



บริษัท กังยงอีเลคทริก จำกัด (มหาชน)

KANG YONG ELECTRIC PUBLIC COMPANY LIMITED

67 หมู่ 11 ถ.เทพรัตน กม.20 ต.บางไผ่ อ.บางพลี จ.สมุทรปราการ 10540

67 Moo 11, Debaratna Road km.20, Bangchalong, Bangplee, Samutprakarn 10540

Tel : +66-2-337-2900 Fax : +66-2-337-2439-40

URL : <http://www.mitsubishi-kye.com>

A Group Company of



M.D. 061/2023

June 16, 2023

Subject : Notification of Resolutions of the Special Board of Directors and fixing the date for the Annual General Meeting of Shareholders for the year 2023  
To : President of the Stock Exchange of Thailand  
Enclosure : The connected transaction information for product development fee

The Special Board of Directors' Meeting No.1/2023 of Kang Yong Electric Public Company Limited (the "Company"), held on Friday, June 16, 2023, has passed the followings important resolutions:

1. It is deemed appropriate to propose to Annual General Meeting of Shareholders for consideration and approval the profit appropriation for dividend payment to the Company's shareholders for its 2017 performance at the rate of 4.10 baht per share, amounting to 81.2 million baht in total. However, the mentioned dividend payment remains uncertainty. Due to the pending approval of the Annual General Meeting of Shareholders for the year 2023.
2. Approved the connected transaction for product development fee to propose in the Annual General Meeting of Shareholders for the year 2023. (Details of the agenda appeared in the enclosure 1)
3. The date and venue of the Annual General Meeting of the Shareholders for the year 2023 via Electronic Meeting (E-AGM) only one format is determined as Wednesday 26 July 2023 at 02:00 p.m. at Meeting room 121, 2<sup>nd</sup> Floor, Kang Yong Electric Public Company Limited, located at No. 67 M. 11, Debaratna Road Km. 20, Banchalong, Bangplee, Samutprakarn 10540 with the following agendas:  
Agenda 1 To acknowledge the Board of Directors' report on the operational result for year 2022  
Agenda 2 To consider and approve the annual financial statement 2022 year ended 31 March 2023  
Agenda 3 To consider and approve the profit appropriation and annual dividend payment  
Agenda 4 To consider the election of Directors in place of those retiring by rotation  
Agenda 5 To consider and approve the directors' remunerations of fiscal year 2023  
Agenda 6 To consider the appointment auditors and fix audit fee for fiscal year 2023  
Agenda 7 To consider and approve the connected transaction for product development fee  
Agenda 8 To consider other businesses (if any)  
(Details of the agenda appeared in the enclosure 3)
4. Determined the date on which the recorded shareholders have the right to attend the Annual General Meeting of the Shareholders for the year 2023 (Record Date) on Friday, June 30, 2023.
5. The Record Date for shareholders' registration for receiving dividend for fiscal year 2023 will be recorded on Friday, August 4, 2023. The dividend payment will be made on Tuesday, August 22, 2023

Please kindly be informed accordingly

Your kind acknowledgment in this matter will be appreciated.

Yours Sincerely,

Keiji Oya

Vice Chairman of the Board of Directors

Corporate Strategic Planning Office

Tel. 02-337-2900 ext. 1150

The Board of Directors meeting of the Company on June 16, 2023 has resolved to approve the connected transaction for product development fee (renewal) between Kang Yong Electric Public Company Limited and Mitsubishi Electric Corporation

**1. Transaction Date :**

April 1, 2024 - March 31, 2029

**2. Connected Parties :**

Payer : Kang Yong Electric Public Company Limited ("the company")

Payee : Mitsubishi Electric Corporation ("MELCO") holds 9,048,020 shares or 45.70%.

**3. Character of Transaction:**

This transaction was classified as supporting normal business transaction by not carrying on general trading conditions. The company entered into the Technical Assistance Agreement with MELCO, as a major shareholder of the company. Base on such agreement, the company is granted a right to manufacture and sales electric homes appliances under " Mitsubishi Electric" trademark, and MELCO also provides technical assistance, manufacturing technology and undertake development for new products. The company is obligation to pay development fee by the actual costs, comprised of raw material cost, testing cost, engineering and technician staff cost. The term of the agreement is 5 years and is automatically extend for a successive period of 5 years

Payments for product development for the past 5 years are shown in the table below.

Year ended	2020	2021	2022	2023
	01/04/19- 31/03/20	01/04/20- 31/03/21	01/04/21- 31/03/22	01/04/22- 31/03/23
Development Fee (M.Baht)	270	234	225	194
Development Fee / NTA (%)	4.8%	2.8%	2.8%	2.5%
Net Tangible Asset (NTA)	5,597	8,344	7,966	7,852

However, in case of the product development fee exceeding 3% of NTA, the company shall be disclosure information regarding to the connected transaction to SET and require to obtain a shareholder resolution to approve such the connected transaction with the vote of at least three-fourths of total number of votes of the shareholders or their proxies (if any) attending the meeting and having voting right, excluding interested shareholders' equity.

**4. Size of the Connected Transaction**

Not exceed 4% of the revenue from sale of goods and rendering of services or about 1,921 Million Baht per 5 years, which exceeding 3% of Net Tangible Assets (NTA) (NTA at 31<sup>st</sup> March 2023 = 7,852 M.baht, 3% of NTA = 236 M.baht)

(Estimate development fee)	Actual	%Estimate	Propose
5 Years	2015-2019	2020-2024	2025-2029
	01/04/14-31/03/19	01/04/19-31/03/24	01/04/24-31/03/29
Sale of goods and rendering of services (M.baht)	43,128	41,068	48,027
% sales growth	32.1%	-4.8%	16.9%
Development Fee (M.baht)	1,376	1,124	1,921
% per Sale of goods and rendering of services	3.2%	2.7%	4.0%

\* %Estimate = Actual 4 Years + Estimate 1 Year

The payment for product development is actually paid. Therefore, the total value of the transaction is only an estimate, with a limit of no more than 4% of estimated sales of goods and services in the future (5 years).

#### 5. Directors who is related person (no attending and no right to cast the votes)

Name	Relevant	hold KYE's shares
1. Mr. Keiji Oya	Directors who are related person from MELCO	None
2. Mr. Yasuhito Negishi		None
3. Mr. Hitoshi Maruyama		None
4. Mr. Osamu Sugimoto	Directors who are representative from MELCO	None
5. Mr. Kunihiko Seki		None
6. Mr. Tatsuo Ono		None

#### 6. Reasonableness of Transaction

- To maintain Business Continuity, because the product development is crucial to the continuity in business operation of the company. In addition, product improvement also helps increase competitive edge when compared with other competitors.
- To Enhance Sales Revenue and Maintain Market Share. The company's market share of continuous product development activities with MELCO whether for minor or major changes in products help enhance the company's sales revenue and maintain market share.
- Preparation for expansion in new market.
- To Enhance quality and improve products to comply with regulatory and standard requirement of each countries.
- To strengthen the development skills of technology transfer.

#### 7. Opinion of the Audit Committee

- This contract is the main contract for running a business of the company, useful and necessary add value to the company due to the increase in sales revenue as a result of the continuous sales.
- Payment terms are reasonable. The value of the transaction has a reasonable return on revenue. Compared to Business operators in the same industry.

**8. The Board of Directors's opinion**

1. This agreement is essential to the company's business. It is able the company to produce the quality and safe products which using the high technology. As a result, the company has increased its efficiency and performance to be competitive in the market.
2. Adding the value to the products which able to increase the sales revenue and maintain the business continuity.
3. The payment term & conditions are reasonable. The proportion of the development fee to the sales revenues are suitable when compared to the same business in home appliances.

**The Board of Directors** : is of the opinion that the mentioned connected transaction is appropriate to propose to grant the approval from the Annual General Meeting will be held on Wednesday 26 July 2023 The Board of Directors meeting no. 4/2022 on 13 February 2023 had the resolution to appoint "Silom Advisory Company Limited" to be the independent financial advisor to comment the connected transaction in the AGM.

Yours Sincerely,

Keiji Oya

Vice Chairman of the Board of Directors

Corporate Strategic Planning Office

Tel: 0-2337-2900 ext. 1150