

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

Financial statements for the year ended
30 September 2014
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้
กรุงเทพฯ 10120

Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Independent Auditor's Report

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.



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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of financial position

| Assets | Notes | Consolidated | | Separate | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 30 September | 30 September | 30 September | 30 September |
| | | 2014 | 2013 | 2014 | 2013 |
| | | | (Restated) | | (Restated) |
| | | (in Baht) | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of financial position

| Liabilities and equity | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|------------------------------------|----------------------------------|------------------------------------|
| | | 30 September 2014 | 30 September 2013 (Restated) | 30 September 2014 | 30 September 2013 (Restated) |
| <i>(in Baht)</i> | | | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of comprehensive income

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-----------|--------------------------------------|-----------------------|----------------------------------|----------------------|
| | | For the year ended 30 September | | For the year ended 30 September | |
| | | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| <i>(in Baht)</i> | | | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of changes in equity

| Year ended 30 September 2013 | Consolidated financial statements | | | | | | | Total equity |
|--|-----------------------------------|----------------------------------|-----------------|---------------|-----------------------------------|-------------------|----------------|---------------|
| | Note | Issued and paid-up share capital | Treasury shares | Share premium | Legal reserve <i>(in Baht)</i> | Retained earnings | | |
| | | | | | | Treasury shares | Unappropriated | |
| 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 | | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | |
| 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) |
| <i>Total contributions by and distributions to owners of the Company</i> | | (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.

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

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

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

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

| | Separate financial statements | | | | | | |
|--|----------------------------------|-----------------|---------------|-----------------------------------|-------------------------|----------------|---------------|
| | Issued and paid-up share capital | Treasury shares | Share premium | Legal reserve <i>(in Baht)</i> | Treasury shares reserve | Unappropriated | Total equity |
| Year ended 30 September 2013 | Note | | | | | | |
| Balance at 1 October 2012 | | 220,000,000 | (154,818,400) | 653,700,000 | 25,000,000 | 154,818,400 | 3,862,727,640 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | |
| 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) |
| <i>Total contributions by and distributions to owners of the Company</i> | | (11,019,000) | 154,818,400 | - | - | (154,818,400) | (51,675,300) |
| Total transactions with owners, recorded directly in equity | | (11,019,000) | 154,818,400 | - | - | (154,818,400) | (51,675,300) |
| Comprehensive income for the year | | | | | | | |
| Loss | | - | - | - | - | - | (494,226,634) |
| Other comprehensive income | | - | - | - | - | - | (33,798,263) |
| Total comprehensive income for the year | | - | - | - | - | - | (528,024,897) |
| Balance at 30 September 2013 | | 208,981,000 | - | 653,700,000 | 25,000,000 | - | 3,283,027,443 |

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

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

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

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of cash flows

| | Consolidated | | Separate | |
|---|---------------------------------|---------------------------|---------------------------------|-----------------------------|
| | financial statements | | financial statements | |
| | For the year ended 30 September | | For the year ended 30 September | |
| | 2014 | 2013 | 2014 | 2013 |
| | | (Restated) | | (Restated) |
| | (in Baht) | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit (loss) for the year | 528,047,166 | (833,409,491) | 419,967,943 | (494,226,634) |
| <i>Adjustments for</i> | | | | |
| 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 | - |
| | <u>1,029,338,209</u> | <u>428,392,019</u> | <u>700,519,376</u> | <u>62,248,321</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| 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 | <u>376,630,077</u> | <u>206,714,626</u> | <u>77,055,927</u> | <u>(188,446,646)</u> |

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Statements of cash flows

| | Consolidated | | Separate | |
|---|---------------------------------|----------------------|---------------------------------|---------------------|
| | financial statements | | financial statements | |
| | For the year ended 30 September | | For the year ended 30 September | |
| Note | 2014 | 2013 (Restated) | 2014 | 2013 (Restated) |
| | (in Baht) | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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Notes to the financial statements

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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

(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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 | | Separate | |
|--|-----------------------------|----------------|-----------------------------|----------|
| | financial statements | | financial statements | |
| | 30 September | | 30 September | |
| Statement of financial position as at | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | - |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

| Statement of comprehensive income for the year ended 30 September | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------|-------------------------------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| (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 <i>(in Baht)</i> | 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.

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Notes to the financial statements

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.

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Notes to the financial statements

(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.

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Notes to the financial statements

(i) *Investment properties*

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

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

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

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

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

(j) *Property, plant and equipment*

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets and leased assets under sale and leaseback agreements

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

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

The Group recognises finance leases as assets and liabilities in the statement of financial position at amounts equal to the lower of its fair value or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction

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Notes to the financial statements

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 |
|-------------------|-------------|

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

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Notes to the financial statements

(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.

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Notes to the financial statements

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.

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A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

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

(r) Revenue

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

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognized as service are provided.

Income from export tax rebate and import duty refund

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

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Notes to the financial statements

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.

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

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

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

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

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

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

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

(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.

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

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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 | | Separate | |
|---|-----------------------------|-----------|-----------------------------|---------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| <i>Muramoto Industry Co., Ltd.</i> | | | | |
| 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 | | | | |
| <i>Sima Technology Co., Ltd.</i> | | | | |
| 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 | | | | |
| <i>Muramoto Asia Pte Ltd.</i> | | | | |
| 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 | - |
| <i>Muramoto Manufacturing Europe S.R.O.</i> | | | | |
| Sales of goods | - | 32 | 894 | 32 |
| <i>Muramoto USA Inc.</i> | | | | |
| 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 Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------|----------------------------------|--------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Muramoto Technics (Malaysia) Sdn. Bhd.</i> | | | | |
| Purchases of goods | 3,326 | 12,443 | 3,326 | 12,443 |
| Technical fees | - | 63 | - | - |
| <i>Muramoto Audio-Visual Philippines, Inc</i> | | | | |
| Sales of goods | 31,566 | 19,592 | 31,566 | 19,555 |
| Purchases of goods | 2,695 | 3,921 | - | - |
| Other income | 308 | - | 308 | - |
| <i>Others</i> | | | | |
| 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 |

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

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 party | | | | |
| Muramoto USA Inc. | 96,691 | - | 96,691 | - |
| Total | 96,691 | - | 196,691 | 390,000 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Other receivable from related parties</i> | | | | |
| 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 |
| <i>Trade accounts payable to related parties</i> | | | | |
| 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 |
| <i>Other payable-related party</i> | | | | |
| 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 |
| <i>Payable for property, plant and equipment</i> | | | | |
| Muramoto Industry Co., Ltd. | - | 757 | - | 757 |
| Total | - | 757 | - | 757 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |

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.

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Notes to the financial statements

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 | | Separate | |
|---------------|---------------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 473 | 536 | 166 | 385 |
| Cash at banks | 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 | | Separate | |
|-----------------------|---------------------------|----------------|----------------------|----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | | Separate | |
|-----------------|------|---------------------------|------------------|----------------------|------------------|
| | | financial statements | | financial statements | |
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------|--|-------------------------|--|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | <u>2,620,487</u> | <u>1,749,863</u> | <u>2,375,791</u> | <u>1,477,530</u> |

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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | <u>2,620,487</u> | <u>1,749,863</u> | <u>2,375,791</u> | <u>1,477,530</u> |

9 Other receivables

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

10 Finance lease receivable

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------------|--|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | <u>26,166</u> | <u>43,610</u> | <u>26,166</u> | <u>43,610</u> |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <u>1,527,549</u> | <u>1,261,910</u> | <u>1,082,752</u> | <u>925,292</u> |
| Less allowance for decline in value | (5,742) | (33,460) | (5,742) | (28,133) |
| Net | <u>1,521,807</u> | <u>1,228,450</u> | <u>1,077,010</u> | <u>897,159</u> |

12 Other current assets

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | <u>98,255</u> | <u>82,394</u> | <u>74,631</u> | <u>60,017</u> |

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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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

| | | <u>Consolidated/Separate financial statements</u> |
|--|-------------|---|
| | | <u>Machinery and equipment</u> |
| | | <u>at net book value</u> |
| | <i>Note</i> | <i>(in thousand Baht)</i> |
| 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 | | - |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 statements | | | | | | | |
|---------------------------|--|--------------------------------------|-------|-----------------|----------------|--------------------|----------------|---------------|---------------|
| | | Ownership interest | | Paid-up capital | | Cost method | | Dividend | |
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | | (%) | | | | (in thousand Baht) | | | |
| Sima Technology Co., Ltd. | | 99.99 | 99.99 | <u>300,000</u> | <u>300,000</u> | <u>299,998</u> | <u>299,994</u> | <u>10,020</u> | <u>10,020</u> |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

15 Investment properties

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

16 Property, plant and equipment

| | Consolidated financial statements | | | | | | | Total |
|--|-----------------------------------|--|------------------------|--|--------------------------|--|--------------------------|------------------|
| | Land | Land improvements & leasehold improvements | Building and structure | Machinery & equipment <i>(in thousand Baht)</i> | Transportation equipment | Furniture, fixtures and office equipment | Construction in progress | |
| <i>Cost</i> | | | | | | | | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

| | Consolidated financial statements | | | | | | | Total |
|--|-----------------------------------|--|------------------------|-----------------------|--------------------------|--|--------------------------|------------------|
| | Land | Land improvements & leasehold improvements | Building and structure | Machinery & equipment | Transportation equipment | Furniture, fixtures and office equipment | Construction in progress | |
| 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 | 233,125 | 120,278 | 1,385,426 | 959,080 | 935 | 32,571 | 64,793 | 2,796,208 |
| Owned assets | - | - | - | 212,805 | - | - | - | 212,805 |
| Assets under finance leases | 233,125 | 120,278 | 1,385,426 | 1,171,885 | 935 | 32,571 | 64,793 | 3,009,013 |
| At 30 September 2014 | 233,125 | 121,815 | 1,301,510 | 892,097 | 381 | 24,116 | 9,749 | 2,582,793 |
| Owned assets | - | - | - | 187,381 | - | - | - | 187,381 |
| Assets under finance leases | 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).

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Notes to the financial statements

| Cost | Separate financial statements | | | | | | | Total |
|--|-------------------------------|--|------------------------|--|--------------------------|--|--------------------------|------------------|
| | Land | Land improvements & leasehold improvements | Building and structure | Machinery & equipment <i>(in thousand Baht)</i> | Transportation equipment | Furniture, fixtures and office equipment | Construction in progress | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

| | Separate financial statements | | | | | | Total |
|--|-------------------------------|--|------------------------|--|--------------------------|--|------------------|
| | Land | Land improvements & leasehold improvements | Building and structure | Machinery & equipment <i>(in thousand Baht)</i> | Transportation equipment | Furniture, fixtures and office equipment | |
| 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 | 1,881,190 |
| At 30 September 2014 | 201,432 | 121,815 | 699,165 | 729,584 | 32 | 18,157 | 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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Notes to the financial statements

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 |
|--|------|------------|
| | - | 10.84 |
| | - | (1) - (12) |

17 Intangible assets

| | Consolidated | | Separate | |
|--|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cost</i> | | | | |
| 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 |
| <i>Amortisation</i> | | | | |
| 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 |
| <i>Net book value</i> | | | | |
| At 30 September | 8,199 | 8,989 | 5,805 | 5,837 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

18 Deferred tax

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

| | Consolidated financial statements | | | |
|--|--|----------|--------------------|----------------|
| | Assets | | Liabilities | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(in thousand Baht)</i> | | | |
| | <i>(Restated)</i> | | | |
| 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 |
| | | Profit or loss | Other comprehensive income | |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | | Profit or loss | Other comprehensive income | |
| | <i>(in thousand Baht)</i> | | | |
| Deferred tax liabilities | | | | |
| Finance lease liabilities | (87) | (1,252) | - | (1,339) |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

| | At 1 October 2013 | Separate financial statements (Charged) / Credited to: | | At 30 September 2014 |
|-----------------------------|-------------------------|---|----------------------------------|----------------------------|
| | | Profit or loss | Other comprehensive income | |
| <i>Deferred tax assets</i> | | <i>(in thousand Baht)</i> | | |
| 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 |
| | <i>(in thousand Baht)</i> | | | |
| 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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

19 Interest-bearing liabilities

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | Interest | Present value of minimum lease payments | Future minimum lease payments | Interest | Present value of minimum lease payments |
| | <i>(in thousand Baht)</i> | | | | | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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

20 Trade accounts payable

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

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

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| <i>(in thousand Baht)</i> | | | | |
| 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 | <u>1,949,354</u> | <u>1,464,487</u> | <u>1,684,271</u> | <u>1,261,007</u> |

21 Other payables

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

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 |
| | <i>(in thousand Baht)</i> | | | |
| Present value of unfunded obligations | 142,720 | 126,438 | 116,540 | 104,562 |
| Statement of financial position obligation | 142,720 | 126,438 | 116,540 | 104,562 |

Movement in the present value of the defined benefit obligations:

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(%)</i> | | | |
| 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 <i>(in Baht)</i> | 2014 | | 2013 | |
|--|----------------------------------|---------------|----------------|---------------|----------------|
| | | Number | Baht | Number | Baht |
| <i>(thousand shares/thousand Baht)</i> | | | | | |
| 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 the Ministry of Commerce, Re: Rules and Procedures for the Purchase, Disposal and Writing off of Treasury Stocks of Companies, B.E. 2544.

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Notes to the financial statements

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.

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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.

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Information about reportable segments

| | TACMIC | | Electronic parts for office automation business | | Other business (in million Baht) | | Total | | Eliminations | | Net | |
|--------------------------------------|--------------|--------------|---|--------------|-------------------------------------|------------|---------------|----------------|--------------|-------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
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Reconciliations of reportable segment assets

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

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 |
| | <i>(in million Baht)</i> | | | |
| Japan | 5,859 | 5,059 | - | - |
| Thailand | 6,900 | 4,861 | 2,916 | 3,193 |
| Other countries | 3,708 | 1,317 | - | - |
| Total | <u>16,467</u> | <u>11,237</u> | <u>2,916</u> | <u>3,193</u> |

* 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

| | <i>Note</i> | Consolidated | | Separate | |
|---------------------------------|-------------|-----------------------------|----------------|-----------------------------|----------------|
| | | financial statements | | financial statements | |
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| 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 | | <u>201,304</u> | <u>205,169</u> | <u>182,166</u> | <u>188,888</u> |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
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28 Employee benefit expenses

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------|----------------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <u>15,581</u> | <u>23,745</u> | <u>7,819</u> | <u>18,528</u> |
| 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 |
| | <u>1,727,853</u> | <u>1,702,383</u> | <u>1,284,231</u> | <u>1,174,652</u> |
| Total | <u>1,743,434</u> | <u>1,726,128</u> | <u>1,292,050</u> | <u>1,193,180</u> |

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 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | <u>15,636,371</u> | <u>11,116,517</u> | <u>13,264,190</u> | <u>8,032,158</u> |

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Included in selling expenses:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 | 2013 | 2014 | 2013 |
| | | <i>(Restated)</i> | | | |
| | | <i>(in thousand Baht)</i> | | | |
| 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) | - |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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 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.

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.

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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 | | | | | |
|----------------------------------|--|----------------------------|---------------|-------------------|----------------------------|---------------|
| | Promoted Business | 2014 Non-promoted Business | Total | Promoted Business | 2013 Non-promoted Business | Total |
| | <i>(in million Baht)</i> | | | | | |
| 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 | | | | | |
|----------------------------------|--------------------------------------|----------------------------|---------------|-------------------|----------------------------|--------------|
| | Promoted Business | 2014 Non-promoted Business | Total | Promoted Business | 2013 Non-promoted Business | Total |
| | <i>(in million Baht)</i> | | | | | |
| 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 |
| | <i>(Restated)</i> | | | |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit (loss) for the years attributable to equity holders of the Company | 528,047 | (833,409) | 419,968 | (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.

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

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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:

| | | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| 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 |

Muramoto Electron (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

| | | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | (in thousand Baht) | | | |
| 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 |
| 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.

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Notes to the financial statements

35 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(in thousand Baht)</i> | | | |
| 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 |
| | <i>(in million)</i> | | <i>(in million Baht)</i> | | <i>(in million)</i> | | <i>(in million Baht)</i> | |
| 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 |
| | <i>(in million)</i> | | <i>(in million Baht)</i> | | <i>(in million)</i> | | <i>(in million Baht)</i> | |
| US Dollars | 44 | - | 1,421.00 | - | - | - | - | - |

The above contracts will be due within August 2015.

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Notes to the financial statements

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 |
| 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.