**changes**”.

First, marketable goods have changed. Customers’ demands are also constantly changing accordingly. Competitors have changed. All the environments surrounding our business operations are changing in that way. Under the circumstances we are required to respond to the changes. Taking advantage of the changes will create “**opportunities**”. Dodging from them will bring about “**crises**”.

We achieved a surplus in FY2014. However, we do not consider that rock-solid business foundation has been in place. Issues have still been piled up. It is the crucial moment for us to solve problems from now on.

It has been 27 years since we made inroads into Thailand. We have built up a variety of experiences ever since, boldly challenging various business opportunities along with the employees.

In FY2015, we will exert ourselves to create new METCO that can respond to “**change**” from the seeds of the experiences. We sincerely appreciate your continuous support.

A handwritten signature in blue ink, appearing to read 'Yoichi Muramoto', written in a cursive style.

Mr. Yoichi Muramoto
Chairman / President



Prof. Paichitr Rojanavanich

Dear Shareholders of Muramoto Electron (Thailand) Public Company Limited

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

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

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

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period 2014 the Audit Committee had convened a total of 4 meetings, each of which was attended by all members on the Audit Committee together with the management, internal audit team and auditors to discuss relevant issues and report the meeting outcomes to the Board of Directors. The essence of the work performed can be summarized as follows :

Financial Statement Report

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

Related Transaction or Conflict of interest transaction

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

Internal Control System and Risk Management

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

Regulatory compliance and regulations

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

Good Corporate Governance

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

Internal Audit Governance

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

Considering the appointed Auditors and Compensation

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

The Audit Committee had selected the KPMG Phoomchai Audit Limited as company auditors and considered the auditors remuneration and proposed to the Board of Directors. The Audit Committee deemed that the auditors had good understanding of the Company's businesses, practiced in a neutral and independence manner as well as regularly delivered its work on time, and as a result the Board of Directors proposed to the Annual General Meeting of Shareholders 2014 to appoint KPMG Phoomchai Audit Limited as the Company's auditor. The appointed auditors are:

Mr. Ekkasit Chuthamsatid	Certified Public Accountant license number 4195 and/or
Mr. Sakda Kaothanthong	Certified Public Accountant license number 4628 and/or
Miss Sureerat Thongarunsang	Certified Public Accountant license number 4409

For the Accounting period that the year ended 30 September 2014, Miss Sureerat Thongarunsang is the Certified Public Accountant who audited the Company's financial budget.

The Audit Committee deemed that during for the accounting period that the year ended 30 September 2014, the company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.

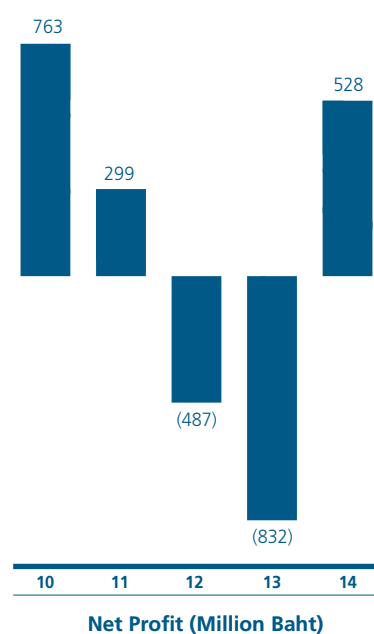
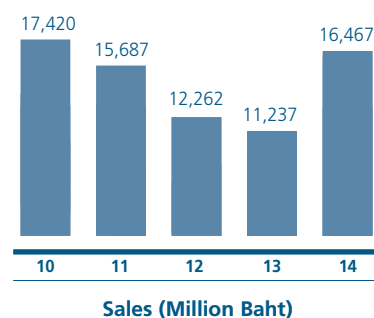


Professor Paichitr Rojanavanich
Chairman of Audit Committee
26th November 2014

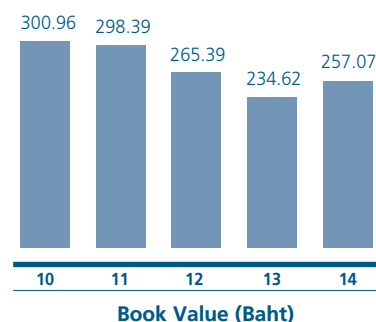
FINANCIAL SUMMARY



	METCO & Subsidiary Company <i>Unit : In Million Baht</i>			METCO <i>Unit : In Million Baht</i>		
	2014	2013	2012	2014	2013	2012
Sales	16,467	11,237	12,262	13,927	8,036	8,556
Cost of Sales	15,636	11,117	12,324	13,264	8,032	8,765
Profit Margin (Loss)	830	120	(62)	663	4	(209)
Selling & Administrative Expenses	558	1,166	817	467	691	688
Operations Profit (Loss)	272	(1,046)	(879)	196	(687)	(897)
Other Incomes	258	223	399	227	193	363
Income Tax	3	11	7	3	0	0
Net Profit (Loss)	528	(832)	(487)	420	(494)	(534)
Earning per Share (Baht) (Loss)	25.27	(39.82)	(23.30)	20.10	(23.65)	(25.57)
Total Assets	7,991	7,048	8,156	6,633	5,793	6,463
Total Liabilities	2,618	2,145	2,318	2,100	1,622	1,702
Total Shareholders' Equity	5,372	4,903	5,838	4,533	4,171	4,761
Number of Shares (Million Shares)	20,898	20,898	22,000	20,898	20,898	22,000
Book Value (Baht)	257.07	234.62	265.39	216.92	199.57	216.43



Financial Ratio	METCO & Subsidiary Company <i>Unit : In Percentage</i>			METCO <i>Unit : In Percentage</i>		
	2014	2013	2012	2014	2013	2012
Net Profit per Revenues (Loss)	3.21	(7.41)	(3.97)	3.02	(6.15)	(6.24)
Return per Equity	9.83	(16.97)	(8.34)	9.26	(11.85)	(11.22)
Return on Assets	6.61	(11.81)	(5.97)	6.33	(8.53)	(8.27)



METCO & Subsidiary Company

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

Overview in 2014

Our consolidated operation result were as follows :

Thai Baht in Millions	Sep-2014	Sep-2013	Change
Revenue from sales of goods	16467	11237	5230
Cost of sales of goods	15636	11117	4519
Selling expenses	245	201	44
Administrative expenses	299	384	(85)
Operating Profit /(Loss)	287	(465)	752
Operating margin rate	1.7%	-4.1%	5.9%
Other gain or expenses	244	213	31
Impairment losses	0	(570)	570
Profit (Loss) before income tax	531	(822)	1353

Raito Analysis

Liquidity ratio

Current ratio	Time	2.14	2.09	0.05
Quick ratio	Time	1.45	1.38	0.07
Receivables turnover	Time	5.90	6.18	-0.28

Account receivable days

Collection period	Days	61.92	59.06	2.86
Inventory turnover	Time	10.82	9.15	1.67

Inventory days

Inventory turnover period	Time	33.73	39.90	-6.17
Account payable turnover	Days	7.06	6.25	0.81

Account payable days

Payment period	Days	51.71	58.42	-6.71
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Profitability ratio

Gross profit margin	%	5.04	1.07	3.97
Net profit margin	%	3.21	-7.41	10.62
Return on equity (ROE)	%	9.83	-16.97	26.80

Efficiency ratio

Return on total assets (ROA)	%	6.61	-11.81	18.42
Return on fixed assets	%	18.40	-26.57	44.97
Assets turnover	Time	2.06	1.59	0.47

Financial policy ratio

Debt to equity	Time	0.44	0.44	0.00
Interest coverage	Time	37.59	-77.08	114.67

Per share

Par Value	Baht	10.00	10.00	0.00
Book Value	Baht	257.07	234.62	22.45
Earnings Per Share	Baht	25.27	-39.82	65.09

For FY2014, METCO reports the consolidated sales amount of THB 16.4 billion and 66 million, an increase of 46.5% over the previous year; Profit before income tax surplus of THB 530 million, in contrast to the previous year's deficit of THB 821 million; and net profit after income tax of THB 528 million, despite THB 833 million deficit in the previous year.

The increase of revenue is due to the following factors: our automotive-related industrial business expanded greater than our prospect by the good performance of the center panel business for North America, which launched mass production from the fourth quarter of the previous year, and by the successful increase of orders for the keyless entry system business developed from the transmitting side (FOB) to the receiving side (RCV). Also, by that our automotive audio business [In-dash changer] was able to maintain the constant production while declining. In addition, our printer business was boosted by the sales promotions of the (large capacity tank) models exclusive for the rising countries and the medium to high price range models in Japan, the US and Europe, which enabled to steadily expand the business. Better-than-expected robust sales of our core products brought about the increased revenue.

The profit largely improved in comparison with the previous year and was converted to surplus, while being driven by the steady sales, by the synergistic effect of reduction of fixed costs, such as a depreciation expense, and business reform, including "cost reduction", "overall cost reform", "sales reform", which the whole group had continued for more than three years.

About each management index

Liquidity ratio	No significant change year-on-year. Financial standings maintain the soundness.
Account receivable days	Increase of accounts receivable regarding the automotive center console for North America made a transport period longer both by sea and inland. As a result, the number of debt collection days increased.
Account payable days	The further inventory fluidizes, the shorter the accounts payable payment period becomes.
Inventory turnover and days	The above mentioned changes in the A/R and A/P are mostly as expected. The further Inventory fluidized, the shorter inventory holding period and the better the inventory turnover.
Profitability and Efficiency ratio	Changing business to the automotive-related field increased sales of high value-added products. Thereby profitability and efficiency greatly improved. ROE greatly exceeds 5%, the average of the Japanese manufacturing industry.



Business Policy in 2015

METCO's business policy for FY2015 is as follows :

<Towards the creation of METCO new era>

1. Clarification of target market area, products and technology, and business expansion with a focus on competitive areas
2. Efficient management by Muramoto group
3. Strengthening of "total power" by reassessing work methods and construction of strategic organizational structure

Our management resources will be allocated intensively to the automobile-related industrial businesses, which started a full-scale operation in the fourth quarter of the previous fiscal year and maintains stable orders today. In particular, we are confident that our automotive display / audio mechanism-related business is the area where our human resources and technologies nurtured up to this day can be sufficiently deployed. We will proceed with our business activities also with a view to development of new products.

Further, METCO will enhance the relationships with our existing major customers and swiftly catch new product information of the fields not limited to the automotive related, aiming for the business development.

By cross-utilization of the production technology, quality management and cost down within the group, METCO seeks to improve the productivity and the quality management, thus to secure stable profit.

Strategy for Success 2015

Based on the business policy stated in the previous chapter, our strategy for the successful FY2015 is as follows :

1. Reinforce automotive industrial business

METCO will work to further strengthen the automotive industrial business that has started a full-scale operation. The automotive-related business is expected to have orders of a certain amount of volume for a certain period of time. We will appeal our consistent synchronous production, the forte of the company and the group, at the fore to reinforce the sales operations of successors, as well as more value-added models, of the center panel business.

Meanwhile, the automotive industry is changing. In the diffusion of IT in partnership between auto parts manufacturers and manufacturers of electronic components, automobiles are now becoming more and more in need of electronic component technologies, such as sensors and cameras as terminals to sense and judge their surroundings front and within sight in driving. Going forward, we will strongly appeal METCO's technology to such a field and make the business development for the automotive-related business stronger in its various areas.

2. Strengthen group function

In the past, METCO expanded its business scale by the management with an emphasis on our uniqueness. Globalization of products, on the other hand, has been progressing, thereby increasing and diversifying competitors. In this harsh environment, it is impossible to expand the business scale by the management biased to the company's uniqueness as before. From now, METCO, as a member of "Muramoto group", is aiming for more efficient business operations while actively working on collaborations among the group companies in horizontal relationships.

3. Strengthening of "Total power" by reassessing work methods and build a strategic organization

Shifting to the automotive-related business has revealed new risks. In order to overcome the various risks, it is required to further improve the accuracy of the quality management, inventory management and cost management so far, and to enhance our strength while continuously ensuring excellence of our internal control system.

We, standing on the "basics", therefore, intend to review the conventional work methods from the principal viewpoint of "pertinence, rationality and efficiency of business operations, compliance, feasibility, and conformity to laws and the like". The aim is to "clarify our responsibility for customers to achieve 100% customer satisfaction".

For this purpose, we will work to build a strategic organization not being bound to the existing organizational or personnel administration.

Forecast for 2015

METCO has started on the road with firm steps again as the business environment had the turnaround in FY2014. Nevertheless, uncertainty in the business environment is still latent: wariness over prospects of the global economy as of Europe, China, etc., uncertainty about aftermath of the monetary easing in the US, violent fluctuations in the exchange rate, Ebola hemorrhagic fever, the Middle East problem, and so on.

Moreover, there are tendencies that surely profitable areas of the current global market are tended to North America and that, for any company, competitive advantages in its core business does not last long. It is foreseen that we are conducting the business with the burden of numerous risks.

Based on the business policy described in the previous section, METCO will steadily implement the strategy and ensure surplus in settlement of accounts FY2015 in succession. Concurrently, we aim to strengthen the internal control system and competitiveness, and to improve customer satisfaction.



COMPANY PROFILE

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



1. Subsidiary Company :

Sima Technology Co., Ltd.

Address	: 99 Mu 1, Tumbol Thongchainue, Amphur Pakthongchai, Nakornratchasima 30150
Nature of Business	: Manufacturing of pressed metal parts and its assembling for audio, video, cassettes, computer, and other electrical products.
Company Registration No.	: Bor Aor Jor. Nor Mor. 1321
Registration Date	: 9 th June 1995
Registration Capital	: 300 Million Baht
Paid-up Capital	: 300 Million Baht
Quantity and type of shares issued and sold	: 30 Million common shares each of par value 10 Baht
Quantity and type of shares the Company hold in Subsidiary Company	: 29,999,800 common shares each of par value 10 Baht (at cost)

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

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

Date/Month/Year	Number of Shares owned	Percent of Shares
30 September 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
30 September 2014	14,907,420	71.334

3. Other References

Share Registrar

Office Title	: Thailand Securities Depository Co., Ltd.
Location	: 62 Stock Exchange of Thailand Building, 4 th Floor, Ratchadaphisek Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110

Auditor

Office Title	: KPMG Phoomchai Audit Limited
Location	: Empire Tower, 48 th floor, 195 South Satorn Road, Bangkok 10120

NATURE OF BUSINESS

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

	2014		2013	
	Million Baht	%	Million Baht	%
Income from Sales	16,467	98.46	11,237	98.05
Other Income	258	1.54	223	1.95
Total	16,725	100.00	11,460	100.00

Total income of the Company and its subsidiary (Y2014 Increased 45.93% Compared to Y2013)

RELATED PERSONS AND CONNECTED TRANSACTION

Responsible Directors of the Company

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PARENT COMPANY, SUBSIDIARIES, AND ASSOCIATED COMPANIES

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

Related transactions

Our parent company has over 79 years of experience in this industry and specializes in manufacturing technologies, therefore we intend to have certain new techniques transferred from our parent company and also develop others in-house. Our technicians are regularly assigned to the parent company in order to keep up with developments. As well as that, their counterparts at the parent company are assigned to us in order to facilitate transfer of new manufacturing techniques.

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

Related transaction procedure

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

Related transaction monitoring

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

Related transaction policy

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

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

Muramoto Industry Co., Ltd. (Parent Company)

Nature of Business	: Manufactures and Exports Appliance and Electronics parts and Metal Mold		
Established	: 1935		
Headquarter Location	: Kobe, Japan		
Registered Capital	: 160 Million Yen		
Paid-up Capital	: 80 Million Yen		
Major Shareholders	: Muramoto Family 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. Shuji Muramoto-กรรมการ Mr. Shigeru Takamatsu-กรรมการ Mr. Akihiro Kimura-กรรมการ		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: Holds 71.334% of shares in Muramoto Electron (Thailand) PLC.		
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Industry Co., Ltd. (Japan) has signed contract to provide assistance in technology and business development with Muramoto Electron (Thailand) PLC. In addition, Muramoto Electron (Thailand) PLC. purchases materials and other parts from Muramoto Industry Co., Ltd. (Japan) who, in return, purchases parts manufactured by and from Muramoto Electron (Thailand) PLC.		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 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
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 1,141.5 Million Baht	Selling Value : 596.8 Million Baht
Relations in terms of Financial Support	: Stand surely for Muramoto Electron (Thailand) PLC.		

Sima Technology Co., Ltd. (Subsidiary)

Nature of Business	: Manufactures and assembles of metal parts for appliances, electronics and automobile parts		
Established	: 1995		
Headquarter Location	: Amphur Pakthongchai, Nakornratchasima		
Registered Capital	: 300 Million Baht		
Paid-up Capital	: 300 Million Baht		
Major Shareholders	: Muramoto Electron (Thailand) PLC. 99.99%		
The Board of Directors	: Mr. Yoichi Muramoto-Director Mr. Kazanobu Kawabe-Director Mr. Yoshiyuki Muramoto-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. holds 99.99% of shares		
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. sells metal and plastic parts to Sima Technology Co., Ltd. and purchases metal parts from them.		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 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
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 289.1 Million Baht	Selling Value : 16.3 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 Dollars		
Paid-up Capital	: 3.7 Million Singapore Dollars		
Major Shareholders	: Muramoto Industry Co., Ltd. 100%		
The Board of Directors	: Mr. Yoichi Muramoto-Director	Mr. Tan Kong Beng-Director	
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: Muramoto Electron (Thailand) PLC. sells CD changers etc., to Muramoto Asia Pte., Ltd. and purchase electrical parts from them.		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 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
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 184.1 Million Baht	Selling Value : 29.3 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, USA		
Registered Capital	: 15 Million US Dollars		
Paid-up Capital	: 15 Million US Dollars		
Major Shareholders	: Muramoto Industry Co., Ltd. 100%		
The Board of Directors	: Mr. Yoichi Muramoto-Director	Mr. Eiki Kitamura-Director Mr. Naoki Moriyama-Director	
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding		
Business relations with Muramoto Electron (Thailand) PLC.	: METCO sells parts to MUI		
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 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
	1 Oct. 13 - 30 Sep. 14	Purchase Value : 3,441.9 Million Baht	Selling Value : 12.5 Million Baht
Relations in terms of Financial Support	: No mutual financial support.		



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

Nature of Business	: Manufactures metal parts for Home-use Appliance and Electronics			
Established	: 1996			
Headquarter Location	: Selangor, Malaysia			
Registered Capital	: 10 Million Malaysia Ringgit			
Paid-up Capital	: 5 Million Malaysia Ringgit			
Major Shareholders	: Muramoto Asia Pte., Ltd. 100%,			
The Board of Directors	: Mr. Yoichi Muramoto-Director		: Mr. Yap Toon Choy-Director	
	: Mr. Hiromitsu Hazegawa-Director			
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding			
Business relations with Muramoto Electron (Thailand) PLC.	: METCO purchases parts from MTM			
Trade Value with Muramoto Electron (Thailand) PLC.	1 Oct. 11 - 30 Sep. 12	Purchase Value :	- Million Baht	Selling Value : 0.1 Million Baht
	1 Oct. 12 - 30 Sep. 13	Purchase Value :	- Million Baht	Selling Value : 12.4 Million Baht
	1 Oct. 13 - 30 Sep. 14	Purchase Value :	- Million Baht	Selling Value : 3.3 Million Baht
Relations in terms of Financial Support	: No mutual financial support.			

P.T. Muramoto Elektronika Indonesia (Associated Company)

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

Muramoto Audio - Visual Philippines Inc. (Associated Company)

Nature of Business	: Assembles, manufactures and exports car-use radio, CD parts, and others			
Established	: 1990			
Headquarter Location	: Cebu, Philippines			
Registered Capital	: 470 Million Pesos			
Paid-up Capital	: 470 Million Pesos			
Major Shareholders	: Muramoto Industry Co., Ltd. 100%			
The Board of Directors	: Mr. Yoichi Muramoto-Director	Mr. Tadachi Muramoto-Director		
	: Mr. Kiyoshi Watabe-Director	Mr. Mitsuhiro Hayashi-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding			
Business relations with Muramoto Electron (Thailand) PLC.	: METCO sells parts to MAPLE			
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 11 - 30 Sep. 12	Purchase Value :	20.8 Million Baht	Selling Value : - Million Baht
	: 1 Oct. 12 - 30 Sep. 13	Purchase Value :	19.6 Million Baht	Selling Value : - Million Baht
	: 1 Oct. 13 - 30 Sep. 14	Purchase Value :	31.6 Million Baht	Selling Value : - Million Baht
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	: Zbrak, Czech Republic			
Registered Capital	: 400 Million CZK			
Paid-up Capital	: 400 Million CZK			
Major Shareholders	: Muramoto Industry Co., Ltd. 100%			
The Board of Directors	: Mr. Yoichi Muramoto-Director	Mr. Shuji Muramoto-Director		
Relationship in terms of mutual shareholding between Muramoto Electron (Thailand) PLC.	: No mutual shareholding			
Business relations with Muramoto Electron (Thailand) PLC.	: METCO purchases parts form MME			
Trade Value with Muramoto Electron (Thailand) PLC.	: 1 Oct. 11 - 30 Sep. 12	Purchase Value :	- Million Baht	Selling Value : 0.7 Million Baht
	: 1 Oct. 12 - 30 Sep. 13	Purchase Value :	0.03 Million Baht	Selling Value : - Million Baht
	: 1 Oct. 13 - 30 Sep. 14	Purchase Value :	- Million Baht	Selling Value : 0.7 Million Baht
Relations in terms of Financial Support	: No mutual financial support.			

Muramoto Manufacturing De Mexico (Associated Company)

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

SHAREHOLDERS

List of 10 major shareholders, as of December 15, 2014

Ref.	Name	No. of Shares held	Percent of Shares
1	MURAMOTO INDUSTRY CO.,LTD.	14,907,420	71.334
2	HSBC (SINGAPORE) NOMINEES PTE LTD	1,535,700	7.349
3	นาย จารุวัฒน์ สอสงเสริมกุล	631,200	3.020
4	Mr.KENNETH RUDY	391,500	1.873
5	นาย ศุภชัย สุทธิพงษ์ชัย	234,100	1.120
6	Mr.PETER ERIC DENNIS	197,500	0.945
7	นาย ชัยรัตน์ ผลาดิกานนท์	197,300	0.944
8	SUMITOMO CORPORATION	192,500	0.921
9	SOJITZ ASIA PTE LTD	192,500	0.921
10	บริษัท ไทยเอ็นวีดีอาร์ จำกัด	158,350	0.758

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

Payment for Directors and Audit Committee

Level of Executive	Number of Executives	Total Salary (Baht)	Other Payments	Remarks
Director	5	3,420,000	3,329,388	1. Other payments such as lodging allowances and income tax. 2. Monthly remuneration is B15,000 per person for independent directors only 3. Remuneration to Chairman of Audit Committee is Baht 20,000 and to Audit Committee member is Baht 10,000 per person per month
Audit Committee	3	1,070,000	-	
Total	8	4,490,000	3,329,388	

Dividend Payment Policy

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

	2013/2014	2012/2013	2011/2012
Net profit (Baht) / (Loss)	419,967,943	(494,226,634)	(534,259,538)
Earning per share (Weighted average number)	20.10	(23.65)	(25.56)
Dividend (Pay in next year)	188,082,900	62,694,300	62,694,300
Dividend per share	9.00	3.00	3.00
Pay Out Ratio	44.79%	Pay From R/E	Pay From R/E

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 |
| 2. Mr. Yoshiyuki Muramoto | Vice President |
| 3. Mr. Hirokazu Muramoto | Director |
| 4. Mr. Shinichiro Yamamoto | Director |
| 5. Mr. Ichiro Nishimura | Director |
| 6. Prof. Paichitr Rojanavanich | Director (Independent) |
| 7. Mr. Wanchai Umpungart | Director (Independent) |
| 8. Mr. Nop Rojanavanich | Director (Independent) |

The Corporate Secretary is Ms. Nareenard Prasertpong.

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

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

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

2. The Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

6.4 Comments concerning the auditor's suitability.

6.5 Comments regarding potential items with a conflict of interest.

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

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

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

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

3. Board of Executives

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

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

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

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

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

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 2014, the shareholders' meeting (NO. 1/2014) was held on Jan 23, 2014

3. Rights of Stakeholders

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

- **Staff** : The company policy is to retain staff so that optimum product quality standards can be achieved. They are well compensated by the company for their efforts.

- **Creditors** : To achieve the very best in raw material supply and to maintain the highest quality standards, equitable agreements are made and kept with suppliers to ensure their loyalty and goodwill towards the company.

- **Customers** : Increased customer satisfaction with quality products and efforts to achieve this are ongoing.

- **Community** : Considerable effort is devoted to ensuring the quality of the environment and company contribution to society is continuous.

4. Shareholders' Meetings

The contribution of Shareholders is highly valued and appreciated by the company. All shareholders are treated with equal importance and all are given opportunity to express their ideas or make suggestions. The annual shareholders' meeting was held on Jan 23, 2014 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 0.96 Million Baht
- The Office of the Auditors to which the auditors belong, the total amount of Million Baht 3.74 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 2013/2014, the Board of Directors held 4 meetings. The attendance of each director is as follows :

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

13. Committee

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

Audit Committee comprises the following three independent directors.

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

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

Meetings of the committee are held regularly. 4 meetings were held in the year 2013/2014. The minutes of the meetings were taken in detail and were submitted to the Board of Directors after each meeting (details of their responsibilities are given in the section of the 'Management - the Audit Committee' in the 56-1 and 56-2 forms).

The attendance of each director is as follows :

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

14. Internal Control and Supervision

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

15. Report of the Board of Directors

The Board of Directors is responsible for the accuracy of the overall and specified Financial Budget Reports of the company. The Report is carried out properly according to the accounting standard of Thailand. The preparation of the Report is completed very carefully to reveal appropriate significant information about the company to the public. The Board of Directors is also responsible for disclosing the financial information of the company in the Annual Information Report (56-1 form) and Annual Performance Report (56-2). The Board of Directors is also responsible for ensuring that the company operation is conducted effectively and efficiently to achieve anticipated business results as well as to prevent any significant operational misconduct. In this sense, the Board of Directors has assigned the Audit Committee, which consists of outside experienced professionals in the field, to be responsible for the financial reports and internal control within the company. On September 30th, 2014, 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, 2014 Muramoto Electron (Thailand) Public Company Limited has a total of 4,953 employees which can be separated into :

	Ramindhra Factory	Bangna-Trat Factory	Saothong Factory	Total
Office staff	26	60	13	99
Factory staff	234	2,494	2,076	4,804
Japanese staff	3	37	10	50
Total	263	2,591	2,099	4,953

Total remuneration for staff of the Muramoto Electron (Thailand) Public Company Limited in the fiscal year ended September 30, 2014 is as follows :

Wages and Salary	1,237,731,572.39	Baht
Contribution to defined contribution plans	7,912,599.73	Baht
Other benefits / Social security fund	46,406,224.26	Baht
Total	1,292,050,416.38	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	57	0.00	<p>Education : Okayama University of Science, Japan</p> <p>Work Resume : 2010 - Present : Chairman/President of Muramoto Electron (Thailand) PLC Director of Sima Technology Co., Ltd. President of Muramoto Industry Company Limited (Japan) Chairman of Muramoto Audio-Visual Philippines Inc. President of Muramoto Technics (Malaysia) Sdn., Bhd. Director of Muramoto USA Inc. Director of Muramoto Manufacturing Europe S.R.O. Director of Muramoto Manufacturing De Mexico Director of Muramoto Sumutronics USA LLC</p>

2. Mr. Yoshiyuki Muramoto

Position Vice President, Authorized Director

Nationality	Age	Percent of share	Resume
Japanese	50	0.00	<p>Education : Administration Engineering, Fukuoka Institute of Technology, Japan</p> <p>Work Resume : 2009 - Present : Vice President of Muramoto Electron (Thailand) PLC President of Sima Technology Co., Ltd. Managing Director of Muramoto Industry Company Limited (Japan)</p>

3. Mr. Hirokazu Muramoto

Position Director

Nationality	Age	Percent of share	Resume
Japanese	52	0.00	<p>Education : Kobe Technical College, Japan</p> <p>Work Resume : 2011 - Present : Director of Muramoto Electron (Thailand) PLC</p>

4. Mr. Shinichiro Yamamoto

Position Director

Nationality	Age	Percent of share	Resume
Japanese	52	0.00	<p>Education : Kanazawa Institute of Technology, Japan</p> <p>Work Resume : Present : Director of Muramoto Electron (Thailand) PLC President of P.T. Muramoto Elektronika Indonesia Dirctor of Muramoto Industry Company Limited (Japan)</p>

5. Mr. Ichiro Nishimura

Position Director

Nationality	Age	Percent of share	Resume
Japanese	53	0.00	<p>Education : Bachelor of Business Administration, Meiji University in Japan Business Administration, University of Leicester in UK</p> <p>Work Resume : Present : Director of Muramoto Electron (Thailand) PLC General Manager in Admin Division of Muramoto Electron (Thailand) PLC Senior Administrative Manager of Sato Kogyo Co.,Ltd. Singapore Branch</p>

6. Prof. Paichitr Rojanavanich

Position Director, Chairman of the Audit Committee

Nationality	Age	Percent of share	Resume
Thai	86	0.00	<p>Education : Thammasat University University of Pennsylvania, USA.</p> <p>Work Resume : 1992 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited, Certified Public Accountant Former Deputy Director General, Customs and Revenue Department Former Deputy Permanent Secretary, Ministry of Finance Former Director General, Treasury Department Former Director General, Excise Department Former Chairman ASEAN Finance & Banking Committee</p> <p>Training : Director Certification Program (DCP) Thai Institute of Directors Association</p>

7. Mr. Wanchai Umpungart

Position Director, Audit Committee member

Nationality	Age	Percent of share	Resume
Thai	67	0.00	<p>Education : Faculty of Commerce and Accountancy of Chulalongkorn University Sasin Graduate Institute of Business Administration of Chulalongkorn University</p> <p>Work Resume : 2002 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited Independent Director of Saha Pathanapibul Public Company Limited Audit Committee - OCC Public Company Limited President of Lohakit Metal Public Company Limited</p>

8. Mr. Nop Rojanavanich

Position Director, Audit Committee Member

Nationality	Age	Percent of share	Resume
Thai	59	0.0055	<p>Education : Kasetsart University West Virginia University, USA Chulalongkorn University</p> <p>Work Resume : 2005 - Present : Director (Independent) of Muramoto Electron (Thailand) Public Company Limited Chief Engineer Public Works & Town Planning Department Executive Director Chaophraya Port Co., Ltd.</p> <p>Training : Director Certification Program (DCP) Thai Institute of Directors Association Management for Executive Person, Public Works & Town Planning Department, Thailand Mediator Process, King Prajadhipok's Institute</p>

9. Ms. Nareenard Prasertpong

Position Accounting Manager, Corporate Secretary

Nationality	Age	Percent of share	Resume
Thai	49	0.00	<p>Education : BA. in Accounting, Chiang Mai University</p> <p>Work Resume : Present : Accounting & Finance Manager of Muramoto Electron (Thailand) Public Company Limited 2000 - 2007 : Siam Daikin Sales Co., Ltd. 1997 - 2000 : Microwave Technology Corporation Co., Ltd. 1988 - 1997 : MINEBEA Thai Co., Ltd.</p>

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

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

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

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

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



Corporate Social Responsibility Policy

Muramoto Electron (Thailand) Public Company Limited commits to operate under the Corporate Social Responsibility policy with a clear regulation for the committee, executives and every employee in the Company for the purpose to ensure transparent, verifiable, and ethical human rights advocacy of the operations including compliance with international standards and related laws to fairly protect the interests of the employees, customers, business partners, shareholders and society in order to operate the business subject to corporate social responsibility principles combined with sustainable growth.

Corporate Social Responsibility Operation

1. Good Corporate Governance : the Company commits to enhance confidence by all interested persons, with awareness and emphasis to operate subject to good corporate governance principles, holds to ethical business principles, operates with transparency that is verifiable and credible continuously, so that the business achieves sustainable growth and development.

2. Fairness operation : the Company believes and confides in the fairness of operations by complying with the law and professional and business ethics including employing an internal auditor to audit the Company's operation in every department and constantly report to the Directors accordingly.

3. Human rights advocacy and labor fair treatment : the Company gives priority to basic human rights to enhance the rights and liberal advocacy with equality, without discrimination, without gender discrimination, without employing child labor and acting vigorously against corruption. In terms of fair treatment of labor the Company gives strict priority to safety and hygiene in the workplace and every work procedure, encourages employees to participate in fringe benefits' management, and provides additional training to employees on up to date knowledge in order to handle constant change in every direction.

4. Customer, business partner, and consumer responsibility: the Company determines to provide the highest customer satisfaction with high quality products and the Company has achieved standard certification for the ISO9001 Quality Management System and TS 16949 Quality Management System for the Automotive Industry.

5. Environmental management : the Company has a clear policy to comply with the law and the Company has received standard certificate for the ISO 14001 Environmental Management System. Moreover, the Company has installed a wastewater treatment facility, changed to energy saving bulbs throughout the factory, encourages the efficient use of environmentally friendly resources and reduced dead losses starting with 5 S activities that emphasize re-use, reduce, and recycle, which are implemented continuously.

6. Social and community development participation : the Company participates in social and community development activities especially with local organizations, for example supporting The "Princess Pa's green roof foundation" project by donating 220 kilograms of material used for drink boxes, making and off-season offering of robes and other needs to monks at Sao Thong Nok temple, building a ground water container in the temple, donating education funds to Wat Sao Thong Nok school, conducting Children's Day festivities with Wat Sao Thong Nok school, building a pedestrian walkway outside, in front of, and along the side the factory and selling goods for disabled people within the Company's cafeteria at the end of each month, etc.



METCO CSR ACTIVITIES

Selling goods for disabled people within the Company's cafeteria at the end of each month



Conducting Children's Day festivities with Wat Sao Thong Nok School



Donating education funds to Wat Sao Thong Nok School



Making and off-season offering of robes and other needs to monks at Sao Thong Nok temple, building a ground water container in the temple



The "Princess Pa's green roof foundation" project by donating 220 kilograms of material used for drink boxes



Ratchaburi Home for Mentally Disabled Children



Sport Day





1. Business Risk

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

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

1.1 Production Risk

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

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

1.2 Product Risk

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

1.3 Inventory Risk

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

1.4 Credit Risk

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

1.5 Market Risk

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

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

2. Technology Risk

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

3. Workforce Risk

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

4. Financial Risk

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

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



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

I have audited the accompanying consolidated and separate financial statements of Muramoto Electron (Thailand) Public Company Limited and its subsidiary, and of Muramoto Electron (Thailand) Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Independent Auditor's Report

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 30 September 2014 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 Matter

Without qualifying my opinion, I draw attention to note 4 to the financial statements describing the effect of the Group and the Company's adoption from 1 October 2013 of certain new accounting policies. The corresponding figures presented are based on the audited consolidated and separate financial statements of the Group and the Company as at and for the year ended 30 September 2013 after making the adjustments described in note 4.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
26 November 2014

STATEMENTS OF FINANCIAL POSITION

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

As at 30 September 2014 and 2013

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)	(Restated) (in Baht)	(in Baht)	(Restated) (in Baht)
ASSETS					
Current assets					
Cash and cash equivalents	7	624,498,704	724,881,385	577,111,741	522,841,898
Trade accounts receivable	6, 8	2,620,487,288	1,749,862,782	2,375,791,144	1,477,530,299
Other receivables	6, 9	55,387,445	47,671,932	62,120,259	66,618,268
Short-term loans to related parties	6	96,691,200	-	196,691,200	390,000,000
Current portion of finance lease receivable	10	20,703,158	20,703,158	20,703,158	20,703,158
Inventories	11	1,521,806,528	1,228,450,195	1,077,010,425	897,158,517
Other current assets	12	98,255,090	82,393,630	74,630,902	60,016,955
Assets classified as held for sale	13	-	1,234,198	-	1,234,198
Total current assets		5,037,829,413	3,855,197,280	4,384,058,829	3,436,103,293
Non-current assets					
Restricted fixed deposit		4,622,000	4,622,000	-	-
Finance lease receivable	10	26,166,117	43,610,195	26,166,117	43,610,195
Investment in subsidiary	14	-	-	299,998,000	299,994,000
Investment properties	15	96,306,966	116,983,634	96,306,966	116,983,634
Property, plant and equipment	16	2,770,174,007	3,009,012,936	1,773,966,164	1,881,190,052
Intangible assets	17	8,199,427	8,989,358	5,805,104	5,837,280
Deferred tax assets	18	36,800,000	-	36,800,000	-
Other non-current assets		10,404,794	9,970,662	9,634,795	9,170,662
Total non-current assets		2,952,673,311	3,193,188,785	2,248,677,146	2,356,785,823
Total assets		7,990,502,724	7,048,386,065	6,632,735,975	5,792,889,116

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

STATEMENTS OF FINANCIAL POSITION (Continued)

As at 30 September 2014 and 2013

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)	(Restated) (in Baht)	(in Baht)	(Restated) (in Baht)
Liabilities and equity					
Current liabilities					
Short term loan from financial institution	19	-	30,000,000	-	-
Trade accounts payable	6, 20	1,949,353,584	1,464,486,865	1,684,271,496	1,261,007,434
Other payables	21	284,756,374	218,499,351	230,026,657	173,296,058
Payable for property, plant and equipment		18,775,967	31,676,659	7,674,304	8,213,565
Current portion of finance lease liabilities	19	79,983,426	83,932,732	17,680,357	16,860,921
Income tax payable		-	3,330,590	-	-
Other current liabilities		16,533,473	13,721,237	13,602,132	10,793,091
Total current liabilities		2,349,402,824	1,845,647,434	1,953,254,946	1,470,171,069
Non-current liabilities					
Finance lease liabilities	19	123,229,832	173,173,517	29,767,730	47,448,087
Deferred tax liabilities	18	2,817,866	1,339,197	-	-
Employee benefit obligations	22	142,720,348	126,437,719	116,540,423	104,561,517
Total non-current liabilities		268,768,046	300,950,433	146,308,153	152,009,604
Total liabilities		2,618,170,870	2,146,597,867	2,099,563,099	1,622,180,673
Equity					
Share capital					
Authorised share capital	23	238,981,000	238,981,000	238,981,000	238,981,000
Issued and paid-up share capital	23	208,981,000	208,981,000	208,981,000	208,981,000
Additional paid-in capital					
Premium on ordinary shares	25	653,700,000	653,700,000	653,700,000	653,700,000
Retained earnings					
Appropriated					
Legal reserve	25	55,000,000	55,000,000	25,000,000	25,000,000
Unappropriated		4,454,650,854	3,984,107,198	3,645,491,876	3,283,027,443
Total equity		5,372,331,854	4,901,788,198	4,533,172,876	4,170,708,443
Total liabilities and equity		7,990,502,724	7,048,386,065	6,632,735,975	5,792,889,116

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

STATEMENTS OF COMPREHENSIVE INCOME

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
Income					
Revenue from sale of goods	6, 26, 31	16,466,746,514	11,237,073,119	13,927,119,351	8,035,954,261
Other income	6, 27	201,303,787	205,169,582	182,166,415	188,888,231
Net foreign exchange gain		56,943,639	18,573,149	45,043,724	4,398,422
Total income		16,724,993,940	11,460,815,850	14,154,329,490	8,229,240,914
Expenses					
Cost of sale of goods	29	15,636,370,607	11,116,517,232	13,264,190,469	8,032,158,175
Selling expenses	29	244,563,594	201,311,648	214,350,580	158,495,948
Administrative expenses	29	299,334,293	383,565,276	248,503,414	298,280,642
Impairment losses	13, 16	-	570,278,030	-	231,688,782
Finance costs		14,115,613	10,658,341	3,958,929	2,844,001
Total expenses		16,194,384,107	12,282,330,527	13,731,003,392	8,723,467,548
Profit (loss) before income tax expense		530,609,833	(821,514,677)	423,326,098	(494,226,634)
Income tax expense	30	2,562,667	11,894,814	3,358,155	-
Profit (loss) for the year		528,047,166	(833,409,491)	419,967,943	(494,226,634)
Other comprehensive income for the year					
Defined benefit plan actuarial losses	22	(1,961,078)	(40,646,478)	(1,961,078)	(33,798,263)
Income tax on other comprehensive income		7,151,868	-	7,151,868	-
Total comprehensive income for the year		533,237,956	(874,055,969)	425,158,733	(528,024,897)
Basic earnings (loss) per share (Baht)	32	25.27	(39.88)	20.10	(23.65)

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

STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

Consolidated financial statements

Note	Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			Total Equity
				Legal reserve	Treasury shares reserves	Unappropriated	
(in Baht)							
Balance at 1 October 2012 - as reported	220,000,000	(154,818,400)	653,700,000	55,000,000	154,818,400	4,909,926,091	5,838,626,091
Impact of changes in accounting policies 4	-	-	-	-	-	(87,624)	(87,624)
Balance at 1 October 2012 - as restated	220,000,000	(154,818,400)	653,700,000	55,000,000	154,818,400	4,909,838,467	5,838,538,467
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Reduction of treasury shares	(11,019,000)	154,818,400	-	-	(154,818,400)	11,019,000	-
Dividend to owners of the Company 33	-	-	-	-	-	(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	-	-	-	-	-	(833,409,491)	(833,409,491)
Other comprehensive income	-	-	-	-	-	(40,646,478)	(40,646,478)
Total comprehensive income for the year	-	-	-	-	-	(874,055,969)	(874,055,969)
Balance at 30 September 2013	208,981,000	-	653,700,000	55,000,000	-	3,984,107,198	4,901,788,198

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



STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

Consolidated financial statements

Note	Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			Total Equity
				Legal reserve	Treasury shares reserves	Unappropriated	
				(in Baht)			
Balance at 1 October 2013 - as reported	208,981,000	-	653,700,000	55,000,000	-	3,985,446,395	4,903,127,395
Impact of changes in accounting policies 4	-	-	-	-	-	(1,339,197)	(1,339,197)
Balance at 1 October 2013 - as restated	208,981,000	-	653,700,000	55,000,000	-	3,984,107,198	4,901,788,198
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Dividend to owners of the Company 33	-	-	-	-	-	(62,694,300)	(62,694,300)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	(62,694,300)	(62,694,300)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	(62,694,300)	(62,694,300)
Comprehensive income for the year							
Profit	-	-	-	-	-	528,047,166	528,047,166
Other comprehensive income	-	-	-	-	-	5,190,790	5,190,790
Total comprehensive income for the year	-	-	-	-	-	533,237,956	533,237,956
Balance at 30 September 2014	208,981,000	-	653,700,000	55,000,000	-	4,454,650,854	5,372,331,854

STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

Separated financial statements

Note	Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			Total Equity
				Legal reserve	Treasury shares reserves	Unappropriated	
(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	(11,019,000)	154,818,400	-	-	(154,818,400)	11,019,000	-
Dividend to owners of the Company 33	-	-	-	-	-	(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	-	-	-	-	-	(494,226,634)	(494,226,634)
Other comprehensive income	-	-	-	-	-	(33,798,263)	(33,798,263)
Total comprehensive income for the year	-	-	-	-	-	(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

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

STATEMENTS OF CHANGES IN EQUITY

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

Separated financial statements

Note	Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			Total Equity
				Legal reserve	Treasury shares reserves	Unappropriated	
(in Baht)							
	208,981,000	-	653,700,000	25,000,000	-	3,283,027,443	4,170,708,443
	Transactions with owners, recorded directly in equity						
	Contributions by and distributions to owners of the Company						
Dividend to owners of the Company 33	-	-	-	-	-	(62,694,300)	(62,694,300)
	Total contributions by and distributions to owners of the Company						
	-	-	-	-	-	(62,694,300)	(62,694,300)
	Total transactions with owners, recorded directly in equity						
	-	-	-	-	-	(62,694,300)	(62,694,300)
	Comprehensive income for the year						
Profit	-	-	-	-	-	419,967,943	419,967,943
Other comprehensive income	-	-	-	-	-	5,190,790	5,190,790
	Total comprehensive income for the year						
	-	-	-	-	-	425,158,733	425,158,733
	Balance at 30 September 2014						
	208,981,000	-	653,700,000	25,000,000	-	3,645,491,876	4,533,172,876

STATEMENTS OF CASH FLOWS

For the years ended 30 September 2014 and 2013

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)	(Restated) (in Baht)	(in Baht)	(Restated) (in Baht)
Cash flows from operating activities					
Profit (loss) for the year		528,047,166	(833,409,491)	419,967,943	(494,226,634)
Adjustments for					
Depreciation and amortisation		480,572,187	610,560,278	279,190,772	297,019,619
Dividend income		-	-	(10,019,933)	(10,019,933)
Finance costs		14,115,613	10,658,341	3,958,929	2,844,001
Unrealised loss (gain) on exchange rate		16,529,993	(4,840,176)	14,787,945	(4,506,999)
Provision for obsolete and net realisable value of inventories (reversal of)		(27,718,009)	12,588,887	(22,391,225)	8,689,984
Provision for impairment loss on property, plant and equipment and assets classified as held for sale		-	570,278,030	-	231,688,782
Loss (gain) on disposal of property, plant and equipment		(590,156)	17,274,358	151,765	(327,216)
Gain on disposal of assets classified as held for sale		(727,672)	(119,000)	(727,672)	(119,000)
Amortisation of golf membership		46,666	46,666	46,666	46,666
Employee benefit obligations		16,499,754	33,459,312	12,196,031	31,159,051
Income tax expense		2,562,667	11,894,814	3,358,155	-
		1,029,338,209	428,392,019	700,519,376	62,248,321
Changes in operating assets and liabilities					
Trade accounts receivable		(887,611,194)	158,630,912	(913,525,285)	65,623,524
Other receivable		(14,923,341)	101,067,458	7,313,866	104,791,917
Inventories		(265,638,324)	(187,413,866)	(157,460,682)	(294,891,625)
Other current assets		(15,861,460)	(17,690,114)	(14,613,947)	(18,231,739)
Other non-current assets		(480,800)	5,840,770	(510,800)	5,679,301
Trade accounts payable		490,929,772	(217,579,514)	429,609,870	(78,245,506)
Other payables		74,305,901	(22,122,542)	58,098,978	(1,847,672)
Other current liabilities		2,812,236	(6,923,666)	2,809,041	(5,398,987)
Employee benefit obligations paid		(2,178,203)	(28,174,180)	(2,178,203)	(28,174,180)
Income tax paid		(34,062,719)	(7,312,651)	(33,006,287)	-
Net cash provided by (used in) operating activities		376,630,077	206,714,626	77,055,927	(188,446,646)

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

STATEMENTS OF CASH FLOWS (Continued)

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

For the years ended 30 September 2014 and 2013

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)	(in Baht)	(in Baht)	(in Baht)
			(Restated)		(Restated)
Cash flows from investing activities					
Decrease (increase) in short-term loans to related parties		(96,504,780)	92,073,300	(96,504,780)	182,073,300
Repayment from loans to related parties		-	-	290,000,000	-
Addition to investment properties		-	(13,892,000)	-	(13,892,000)
Purchases of property, plant and equipment		(233,811,724)	(423,325,630)	(132,587,465)	(272,192,585)
Sales of property, plant and equipment		21,950,426	5,189,932	378,897	1,670,841
Sales of assets classified as held for sale		1,961,870	241,119,000	1,961,870	241,119,000
Purchases of intangible assets		(2,403,920)	(3,298,146)	(2,296,420)	(1,058,000)
Net cash provided by (used in) investing activities		(308,808,128)	(102,133,544)	60,952,102	137,720,556
Cash flows from financing activities					
Interest paid		(22,160,738)	(10,658,341)	(3,958,929)	(2,844,001)
Proceeds from short-term loan from financial institution		-	30,000,000	-	-
Repayment to short-term loan from financial institution		(30,000,000)	-	-	-
Repayment under financial lease liabilities		(54,386,029)	(49,049,388)	(16,860,921)	(10,811,776)
Proceeds from finance lease liabilities		1,260,473	79,014,579	-	75,120,783
Dividends paid	33	(62,694,300)	(62,694,300)	(62,694,300)	(62,694,300)
Net cash used in financing activities		(167,980,594)	(13,387,450)	(83,514,150)	(1,229,294)
Net increase (decrease) in cash and cash equivalents		(100,158,645)	91,193,632	54,493,879	(51,955,384)
Cash and cash equivalents at beginning of year		724,881,385	631,697,701	522,841,898	572,807,230
Effects of exchange rate changes on balances held in foreign currencies		(224,036)	1,990,052	(224,036)	1,990,052
Cash and cash equivalents at end of year	7	624,498,704	724,881,385	577,111,741	522,841,898
Non-cash transactions					
Assets acquired by means of finance lease		32,624,440	158,706,529	-	-
Payable for property, plant and equipment and investment properties		18,775,967	31,676,659	7,674,304	8,213,565

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

NOTES TO THE FINANCIAL STATEMENTS

For the years ended 30 September 2014 and 2013

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 2014.

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 :

	Type of business	Country of incorporation	Ownership interest	
			2014	2013
Sima Technology Co., Ltd.	Manufacturing of electronic parts	Thailand	99.99 %	99.99 %

2. Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 October 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 37.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

Note 3	Current operations
Notes 13 and 16	Non-current assets held for sale and key assumptions used in discounted cash flow Projections
Note 18	Deferred taxation
Note 22	Measurement of defined benefit obligations

3. Current operations

During the past few years, the Group's operations had been affected by the economic slowdown due to the sluggish demand for the business and the economic turmoil which resulted in the Group incurring a net loss from operations in the consolidated and separate financial statement for the year ended 30 September 2013 of Baht 833 million and 494 million, respectively. Management adopted and has been implementing several measures to improve the operations to turn the Group's loss into profit. These include discontinuance of TV and other related businesses; starting new business with new customers and implementing several measures to reduce costs. As the result, the Group's and the Company's financial performance have been improved in 2014.

The Group and the Company reported net profit from operations of Baht 528 million and 420 million for the year ended 30 September 2014, respectively.

4. Changes in accounting policies**(a) Overview**

From 1 October 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 4(b) to 4(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for income tax

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. The accounting policy for deferred tax is described in note 5.

The Group/Company adopted TAS 12 with effect from 1 October 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows :

	Consolidated financial statements		Separate financial statements	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	(in thousand Baht)		(in thousand Baht)	
Statement of financial position as at				
Increase in deferred tax assets	36,800	-	36,800	-
Increase in deferred tax liabilities	2,818	1,339	-	-
Decrease in actuarial losses	7,152	-	7,152	-
Increase (decrease) in retained earnings	26,830	(1,339)	29,648	-
Increase (decrease) in equity	33,982	(1,339)	36,800	-
Statement of comprehensive income for the year ended 30 September				
(Increase)/decrease in income tax expense	28,170	(1,252)	29,648	-
Increase/(decrease) in profit for the year	28,170	(1,252)	29,648	-
(Increase)/decrease in income tax on comprehensive income	(7,152)	-	(7,152)	-
Increase/(decrease) in total comprehensive income for the year	21,018	(1,252)	22,496	-
Increase (decrease) in earnings per share				
- Basic earnings (loss) per share (in Baht)	1.35	(0.06)	1.42	-

(c) Accounting for the effects of changes in foreign exchange rates

From 1 October 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) 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 (revised 2009) 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 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht. Accordingly, the adoption of TAS 21 (revised 2009) from 1 October 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 October 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 30 September 2013, which are included in the Group 2014 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group reported financial position, the financial performance and cash flow of the Group.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has resulted in the Group presenting segment information (Note 26) in respect of the following segments: Electronic parts for automotive business; Electronic parts for office automation business and other business.

5. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 4, which address changes in accounting policies.

(a) Basis of consolidation

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

Subsidiary

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies**Foreign currency transactions**

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

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

Subsequent expenditure

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

Amortisation

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

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

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

(l) 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 cost 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 recognised 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 recognised 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 expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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

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

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

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

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

● NOTES TO THE FINANCIAL STATEMENTS

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

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

(v) Segment reporting

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

6. 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 Audio-Visual Philippines Inc.	Philippine	Ultimate parent is major shareholder, common director
P.T. Muramoto Elektronika Indonesia	Indonesia	Ultimate parent is major shareholder, common director
Muramoto Manufacturing de Mexico, S de R.L. de C.V	Mexico	Ultimate parent is major shareholder, common director
Muramoto Sumitronics, de Mexico, S de R.L. de C.V	Mexico	Ultimate parent is major shareholder, common director
Kein Hing Muramoto Vietnam	Vietnam	Ultimate parent is major shareholder
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services	Cost plus margin
Purchase of raw materials and purchase of fixed assets	At contractually agreed prices, equivalent to market price
Other income	At prices equivalent to purchase/cost of services from third parties
Technical fees	At contractually agreed prices
Royalty fees	0.75% of net sales
Interest income	At rates equivalent to market

Significant transactions for the years ended 30 September 2014 and 2013 with related parties were as follows :

	Consolidated financial statements		Separate financial statements	
	2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
Parent				
Muramoto Industry Co., Ltd.				
Sales of goods	1,674,055	1,372,706	1,141,463	618,476
Purchases of goods and fixed assets	609,662	338,782	596,776	305,346
Royalty fees	110,304	72,606	104,453	60,270
Technical fees	29,820	13,583	28,859	13,583
Other income	1,586	3,144	1,117	471
Subsidiary				
Sima Technology Co., Ltd.				
Sales of goods	-	-	289,076	418,580
Purchases of goods	-	-	16,288	2,001
Interest income	-	-	6,391	16,462
Dividend income	-	-	10,020	10,020
Other income	-	-	-	528
Other related parties				
Muramoto Asia Pte Ltd.				
Sales of goods	184,132	622,492	184,132	593,369
Purchases of goods	120,524	204,289	29,340	40,860
Interest income	-	-	931	-
Other income	342	40	342	-
Muramoto Manufacturing Europe S.R.O.				
Sales of goods	-	32	894	32
Muramoto USA Inc.				
Sales of goods	3,442,231	630,521	3,441,895	629,005
Purchases of goods	12,500	50,422	12,500	50,422
Interest income	-	1,049	-	1,049
Other income	1,082	1,608	1,082	1,428
Muramoto Technics (Malaysia) Sdn. Bhd.				
Purchases of goods	3,326	12,443	3,326	12,443
Technical fees	-	63	-	-
Muramoto Audio-Visual Phillipines, Inc				
Sales of goods	31,566	19,592	31,566	19,555
Purchases of goods	2,695	3,921	-	-
Other income	308	-	308	-
Others				
Sales of goods or rendering of services	-	1,693	-	1,693
Other income	-	479	-	479
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	14,359	23,745	6,597	18,528

● NOTES TO THE FINANCIAL STATEMENTS

Balances as at 30 September 2014 and 2013 with related parties are as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Trade accounts receivable from related parties				
Parent				
Muramoto Industry Co., Ltd.	465,229	378,150	409,347	252,226
Subsidiary				
Sima Technology Co., Ltd.	-	-	51,690	108,558
Other related parties				
Muramoto Asia Pte Ltd.	14,096	17,126	14,093	15,873
Muramoto USA Inc.	594,610	289,563	594,610	289,253
Muramoto Audio-Visual Philippines, Inc.	2,747	3,478	2,747	3,470
Total	1,076,682	688,317	1,072,487	669,380
Short-term loan to related parties				
Subsidiary				
Sima Technology Co., Ltd.	-	-	100,000	390,000
Other related parties				
Muramoto USA Inc.	96,691	-	96,691	-
Total	96,691	-	196,691	390,000
Other receivables from related parties				
Parent				
Muramoto Industry Co., Ltd.	1,249	540	1,249	540
Subsidiary				
Sima Technology Co., Ltd.	-	-	10,043	18,088
Other related parties				
Muramoto USA Inc.	174	1,105	174	1,105
P.T. Muramoto Elektronika Indonesia	-	24	-	24
Muramoto Asia Pte Ltd.	8,620	-	8,620	-
Muramoto Audio-Visual Philippines, Inc.	315	-	315	-
Total	10,358	1,669	20,401	19,757
Trade accounts payable to related parties				
Parent				
Muramoto Industry Co., Ltd.	141,332	127,434	135,625	119,803
Subsidiary				
Sima Technology Co., Ltd.	-	-	2,464	325
Other related parties				
Muramoto Asia Pte Ltd.	13,941	28,341	2,322	5,255
Muramoto USA Inc.	33	30	33	30
Muramoto Audio-Visual Philippines, Inc.	252	979	-	-
Total	155,558	156,784	140,444	125,413

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Other payable to related party				
Parent				
Muramoto Industry Co., Ltd.	43,330	26,763	42,138	23,854
Other related parties				
Muramoto USA Inc.	4,215	-	4,215	-
Muramoto Audio-Visual Philippines, Inc.	-	-	3	-
Total	47,545	26,763	46,356	23,854
Payable for property, plant and equipment				
Muramoto Industry Co., Ltd.	-	757	-	757
Total	-	757	-	757

Short-term loan to related parties

Movements during the years ended 30 September 2014 and 2013 of short-term loan to related parties were as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Subsidiary				
Sima Technology Co., Ltd.				
At 1 October	-	-	390,000	480,000
Increase	-	-	-	-
Loan repayment	-	-	(290,000)	(90,000)
At 30 September	-	-	100,000	390,000
Other related parties				
Muramoto USA Inc.				
At 1 October	-	92,073	-	92,073
Loan repayment	-	(93,489)	-	(93,489)
Unrealized gain on exchange rate	-	1,416	-	1,416
At 30 September	-	-	-	-
Muramoto Asia Pte Ltd.				
At 1 October	-	-	-	-
Increase	96,505	-	96,505	-
Unrealized gain on exchange rate	186	-	186	-
At 30 September	96,691	-	96,691	-
Total Other related parties	96,691	-	96,691	-
Total	96,691	-	196,691	390,000

NOTES TO THE FINANCIAL STATEMENTS

As at 30 September 2014, short-term loans to Sima Technology Co., Ltd. bear interest at the rates 2.78% per annum (2013: 2.93% - 3.61% per annum). Final maturity date is 28 June 2015 (2013: 28 December 2014).

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. This loan had already been repaid in September 2013.

At the annual general meeting of the shareholders of the Company held on 24 January 2014, the shareholders approved the additional corporate objective of the Company in the Memorandum of Association whereby the Company will operate a business of providing loans to affiliated company in and outside Thailand. In this connection, on 17 December 2013, the Company entered into a loan agreement with Muramoto Asia Pte Ltd. in which the Company agreed to lend USD 3 million (equivalent to Baht 97 million) to the latter. The loan bears interest at 1.20% per annum, is unsecured and is due on 16 December 2014. Subsequently, on 26 November 2014, the Board of Directors approved the extension of the period of loan for another one year.

Significant agreements with related parties

As at 30 September 2014, the Company has guaranteed Baht 420 million (2013: Baht 420 million) of bank overdraft and loan facilities from a bank for its subsidiary. Subsequently, on 26 November 2014, the Board of Directors approved the cancellation of the guarantee of Baht 320 million.

As at 30 September 2014, the ultimate parent company has guaranteed Yen 250 million (equivalent to Baht 74.72 million) and Baht 30 million (2013: Yen 250 million (equivalent to Baht 81.06 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.

7. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cash on hand	473	536	166	385
Cash at bank	624,026	724,345	576,946	522,457
Total	624,499	724,881	577,112	522,842

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	452,288	602,511	404,901	400,472
United States Dollars	124,585	121,621	124,585	121,621
Japanese Yen	47,626	749	47,626	749
Total	624,499	724,881	577,112	522,842

8. Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	6	1,076,682	688,317	1,072,487	669,380
Other parties		1,543,805	1,061,546	1,303,304	808,150
Total		2,620,487	1,749,863	2,375,791	1,477,530

Aging analyses for trade accounts receivable were as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within credit terms	2,602,018	1,674,657	2,357,322	1,402,340
Overdue:				
Less than 3 months	18,423	75,206	18,423	75,190
Overdue 3 - 12 months	46	-	46	-
Total	2,620,487	1,749,863	2,375,791	1,477,530

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		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	1,350,426	714,445	1,161,587	750,590
United States Dollars	805,813	463,625	805,813	458,232
Japanese Yen	464,248	571,793	408,391	268,708
Total	2,620,487	1,749,863	2,375,791	1,477,530

9. Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	6	10,358	1,669	20,401	19,757
Other parties		45,029	46,003	41,719	46,861
Total		55,387	47,672	62,120	66,618

10. Finance lease receivable

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Finance lease receivable	52,145	71,700	52,145	71,700
Less unearned interest income	(5,276)	(7,387)	(5,276)	(7,387)
	46,869	64,313	46,869	64,313
Less current portion of finance lease receivable	(20,703)	(20,703)	(20,703)	(20,703)
Total	26,166	43,610	26,166	43,610

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 19.

11. Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials	681,380	620,896	471,487	468,655
Work in process	139,754	102,547	92,144	65,595
Finished goods	551,811	392,825	397,633	283,755
Supplies	35,884	40,143	22,825	22,704
Goods in transit	118,720	105,499	98,663	84,583
	1,527,549	1,261,910	1,082,752	925,292
Less allowance for decline in value	(5,742)	(33,460)	(5,742)	(28,133)
Net	1,521,807	1,228,450	1,077,010	897,159

12. Other current assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Value added tax receivable	35,697	42,856	20,001	24,752
Prepaid withholding tax	44,600	34,224	36,672	29,951
Others	17,958	5,314	17,958	5,314
Total	98,255	82,394	74,631	60,017

13. Non-current assets held for sale

Previously, the management performed a detailed assessment of the business and identified business units which had incurred continuing losses and for which future profitability remains uncertain.

Consequently, some machinery and equipment within the PDP line (TV Business) were presented as assets classified as held for sale at 30 September 2013 following the commitment of the Group's management to sell this group of assets as it is no longer in use. During the year ended 30 September 2014, all items within this disposal group of assets had already been sold with a gain on disposal of Baht 0.7 million has been recorded in the statement of comprehensive income.

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

	Note	Consolidated/Separate financial statements	
		Machinery and equipment at net book value	
		(in thousand Baht)	
At 1 October 2012		282,600	
Transfer from property, plant and equipment	16	90,994	
Less disposal		(362,611)	
Less impairment losses		(131,360)	
Add reversal of impairment from disposal		121,611	
At 30 September 2013 and 1 October 2013		1,234	
Less disposal		(196,186)	
Add reversal of impairment from disposal		194,952	
At 30 September 2014		-	

14. Investment in subsidiary

The investment in subsidiary as at 30 September 2014 and 2013, and dividend income from this investment for the years then ended were as follows :

	Separate financial Statement							
	Ownership interest		Paid-up capital		Cost Method		Dividend	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)	
Sima Technology Co., Ltd.	99.99	99.99	300,000	300,000	299,998	299,994	10,020	10,020

15. Investment properties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost				
At 1 October	147,210	140,228	147,210	140,228
Transfer from property, plant and equipment	-	6,982	-	6,982
At 30 September	147,210	147,210	147,210	147,210
Depreciation and impairment losses				
At 1 October	30,226	8,655	30,226	8,655
Depreciation charge for the year	20,677	21,571	20,677	21,571
At 30 September	50,903	30,226	50,903	30,226
Net book value	96,307	116,984	96,307	116,984

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 10 has also been transferred from property, plant and equipment to investment property. Investment properties are stated at cost less accumulated depreciation and impairment losses.

As at 30 September 2014, fair value of the investment properties amount of Baht 171 million (2013: Baht 209 million) that are leased to third parties has been evaluated by the Group's valuation model.

16. Property, plant and equipment

Consolidated financial statements

	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost								
At 1 October 2012	240,107	124,778	3,025,156	7,320,586	15,529	514,193	127,101	11,367,450
Additions	-	5,004	26,138	200,802	52	3,205	349,638	584,839
Transfer to investment properties	(6,982)	-	-	-	-	-	-	(6,982)
Transfers, net	-	43,684	44,080	324,072	-	110	(411,946)	-
Transfer to assets held for sale	-	-	-	(178,522)	-	-	-	(178,522)
Disposals	-	-	(2,361)	(1,688,757)	(3,468)	(385,320)	-	(2,079,906)
At 30 September 2013 and 1 October 2013	233,125	173,466	3,093,013	5,978,181	12,113	132,188	64,793	9,686,879
Additions	-	2,446	2,253	84,974	-	4,465	144,037	238,175
Transfers, net	-	6,114	3,709	189,008	-	250	(199,081)	-
Disposals	-	(5,912)	(40,163)	(58,821)	(503)	(76)	-	(105,475)
At 30 September 2014	233,125	176,114	3,058,812	6,193,342	11,610	136,827	9,749	9,819,579
Depreciation and impairment loss								
At 1 October 2012	-	38,287	1,583,111	5,544,378	12,553	465,694	-	7,644,023
Depreciation charge for the year	-	3,668	87,406	475,193	795	18,018	-	585,080
Losses on decline in value	-	11,014	38,260	388,255	-	1,389	-	438,918
Transfers, net	-	219	-	-	-	(219)	-	-
Transfer to assets held for sale	-	-	-	(87,528)	-	-	-	(87,528)
Disposals	-	-	(1,190)	(1,514,002)	(2,170)	(385,265)	-	(1,902,627)
At 30 September 2013 and 1 October 2013	-	53,188	1,707,587	4,806,296	11,178	99,617	-	6,677,866
Depreciation charge for the year	-	8,390	91,213	480,146	554	13,902	-	594,205
Losses on decline in value	-	(4,364)	(6,800)	(135,184)	-	(745)	-	(147,093)
Disposals	-	(2,915)	(34,698)	(37,394)	(503)	(63)	-	(75,573)
At 30 September 2014	-	54,299	1,757,302	5,113,864	11,229	112,711	-	7,049,405
Net book value								
At 30 September 2013								
Owned assets	233,125	120,278	1,385,426	959,080	935	32,571	64,793	2,796,208
Assets under finance leases	-	-	-	212,805	-	-	-	212,805
	233,125	120,278	1,385,426	1,171,885	935	32,571	64,793	3,009,013
At 30 September 2014								
Owned assets	233,125	121,815	1,301,510	892,097	381	24,116	9,749	2,582,793
Assets under finance leases	-	-	-	187,381	-	-	-	187,381
	233,125	121,815	1,301,510	1,179,478	381	24,116	9,749	2,770,174

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 September 2014 amounted to Baht 3,166 million (2013: Baht 3,095 million).

In 2014, gain from sale and lease back agreements for machinery and equipment of a subsidiary amounted to Baht 1.6 million were recognised as deferred gain on sale and lease back (2013: Baht 3.9 million).

16. Property, plant and equipment (Continued)

Separate financial statements

	Land	Land improvements & leasehold improvements	Building and structure	Machinery & equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost								
At 1 October 2012	208,414	124,778	2,030,861	5,324,104	7,116	458,339	97,674	8,251,286
Additions	-	5,004	-	36,655	52	2,699	174,042	218,452
Transfer to Investment properties	(6,982)	-	-	-	-	-	-	(6,982)
Transfers, net	-	43,684	-	171,484	-	105	(215,273)	-
Transfers to asset held for sale	-	-	-	(178,522)	-	-	-	(178,522)
Disposals	-	-	-	(1,232,731)	(2,119)	(375,130)	-	(1,609,980)
At 30 September 2013 and 1 October 2013	201,432	173,466	2,030,861	4,120,990	5,049	86,013	56,443	6,674,254
Additions	-	2,446	-	45,970	-	3,912	97,164	149,492
Transfers, net	-	6,114	-	143,462	-	250	(149,826)	-
Disposals	-	(5,912)	(39,069)	(36,464)	-	-	-	(81,445)
At 30 September 2014	201,432	176,114	1,991,792	4,273,958	5,049	90,175	3,781	6,742,301
Depreciation and impairment loss								
At 1 October 2012	-	38,287	1,233,258	4,419,626	5,575	420,435	-	6,117,181
Depreciation charge for the year	-	3,668	30,575	222,274	253	14,947	-	271,717
Transfer to assets held for sale	-	-	-	(87,528)	-	-	-	(87,528)
Losses on decline to value	-	11,014	38,260	49,666	-	1,389	-	100,329
Transfers, net	-	219	-	-	-	(219)	-	-
Disposals	-	-	-	(1,232,689)	(821)	(375,125)	-	(1,608,635)
At 30 September 2013 and 1 October 2013	-	53,188	1,302,093	3,371,349	5,007	61,427	-	4,793,064
Depreciation charge for the year	-	8,390	31,382	221,533	10	11,336	-	272,651
Losses on decline to value	-	(4,364)	(6,800)	(14,057)	-	(745)	-	(25,966)
Disposals	-	(2,915)	(34,048)	(34,451)	-	-	-	(71,414)
At 30 September 2014	-	54,299	1,292,627	3,544,374	5,017	72,018	-	4,968,335
Net book value								
At 30 September 2013	201,432	120,278	728,768	749,641	42	24,586	56,443	1,881,190
At 30 September 2014	201,432	121,815	699,165	729,584	32	18,157	3,781	1,773,966

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 September 2014 amounted to Baht 2,839 million (2013: 2,643 million).

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The TV business impairment testing of the Company in 2013 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 :

	2014	2013
	(%)	
Discount rate	-	10.84
Budgeted sales growth rate (decrease)	-	(1) - (12)

17. Intangible assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost				
At 1 October	28,264	26,132	20,146	19,088
Addition	2,404	3,298	2,296	1,058
Disposals	-	(1,166)	-	-
At 30 September and 1 October	30,668	28,264	22,442	20,146
Amortisation				
At 1 October	19,275	15,822	14,309	10,580
Amortisation for the year	3,194	4,619	2,328	3,729
Disposals	-	(1,166)	-	-
At 30 September and 1 October	22,469	19,275	16,637	14,309
Net book value				
At 30 September	8,199	8,989	5,805	5,837

18. Deferred tax

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

	Consolidated			
	Assets		Liabilities	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Total	36,800	-	(2,818)	(1,340)
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	36,800	-	(2,818)	(1,340)

	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Total	36,800	-	-	-
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	36,800	-	-	-

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

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

	Consolidated financial statements			
	At 1 October 2012	(Charged) / Credited to :		At 30 September 2013
		(in thousand Baht)	Profit or loss (in thousand Baht)	
Deferred tax liabilities				
Finance lease liabilities	(87)	(1,252)	-	(1,339)

	Separate financial statements			
	At 1 October 2013	(Charged) / Credited to :		At 30 September 2014
		(in thousand Baht)	Profit or loss (in thousand Baht)	
Deferred tax assets				
Inventories	-	1,149	-	1,149
Employee benefit obligation	-	16,156	7,152	23,308
Loss carry forward	-	12,343	-	12,343
Total	-	29,648	7,152	36,800

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognised in the financial statements as at 30 September 2014 and 2013 were as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Deductible temporary differences	34,639	117,600	14,873	85,595
Tax losses	76,259	132,111	76,259	132,111
Total	110,898	249,711	91,132	217,706

The tax losses will be expired in 2018. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

19. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current				
Short term loan	-	30,000	-	-
Current portion of finance lease liabilities	79,983	83,933	17,680	16,861
Total current interest bearing liabilities	79,983	113,933	17,680	16,861
Non-current				
Finance lease liabilities	123,230	173,174	29,768	47,448
Total non - current interest bearing liabilities	123,230	173,174	29,768	47,448
Total	203,213	287,107	47,448	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 2014, no facility had been utilized (2013: -nil-).

As at 30 September 2014, a subsidiary has unused credit facilities (short-term loan, bank overdraft, letter of guarantee, letter of credit and foreign exchange) from local financial institutions amounting to Baht 670 million (2013: Baht 940 million).

Finance lease liabilities

The Group entered into various lease agreements covering machinery and equipment. Lease terms are for the period of 3 and 5 years. Finance lease liabilities as at 2014 and 2013 were payable as follows :

	Consolidated financial statements					
	2014			2013		
	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within one year	88,462	8,479	79,983	95,524	11,591	83,933
After one year but within five years	131,343	8,113	123,230	186,981	13,807	173,174
Total	219,805	16,592	203,213	282,505	25,398	257,107

	Separate financial statements					
	2014			2013		
	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Within one year	19,554	1,874	17,680	19,554	2,693	16,861
After one year but within five years	30,961	1,193	29,768	50,516	3,068	47,448
Total	50,515	3,067	47,448	70,070	5,761	64,309

20. Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	6	155,558	156,784	140,444	125,413
Other parties		1,793,796	1,307,703	1,543,827	1,135,594
Total		1,949,354	1,464,487	1,684,271	1,261,007

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Thai Baht	1,289,422	777,364	1,099,000	744,862
United States Dollars	426,853	404,891	404,385	356,387
Japanese Yen	232,830	281,987	180,637	159,514
Others	249	245	249	244
Total	1,949,354	1,464,487	1,684,271	1,261,007

21. Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Related parties	6	47,545	26,763	46,356	23,854
Other parties		237,211	191,736	183,671	149,442
Total		284,756	218,499	230,027	173,296

22. Employee benefit obligations

Defined benefit obligation

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Present value of unfunded obligations	142,720	126,438	116,540	104,562
Statement of financial position	142,720	126,438	116,540	104,562

● NOTES TO THE FINANCIAL STATEMENTS

Movement in the present value of the defined benefit obligations :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Defined benefit obligations at 1 October	126,438	80,506	104,561	67,778
Current service costs and interest	16,499	15,587	12,196	11,682
Curtailment losses/settlement	-	17,872	-	19,477
Actuarial losses recognized in other comprehensive income	1,961	40,647	1,961	33,798
Benefit paid	(2,178)	(28,174)	(2,178)	(28,174)
Defined benefit obligations at 30 September	142,720	126,438	116,540	104,561

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Current service cost	11,486	11,084	8,122	7,962
Interest on obligation	5,013	4,503	4,074	3,720
Curtailment losses/settlement	-	17,872	-	19,477
Total	16,499	33,459	12,196	31,159

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Cost of sales	14,210	28,476	10,767	27,277
Selling expenses	415	772	243	567
Administrative expenses	1,874	4,211	1,186	3,315
Total	16,499	33,459	12,196	31,159

Actuarial gain and loss recognized in other comprehensive income :

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Actuarial losses	1,961	40,647	1,961	33,798

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(%)	(%)	(%)	(%)
Discount rate	3.9, 4.0	3.9, 4.0	3.9	3.9
Future salary increases	3.0-5.0	3.0-5.0	5.0	5.0

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

23. Share capital

	Par value (in Baht)	2014		2013	
		Number (thousand shares/thousand Baht)	Baht	Number (thousand shares/thousand Baht)	Baht
Authorised					
At 1 October					
- ordinary shares	10	23,898	238,981	25,000	250,000
- reduction of treasury shares		-	-	(1,102)	(11,019)
At 30 September					
- ordinary shares	10	23,898	238,981	23,898	238,981
Issued and fully paid-up					
At 1 October					
- ordinary shares	10	20,898	208,981	22,000	220,000
- reduction of treasury shares		-	-	(1,102)	(11,019)
At 30 September					
- ordinary shares	10	20,898	208,981	20,898	208,981

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

24. 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.

25. 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.

26. Segment information

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

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Electronic parts for automotive business		Electronic parts for office automation business		Other business		Total		Eliminations		Net	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)	
Revenue												
External revenue	8,340	5,025	8,071	6,199	56	13	16,467	11,237	-	-	16,467	11,237
Inter-segment revenue	15	2	10	25	-	-	25	27	(25)	(27)	-	-
Total segment revenue	8,355	5,027	8,081	6,224	56	13	16,492	11,264	(25)	(27)	16,467	11,237
Gross profit	148	(346)	409	70	3	-	560	(276)	271	396	831	120
Other Income	112	110	103	122	-	-	215	232	(14)	(27)	201	205
Net foreign exchange gain	29	8	28	11	-	-	57	19	-	-	57	19
Cost of sale of goods	(8,207)	(5,373)	(7,672)	(6,154)	(53)	(13)	(15,932)	(11,540)	296	423	(15,636)	(11,117)
Selling expense	(130)	(95)	(115)	(106)	-	-	(245)	(201)	-	-	(245)	(201)
Administrative expense	(153)	(182)	(144)	(202)	(2)	-	(299)	(384)	-	-	(299)	(384)
Impairment loss	-	-	-	(570)	-	-	-	(570)	-	-	-	(570)
Finance costs	(3)	(3)	(18)	(22)	-	(1)	(21)	(26)	7	16	(14)	(10)
Income tax expense	(1)	(5)	(2)	(7)	-	-	(3)	(12)	-	-	(3)	(12)
Profit for the year	2	(513)	261	(704)	1	(1)	264	(1,218)	264	385	528	(833)
Interest revenue	7	11	5	11	-	-	12	22	(6)	16	6	6
Depreciation and amortisation	(207)	(273)	(273)	(338)	(1)	-	(481)	(611)	-	-	(481)	(611)
Segment assets as at 30 September	1,139	840	1,560	1,540	8	-	2,707	2,380	(1)	-	2,706	2,380

Reconciliations of reportable segment assets

	2014	2013
	(in million Baht)	(in million Baht)
Assets		
Total assets for reportable segments	2,706	2,380
Other unallocated amounts	5,285	4,668
Consolidated total assets	7,991	7,048

Geographical information

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

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

	Revenues		Non-current assets*	
	2014	2013	2014	2013
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Japan	5,859	5,059	-	-
Thailand	6,900	4,861	2,916	3,193
Other countries	3,708	1,317	-	-
Total	16,467	11,237	2,916	3,193

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

Major customer

Revenues from three customers of the Group's Electronic parts for Automotive business, Electronic parts for office automation business and other business segments represents approximately Baht 10,012 million (2013: Baht 5,301 million) of the Group's total revenues.

27. Other income

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Income from scrap sale		109,539	117,777	95,494	94,286
Rental and other service income		72,690	65,216	57,076	51,999
Interest income		5,583	4,950	11,594	21,217
Dividend income	6, 14	-	-	10,020	10,020
Others		13,492	17,226	7,982	11,366
Total		201,304	205,169	182,166	188,888

28. Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Management				
Wages and salaries	6,392	9,150	3,420	5,696
Contribution to defined contribution plans	-	43	-	43
Others	9,189	14,552	4,399	12,789
	15,581	23,745	7,819	18,528
Other employees				
Wages and salaries	1,070,219	1,096,013	745,977	743,219
Contribution to defined contribution plans	16,375	32,026	7,913	7,387
Others	641,259	574,344	530,341	424,046
	1,727,853	1,702,383	1,284,231	1,174,652
Total	1,743,434	1,726,128	1,292,050	1,193,180

NOTES TO THE FINANCIAL STATEMENTS

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

29. Expenses by nature

Included in cost of sales of goods :

	Consolidated financial statements		Separate financial statements	
	2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
Changes in inventories of finished goods and work in progress	(196,193)	(77,658)	(140,428)	(105,731)
Raw materials and consumables used	12,816,341	8,324,772	11,233,923	6,299,117
Employee benefit expenses	1,591,085	1,526,184	1,194,127	1,049,796
Depreciation and amortisation	568,296	550,421	250,607	241,619
Others	856,842	792,798	725,961	547,357
Total	15,636,371	11,116,517	13,264,190	8,032,158

Included in selling expenses :

	Consolidated financial statements		Separate financial statements	
	2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
Royalty fee	110,304	72,606	104,453	60,270
Personnel	29,936	49,443	20,250	39,731
Distribution	80,079	59,518	73,345	48,315
Depreciation and amortisation	2,237	2,717	323	463
Professional fee	321	-	321	-
Others	21,687	17,028	15,659	9,717
Total	244,564	201,312	214,351	158,496

Included in administrative expenses :

	Consolidated financial statements		Separate financial statements	
	2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
Personnel	116,413	150,501	77,673	103,653
Depreciation and amortisation	11,756	35,107	28,234	31,908
Professional fee	7,601	8,577	5,617	6,060
Travelling	2,881	4,579	1,673	3,121
Others	160,683	184,801	135,307	153,539
Total	299,334	383,565	248,504	298,281

30. Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
Current tax expense					
Current year		453	10,643	-	-
Under provided for prior years		30,280	-	33,006	-
		30,733	10,643	33,006	-
Deferred tax					
Movement in temporary difference	18	(28,170)	1,252	(29,648)	-
Total		(2,563)	11,895	(3,358)	-

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013 (Restated)	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit (loss) before income tax expense		530,610		(821,515)
Income tax using the Thai corporation tax rate	20	106,122	23	(188,948)
Tax privileges		-		(7,868)
Income tax not subject to tax		(126)		(209)
Expenses not deductible for tax purposes and others		10,309		9,826
Utilisation of previous tax losses		(113,742)		-
Current year losses for which no deferred tax asset was recognised		-		199,094
Total	1	2,563	1	11,895

	Separate financial statements			
	2014		2013 (Restated)	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit (loss) before income tax expense		423,326		(494,227)
Income tax using the Thai corporation tax rate	20	84,665	23	(113,672)
Income tax not subject to tax		(2,130)		(2,513)
Expenses not deductible for tax purposes and others		11,006		4,837
Utilisation of previous tax losses		(90,183)		-
Current year losses for which no deferred tax asset was recognised		-		111,348
Total	1	3,358	-	-

31. 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.

NOTES TO THE FINANCIAL STATEMENTS

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 2014 and 2013, classified under the promoted and non-promoted business are as follows :

Consolidated financial statements

	2014			2013		
	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Export and indirect export sales	819	15,246	16,065	4,615	1,826	6,441
Domestic sales	3	399	402	4,142	654	4,796
Total	822	15,645	16,467	8,757	2,480	11,237

Separate financial statements

	2014			2013		
	Promoted Business	Non-promoted Business	Total	Promoted Business	Non-promoted Business	Total
	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Export and indirect export sales	-	13,479	13,479	-	3,418	3,418
Domestic sales	-	448	448	-	4,618	4,618
Total	-	13,927	13,927	-	8,036	8,036

32. Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 30 September 2014 and 2013 were based on the profit (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		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht / thousand shares)	(in thousand Baht / thousand shares)	(in thousand Baht / thousand shares)	(in thousand Baht / thousand shares)
Profit (loss) for the year attributable to equity holders of the Company	528,047	(833,409)	419,698	(494,227)
Number of ordinary shares outstanding at 1 October	20,898	22,000	20,898	22,000
Effect of shares reduction	-	(1,102)	-	(1,102)
Weighted average number of ordinary shares outstanding	20,898	20,898	20,898	20,898
Basic earnings (loss) per share (in Baht)	25.27	(39.88)	20.10	(23.65)

33. Dividends

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

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 dividends were paid to shareholders during 2013.

34. 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 2014 and 2013, the forward exchange contracts entered into at the reporting date also relate to anticipated sales, denominated in foreign currencies.

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

	Note	Consolidated financial statements		Separate financial statements	
		2014 (in thousand Baht)	2013 (in thousand Baht)	2014 (in thousand Baht)	2013 (in thousand Baht)
US Dollars					
Cash and cash equivalents	7	124,585	121,621	124,585	121,621
Trade accounts receivable	8	805,813	463,625	805,813	458,232
Trade accounts payable	20	(426,853)	(404,891)	(404,385)	(356,387)
Gross balance sheet exposure		503,545	180,355	526,013	223,466
Currency forwards - Sale		(1,421,200)	(2,984)	(1,421,200)	-
Currency forwards - Purchase		253	12,178	-	-
Net exposure		(917,402)	189,549	(895,187)	223,466
Japanese Yen					
Cash and cash equivalents	7	47,626	749	47,626	749
Trade accounts receivable	8	464,249	571,793	408,391	268,708
Trade accounts payable	20	(232,830)	(281,987)	(180,637)	(159,514)
Gross balance sheet exposure		279,045	290,555	275,380	109,943
Currency forwards - Sale		(24,027)	(205,922)	-	-
Currency forwards - Purchase		18,269	36,319	-	-
Net Exposure		273,287	120,952	275,380	109,943

		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
	Note				
Malaysian Ringgit					
Trade accounts payable	20	(203)	(198)	(203)	(198)
Gross balance sheet exposure		(203)	(198)	(203)	(198)
Singapore Dollars					
Trade accounts payable	20	(46)	(46)	(46)	(46)
Gross balance sheet exposure		(46)	(46)	(46)	(46)

Credit risk

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

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

Liquidity risk

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

Determination of fair values

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

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

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

35. Commitments with non-related parties

		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(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	-	3,125
Non-cancellable operating lease commitments					
Within one year		11,348	10,095	5,585	3,527
After one year but within five year		12,939	5,422	10,389	2,230
Total		24,287	15,517	15,974	5,757

As at 22 October 2014, the Company has capital commitment amounted to Baht 35 million from the construction of buildings and others.

36. Other commitments

As 30 September 2014 and 2013, banks have provided the following guarantees on behalf of the Company and its subsidiary

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
Raw materials purchases	71,535	108,280	71,535	69,373
Electricity supply	37,569	37,569	30,003	30,003
Performance guarantees	-	1,577	-	-
Supply purchases	500	500	500	500
Others	-	1,000	-	1,000

As at 30 September 2014 and 2013, the Group had entered into forward contract with several banks. The details of the contracts are as follow :

Consolidated financial statements

	Forward Receivable				Forward Payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2014	2013	2014	2013	2014	2013	2014	2013
	(in million)	(in million)	(in million Baht)	(in million Baht)	(in million)	(in million)	(in million Baht)	(in million Baht)
US Dollars	44	0.1	1,421.00	2.98	0.01	0.39	0.25	12.18
Yen	79	644	24.03	205.92	61	114	18.27	36.32
Total			1,445.03	208.90			18.52	48.50

Separate financial statements

	Forward Receivable				Forward Payable			
	Currency		Equivalent to Baht		Currency		Equivalent to Baht	
	2014	2013	2014	2013	2014	2013	2014	2013
	(in million)	(in million)	(in million Baht)	(in million Baht)	(in million)	(in million)	(in million Baht)	(in million Baht)
US Dollars	44	-	1,421.00	-	-	-	-	-

The above contracts will be due within August 2015.

37. 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, are as following :

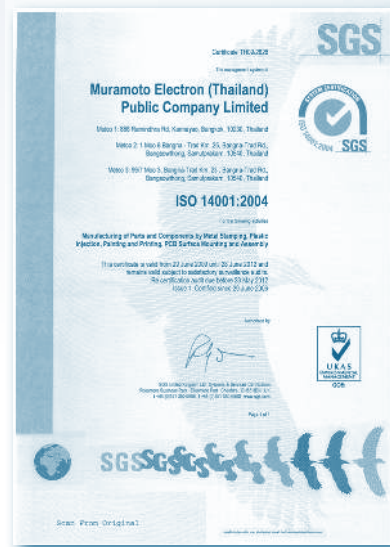
TFRSs	Topic	Year effective
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investment in Associates	2014
TAS 31 (revised 2012)	Interest in Joint Ventures	2014

● NOTES TO THE FINANCIAL STATEMENTS

TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
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
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 and expects that there will be no material impact on the financial statements in the period of initial application.

CERTIFICATE



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